



**The Republic of Uganda**

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

**ANNUAL REPORT  
JULY 2018 TO JUNE 2019**

**PROJECT MANAGEMENT UNIT**

**Ministry of Agriculture, Animal**

**Industry and Fisheries**

**KAMPALA**

**SEPTEMBER 2019**

## **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:** 31<sup>st</sup> December 2019

**CLOSING DATE:** 30<sup>th</sup> June 2020

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### **CURRENCY EQUIVALENTS**

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

### **WEIGHTS AND MEASURES**

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

## ABBREVIATIONS AND ACRONYMS

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

## **1.0. INTRODUCTION**

### **1.1 BACKGROUND**

The second phase of the Vegetable Oil Development Project (VODP2) was approved by the International Fund for Agricultural Development (IFAD) Executive Board in April 2010 and by the Parliament of the Government of Uganda (GOU) on 29 September 2010. GOU and IFAD signed the loan agreement in Rome on 21 October 2010. The project was initially scheduled to be completed on 31<sup>st</sup> December 2018 but Government of Uganda wrote to IFAD on 4<sup>th</sup> June 2018 and requested for an extension of the completion date for one year, to allow for the design of a new oil seeds investment and complete the infrastructure investments under VODP 2. On 3<sup>rd</sup> July 2018, IFAD responded to the GOU request and approved an extension of the oil seeds component and the PMU operating costs related to the implementation of oil seeds activities to a completion date of 31 December 2019 and a closing date of 30 June 2020.

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 which ended December 2018, the project partnered with Oil Palm Uganda Limited (OPUL) in Kalangala District and consolidated the gains in smallholder oil palm development under the first phase of the project, and expanded the smallholder oil palm estate to the neighboring outlying islands of Bunyama and Bubembe. The component also supported 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 continues to support 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 highlights of the activities under the oil palm component, the output and outcome performance under the oil seeds component and highlights under the Project Management component between July 2018 and June 2019. The report highlights the outputs of the project against the project design targets, the innovations, the lessons learned and the challenges encountered.

## **2.0 PROGRESS UNDER THE OIL PALM DEVELOPMENT COMPONENT**

### **2.1 Oil palm consolidation and expansion in Kalangala**

The oil palm component of the VODP 2 was completed on 31<sup>st</sup> December 2018 and closed 30<sup>th</sup> June 2019. By the completion date, the project had sustainably established a commercial oil palm scheme in Kalangala with a 11,348-hectare plantation of which 6,500 hectares were under the private sector partner – OPUL while the project had supported 2,063 smallholder farmers (39% female) to establish a 4,848-hectare smallholder/ out grower scheme. The project provided a proof of concept for implementation of a Public Private Producer Partnership (PPPP) model in the agriculture sector and has formed the basis from which most of the new project and program designs are made. The sections below provide progress of implementation of the planned activities in FY 2018/19 and also provide the overall progress towards achievement of the project targets.

#### **2.1.1 Farmers registered to participate in the smallholder scheme**

The number of registered farmers under Kalangala Oil Palm Growers Trust (KOPGT) has increased from 1,810 (36% female) in June 2018 to 2,063 (39% female) in June 2019. KOPGT also has 37 registered institutions like Churches. Table 2.1 below shows the number of farmers registered between 2010 and 2019.

**Table 2.1: Number of farmers registered in Kalangala**

	2010		2011		2012			2013			2014			2015			2016			2017			2018			2019		
BLOCK	M	F	M	F	M	F	Ins	M	M	F	Ins	F	Ins	M	F	Inst												
Bbeta East	130	72	136	81	165	130	5	235	239	163	5	160	5	235	160	5	235	160	5	244	167	5	239	163	5	246	176	7
Bbeta West	161	88	174	94	175	123	0	191	193	102	0	102	0	191	102	0	191	102	0	193	102	0	193	102	0	182	132	3
Bujumba	96	50	105	54	127	58	0	164	125	102	0	102	0	164	102	0	164	102	0	135	108	0	125	102	0	86	44	1
Kagulube	114	49	115	52	125	61	0	136	141	72	0	70	0	136	70	0	136	70	0	141	72	0	141	72	0	153	80	5
Kalangala	100	50	104	49	102	55	2	107	96	57	2	54	2	107	54	2	107	54	2	96	57	2	96	57	2	62	25	4
Kayunga	147	68	140	69	138	94	3	189	194	92	3	90	3	189	90	3	189	90	3	194	92	3	194	92	3	222	145	6
Islands									160	64	0									126	64	0	160	64	0	270	203	11
Sub-Totals	748	377	774	399	832	521	10	1022	1148	652	10	578	10	1022	578	10	1022	578	10	1129	662	10	1148	652	10	1221	805	37
<b>TOTAL</b>	<b>1,115</b>		<b>1,188</b>		<b>1,353</b>			<b>1,610</b>			<b>1,610</b>			<b>1,610</b>			<b>1,801</b>			<b>1,810</b>			<b>1,810</b>			<b>2,063</b>		

### 2.1.2 Oil palm planting in Kalangala District

By June 2019, the total oil palm coverage in Bugala, Bunyama and Bubembe islands was at 11,348 hectares. The private sector nucleus estate remained at 6,500 hectares while smallholder scheme expanded from 4,424 hectares in June 2018 to 4,848 hectares (103% of the target).

The table 2.2 below shows the hectares planted with oil palm by smallholder farmers in Kalangala between 2010 and June 2019.

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

<b>Block</b>	<b>Dec-10</b>	<b>Dec-11</b>	<b>Dec-12</b>	<b>Dec-13</b>	<b>Dec-14</b>	<b>Dec-15</b>	<b>Dec-16</b>	<b>Jun-19</b>
Bbeta East	301	334	576	629	629	645	662	719
Bbeta West	412	497	715	750	750	760	770	811
Bujumba	254	271	513	607	587	611	623	643
Kagulube	290	175	331	366	366	385	384	403
Kalangala	323	340	462	506	476	478	478	478
Kayunga	332	402	555	659	659	670	673	709
Outlying Islands	0	0	0	0	50	405	488	739
Out-growers	346	346	346	346	346	346	346	346
<b>Total</b>	<b>2,258</b>	<b>2,366</b>	<b>3,498</b>	<b>3,863</b>	<b>3,863</b>	<b>4,300</b>	<b>4,424</b>	<b>4,848</b>

### 2.1.3 Loans provided to smallholder farmers for oil palm production

Between July 2018 and June 2019, cash loans amounting to UGX 189 million were provided as maintenance loans to 113 smallholder farmers on 319 hectares. The project also paid UGX 6.9 billion for fertilizers in Kalangala. This increased the total amount disbursed to KOPGT for smallholders for oil palm development activities to UGX 53 billion. Table 2.3 below shows the loans provided to the smallholders by block.

**Table 2.3: Smallholder loan distribution between July 2018 and June 2019 by block**

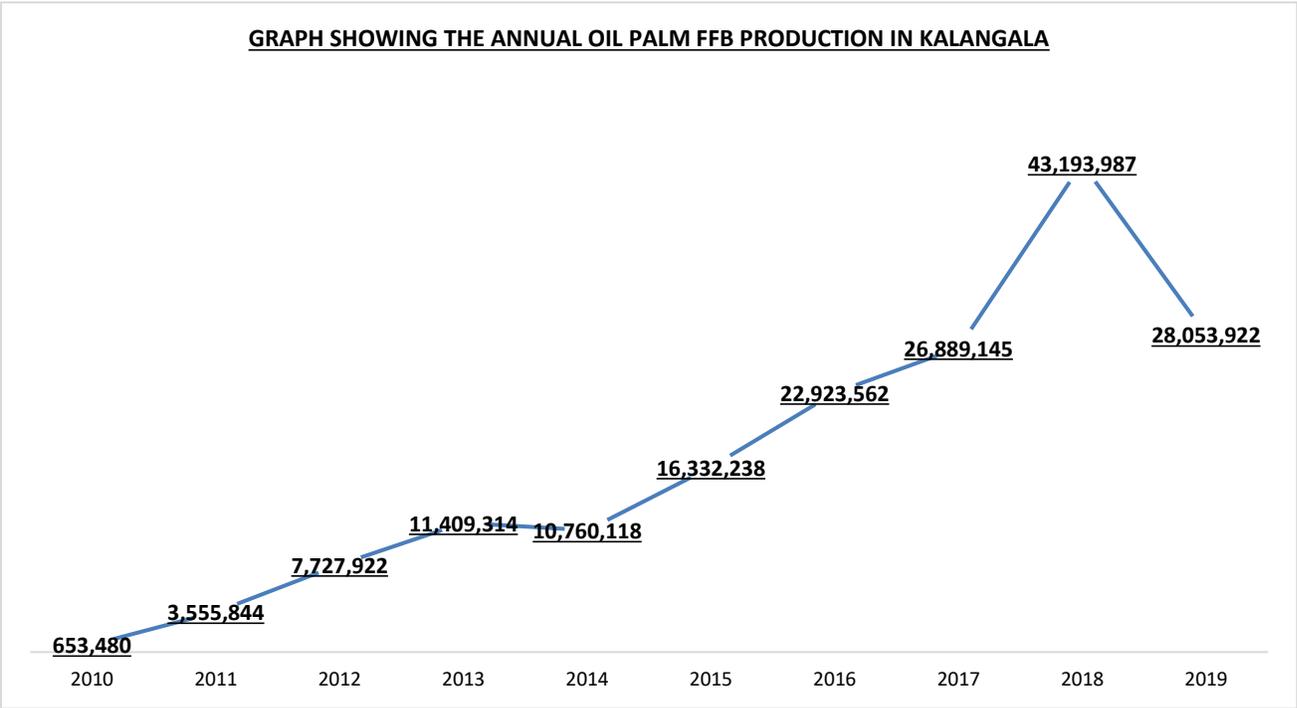
<b>BLOCK</b>	<b>MANTAINANCE</b>	<b>No of Farmers</b>	<b>Acres</b>	<b>Ha</b>
Bbeta East	27,487,500	14	156	64
Bbeta West	5,512,500	7	20	8
Bujumba	8,962,500	7	37	15
Kagulube	13,087,500	11	58	24
Kalangala	-	-	-	-
Kayunga	40,162,500	38	168	70
Bubembe	30,225,000	21	125	52
Bunyama	26,400,000	11	108	45
Contractors	37,500,000	4	100	41
<b>Total Loan</b>	<b>189,337,500</b>	<b>113</b>	<b>770</b>	<b>319</b>

#### **2.1.4 Fresh fruit bunch harvest by smallholder oil palm farmers**

Between July 2018 and June 2019, a total of 46,262 tons of FFB valued at UGX 20,641,766,663 (UGX 20,642 billion) were harvested by the smallholder farmers in Kalangala. In the months of April and May 2019, the farmers harvested 5,573 tons and 5,811 tons respectively, the highest ever FFB harvests in Kalangala since January 2010 when farmers started harvesting. Also, the FFB harvests by financial year increased from 37,802 tons valued at UGX 21.4 billion in FY 2017/18 to 43,262 tons valued at UGX 20.6 billion in FY 2018/19 showing that FFB harvest had a 13% increase but the value of production went down as a result of lower average prices. Cumulatively, the smallholder farmers in Kalangala have harvested 171,500 tons of FFB valued at UGX 82.459 billion between January 2010 and July 2019. The increase in production is largely attributed to an increase in area mature for harvesting and an increase in yield due to farmers following the recommended agronomic practices and fertilizer regime.

The number of farmers harvesting has increased from 1,199 in June 2018 to 1,240 in June 2019. The area under harvest increased from 3,021 hectares in June 2018 to 3,200 hectares in June 2019. Figure 1 below shows the trend in the annual FFB production by smallholder farmers in Kalangala.

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



**Table 2.4: FFB harvests (in kgs) by smallholder farmers between January 2010 and July 2019**

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Jan	1,490	80,281	560,796	615,350	951,759	1,233,520	1,089,215	2,175,598	3,088,334	2,429,474
Feb	9,080	119,478	655,719	698,787	744,865	1,431,761	938,339	2,022,620	3,187,955	2,793,454
Mar	15,393	280,670	644,848	960,085	871,154	1,471,949	1,905,194	2,276,417	5,260,824	4,222,067
Apr	39,736	253,924	827,630	1,162,113	905,758	1,792,796	3,107,832	2,312,220	5,142,312	5,572,609
May	57,240	322,334	786,172	1,188,216	912,909	1,696,157	2,808,684	2,674,510	4,397,812	5,810,986
Jun	50,210	262,570	617,324	1,052,661	777,304	1,336,570	2,246,660	1,988,820	3,285,556	3,602,618
Jul	45,590	330,047	501,854	853,694	722,247	1,093,765	1,653,243	1,801,180	3,020,679	3,622,714
Aug	57,083	276,397	627,690	789,549	787,040	1,071,306	1,480,480	1,959,470	3,662,417	
Sep	85,790	286,253	666,883	890,701	801,909	1,228,237	1,494,318	1,664,080	3,363,090	
Oct	88,088	316,285	636,410	1,085,660	1,137,623	1,348,944	1,842,085	2,349,420	3,387,747	
Nov	94,811	465,828	710,234	1,133,816	1,170,411	1,405,193	2,453,030	3,053,850	2,756,394	
Dec	108,969	561,777	492,362	978,682	977,139	1,222,040	1,904,482	2,610,960	2,640,867	
Monthly Avg	54,457	296,320	643,994	950,776	896,677	1,361,020	1,910,297	2,240,762	3,599,499	4,007,703
<b>Annual</b>	<b>653,480</b>	<b>3,555,844</b>	<b>7,727,922</b>	<b>11,409,314</b>	<b>10,760,118</b>	<b>16,332,238</b>	<b>22,923,562</b>	<b>26,889,145</b>	<b>43,193,987</b>	<b>28,053,922</b>

### **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. In September 2019, a new pricing committee was inaugurated by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). The new committee is comprised of 9 members from MAAIF (Chair), Ministry of Finance, Planning and Economic Development (MFPED), Ministry of Trade Industry and Cooperatives (MTIC), BIDCO/ OPUL, Kalangala District Local Government (KDLG), VODP 2 PMU, KOPGT and Farmer Representatives (02). This committee is further supported by a sub-pricing committee that was established in Kalangala which has increased participation of farmers and other stakeholders in Kalangala and reduced concerns by stakeholders about how the monthly FFB price is determined. The sub-pricing 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 sub-pricing committee helps to ensure the farmers understand how the monthly price was derived and its meetings are conducted in different blocks and provide a platform to discuss changes in quality standards, fruit quality and any other emerging issues related to FFB harvesting, transportation and milling. The monthly FFB pricing formula is shown below:

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

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

H: Price of crude palm oil ex-mill

K: Oil extraction rate per ton

J: Constant of 1.2.

The average price for July 2018 to June 2019 was UGX 477.5 per kg of FFB. An assessment of the change by financial year shows that there has been a decrease in the average monthly price from UGX 568 per kg of FFB in FY 2017/18 to UGX 477 per kg of FFB in FY 2018/19. This price decrease is largely as a result of the fluctuating supply of Malaysian palm oil to the world market. Table 2.5 below shows the price trends between January 2010 and September 2019.

**Table 2.5: Price trends per kg of FFB in Kalangala**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	215	407	391	340	397	359	398	598	525	440
February	215	431	401	369	381	373	405	617	535	469
March	227	434	397	378	396	379	462	595	564	484
April	247	410	443	371	431	382	478	565	565	450
May	246	398	466	358	407	401	512	550	566	473
June	248	466	422	365	398	402	490	562	557	449
July	252	428	386	370	390	434	476	537	550	442
August	256	436	393	357	393	437	459	528	512	436
September	280	468	408	377	355	391	507	593	497	463
October	285	465	393	371	334	406	542	623	494	
November	328	422	349	379	346	436	525	613	479	
December	348	411	348	403	373	392	565	612	433	
<b>Av. price</b>	<b>262</b>	<b>431</b>	<b>400</b>	<b>370</b>	<b>383</b>	<b>399</b>	<b>485</b>	<b>583</b>	<b>523</b>	<b>456</b>

### 2.1.6 Recovery of the loans to the oil palm smallholder farmers

Between July 2018 and June 2019, KOPGT recovered a total of UGX 6,391,636,706 (UGX 6.4 billion) from the smallholder farmers. This increased the cumulative loan recoveries from the smallholder oil palm farmers to UGX 24.9 billion from January 2010 to June 2019. Comparing the loan recovery by financial year, there was a reduction in the annual recoveries from UGX 6.7 billion in FY 2017/18 to UGX 6.4 billion in FY 2018/19.

### 2.1.7 Supporting infrastructure for oil palm development.

#### a. Road Construction on Bugala Island

All road works in Kalangala were completed in December 2018 as the oil palm component was not included in the VODP 2 extension granted by IFAD and GOU. Between July and December 2018, 235 kms of new farm roads were constructed on Bugala Island. The construction works included bush clearing, levelling/ grading, shaping to form camber and compaction. The project also maintained 78 kms of farm roads by reshaping the existing farm roads to restore the road camber and compaction. The road works were carried out using force account mechanism with equipment and personnel from the Namalere based Agricultural Mechanization Project by MAAIF and hired equipment.

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

Construction of roads on Bunyama and Bubembe Islands was completed in December 2018 with 52 kms of farm roads constructed on Bunyama Island and 67 kms of farm roads constructed on Bubembe Island. The roads have already improved FFB collection from the outlying islands as the farmers are now able to transport their FFB from all corners of the island to the collection point.

**c. Design and Construction of Landing Sites**

***Bunyama and Bubembe Islands:*** The Designs and bidding documents for the landing sites of Bunyama and Bubembe were prepared and are ready to be sent to IFAD for a no-objection.

***Kiyindi, Buvuma Island and Bugala Island:*** The design and build contracts for these three landing sites were signed in December 2018. Commencement of the design works was effective June 2019 and the Contractors are due to submit their preliminary designs.

**d. Design and Construction/Supply of Ferries**

The design and build contract for the Kiyindi-Buvuma ferry was signed in December 2018. Commencement of works was effective 24<sup>th</sup> June 2019 and the Contractor submitted preliminary designs which were reviewed by the Employer.

The second ferry which is to serve the outlying Islands of Kalanga is to be re-advertised. The designs and and bidding documents are ready to be sent to IFAD for a no-objection.

**a. Supervision of Construction of Landing Sites**

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

**b. Fertilizer Stores at Bunyama and Bubembe Islands:**

Progress on the construction of Fertilizer Stores for Bunyama is at 65% and at Bubembe is at 45%. Completion of these works is scheduled for December 2019.

**c. Fertilizer Store and Offices at Buvuma**

*Offices:* Construction of offices for Buvuma hub is at 50% progress and completion is scheduled for December 2019.

*Fertilizer Store:* Bidding documents for construction of fertilizer store for Buvuma are ready to be sent to IFAD for a no-objection.

**d. Expansion of KOPGT Offices**

Expansion offices for KOPGT by constructing a conference hall was completed in May 2019.

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

Renovation of Soybean Store at MUARIK was completed in November 2018.

**2.1.7 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 2.6: 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
2018	37,363	107,344	43,199		
<b>Total</b>	<b>178,730</b>	<b>602,382</b>	<b>143,537</b>	<b>72.45</b>	<b>826.99</b>

### **2.1.8 Oil palm research**

Oil palm (*Elaeis guineensis* Jack) is becoming a lucrative crop for both commercial and smallholder farmers in Uganda. Despite its commercial and food value, oil palm production and productivity is challenged by pests, diseases, poor agronomic practices, physiological disorders, inadequate information on areas suitable for production, weak research partnerships and inadequate exposure of oil palm researchers. Hence, the need to address the challenges highlighted if effective oil palm production and productivity is to be realized.

In order to address the challenges facing oil palm production, studies were initiated with the following objectives to; 1) Develop improved soil fertility and tree management technologies for oil palm, 2) identify and manage oil palm diseases and pests, 3) identify causes of oil palm physiological disorders, 4) strengthen research collaboration and partnerships, and 5) disseminate technologies developed through appropriate uptake pathways. To achieve these objectives several studies and interventions were undertaken and the following results have been realized.

#### **a. Performance of the oil palm research trials**

NACRRI has over the year carried out oil palm tree management and yield evaluation. The findings showed that Kituuza gave the highest yield of 15.5 t ha<sup>-1</sup> year<sup>-1</sup> followed by Buvuma, Kibaale, Bugiri and Masaka with 8.86, 8, 7.8 and 5.34 t ha<sup>-1</sup> year<sup>-1</sup>. The lowest yield was recorded in Masaka, because among the sites evaluated Masaka was the only site with pure sandy soils which have poor water retention potential. Sandy soil condition subjected palms to moisture stress hence affecting yield. Nonetheless, yield results from different trial sites generally provided information on the potential of each site to produce oil palm. This will guide farmers in the respective sites on the potential yield palms can provide.

#### **b. Baseline survey on soil nutrient status in Kalangala**

NACRRI carried out a baseline survey on the soil nutrient status in Kalangala and found that within the oil palm production areas, 40% of the farmers do not apply all the fertilizers as required. Oil palm is a heavy feeder and lack or insufficient application of fertilizers greatly affects the yields. This proved that there is need to increase fertilizer usage if potential yields under farmer's conditions is to be realized.

It was also observed that only 7.8% of the farmers use cover crops for nutrient enhancement and soil conservation, yet cover crops would be a natural source of nitrogen most especially

for farmers who do not regularly apply fertilizers. Therefore, there is need to encourage adoption of covers crops by farmers for both soil nutrient enhancement and soil conservation

**c. Study on the spread of *Rhychophorus phoenicis* in Uganda**

Over the past two years, the smallholder farmers in Kalangala have suffered from the effects of *Rhychophorus phoenicis* (locally known as Masinya). As part of the overall oil palm research agenda, NACRRI carried out a study on the prevalence of pests in in the country and the findings showed that only one species of *Rhynchophorus* namely *Rhynchophorus phoenicis* (Fabricius 1801) was detected on oil palm trees in three agro-ecological zones but its incidence varied across sites. Mean incidence of *R. phoenicis* was higher in the wet than the dry season. The incidence of the pest was higher in fields far away from natural forests than those that were nearer. These findings suggest that manipulation of natural vegetation, location and season are critical in designing strategies for managing *R. phoenicis* in Uganda.

**d. Pollinators visiting oil palm flowers in the oil palm trial gardens**

NACRRI assessed the pollinators visiting oil palm flowers in the different oil palm trial gardens and identified insects belonging to orders' of Coleoptera, Hymenoptera and Diptera. Insects caught in order of dominance were: weevils, flies, beetles, black ants, and bees. The abundance of the different insect groups varied differently across the agro-ecological zones with that of weevils, flies and beetles with wings restricted to the thorax being significantly different. Most of the insects were observed in trials of Bugiri (43.8%) and Mukono (22%) whereas the least numbers were captured in Kibale (10.5%) and Masaka (9.5%). Most of the insects were captured on the male flowers (85.6%), with only 14.4% captured in the female flowers. The finding that only weevils and flies visit both flower sexes of oil palm suggests that focused research on ecology and biology of these insect groups is necessary to boost oil palm pollination in Uganda.

**e. Study on the spread of fusarium wilt in Kalangala**

NACRRI carried out a survey on fusarium wilt of oil palm to ascertain the occurrence of the disease in all oil palm production blocks in Kalangala district. Kagulube block had the highest percentage incidence (15%) and average severity (score 3) compared Bbeta East, Bbeta West and Bujjumba blocks that had a percentage incidence of 5% and average severity score of 2 respectively. From the samples collected during this survey, 25 *Fusarium* sp. pure cultures were isolated.

Currently, a study to monitor the trend of fusarium wilt of oil palm in Kalangala is showing a fall in fusarium wilt cases in 12 plots marked for fusarium wilt trend studies. Surveillance for fusarium wilt also revealed the unexpected occurrence of ganoderma trunk rot in Kalangala district. Studies on incidence, severity and distribution of ganoderma trunk rot will be conducted in subsequent quarters.

#### **f. Study on the physiological disorders in the oil palm trial sites**

NACRRI carried out a study on the occurrence of physiological disorders in oil palm and the preliminary results from the survey conducted in Kagadi and Masaka showed that oil palm had a bunch failure rate of 14.5 %, un-even ripening of 5.6 % and bunch rot of 16.8 %, with an average rot score of 0.55. In Masaka, bunch failure of 45.1 %, bunch rot of 8.3 %, un-even ripening of 16.7 % and an average rot score of 0.282 were recorded. In Kalangala, bunch failure was 10.2 %, bunch rot was 16.8 % uneven ripening was 7.6 % while in Buvuma, the bunch failure is 10 %, and uneven ripening was 3 % bunch rot was 12 %. On the other hand, experiments on maturity in Bugiri and Kituuza to determine the maturity time from pollination to bunch ripening are on-going and emasculated and pollinated flowers are being monitored for maturity and by October, preliminary data will be analyzed to give an overview of the maturity period in Uganda.

#### **g. Development of protocols for the management of fusarium wilt**

In partnership with CIRAD-France, NACRRI is developing protocols for sample collection and molecular analysis of Fusarium wilt and Ganoderma trunk rot oil palm diseases. Under this collaboration laboratory facilities for pathogen characterization and technical backstopping will be provided by CIRAD. Through the same partnership, potential germplasm from CIRAD will be acquired for adaptive testing in Uganda, CIRAD will back stop NaCRRI research team in nursery management and trial designs. Furthermore, NaCRRI has partnered with Oil palm research Institute (OPRI)-Ghana to do develop water deficit map for Uganda to facility ease identification more areas suitable for oil palm production.

#### **h. Human capacity development for oil palm research in Uganda**

Three positions of project staffs (Physiologist, Pathologist and Driver) were advertised and their recruitment was successful done. The recruited staff where deployed at NaCRRI Namulonge to implement project activities as indicated in their terms of references. To enable the recruits and the old staff execute their duties effectively, four scientists undertook a course

on sustainable oil palm production at Oil Palm Research Institute (OPRI) in Ghana. The training exposed research to effective oil palm research and empowered them with skills and experience to address challenges in oil palm production in Uganda. The training also enabled researchers to identify opportunities for future research collaboration, networking and knowledge sharing among researchers.

**i. Oil palm research – farmer field outreach and information dissemination**

At least 196 farmers and 6 KOPGT field staff have been trained in identification and management of Fusarium wilt of oil palm. During the National Agricultural show in July 2019 at Jinja, information on oil palm production and use was disseminated in form of flyers and verbal communication. Over 200 information materials were distributed to 196 farmers who visited the exhibition stall. Also the local method of oil palm extraction was demonstrated such that farmers with oil palm fruits in their homes may make use of the knowledge to extract oil either for consumption or for sale.

### **3.0 PROGRESS UNDER THE OIL SEED DEVELOPMENT COMPONENT**

Under VODP 2, the project targeted to support 5,900 farmer groups to receive extension and marketing services to commercially grow sunflower, soybeans, ground nuts and sesame. The project support was along the value chain, forming and/ or strengthening groups; linking them to quality inputs; providing agronomic training to the farmers through demonstrations, farmer to farmer training and farmer visits; training farmers on post-harvest handling; and, linking them to processors.

On 4<sup>th</sup> June 2018, Government of Uganda wrote to IFAD and requested for an extension of the VODP 2 completion date from 31<sup>st</sup> December 2018 to 31<sup>st</sup> December 2019. On 30<sup>th</sup> July 2018, IFAD accepted the request and the Oil Seeds Development Component of the VODP 2 was extended from the initial completion date of 31<sup>st</sup> December 2018 and closing date of 30<sup>th</sup> June 2019, to a completion date of 31<sup>st</sup> December 2019 and a closing date of 30<sup>th</sup> June 2020.

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 3.1 and 3.2 below.

**Table 3.1: Districts by Hub engaged during July to December 2017**

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

**Table 3.2: Project implementation area and service provider during July to August 2019**

Hub	PSP	Project activities implementation areas	
		Districts	Sub-counties
West Nile	WENIPS	Arua	Rhino camp, Rigbo, Ogoko and Ajia
		Zombo	Paidha, Nyapea, Abanga and Jang Okoro
		Nebbi	Wadelai, Kucwiny, Panyango, and Alwi
		Yumbe	Drajini, Odravu, Lodonga and Ariwa
		Moyo	Aliba, Gimara, Lefori and Itula
	ACORD*	Koboko	Dranya, Lobule, Midia and Abuku
		Maracha	Oluffe, Oleba, Yivu and Tara
Gulu	IIRR	Gulu,	Odek and Lalogi
		Amuru	Pabbo and Lamogi
		Kitgum	Akwang and Amida
		Pader	Awere and Puranga
		Lamwo	Padibe East, Padibe West and Padibe TC
	APSEDEC*	Agago	Lira Palwo and Omot
		Nwoya	Alero and Lungulu
Lira	AFSRT	Kiryandongo	Mutunda, Kigumba and Masindi port.
		Masindi	Nyagahya, Karizubu, Budongo and Pakanyi
		Oyam	Aleka, Otwal, Abok, Aber, Kamdini, Ngai
		Lira	Ogur, Barr, Agweng, Ngetta
		Apac	Aduku, Inomo, Chawente, Nambieso, Chegere
		Kaberamaido	Kakure, Kalaki, Apapai, Kobulubulu
	UOSPA	Amuria	Obalanga, Orungo, Wera and Abarilela
		Serere	Kyere, Olio, Atira and Kateta

		Soroti	Gweri, Katine, Tubur and Asuret	
	ANCC*	Alebtong	Abia, Aloi, Awei and Omoro	
		Amolatar	Agikdak, Arwotcek, Awelo and Muntu	
		Otuke	Adwari, Ogor, Okwang, Orum	
Eastern Uganda		CRDI	Bulambuli	Bunambutye, Bwikhonge, Nabbongo, Muyembe, Bulambuli TC and Bukhalu
	Sironko		Bukhulo, Sironko TC, Bukiise, Bukiyi and Nalusala.	
	Mbale		Busiu, Busoba, Bumasikeye, Bungokho, Nakaloke and Bukasakya.	
Eastern Uganda		Manafwa	Bubutu, Bukhofu, Bukusu, Bumoni, Bunabwana, Khabutoola, Magale, Manafwa TC, Sibanga and Bukhawekha.	
		Tororo	Rubongi, Mella and Merikiti.	
		EPSEDEC	Bukedea	Kolir, Bukedea SC, Malera, Kidongole, Kachumbala, Bukedea TC
			Kumi	Nyero, Kanyumu, Kumi TC, Ongino
			Busia	Masaba, Sikuda, Masinya, Busitema, Dabani, Busime
			Bugiri,	Iwemba, Nankoma, Kapyanga, Buwunga, Muterere, Buluguyi
			Pallisa	Agule, Apopong and Kakoro
			SACU*	Namutumba
		Kaliro		Namwiwa, Namugongo, Nawaikoke and Bumanya
		Mayuge		Buwaya, Mpungwe, Imanyiro, Kigandaalo, Kityerera and Bukabooli
		SG2000*	Jinja	Buyengo, Budondo, Butagaya and Buwenge
			Iganga	Bunyanga, Nawandala and Namungalwe
			Kamuli	Butansi, Kitayunjwa, Kisizi and Nabwigulu

Through engagement of 11 PSPs, the project is operational in 171 sub-counties in 42 districts covering the four oilseeds regional hubs.

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

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

institutions (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.

### **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.

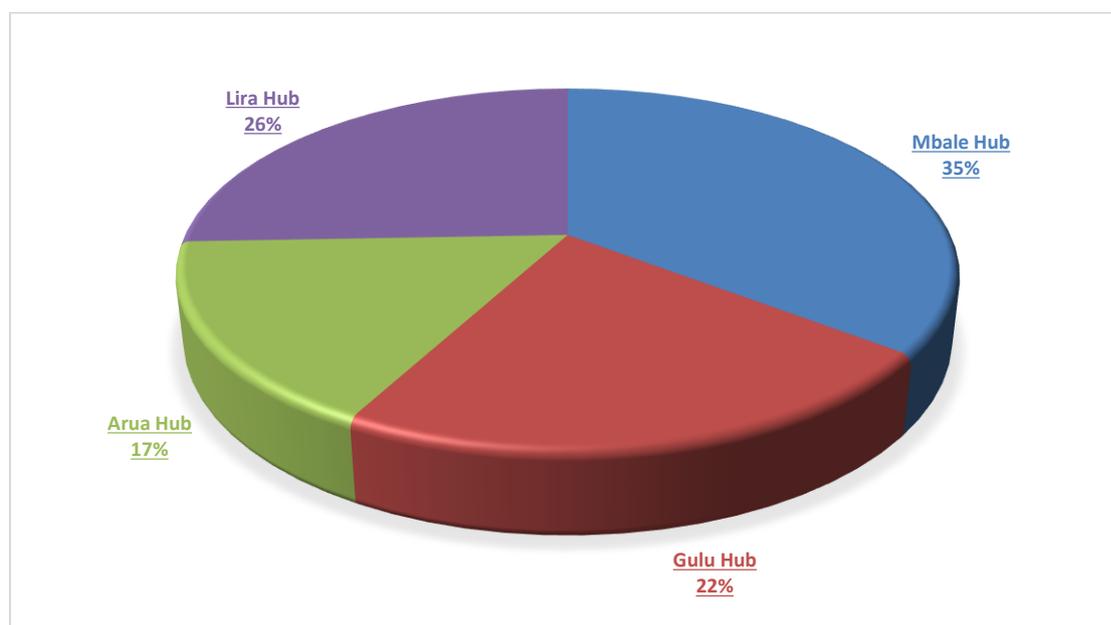
By August 2019, the total number farmer groups spread across the hubs engaged by all service providers remained at 5,311 farmer groups which is 90% of the original project target of 5,900 farmer groups. From the project Mid Term Review 2014, it was agreed that the project support to any farmer group should cover at least two full years (4 seasons) to ensure that the groups are strong and sustainable after the project ends. It was therefore not feasible to engage any new groups after Season A 2018.

Table 3.3 below shows a summary of the performance by the PSPs in terms of farmer groups reached.

**Table 3.3: Trends of the coverage of the farmer groups receiving project services under the oil seeds component of VODP 2**

Service Provider	Targets	Actual Dec 2015	Actual Dec 2016	Actual Dec 2017	Actual Dec 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
<b>Total</b>	<b>3,077</b>	<b>1,196</b>	<b>3,183</b>	<b>4,902</b>	<b>5,311</b>

**Figure 1: Distribution of farmer groups by regional hub – August 2019**



### 3.2 Preliminary outcomes of the PSP activities

The project tracks 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.

The number of farmers using purchased sunflower and soybean varieties has gradually increased across all the four hubs. Overall, the number of farmers who purchased improved sunflower seed has increased from 22,368 in December 2017 to 33,016 in December 2018 while the number of farmers who purchased improved soybean seed increased from 18,105 in December 2017 to 26,875 in December 2018. The table 3.4 below shows the trends in the number of farmers buying improved/ quality-controlled seed across the regional hubs.

**Table 3.4: Trends of the number of farmers buying improved/ quality-controlled seeds**

Hub		A 2017	B 2017	A 2018	B 2018
Gulu	Sunflower	4,518	4,360	7,168	16,679
	Soybeans	3,487	3,633	4,070	12,007
Mbale	Sunflower	1,769	3,176	2,867	1,502
	Soybeans	8,569	7,733	9,422	8,322
Arua	Sunflower	503	500	647	1,050
	Soybeans	264	400	742	750
Lira	Sunflower	12,086	14,332	14,949	13,785
	Soybeans	4,120	6,339	6,315	5,796
<b>Totals</b>	<b>Sunflower</b>	<b>18,876</b>	<b>22,368</b>	<b>25,631</b>	<b>33,016</b>
	<b>Soybeans</b>	<b>16,440</b>	<b>18,105</b>	<b>20,549</b>	<b>26,875</b>

### 3.2.2 Hectares under oil seed crops

The project is supporting farmer groups to increase the acreage under oil seed crops across the project area, with a major focus on sunflower and soybean to provide crushing material for the mills. The promotional activities are mainly through exposing the farmers and farmer groups

to the various improved varieties through technology demonstration plots (farmer learning platforms) and training farmers on improved agronomic practices. This is resulted into an increase in area under oilseed crops over the past four seasons as shown in the table 3.5 below.

**Table 3.5: Trends in area under production of the oil seeds in the project area**

Hub		A 2017	B 2017	A 2018	B 2018
Gulu	Sunflower	10,946	9,671	11,091	31,804
	Soybeans	8,418	8,089	7,859	27,158
Mbale	Sunflower	3,384	3,824	3,464	3,494
	Soybeans	18,181	16,807	17,406	11,625
Arua	Sunflower	1,719	1,578	1,775	1,380
	Soybeans	460	1,165	1,860	1,980
Lira	Sunflower	38,169	39,527	41,058	38,945
	Soybeans	33,834	34,372	38,579	37,905
<b>Totals</b>	<b>Sunflower</b>	<b>54,218</b>	<b>54,600</b>	<b>57,388</b>	<b>75,623</b>
	<b>Soybeans</b>	<b>60,893</b>	<b>60,433</b>	<b>65,704</b>	<b>78,668</b>

As shown in the table 3.5 above, the area under sunflower increased from 59,893 acres in Season B 2017 to 77,888 acres in Season B 2018. For soybeans, the area planted increased from 59,893 acres in Season B 2017 to 77,888 acres in Season B 2018. This positive trend provides evidence that the training and other value chain support the project has offered the farmer groups across the Hubs is resulting into more adoption of the commodities by the farmers.

### 3.2.3 Average yield achieved by the farmers across the hubs

One of the key indicators for competitiveness of Uganda's oil seeds enterprise is average yield. The project design set a targeted yield of 1.7 tons/ hectare for sunflower and 1.1 tons per hectare of soybeans. Table 3.6 below shows the average yield achieved across the regional hubs.

**Table 3.6: Average yield per hectare across the project area**

Hub		A 2017	B 2017	A 2018	B 2018
Gulu	Sunflower	1,477	1,477	1,765	1,591
	Soybeans	1,673	1,673	1,612	1,629
Mbale	Sunflower	1,708	1,622	1,521	1,309
	Soybeans	1,450	1,472	1,262	1,329
Arua	Sunflower	1,182	1,574	1,480	1,265
	Soybeans	1,049	1,386	1,360	1,474
Lira	Sunflower	1,693	1,779	1,841	1,760
	Soybeans	1,605	1,619	1,624	1,341
<b>Totals</b>	<b>Sunflower</b>	<b>1,515</b>	<b>1,613</b>	<b>1,652</b>	<b>1,481</b>
	<b>Soybeans</b>	<b>1,444</b>	<b>1,537</b>	<b>1,465</b>	<b>1,443</b>

As shown in the table 3.6 above, in Season B 2018, the average sunflower yield across the project area reached 1.5tons per hectare (88% of the project target), while the average soybean yield in Season B 2018 reached 1.4 tons per hectare (127% of the target).

### 3.2.4 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. Across the project area, the project has noted an increase in the number of farmers bulking their produce and this has facilitated negotiations with the market for better prices, but also encouraged farmers to improve their production and harvesting practices to ensure that their grain is highly graded and attracts better prices for them. The project targeted to have atleast 1,000 groups bulk selling by 2018. The table 3.7 below shows the trends of farmer groups bulk selling across the hubs.

**Table 3.7: Number of farmer groups bulk selling across the hubs**

Hub	A 2017	B 2017	A 2018	B 2018
Gulu	118	152	134	587
Mbale	202	295	236	309
Arua	749	779	879	879
Lira	456	458	675	870
<b>Totals</b>	<b>1,525</b>	<b>1,684</b>	<b>1,924</b>	<b>2,645</b>

As shown in Table 3.7 above, the number of farmers bulking their produce reached 2,645 (265% of the project target) by the end of Season B 2018. The farmers have appreciated the value of bulking their produce and negotiating as a group, and, the millers are offering higher prices for bulked produce.

### 3.2.5 Production of oil seed crops in the hubs

As part of the project theory of change, it was envisaged that increased access by farmers to recommended agronomic practices would enable them adopt better farming practices and result into an increase in the production of oil seeds in the country. This was core to achievement of the project objective. The project set a target of a 10% annual increase in the production of sunflower and soybeans over the project lifetime. Table 3.7 below presents the trends in sunflower and soybeans production in the project area.

**Table 3.7: Sunflower and soybeans production trends in the project area**

<b>Hub</b>		<b>A 2017</b>	<b>B 2017</b>	<b>A 2018</b>	<b>B 2018</b>
Gulu	Sunflower	3,892	3,513	7,952	28,576
	Soybeans	3,246	2,938	5,148	27,161
Mbale	Sunflower	1,439	2,577	2,449	340
	Soybeans	9,224	7,449	9,103	8,025
Arua	Sunflower	309	192	167	193
	Soybeans	67	294	74	85
Lira	Sunflower	26,283	28,617	30,725	27,882
	Soybeans	31,512	36,111	39,931	39,010
<b>Totals</b>	<b>Sunflower</b>	<b>31,923</b>	<b>34,899</b>	<b>41,293</b>	<b>56,991</b>
	<b>Soybeans</b>	<b>44,048</b>	<b>46,792</b>	<b>54,256</b>	<b>74,281</b>

As shown in Table 3.7 above, sunflower production increased by 47% between 2017 and 2018 while soybeans production increased by 41% between 2017 and 2018.

### 3.2.6 Mill Capacity Utilization

The project has made efforts to link farmer groups to millers across the hubs. This is meant to develop both the vertical and horizontal linkages along the value chain. As part of their contracts, the recruited Service Providers were required to identify millers and engage them and facilitate formal partnerships between the millers and the farmer groups so that the farmer groups can access reliable and consistent market for their produce. Some millers for example

Nile Agro in Mbale Hub and Louis Enterprises in Gulu Hub followed up these partnerships by providing some inputs especially tarpaulins for drying of the sunflower and soybeans to reduce post harvest losses and avoid aflatoxins. Table 3.8 below shows the progress in the mill capacity utilization across the hubs. The project target was to increase mill capacity utilization from 30% in 2010 to 85% in 2018.

**Table 3.8: Operational mills and mill capacity utilization in the Hubs**

Hub		A 2017	B 2017	A 2018	B 2018
Gulu	Operational Mills	6	8	8	11
	Capacity utilization	34	49	51	53
Mbale	Operational Mills	12	13	11	12
	Capacity utilization	37	39	42	39
Arua	Operational Mills	3	3	5	5
	Capacity utilization	18	22	16	13
Lira	Operational Mills	46	49	53	53
	Capacity utilization	65	59	67	63
<b>Totals</b>	Operational Mills	<b>67</b>	<b>73</b>	<b>77</b>	<b>81</b>
	Capacity utilization	<b>39</b>	<b>42</b>	<b>44</b>	<b>29</b>

### 3.2.7 Increased access to production credit by oil seeds farmer groups

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 at the start, and through successful partnership more financial institutions have come on board including Pride Microfinance, Microfinance support center Centenary Bank, Barclay Banks and Savings and Credit Cooperatives (SACCOs). This brings to a total of 10 commercial financial institutions providing financial services to oilseed producers in the 4 hubs. During the quarter, PsP continued to link strong higher level farmer organizations (HLFOs) and mature Village savings and loan association (VSLA) farmer groups to access credit for oilseeds production.

During the reporting period, Lira Hub and Mbale hub registered additional credit (repeat loans) from Pride MFI and post bank to farmer cooperative amounting to UGX. 73.550 million, bringing the total credit disbursement portfolio accessed by the oilseeds farmers through direct linkage to a total of UGX. 3,363,854,000 benefiting 3,959 (with females 1,449) and the smallholder farmers have paid back UGX 1,511,940,523 (UGX 1.5 billion). Table 3.9 below shows the progress on linking the farmers to financial institutions for production credit.

**Table 3.9: Disbursements from financial institutions to oil seeds project beneficiaries**

Category Disbursements by FI	Disbursements	No. beneficiaries	Loan payments**	Disaggregation	
				M	F
UBDL	2,447,896,000	2,197	1,020,455,508	1537	660
FINCA	59,550,000	250	46,530,000	146	104
OBUL	169,850,000	268	131,100,000	184	84
DFCU	209,398,000	249	124,381,104	82	167
Post Bank	95,750,000	302	49,900,000	194	108
Pride MFI	67,000,000	54	42,240,000	33	21
MSCL	108,000,000	185	43,000,000	104	81
Centenary Bank	23,200,000	110	6,850,000	54	56
Barclays Bank	14,700,000	65	14,700,000	27	38
Other SACCOs, MFIs	168,510,000	204	46,410,000	87	117
<b>Total</b>	<b>3,363,854,000</b>	<b>3,959</b>	<b>1,525,566,612</b>	<b>2510</b>	<b>1449</b>

\* Repayments against the loan principle

Tracking repeat loans and repayments is difficult since the farmer groups and individuals who have been graduated have less contact with the PsPs.

The project has continued to monitor utilization of loans among the oilseed groups in in the project area and 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.

### 3.2.8 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. Service providers have ensured that all the groups are trained on savings and loan association methodologies. Savings mobilized among the oilseeds farmer groups by reporting period is valued at almost UGX 3.6 billion and loans valued at UGX 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 98 community based facilitators (CBFs) in Gulu and West Nile to harmonize the VSLAs based on methodology guidelines. The training also targeted to provide financial literacy to the CBFs to equip them with skills to guide the VSLA groups on harmonization of interest rates where external funds is borrowed from the Banks. Table 3.10 below shows an extract on the VSLA implementation from the Reports from the Service Providers.

**Table 3.10: VSLA Extract from the PSP Reports**

Hub	PSP	Farmer involved groups	Saving Value (UGX)	Loaned out (UGX)	Remarks
Mbale	CRDI	176	270,678,000	20,950,000	
	EPSEDEC/CARD	140	474,000,000	382,500,000	
	SASAKAWA SG 2000	175	95,789,600	24,085,642	
	SEND A COW	170	469,890,300	402,265,200	
Lira	AFSRT	208	301,850,000	258,200,000	
	UOSPA	21	728,541,000**	???*	loan information missing saving information as cumulative 2018
	ANCC	238	805,297,600	828,978,200*	loan information includes money lent from the welfare fund and its cumulative for 2018
Gulu	IIRR	400	505,807,000	414,612,000	
	APSEDEC	40	107,637,800	93,702,300	
Arua	WENIPS	204	357,835,850	318,998,150	
	ACORD	89	268,224,700	150,503,900	
<b>GRAND TOTALS</b>		<b>1,646</b>	<b>3,657,010,850</b>	<b>2,065,817,192</b>	

### 3.2.9 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 thirty (30) mentors who will be trained and deployed in the 24 units to carry out the mentoring and also taken for a learning visit to PRELNOR.

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

### 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<sup>-1</sup>), 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 project started.

#### 3.3.1 Breeder seed production

Breeder seed production was done at MUARIK and at NaCRRI in Kabanyolo. The area under breeder seed in the two sites was 5 acres. Breeder seed planted in 2018 A was harvested and processed as shown in the table 3.11 below:

**Table 3.11: Total Amount of Breeder seed produced in 2018A at NaCRRI and MUARIK**

Variety	Quantity (Kg)
Maksoy 3N	775
Maksoy 4N	404
Maksoy 5N	183
Maksoy 6N	536
<b>Total</b>	<b>1,898</b>

#### 3.3.2 Foundation seed production

Foundation seed was harvested and delivered at the store in Kabanyolo where it was sorted, weighed and packaged to be distributed for planting in season 2018 B. About 36.5 tonnes of foundation seed were processed and disseminated. This is 183% of the project target of supporting NaCRRI to produce 20 tons of foundation seed a year. The table below shows a summary of the quantities of foundation seed that was distributed according to variety.

**Table 3.12: Quantities (Kg) of soybean foundation seed produced in 2018A and dissemination for season 2018B**

Organization	Variety					
	Maksoy 1N	Maksoy 2N	Maksoy 3N	Maksoy 4N	Maksoy 5N	Maksoy 6N
Alito Joint			220	20	120	
Farm Stew (U)			450			
Bedijo LSB			40	20		
Lango diocese			400			
Tim Kica Youth Group			106			
VEDCO			1600		1550	
Iowa State University			200			
Namuyunga LSB			50			
Devine business associates			600			
Global food exchange Ltd			4000			
VODP Mbale			890	200	100	
VODP Arua			1815	760	300	
Clinton Foundation			1000			
VODP Lira			2075	700	200	
Sasakawa			200	200		
NARGC			2500	800		
AFSRT					200	
VODP Gulu		150	1900	450		
Others			5631	560	1358	400
Seed in store			600	100	4,000	
Total		150	24,277	3,810	7,828	400

### 3.3.3 LSBs supported

The program supports different LSBs in aspects of quality seed production through trainings and inspection of their seed production fields. These LSBs include Bala women and Youth in Kole district, Alito Joint Christian in Kole district, Aluga co-operative in Alebtong district, Mayuge district farmers and Butagaya soybean agribusiness in Jinja district.

### 3.3.4 Renovation of Seed Store at Kabanyolo

The renovations of the seed store at Kabanyolo with support from VODP got completed. This store has been improved with reduced temperatures for long term seed storage. The facility has a carrying capacity of 50 tons of seed. This will help to maintain the viability of carry over seed from one season to another hence constant supply of soybean seed throughout the year.



Figure 1: The renovated seed storage facility at MUARIK

### **3.3.5 Renovation of Seed processing facility and installation of the seed cleaner**

Work on the seed processing facility building also was completed with funds from ISSD. The purchased seed cleaner using VODP funds was given final installation by the supplier. This will greatly ease seed processing which was originally very costly and time consuming. The cleaner has a processing capacity of 3 tons per hour.



*Figure 2: The newly installed seed cleaner at MUARIK*

### **3.3.6 Training farmer groups in quality seed production**

A number of trainings were conducted in different parts of Uganda. These farmers were trained in different aspects of soybean production. One of the trainings was conducted in Butagaya Soya Agribusiness group in Jinja. The group was trained on production of good quality soybean seed production. This group produces about 12 to 15 tons of soybean seed to try to bridge the gap of inadequate seed in the market. Another group of farmers was trained in Sheema on general soybean production; ranging from seed bed preparation, varietal selection, planting, weed management, post-harvest handling and marketing. Other trainings were conducted in two hubs that is Lira and Arua Hubs. In Lira hub, trainings were conducted in Amuria and Soroti districts. In total, 85 participants were trained of which 29 were males and 56 were females as shown in the table 3.13 below.

In Arua Hub, trainings were conducted in the districts of Nebbi and Zombo. A total of 109 participants were trained out of which 42 were female and 67 were male.

**Table 3.13: Summary of number of participants per district and gender**

<b>District</b>	<b>Sub-counties</b>	<b>Males</b>	<b>Females</b>	<b>Total</b>
Amuria	Orungo	11	23	<b>34</b>
Soroti	Arapai	18	33	<b>51</b>
Nebbi	Kucwiny	30	11	<b>41</b>
Zombo	Paidha	37	31	<b>68</b>
Jinja	Butagaya	18	24	<b>42</b>
Sheema	Karago T/C	28	20	<b>48</b>
<b>Total</b>		<b>143</b>	<b>142</b>	<b>284</b>

### **3.4 Identification and Strengthening of oilseeds HLFO**

The project partnered with Uganda Cooperative Alliance to support the formation and strengthening of farmer organizations in the oilseed sector under the project in the 4 hubs. The contract with UCA was to ensure that the farmer groups are sustainable after the implementation of VODP 2.

Overall, UCA has achieved their targets on the formation of Higher Level Farmer Organizations where 26 HLFOs have been registered out of the targeted 25 (104%); the target of 15 existing HLFOs strengthened in governance and oil seeds enterprises has been achieved (100%); 25 of the 26 new newly formed HLFOs have been strengthened and supported to acquire functional leadership and management systems; 798 of the targeted 800 lower level farmer organisations have been registered as members of Area Cooperative Enterprises (ACEs); 798 out of the targeted 450 are fully registered farmer groups in oil seeds production clusters with at least 50% women; and, 49 clusters out of the targeted 45 clusters have been formed and supported to deliver production and marketing support to their members. Table 3.14 below provides the progress on the implementation of the UCA contract.

**Table 3.14 Performance of the Uganda Cooperative Alliance under VODP 2**

<b>No.</b>	<b>Performance Indicator</b>	<b>Contract target</b>	<b>Status as at December 2018</b>	<b>Progress as at August 2019</b>	<b>Achievement on PI (%)</b>
1	Number of HLFOs formed and registered as cooperatives (ACEs)	25	20	26	104%
2	Number of already formed HLFOs strengthened in governance and oilseed enterprise/business development	15	12	15	100%
3	Number of newly formed HLFOs strengthened and supported to acquire functional leadership and management systems	25	15	25	100%
4	Number of active LLFOs in oil seed production registered as members of ACEs	800	433	798	99%
5	Number of registered FGs in oil seed production with at least 30 members (at least 50% women) per cluster	450	329	798	177%
6	Number of oil seed production and marketing clusters (in areas with no HLFOs)formed and supported to deliver services to FGs and their members	45	17	49	108%
7	Number of HLFO and Clusters supported to design business models (using business canvas) and develop functional business plans, and linked to at least one off-taker and input supplier	85	30	50	59%
8	HLFOs supporting LLFOs in input bulking	40	30	30	75%
9	HLFOs supporting LLFOs in output bulking as well as collective marketing of farmers produce	40	19	30	75%
10	HLFOs supporting LLFOs accessing financial services	40	12	15	37.5%

## **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.

### **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. In the reporting period, the project 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 2019/20 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 and sets realistic targets for the remaining project lifetime. The discussions then culminated into the Annual Work Plan and Budget for FY 2019/20 which was approved by both GOU and IFAD.

The project prepared quarterly and annual work plans and progress reports using GoU's 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 2017/18 and FY 2018/19 and got approvals from IFAD and GOU for the Annual Work Plan and Budget for FY 2019/20.

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 VODP 2 investments under both the oil palm and oil seeds component have delivered positive results in the project area and there is evidence that the project is transforming lives of smallholder farmers. The objective of the Communication and Knowledge Management activities under VODP 2 is to ensure that this good work, the practices, results and impact achieve greater visibility internally and externally and potentially amplify this success further. The beneficiaries of the C&KM activities are the communities in the project area, stakeholders in the Government and development partners, Non-Government Organizations interested in the project activities and/ or the project area, media and potential project partners.

##### **a. Oil Pam Component**

The PMU carried out various sensitization visits to Buvuma to sensitize the public on the need to take part in the project either through selling their land for the nucleus estate (the land lords), joining the out grower/ small holder scheme and providing employment to the nucleus estate and Palm Oil Mill to be set up on the island.

The project has also promoted press coverage during the several visits of Hon. MAAIF and Project Manager which has benefitted the project as newspaper articles, photographs, radio sound bites and documentaries were produced for the visits and provided the public with information about how VODP2 has improved rural livelihoods to overcome poverty.

The project established regular feed back sessions with various news paper editors which provided an opportunity to respond to articles that did not present facts on the project. For example, following articles like “*Ten years later, Buvuma Oil Palm project fails to take off*” in local and online media the project engaged their Editorial teams and provided the facts about the project. With support from PMU, a team from the online media led visited the project in Buvuma in July 2019. This visit resulted into factual and positive articles to the readers and agreed to always give a right of reply to avoid the misleading articles.

Other publicity activities carried out include a radio talk shows on Baba FM, Busoga 1, Voice of Busoga, Apex FM, City FM and Kiira FM. The project continued to participate in exhibitions to share Oil Palm value chain and changing lives as a result of Oil Palm project.

The project has generated and shared various knowledge learning materials that include FAQs, Harvesting Charts and brochures aimed at sensitization of the public on the Oil Palm Development in the country.

#### **b. Oil Seeds Component**

Experience Capitalization of success stories continue to be undertaken in the Oil Seeds hubs aimed at articles, Photography and video documentation. A responsory shall be shared.

Radio messaging and talk shows covering all hubs ended and were on the following stations, OpenGate FM, Time FM, Elgon FM, NBS FM, Etop FM, Rupiny FM and Arua FM. Participants included Hub Coordinators, PSPs, UCA and selected farmers. Feedback was mainly of rainfall and seasonal information. Uganda National Metrological Authority has continued to share this information, the communication unit at PMU shares this on the Oil Seeds platform and to the radio stations using the National Association of Broadcasters.

Knowledge Learning materials have continued to be shared that include manuals, Fact Sheets, Farmer Registers and project brochures. The last batch of distribution is in October 2019.

### **c. PMU**

The PMU has continued to engage with stake holders in regards to updates on the project especially main stream and online media. As a result, human Interest stories have been run in the Harvest money pull-out of New Vision and watchdog online publication.

The project has worked closely with the MAAIF communication unit in sharing and updating our works on the VODP2, Ministry website and social media accounts. CKMO is member of team reviewing the National ICT Strategy for the Agriculture sector.

The PMU has continued to share knowledge on Experience Capitalization process with PSPs and this is yielding lots of success stories for greater rural development. Colleagues from other projects that were part of CTA facilitators training shall be visiting VODP 2 project in November on a learning trip.

The procurement of the Public Relations firm is ongoing to reinforce further the strategic communications and sharing of the NOPP Oil Palm project

## **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 PMU developed planning and reporting formats which are used by the different project implementation partners to ease data collection and management processes. The project Management Information System has simplified data entry, analysis, storage and report production under both the oil palm and oil seeds components. The PMU has over the years carried out various scientific surveys to regularly assess the performance of the project in line with the project outputs and outcomes. The detailed progress under the results-based M&E is below:

### **4.3.1 Project Management Information System**

The Project Management Information System was updated and 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. Under oil seeds, the MIS now captures the output and outcome indicators and has greatly improved the collection, collation and production of component data.

#### **4.3.2 Project Outcome surveys**

As part of the Project M&E system, the project carries out annual outcome surveys in partnership with the MAAIF Statistics Division and the Uganda Bureau of Statistics. The draft report from the outcome survey 2018 has been shared with the PMU for review.

The 2018 outcome survey covered 44 sub-counties in 16 districts selected from the four hubs with 1,297 respondents. 49% of the respondents were male while 51% were female. The age distribution of the respondents was that 33% were aged below 35 years (youth), 56% were aged between 36 and 60 years (adults) and 11% were above 60 years (elderly).

On the main occupation, majority of the respondents reported agriculture and fisheries as their main occupation (85%) followed by elementary occupations (7%); technicians and professionals (2%); plant and machine operators (0.3%) and others 2.2%. Under growing of oil seeds in 2018, soybeans were the most grown oil seed in 2018 (47%) followed by sim sim (31%); ground nuts (29%) and sunflower (27%). On access to storage, majority of the farming households had access to storage facilities (87%) with only 13% found without access to any storage facilities.

On access to markets, 35% of the respondents reported that brokers/ agents were their main source of market; 33% sold to individuals; 12% sold to cooperatives/ farmer groups; 12% to collection centers and 4% sold directly to processing plants. On whether the respondents received support in finding market for their produce, majority of the respondents had not received support (59%) while 41% had received support in access to markets. The survey also found that majority (84%) of the respondents had not made any market agreements while only 15% had agreements.

On access to credit, the survey found that 53% of the respondents had accessed credit in 2018 while 42% had not, and 5% did not know whether any household member had accessed credit. The main source of credit was SACCOs/ VSLA (50%) followed by friends/ relatives (12%); banks (3%), money lenders (2%), input traders 1%) and MFIs (2%) .

On access to extension services, 80% of the respondents had received extension services across the four hubs. The extension services were mainly from the VODP Service Providers (84%) followed by Government Extension workers (16%). Almost all the respondents (99%) acknowledged that the extension services they received were relevant.

On membership to farmer groups, majority of the respondents belonged to a farmer group (98%) but only 38% of these reported that their farmer groups were members of Higher-Level Farmer Organizations.

On adoption and use of good agriculture practices, 83% of the respondents acknowledged that they received training on land management; 65% on water management; 70% on integrated soil fertility management; 66% on conservation farming; 82% on integrated pest and disease management; 84% in post harvest handling and 82% on bulking and storage.

#### **4.3.3 Implementation of the Randomized Control Trial under the oil seeds component**

The project in partnership with 3ie, the University of Milan-Bicocca and Centro Sudi Luca D'Agliano, Makerere University and Oklahoma State University carried out a Randomized Control Trial on “Knowledge Heterogeneity: Experimental Evidence on Information Barriers to Oil Seeds Adoption in Uganda”. The research study carried out an impact assessment of the VODP 2 extension model on oil seeds adoption, farm output, productivity and well being by designing an RCT and exploiting the phase-in slant of the VODP 2 and roll over time of activities in different areas.

The random assignment estimation strategy (intention to treatment effect) found that VODP 2 had a positive and significant effect on immediate outcomes, such as farmers’ price and yield expectations, vegetable oil seeds adoption and input use.

The RCT however found more mixed results on intermediate outcomes in terms of productivity and revenue. There were positive effects on market access (group sale) and value chain involvement. There was however very little effect on final wellbeing outcomes.

The effects were consistent in delivering evidence of VODP 2 effectiveness in fostering commercial farming, productivity and market engagement. The lesson learned provided a sound

basis for further need of medium-term efforts in order to develop a sustainable and profitable vegetable oil sub-sector, able to eventually increase household income and wellbeing.

#### **4.3.4 The Local Economy Wide Impact Assessment under the Oil Palm Component in Kalangala**

The project worked with Researchers from the University of California, Davis and the Statistics Division of MAAIF to document the economic impact of the oil palm project activities on Kalangala residents. Extensive surveys of households and businesses were conducted to construct a local-economy wide impact evaluation (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 study found that Oil palm development had both direct and indirect impacts on the livelihoods of Kalangala residents. Direct impacts consisted mostly of increased income to farmers who participated in the project. Indirect impacts included the wages paid to workers on small-scale oil palm plantations, the nucleus estate, and the palm oil processor. They also included income spillovers to households that did not grow palm but benefitted from an increase in the demand for goods and services in Kalangala. Markets transmitted the impacts of oil palm development from palm farmers to other production activities and households.

The study simulations revealed 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.

This analysis underlined the importance of using an economy-wide approach to evaluate the impacts of development programs. The relative geographical isolation of Kalangala District helps shape local-economy impacts of oil palm. Barriers to trade, including reliance on ferries and long transportation times, effectively trap a good proportion of the economic spillover effects of palm development in Kalangala. Virtually all wages paid and most household purchases are within the local economy of Kalangala. This helps explain why the impacts on total Kalangala income far exceed the direct benefits of the project.

#### **4.3.5 Project Completion Report under the oil palm component**

The project has contracted Research, Consultancy and Training International to carry out the Oil Palm Completion Report. The study will establish the project' compliance with the guidelines, design, and document the lessons learned throughout the implementation process; and make recommendations for future actions. The objectives of the study are to assess the performance of the oil palm component of the VODP2, with respect to Relevance, Effectiveness, Efficiency and Sustainability of the investment; to assess the performance of partners in the oil palm development activities of the VODP2 (IFAD, Government of Uganda, Kalangala District Local Government, Kalangala Oil Palm Growers Trust and OPUL); and, to document the key lessons learned and knowledge generated.

The study will be undertaken in four Islands where the project component 1 of the project was implemented (Bugala, Bunyama and Bubembe Islands in Kalangala, and the Buvuma district. The focus of the study will be the oil palm development and expansion (component 1). The study will include assessing the project theory of change *and the underlying assumptions* upon which the project component was originally developed, and the implementation mechanism that was adapted. The study will assess the short term and long term outcomes of the project with emphasis on measuring the degree to which the project goals and objectives were achieved. The study will also identify factors (including project design) that affected project implementation and facilitated or impeded the achievement of objectives and attainment of results. The evaluation will also assess the project outputs and processes by highlighting the results, challenges faced, lessons learnt, recommendations.

The survey will employ mixed methods for data collection. Both qualitative and quantitative methods will be used as informed by survey questions. The Consultancy firm will collect hardcore

data (document reviews, primary quantitative), qualitative data (Key informants, discussions) and triangulate all with workshop both in field and at national level. Primary information mainly quantitative and indicator based will be collected by use of household questionnaires. Qualitative information will be collected by use of key informant interview guides, site observation checklists, Focus group discussions with select interest groups. Qualitative responses shall be posed to understand constraints, challenges affecting or likely to affect the achievement of project objectives and collecting pieces of opinions regarding VODP2 performance from stakeholders

The Consultancy team is currently doing the data collection in the field and the report will be finalized by end of December 2019.

#### **4.3.6 Implementation of the GIS Based Enumeration and Monitoring Tool**

The GIS based Social Tenure Domain Model (STDM) is now fully operational with data of the smallholder oil palm farmers in Kalangala validated. The project plans to complete smallholder enumeration between October and December after KOPGT has shared the returns from the final planting by the smallholder farmers in Kalangala.

#### **4.3.7 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, and recruited an Oil Seeds Coordinator, a Monitoring and Evaluation Officer and drivers.

## **5.0 PROJECT COSTS, FINANCING AND PROCUREMENT (VODP 2)**

### **5.1 Budget performance**

During the period July 2018 to August 2019, a total of Shs 38.81 billion (USD 10.48m) of IFAD was spent on project activities, representing a 70.68% performance of the 18 months' budget. This leaves a balance of USD 4.17m from the loan amount to be spent on activities upto December 2019.

### **5.2 Overall Loan Performance**

IFAD's loan disbursement rate is at 91.77% up from 72.84% as at June 30, 2018, which increases to 96.73% when withdrawal applications and payments in the pipeline are included.

**Table 5.1: BUDGET BY CATEGORY**

18 months Budget performance by Category								
Category	Budget		Actual			Performance (Inclusive of payment in pipeline)		
	UGX	USD	UGX	USD	%age	UGX	USD	%age
<b>GOU</b>								
5 Small holder Oil Palm	14,437,032,712	3,799,219.13	13,939,076,672	3,668,178	96.55%	13,939,076,672	3,668,178.07	96.55%
9 Salaries	150,000,000	39,473.68	150,000,000	39,474		150,000,000	39,473.68	100.00%
<b>Sub total Gou</b>	<b>14,587,032,712</b>	<b>3,838,693</b>	<b>14,089,076,672</b>	<b>3,707,652</b>	<b>96.59%</b>	<b>14,089,076,672</b>	<b>3,707,652</b>	<b>96.59%</b>
<b>IFAD</b>								
1 Vehicle, Equipment and materials	9,147,478,000	2,407,231	5,850,476,167	1,539,599	63.96%	5,850,476,167	1,539,598.99	63.96%
2 Materials	453,720,000	119,400	319,658,700	84,121	70.45%	319,658,700	84,120.71	70.45%
3 Platoon Landing sites	3,719,010,957	978,687	3,739,616,068	984,109	100.55%	3,739,616,068	984,109.49	100.55%
4 Civil works	7,630,408,840	2,008,002	4,198,496,293	1,104,867	55.02%	4,198,496,293	1,104,867.45	55.02%
5 Small holder Oil Palm	8,174,740,251	2,151,247	7,160,546,440	1,884,354	87.59%	7,160,546,440	1,884,354.33	87.59%
7 Consultancy, training and workshops	10,747,784,333	2,828,364	5,612,771,802	1,477,045	52.22%	5,612,771,802	1,477,045.21	52.22%
8 Extension service	10,683,750,000	2,811,513	7,878,350,469	2,073,250	73.74%	7,878,350,469	2,073,250.12	73.74%
9 Salaries	3,215,636,760	846,220	3,136,827,924	825,481	97.55%	3,136,827,924	825,481.03	97.55%
10 Operating cost	2,553,340,000	671,932	1,917,027,122	504,481	75.08%	1,917,027,122	504,480.82	75.08%
<b>Sub IFAD</b>	<b>56,325,869,141</b>	<b>14,822,597</b>	<b>39,813,770,985</b>	<b>10,477,308</b>	<b>70.68%</b>	<b>39,813,770,985</b>	<b>10,477,308</b>	<b>70.68%</b>
<b>Grand Total</b>	<b>70,912,901,853</b>	<b>18,661,290</b>	<b>53,902,847,657</b>	<b>14,184,960</b>	<b>76.01%</b>	<b>53,902,847,657</b>	<b>14,184,960</b>	<b>76.01%</b>

**TABLE 5.2: BUDGET BY COMPONENT**

18 months Budget performance by Component								
Component	Budget		Actual			Performance (Inclusive of payment in pipeline)		
	UGX	USD	UGX	USD	%age	UGX	USD	%age
<b>GOU FUNDS</b>								
<b>Oil palm Development Component</b>								
Buvuma Oilpalm Development	14,437,032,712	3,799,219.13	13,939,076,672	3,668,178	96.55%	13,939,076,672	3,668,178	96.55%
<b>Subtotal Oil palm Development Component</b>	<b>14,437,032,712</b>	<b>3,799,219</b>	<b>13,939,076,672</b>	<b>3,668,178.07</b>	<b>96.55%</b>	13,939,076,672	3,668,178	96.55%
<b>Subtotal Project Management component</b>	150,000,000	39,474	150,000,000	39,474	<b>100.00%</b>			
<b>Total Gou Funds</b>	<b>14,587,032,712</b>	<b>3,838,693</b>	<b>14,089,076,672</b>	<b>3,707,652</b>	<b>96.59%</b>	<b>13,939,076,672</b>	<b>3,668,178</b>	<b>95.56%</b>
<b>IFAD FUNDS</b>								
<b>Oil palm Development Component</b>								
Buvuma Oilpalm Development	6,904,754,008	1,817,041	6,547,765,075	1,723,096.07	94.83%	6,547,765,075	1,723,096.07	94.83%
Kalangala Oilpalm Development	14,639,532,200	3,852,508	13,267,309,113	3,491,397.14	90.63%	13,267,309,113	3,491,397.14	90.63%
KOPGT support	3,460,314,401	910,609	3,417,166,741	899,254.41	98.75%	3,417,166,741	899,254.41	98.75%
New oil palm area identification	1,018,000,000	267,895	521,269,020	137,176.06	51.21%	521,269,020	137,176.06	51.21%
<b>Subtotal Oil palm Development Component</b>	<b>26,022,600,609</b>	<b>6,848,053</b>	<b>23,753,509,949</b>	<b>6,250,923.67</b>	<b>91.28%</b>	<b>23,753,509,949</b>	<b>6,250,923.67</b>	<b>91.28%</b>
<b>Oil seeds Component</b>								
Farmer groups extension	15,073,950,000	3,966,829	8,938,660,103	2,352,278.97	59.30%	8,938,660,103	2,352,278.97	59.30%
Seed production	3,352,920,652	882,348	1,039,149,838	273,460.48	30.99%	1,039,149,838	273,460.48	30.99%
Value chain	4,785,590,000	1,259,366	349,774,460	92,045.91	7.31%	349,774,460	92,045.91	7.31%
<b>Subtotal Oil Seeds Development</b>	<b>23,212,460,652</b>	<b>6,108,542</b>	<b>10,327,584,401</b>	<b>2,717,785.37</b>	<b>44.49%</b>	<b>10,327,584,401</b>	<b>2,717,785</b>	<b>44.49%</b>
<b>PMU Component</b>								
Project Management	7,090,807,880	1,866,002	5,732,676,635	1,508,599.11	80.85%	5,732,676,635	1,508,599.11	80.85%
<b>Subtotal Project Management component</b>	<b>7,090,807,880</b>	<b>1,866,002</b>	<b>5,732,676,635</b>	<b>1,508,599</b>	<b>80.85%</b>	<b>5,732,676,635</b>	<b>1,508,599.11</b>	<b>80.85%</b>
<b>Total IFAD Funds</b>	<b>56,325,869,141</b>	<b>14,822,597</b>	<b>39,813,770,985</b>	<b>10,477,308</b>	<b>70.68%</b>	<b>39,813,770,985</b>	<b>10,477,308.15</b>	<b>70.68%</b>
<b>Grand Total</b>	<b>70,912,901,853</b>	<b>18,661,290</b>	<b>53,902,847,657</b>	<b>14,184,960</b>	<b>76.01%</b>	<b>53,752,847,657</b>	<b>14,145,486</b>	<b>75.80%</b>

**Table 5.3: IFAD loan 806 disbursements (SDR as at 31<sup>st</sup> August 2019)**

<b>Table 5C: Status of funds as at 31/08/2019 SDR</b>								
<b>Category</b>		<b>Allocation</b>	<b>Disbursement</b>	<b>%</b>	<b>Was in pipeline</b>	<b>Expenditures Not yet claimed</b>	<b>Subtotal</b>	<b>%age</b>
118389	Vehicles and equipments	1,270,000	1,862,398.20	146.65%	28,777.71	247,385.27	2,138,561.18	168.39%
118390	Materials	830,000	755,206.30	90.99%	31,187.59	-	786,393.89	94.75%
118391	Pontoon landing sites	810,000	748,885.96	92.46%	-	-	748,885.96	92.46%
118392	Other Civil works	1,040,000	1,402,946.09	134.90%	117,564.96	-	1,520,511.05	146.20%
118393	Smallholder oil palm development	9,560,000	10,125,442.01	105.91%	-	-	10,125,442.01	105.91%
118394	Oil seed Guarantee Fund	-	-		-	-	-	
118395	Consultancies, Workshops and Training	3,360,000	2,744,503.76	81.68%	432,225.62	87,775.75	3,264,505.13	97.16%
118396	Extension services	8,080,000	4,836,456.58	59.86%	474,994.87	424,025.83	5,735,477.28	70.98%
118397	Salaries and allowances	3,510,000	3,601,720.85	102.61%	108,333.15	70,287.90	3,780,341.90	107.70%
118398	Operating costs	2,100,000	2,247,490.24	107.02%	77,976.68	44,538.05	2,370,004.97	112.86%
	Unallocated	2,940,000		0.00%	-	-	-	0.00%
	<b>Total</b>	<b>33,500,000</b>	<b>28,325,049.99</b>	<b>84.55%</b>	<b>1,271,060.59</b>	<b>874,012.80</b>	<b>30,470,123.37</b>	<b>90.96%</b>
	<i>Initial Deposit</i>		<i>2,418,054.24</i>		<i>311,198.10</i>	<i>171,190.03</i>	<i>1,935,666.10</i>	
	<b>TOTAL</b>	<b>33,500,000</b>	<b>30,743,104.23</b>	<b>91.77%</b>	<b>1,582,258.69</b>		<b>32,405,789.48</b>	<b>96.73%</b>

**Table 5.4: Financial Performance by financiers**

<b>Table 3A:</b>	<b>Financial performance by financier as at 31/08/2019</b>			
Financier	Appraisal (USD '000)	Disbursements (USD '000)	Percent disbursed	
IFAD loan	52,000	44,469	91.77%	
IFAD Grant	1,086	1,086	100.00%	
Government of Uganda	15,000	21,885	145.90%	
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	5,269	135.10%	
SNV cofinancing	340	340	100.00%	
<b>Total</b>	<b>148,186</b>	<b>79,457</b>	<b>53.62%</b>	

### 5.3 Disbursement by different financiers

Disbursement of IFAD Loan as of August 30,2019, is 91.77%. If WAs in the pipeline are included, the disbursement rate increases to 96.73%. Given the current momentum of implementation, disbursement is expected to continue steadily increasing to 99.91% at the project end.

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 25billion (USD 5.4million) was transferred to the Ministry of Finance.; KOPGT has so far collected USD 1,046 (100.50%) from its farmers for collection and transportation of ffbs to OPUL, and it is currently footing its own costs. Farmers have contributed USD 5.27 million in terms of land for planting their oil palm and maintenance of the gardens.; and SNV contributed 100%.

### 5.4 Designated Accounts (DAS)

The project has been operating two designated accounts; one for PMU expenditures (USD 5.34 Million) and another for pre-financing cash payments to farmers for Oil Palm development - KOPGT DA (USD 2.0 million).

The KOPGT DA was fully justified and the project has started justifying the PMU DA. The details are summarised in the designated account reconciliations below:

<b>Farmers' Loan Designated Account 31/08/2019</b>	USD
<b>Initial deposit (A)</b>	<b>2,000,000.00</b>
Amount recovered by IFAD	2,000,000.00
<b>Equals Present Outstanding Amount</b>	<b>-</b>
Special Account bank balance (Currency of this account is USD)	-
Operational Account bank balance (Currency of this Account is UGX)	-
<b>Subtotal (B)</b>	<b>-</b>
<b>VODP Designated Account 30/08/2019</b>	USD
<b>Initial deposit (A)</b>	<b>5,338,181.98</b>
Amount recovered by IFAD	1,941,543.67
<b>Equals Present Outstanding Amount</b>	<b>3,396,638.31</b>
Special Account bank balance (Currency of this account is USD)	43,609.76
Operational Accounts bank balance (Currency of this Account is UGX)	221,976.59
Sub accounts bank balance	180,141.01
Expenditures claimed but before Ministry of Finance	1,748,558.64
Amount not yet justified	1,202,352.31
<b>Subtotal (B)</b>	<b>3,396,638.31</b>

## 5.5 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 is currently carrying out the audit of 2018/19 financials.

## **6.0 PROCUREMENT AND CONTRACT REGISTER**

The project procurements are guided by the 18 months Procurement Plan which is also based on the budget estimates as contained in the July 2019 to June 2020 work plan/budget and as planned by the Project management Unit (PMU) in accordance with Regulation 96 of the Public Procurement and Disposal of Public Assets (PPDA) Regulations 2003 and Section 58 of the PPDA Act 2003 (as amended) and in line with IFAD Procurement Guidelines. The PMU Procurement Unit was guided by principles including managing a transparent, effective and efficient procurement and disposal process for timely loan disbursement and efficient project implementation.

The procurement plan was regularly updated with actual and revised figures. The update of the procurement plan was a core function of the unit as a key tool for monitoring of the procurement processes of the whole PMU. The contract register was also regularly updated to show the contract duration, payment milestones and bank guarantees and to show all the MOUs where payments were foreseen.

The Project contracts committee sat frequently to facilitate the procurements processes as stipulated in the PPDA Act 29 of 2014 as Ammended. Annex 1 below provides the procurement Status of the major procurements by 16<sup>th</sup> September 2019.

**ANNEX 1: STATUS OF VODP 2 MAJOR PROCUREMENTS AS AT 16<sup>TH</sup> SEPTEMBER 2019**

S/N	SUBJECT OF PROCUREMENT	AWPB	Provider	Contract Value	STATUS	REMARKS	Way forward
1	Ferry Buvuma	USD 3,500,000	Songoro Marine Transport Ltd	USD 3,360,500	Contract signed and 30% of the contract was paid, the contract was effected on 24/06/2019 due to delayed payment but signed on 24/12/2018	The contract is under implementation	Proper contract management needs to be undertaken to reduce on time lost.
2	Ferry Kalangala	USD 4,000,000	NA	NA	SBD was sent for IFAD No objection under NOPP as per the bridging agreement	Under NOPP pending NO	Track to fasten the process-under NOPP(This is majorly affected by PDU has no access to NOPP

							NOTUS except PM & FAM)
3	Design, Build and commissioning of 2 Landing Sites in Buvuma and Kiyind	UGX 9,500,000	Rocktrust Contractors (U) Ltd	UGX 8,003,813,560	Contract signed and 30% of the contract was paid, the contract was effected on 24/06/2019 due to delayed payment but signed on 24/12/2018	2 landing sites Contracts awarded under VODP2/NOPP	Advance already for paid and its under execution
4	Design, Build and commissioning of 1 Landing site at Nkusi Kalangala	UGX 4,000,000,000	Planbuild Technical Services Ltd	UGX 4,392,889,831	Contract signed and 30% of the contract was paid, the contract was on signed 24/12/2018 but effected on 24/06/2019 due to delayed advance payment	1 landing site Contract awarded under VODP2/NOPP	Advance already paid and its under execution, inception report and preliminary designs already submitted for approval, under review by CMT.

5	Supply of Vehicles 2 Double Cabin Pickups	USD 100,000	M/s MAC East Africa (U) Limited	Ushs. 279,451,920	Delivered	The vehicles have been delivered	Paid
6	Supply of Speed Boat	USD 95,435	Allied Synergies Ltd		Delivered	Been delivered	Paid
7	Supply of Tractors	262,000	The Cooper Motors Corporation (U) Ltd	183,560	The tractors have been delivered	Been delivered	Paid
8	Supervision of 2 Landing sites	USD 250,000	Prome Consults Uganda Ltd	741,600,000	Draft contract sent for IFAD No Objection	This will be undertaken under NOPP as agreed in the September Aide memoir	Track the process under NOPP
9	Supervision of 3 Landing sites	USD 250,000	Kaburu Okello Consulting Engineers Ltd	882,000,000	Draft contract sent for IFAD No Objection	This will be undertaken under NOPP as agreed in the	Track the process under NOPP

						September Aide memoir	
8	Construction of Fertilizer store in Buvuma	USD 277,777.78	NA	NA	To be undertaken in NOPP	This will be undertaken under NOPP as agreed in the September Aide memoir	Track the process under NOPP
9	Construction of Office Block in Buvuma	USD 97,222.22	WAO (U) Ltd	Ushs. 345,280,042	Under implementation	Completion of is due for 31 <sup>st</sup> December 2019.	Ongoing but requires serious contract management to align with the outputs expected before December 2019, delayed by ferry transportation of materials.
10	Expansion of Kalangala Office	USD 75,000	Allied Synergies Ltd	UGX 269,964,500	Completed and handed to KOPGT	Only retention outstanding for payment.	Under defects liability period

11	Road works	UGX 716,666.89	Force Account MAAIF/VODP 2	UGX 716,666.89	Force Account	Completed and handed to farmers	Review the maintenance plan
12	Supervision of the ferry construction	USD 300,000	NA	NA	Draft SBD sent to IFAD for No Objection	This will be undertaken under NOPP	Waiting to be flagged under NOPP
13	Marine transport	USD 100,000	Blink Logistics Ltd	99,049  (99,049)	Completed	Completed	Completed and paid
14	Tsetse fly traps and insecticides	USD 336,756	MTK Uganda Ltd	UGX 900,000,000	Completed	Completed	Completed and paid
15	Supply of seed cleaners and threshers	USD 162,162	Kamage Enterprises Ltd	UGX 497,250,000	Completed	Completed	Completed and paid
16	Laboratory equipment for	USD 1,300,000	Labx Scientific Ltd and Mulago	1,200,000	Under BEB Display	Draft contract will be sent soon	Draft Contract will be sent to IFAD

	Oilseed component		Hill Diagnostics Ltd			for IFAD no Objection	24/09/2019 for clearance
17	Aggregation centers for Oil seed component	USD 1,756,756	Several Contractors	UGX 6.5 billion	Under BEB Display	Draft contract will be sent soon for IFAD no Objection	Draft Contract will be sent to IFAD 24/09/2019 for clearance
18	Construction of Fertilizer store in Bunyama	USD 132,432	Rocktrust Contractors (U) Ltd	UGX 464,422,381	Under implementation	Completion due will be in NOPP as per Aide Memoir. Currently at 65%	Roofed and will be completed by December 2019
19	Construction of Fertilizer store in Bubembe	USD 132,432	Giant Plum Enterprises (U) Ltd	UGX 472,269,000	Under implementation	Completion of is due for under NOPP as per Aide Memoir. currently at 35%	Staff housed roofed and the main stored is at the roofing level
20	Construction of Soybean stores in MUARIK	USD 40,540	Rocktrust Contractors (U) Ltd	UGX 127,015,500	Completed	Stores has been commissioned	Under defects liability period, the retention is

						and handed to MUARIK	ready to be released by December 2019
21	Supply of Fertilizers	USD 1,994,434	OPUL	Ugx 11,065,999,700	completed	This was completed by end of December 2018	Completed and paid
22	PIALA	USD 170,000	Adinda	USD 127,560	The contract signed	The contract signed	Track implementation
23	Supply of Assorted Bee Keeping Equipment	UGX 341,000,000	The Hive (U) Limited.	Ushs. 307,031,960	completed	This was completed	Completed and paid
24	Supply of Assorted spare parts for wheel Loader	UGX 95,000,000	M/s Achelis (U) Limited.	Ushs. 93,500,000	completed	This was completed by end of December 2018	Completed and paid
25	Supply of Assorted spare	UGX 195,000,000	M/s JCR Parts & Services (U) Limited.	Ushs. 191,500,000	completed	This was completed by	Completed and paid

	parts for DR6 Bulldozer					end of December 2018	
26	Supply of Assorted spare parts for motor Grader & Low bed carrier	UGX 199,000,000	M/s JCR Parts & Services (U) Limited.	Ushs. 197,500,000	completed	This was completed by end of December 2018	Completed and paid
27	Consultancy Services for HCV, HCS and SIA and GHGA assessments for small holder oil palm growing communities in Buvuma	USD 30,000	M/s Proforest Limited	USD 25,560	completed	This was completed by end of December 2018	Completed and paid
28	Consultancy Services to Conduct	UGX 120,000	Research, Consultancy and Training	UGX 118,750,000	Under implementation	End of December 2019	Track completion timely

	Project Complétion Report.- <b>PCR</b>		International Ltd				
	Estimated Totals	USD 20,614,842. Or UGX 76,274,915,400					

## ANNEX 2: PROJECT RESULTS FRAMEWORK

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>End of Project 2019</i>	<i>Means of Verification</i>
<b>Goal:</b>													
1.0 Contribute to sustainable poverty reduction in the project area	<b>1.1 Households with improvements in assets ownership index at project completion</b>	Oil Palm Kalangala					32.92					50%	RIMS Baseline, and Completion Surveys in 2019 and 2020
		Oil Palm Buvuma					19.68						
		Oil Seeds	Eastern					31.72					
			West Nile					13.45					
	Northern						20.22						
Lira					25.94								
	<b>1.2 20% reduction in the prevalence</b>	Underweight					28.6						

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>		<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>End of Project 2019</i>	<i>Means of Verification</i>
	<b>of child malnutrition, by gender (height/age, weight/age, weight/height)</b>	Oil Palm Kalangala	Stunting					66.2						Uganda Bureau of Statistics.
wasting							16.3							
Oil Palm Buvuma		Underweight					34.8							
		Stunting					46.6							
		wasting					11.8							
Oil Seeds		Underweight					26.3							
		Stunting					61							
		wasting					25.4							
<b>Purpose/Objectives:</b>														
2.0 Increase the domestic production of vegetable oil and its by-products, thus raising rural incomes for smallholder producers and ensuring the supply of affordable vegetable oil products to Ugandan	2.1 Level of vegetable oil self-sufficiency increased from 30% (2008 baseline) to over 60% by project completion (2018).	%	43	62	57	54	49					60%		UBOS statistics on Ugandan vegetable oil production database.

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>End of Project 2019</i>	<i>Means of Verification</i>
consumers and neighbouring regional markets	2.2 Increased per capita vegetable oil consumption from 5.6 Kg/capita in 2008 year to 15 kg by 2018.	Kg/capita	9.5	12.1	11.6	12.3	8.2	7.9	8.13	10	10		FAO food balance sheet The figure is the DES: Dietary energy supply. Indicator used by IFAD.
	<b>2.3 Households receiving project services</b>	No of HHs	1,115	1,118	1,353	6,801	46,617	24,220	84,336	90,070 <sup>1</sup>	119,469		Project M&E
3.0 An integrated oil palm industry to supply national and export markets in compliance with modern environmental standards and providing equitable returns to smallholder producers.	3.1 Crude palm oil annual production increases from 0 tonnes in 2009 to 35 000 tonnes by 2018.	Tons	4,692	10,475	13,552	19,209	18,652	22,662	27,198	24,927	37,363		OPUL and KOPGT databases, reports BOPGT reports Project M&E database
	3.2 Smallholders earning net incomes of USD 1,500 per ha per	USD	322	1,119	1,225	1,457	1,036	1,384	1,225	1,426	1,426		

<sup>1</sup> 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.

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	year from year 4 of development.												
	<b>3.3 Operational self-sufficiency of KOPGT in 2018</b>	Yes/ No	No	No	No	No	No	56%	75%	96%	100%		
<b>OUTPUTS</b>													
New oil palm areas identified	4.1 40,000 ha identified for oil palm plantations by 2018	Ha	10,197	11,705	13,937	15,806	15,806	16,314	16,314 <sup>2</sup>	16,314	21,200		Project progress reports and M&E database
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 <sup>3</sup>	6,500		OPUL and KOPGT databases
	4.3 4 700 ha planted by smallholders in Kalangala by 31 Dec 2017	Ha	2,258	2,366	3,498	3,863	3,863	4,300	4,424	4,424	4,424		KOPGT reports
	<b>4.4 1 800 smallholders served by KOPGT</b>	No.	1,115	1,118	1,353	1,610	1,610	1,683	1,801	1,810	1,810		BOPGT progress reports
	4.5 KOPGT re-structuring agreement signed by 31 Dec 2017	Yes/ No	No	No	No	No	No	No	No	No	Yes		

<sup>2</sup> Kalangala: 11, 200 Ha; Buvuma: 5,114 Ha

<sup>3</sup> OPUL has now planted all the targeted 6,500 hectares of land. The target was achieved in 2017.

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													Special studies District Local Government reports
	4.6 Roads constructed in Kalangala	Bugala	Kms	210	210	240	250	250	260	358	379		
		Bunyama	Kms	0	0	0	0	0	0	0	40		
		Bubembe	Kms	0	0	0	0	0	0	0	33		
	4.6 Fertilizer store constructed	Bugala	Kms	0	0	0	1	1	1	1	1		
		Bunyama	Kms	0	0	0	0	0	0	0	1		
		Bubembe	Kms	0	0	0	0	0	0	0	1		
Sustainable Oil Palm Development	4.7 Two island environmental monitoring plans for smallholder oil palm completed and being implemented .	Number	1	1	1	1	1	2	2	2	2		

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>End of Project 2019</i>	<i>Means of Verification</i>
Buvuma Oil Palm Scheme established	<b>4.8 2 500 ha smallholder land planted by 2018 in Buvuma</b>	Ha	0	0	0	0	0	0	0	0	0		
	<b>4.9 1,250 farmers served by BOPGT.</b>	No.	0	0	0	0	0	0	0	0	0		
	4.10 All oil palm activities (plantation, mill & refinery) are in compliance with NEMA regulations.	%	100	90%	90%	90%	90%	90%	90%	90% <sup>4</sup>	100%		
	4.11 Kms of farm roads constructed/rehabilitated	Kms	0	0	0	0	0	0	0	0	0		
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% in 2009 to 85% by 2018.	%	30	-			51%	34%	38.7%	56%	58 <sup>5</sup> %		Millers study

<sup>4</sup> Environment Impact Assessment Certificate of 2003 gave 4 conditions: No encroachment of Environmental buffer (25%); ESIA 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%.

<sup>5</sup> Focused on the performance of mills in Lira and Gulu Hubs only.

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>End of Project 2019</i>	<i>Means of Verification</i>
Eastern Uganda, Gulu and West Nile as hubs for oilseed production.	5.2 Farmers growing sunflower and soybeans with net cash earning per ha per season of US\$350 increased by 10% each year in each hub	Eastern Hub	-	-	-		352,703	387,973 <sup>6</sup>	49,961 <sup>7</sup>	36,050 <sup>8</sup>	36,200		Baseline study, Completion report
		West Nile					48,978	53,875.8	34,664	20,375	20,375		Farm models
		Northern Hub					66,290	72,919	31,160	16,625	22,465		Production statistics from
		Lira Hub					206,606	227,266.6	41,619	27,075	31,379		MAAIF
	5.3 Oilseeds production of sun flower and soya bean increased by 10% each year	Sunflower <sup>9</sup>	70,000	161,000	197,000	167,000	183,700	202,070	82,398 <sup>10</sup>	244,505	520,000		M&E system
		Soybean <sup>1</sup>	19,000	22,000	16,000	16,000	17,600	26,869.8	130,553	23,426	127,963		UOSPA/UN FFE/OSSUP statistics
	5.4 Number of secondary farmer organisations operational/ functional	Number							11	15	15 <sup>11</sup>	50	

<sup>6</sup> Estimated from national figures (estimated at 70% of national production)

<sup>7</sup> Actual figures showing project beneficiaries in the 4 regional oil seeds hubs

<sup>8</sup> Estimated based on the project targets of reaching 136,000 beneficiaries from 5,900 farmer groups.

<sup>9</sup> It is estimated that 70% of the national production is from the project area. The figures reported are 70% of national production.

<sup>10</sup> Area under sunflower and soybean production multiplied by the average yield.

<sup>11</sup> Only 15 of the identified 40 HLFOs meet the minimum requirement for being classified as such, based on membership and functionality

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>End of Project 2019</i>	<i>Means of Verification</i>	
	5.5 Number of farmers using purchased quality controlled seed	Sunflower						5,538	12,088	12,481 <sup>12</sup>	36,311		completion reports	
		Soybean						5,312	10,169	21,369*	38,652			
		Ground nuts						5,585						
		Sesame						7,694	9580	1,321*				
<b>OUTPUTS</b>	6.1 20 MT each of foundation/ breeder seed of hybrid parental lines of sunflower, ground nuts and soybean produced annually by NARO	Soybean				22	25	65	53	49	36		OSSUP reports NaSARRI/ NaCRRI/ MAAIF Sec Certif. Rep. UBOS reports	
		Sesame					2	10	10		0.7			
		Ground nuts					3	12	10		0.6			
		Sunflower						5	9.8	8.4	2.5			
<b>Smallholders farming oilseeds as a business and operating in groups</b>	6.2 90% of oilseed growers buying quality controlled seed by 2017	Sunflower						7,490	12,088	12,481 <sup>13</sup>	36,311			
		Soy beans	80,000				93,856 <sup>14</sup>		6,918	10,169	21,369	38,652		

<sup>12</sup> Reports from the Extension Service Providers

<sup>13</sup> Figures reported by the extension service providers only in the project area.

<sup>14</sup> 45,007 ha from farmer learning platforms added to the 80,000 ha from baseline

<i>Narrative Summary</i>	<i>Verifiable Indicators</i>	<i>Unit</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>MTR 2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>End of Project 2019</i>	<i>Means of Verification</i>	
<b>to sell increasing volumes of crushing material to millers</b>	6.3 10% annual increase in the hectares under oil seeds cultivation in each regional hub	Sunflower						30,691	54,932	129,101			DAO quarterly report	
		Soybean						50,652	76,796	181,492			NAADS tech. report	
	6.4 Average yield of 1.7 t/ha for sunflower and 1.1t/ha for soybean	Sunflower				0.8		1.3	0.7	1.9	1.7		Impact assessments and surveys	
		Soybean				0.737		0.9	0.6	1.8	1.1			
	6.5 5,900 farmer groups (with 30% participation of women) receiving extension services from the project by 2018	Farmer groups  % women						2,394	2,448	3,183	5,311	5,311		VODP2 progress reports  MAAIF farm survey reports
	6.6 1000 Farmer groups bulk selling by 2017								145	607	670	1,200		Impact assessments and surveys
6.7 90% of the medium/large-scale millers attain UNBS quality	Large scale mills %	0	0	0	0			20%	40%	86% <sup>15</sup>	80%			

<sup>15</sup> 6 out of 7 large mills certified. Currently process of certification of MMP Nile Agro on going.

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	certification by 2018.	Medium scale mills %											VODP2 progress reports using Info. from millers, UBOS and UNBS reports, and mobile service provider
	6.8 Amount of credit facility disbursed to value chain actors by participating financial institutions (Billions)	Amount (UGX Bn)	0	0	0	0	2.1	2.7	2.8	3.1	3.4		
	6.9 Number of beneficiaries of the credit facility.	Households	0	0	0	0	1,385	1,645	2,983	3,604	3,959		
7.0 Project Management helping farmers to provide growing amounts of crushing material for processing in edible oil & earning better incomes	7.1 IFAD loan 55% disbursed by 30 June 2015 and 100% by 31 June 2019	Number	0%	11%	13.5%	19.7%	32.3% <sup>16</sup>	46.51	52.47	67.35*	80		VODP2 progress reports. IFAD disbursement report Audit reports in

<sup>16</sup> September 2014

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													line with IAS.
<b>8.0OUTPUTS</b>	8.1 Full staff of qualified professionals	%	2	2	12	13	13	10	8	13*	13		Audit reports
8.1 Project Management fully operational													PMU financial reports
8.2 Oilseed subsector platform (OSSUP) providing forum for stakeholders	8.1 Percentage of actions that OSSUP platform meetings agreed upon that have been implemented	%	100	100	100	100	100	100	100	100 <sup>17</sup>	100		VODP2 project progress and M&E reports
	8.2 Timely preparation and execution of AWPB (budget performance by financial year).		Y	Y	Y	Y	Y	Y	Y	Y	Y		
	8.3 Timely submission of mandatory reports		Y	Y	Y	Y	Y	Y	Y	Y	Y		
	8.4 Timely submission of withdrawal requests		Y	Y	Y	Y	Y	Y	Y	Y	Y		

<sup>17</sup> Recommendations from OSSUP platform meetings were incorporated in the project AWPBs.

**BOLD: RIMS INDICATO**

