



Agro-Industrialization Programme

Semi-Annual Budget Monitoring Report

Financial Year 2023/24

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ABBREVIATIONS

AADS	Agricultural Administrative Data System
ACDP	Agriculture Cluster Development Project
ACF	Agriculture Credit Facility
ACRN	Africa Coffee Research Network
ADB	African Development Bank
AEAS	Agriculture Extension and Advisory System
AEG	Agricultural Extension Grant
AnGRC	Animal Genetic Resource Centre
AQUAMIS	Aquaculture Management Information System
ARMC	Agricultural Regional Mechanization Centres
AVCDS	Agricultural Value Chain Development Strategy
AVCP	Agriculture Value Chain Development Project
BCTB	Black Coffee Twig Borer
BDS	Business Development Services
BMAU	Budget Monitoring and Accountability Unit
BMPS	Best Aquaculture Practices
Bn	Billion
BoQs	Bills of Quantities
BoU	Bank of Uganda
CAADP	Comprehensive Africa Agriculture Development Program
CABI	Centre for Agriculture and Bioscience International
CAO	Chief Administrative Officer
CARs	Community Access Roads
CBF	Community-Based Facilitators
CBPP	Contagious Bovine Pleuro Pneumonia
CDO	Cotton Development Organization
CDO	Community Development Officer
CF	Community Facilitator
CGS	Competitive Grant Scheme
CI	Credit Institution
COOP	Cooperatives on Organic Coffee Production
COVID-19	Coronavirus Disease-2019
CPDCP	Crop Pests and Diseases Control projects
CRB	Credit Reference Bureau
CRBD	Coffee Red Blister Disease
CSR	Community Social Responsibility
CTC	Cut Tear and Curl
CWDR	Coffee Wilt Disease Resistant
DAESM	Department of Agricultural Extension and Skills Management
DAIED	Department of Agricultural Investment and Enterprise Development
DAO	District Agricultural Officer
DAP	Di-ammonium Phosphate
DARST	District Adaptive Research Support Teams
DCOs	District Business Clinics

DDA	Dairy Development Authority
DFCS	Dairy Farmers Cooperatives
DIT	Directorate of Industrial Training
DLG	District Local Government
DLP	Defects Liability Period
DPOs	District Production Officers
DRMS	Domestic Revenue Mobilization Strategy
DVO	District Veterinary Officers
EAC	East African Community
EBQC	Elementary Basic Quality Control
EDF	European Development Fund
EDTS	Entebbe Dairy Training School
EIA	Environmental Impact Assessment
ESIA	Environmental Social Impact Assessment
ESMP	Environmental and Social Management Plans
ESW	Electronic Single Window
EU	European Union
EVMG	Electronic Voucher Management Agency
FAO	Food and Agricultural Organisation
FAQ	Fair Average Quality
FAW	Fall Armyworm
FFB	Fresh Fruit Bunches
FFS	Farmer Field Schools
FGDs	Focus Group Discussions
FMD	Foot and Mouth Disease
FO	Fisheries Officer
FOs	Farmer Organizations
FY	Financial Year
GAPS	Good Agricultural Practices
GDP	Gross Domestic Product
GIS	Geographical Information System
GoU	Government of Uganda
GPS	Global Positioning System
GRP	Goat Roll-Out Project
Ha	Hectare
HH	Households
HRD	Human Resource Development
HVAC	Heating Ventilation and Air Conditioning
IACO	Inter-African Coffee Organisation
ICT	Information and communications Technology
IDA	International Development Association
IsDB	Islamic Development Bank
IFAD	International Fund for Agricultural Development
IFMS	Integrated Financial Management System
IPM	Integrated Pest Management
ISO	Irrigation Systems Operator

ISTA	International Seed Testing Association
IT	Information Technology
IVF	Invitro-fertilization
IWUA	Irrigation Water User Association
JICA	Japanese International Cooperation Agency
KCCA	Kampala Capital City Authority
KENAS	Kenya Accreditation Services
kg	Kilogram
km	Kilometer
KOPGT	Kalangala Oil Palm Growers Trust
LEGS	Local Economic Growth Support Project
LES	Livestock Experimental Station
LG	Local Government
LLG	Lower Local Government
LSD	Lumpy Skin Disease
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MCAL	Mutuma Commercial Agencies Limited
MCC	Milk Collection Centre
MDALGS	Ministries, Departments, Agencies and Local Government
MDAs	Ministries, Departments and Agencies
MEMD	Ministry of Energy and Mineral Development
MESSP	Meat Export Support Services
MFIs	Micro-finance Institutions
MFPEd	Ministry of Finance, Planning and Economic Development
MIS	Management Information System
Mn	Million
MOBIP	Market-Oriented and Environmentally Sustainable Beef Industry
MGLSD	Ministry of Gender Labor and Social Development
MOH	Ministry of Health
MoICT	Ministry of Information and Communication Technology
MOLG	Ministry of Local Government
MOPS	Ministry of Public Service
MoU	Memorandum of Understanding
MPS	Ministerial Policy Statement
MSCL	Microfinance Support Centre Ltd
MSME	Ministry of Micro, Small and Medium Enterprises
MT	Metric Tonne
MTIC	Ministry of Trade Industry and Cooperatives
MWE	Ministry of Water and Environment
NAADS	National Agricultural Advisory Services
NaCORI	National Coffee Research Institute
NaCRRI	National Crops Resources Research Institute
NADDEC	National Animal Disease Diagnostics and Epidemiology Centre
NAEP	National Agricultural Extension Policy
NAES	National Agricultural Extension Strategy

NaFIRRI	National Fisheries Resources Research Institute
NaFORRI	National Forestry Resources Research Institute
NAGRC&DB	National Animal Genetic Resources Center and Data Bank
NaLiIRRI	National Livestock Resources Research Institute
NARL	National Agricultural Research Laboratories
NARO	National Agriculture Research Organization
NAROSEC	National Agriculture Research Organization Secretariat
NASARRI	National Semi-Arid Resources Research Institute
NBC	National Biosafety Committee
NCD	Newcastle Disease Vaccine
NCS	National Council of Science
NDA	National Drug Authority
NDAL	National Dairy Analytical Laboratory
NDL	National Dairy Laboratory
NDP	National Development Plan
NEC	National Enterprise Corporation
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NFASS	National Food and Agricultural Statistics System
NIRA	National Identification and Registration Authority
NITA-U	National Information Technology Authority- Uganda
NLI	National Leadership Institute
NLR	National Laboratories Research
NML	National Metrological Laboratory
NMS	National Medical Store
NOPP	National Oil Palm Project
NPA	National Planning Authority
NPT	National Performance Trial fields
NWSC	National Water and Sewerage Corporation
OAG	Office of the Auditor General
OPBL	Oil Palm Buvuma Limited
OPGs	Oil Palm Growers
OWC	Operation Wealth Creation
PAH	Polycyclic Aromatic Hydrocarbons
PBS	Programme-Based Budgeting System
PDC	Parish Development Committee
PDM	Parish Development Model
PDMMIS	Parish Development Management Information System
PFI	Participating Financial Institution
PFM	Public Financial Management
PIAP	Programme Implementation Action Plans
PIAPS	Project Affected Persons
PMG	Production and Marketing Grant
PMU	Programme Implementation Unit
POs	Producer Organizations
PPC	Portland Pozzolanic Cement

PPDA	Public Procurement and Disposal of Assets Authority
PPE	Personal Protective Equipment
PPP	Public-Private Partnership
PPR	Peste Des Petits Ruminants
PRELNOR	Project for Restoration of Livelihoods in the Northern Region
PSP	Public Stand Posts
PWD	Persons with Disabilities
Q	Quarter
RAP	Resettlement Action Plan
RCEO	Regional Coffee Extension Officers
RFSC	Regional Farm Service Centre
SACCO	Savings and Credit Cooperative Organization
SAGIP	Strategic Intervention for Animal Genetic Improvement Project
SLM	Sustainable Land Management
SMEs	Small and Medium Enterprises
SOFTE	Soroti Fruit Factory
SOP	Standard Operating Procedure
SRS	System Requirements Specification
SSI	Small Scale Irrigation
TC	Town Council
ToTs	Training of Trainers
TRICOT	Triadic Comparison of Technologies
UAIS	Uganda Agricultural Insurance Scheme
UBA	United Bank of Africa
UBOS	Uganda Bureau of Statistics
UCA	Uganda Cooperative Alliance
UCDA	Uganda Coffee Development Authority
UCF	Uganda Coffee Federation
UDB	Uganda Development Bank
UDC	Uganda Development Corporation
UEPB	Uganda Export Promotions Board
UETCL	Uganda Electricity Transmission Company Limited
Ug shs	Uganda Shillings
UGCEA	Uganda Ginners and Cotton Exports Association
UGIFT	Uganda Intergovernmental Fiscal Transfer Program
UHPLC	Ultra-High Performance Liquid Chromatography
UHT	Ultra-High Temperature
UMFSNP	Uganda Multi-Sectoral Food Security and Nutrition Project
UNBS	Uganda National Bureau of Standards
UNRA	Uganda National Road Authority
UPDF	Uganda People's Defense Forces
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau
USA	United States of America
USADAF	United States African Development Foundation
USAID	United States Agency for International Development

USD	US Dollars
UWRS	Uganda Warehouse Receipt System Uganda Export Promotions Board
VAT	Value Added Tax
VFM	Value for Money
VRC	Variety Release Committee
VSLAS	Village Savings and Loans Association
VT	Valley Tanks
WRS	Warehouse Receipt System Services
WUA	Water Users' Association
ZARDI	Zonal Agricultural Research Development Institute

FOREWORD

At the start of this Financial Year 2023/24, the Government of Uganda outlined strategies to accelerate the country's economic growth agenda. Some of these strategies centered on enhanced domestic revenue mobilization and collection, and effective implementation of various initiatives to improve the efficiency and effectiveness of government programs and projects.

Within your programmes, I urge you to undertake a comprehensive reflective exercise to find out if indeed the interventions being implemented are achieving the true essence of efficiency and effectiveness. If not, why? How can this situation be remedied? Without efficiency and effectiveness, the impact and the ensuing sustainability from the interventions will not be achieved, thus reducing the opportunities for investment in new and more productive ventures.

The government is concerned that some programmes have stagnated at fair performance over the years, although they receive a considerable amount of their budgets annually. These monitoring findings form a very important building block upon which the programmes can begin the reflective exercise. I will be happy to hear your ideas on how the last-mile service delivery can be improved.



Ramathan Ggoobi

Permanent Secretary/Secretary to the Treasury

EXECUTIVE SUMMARY

Introduction

Starting Financial Year (FY) 2021/22, the Budget Monitoring and Accountability Unit commenced Programme-Based Monitoring to assess performance against targets and outcomes in the Programme Implementation Action Plans (PIAPs), Ministerial Policy Statements (MPSs) and the Third National Development Plan (NDPIII). This report presents findings from monitoring the Agro-Industrialization Programme for the budget execution period from 1st July 2023 to 30th December 2023, covering the five sub-programmes.

Overall Programme Performance

Financial performance

The approved budget for the FY 2023/24 stood at Ug shs 1,922.42 billion (bn), with Government of Uganda funding amounting to Ug shs 1,103.343bn and external financing contributing Ug shs 818.897bn. As of December 31st, 2023, a total of Ug shs 763.533bn, equivalent to 40% of the programme budget, had been released, of which Ug shs 463.357bn, representing 61% of the released amount was expended. The Government of Uganda's half-year release and expenditure performance were assessed as very good, reaching 57% and fair, reaching 61%, respectively. Conversely, the performance of external financing in terms of release was poor at 16%, while expenditure performance was deemed fair at 58%.

Overall performance

The overall performance of the Agro-Industrialization Programme **was fair at 63.60%**. The best-performing sub-programmes were: Agricultural Market Access and Competitiveness (87.7%) and Agricultural Production and Productivity (73.13%) and the worst was Storage, Agro-Processing and Value Addition (27.96%). Good performance was realized in the inspection and certification of products including milk handling premises and equipment, cotton ginneries, coffee quality controllers and agro-input dealers. There was increased enforcement of sanitary, safety and standards of products and acquisition of the Q-Mark from the Uganda National Bureau of Standards (UNBS).

There was sustained execution of multi-year investments, particularly in agricultural research and breeding infrastructure and equipment, supported by off-budget and private-sector collaboration. Substantial advancements were made in establishing storage, processing, and value-addition facilities by several governmental bodies including the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), National Agricultural Advisory Services (NAADS), Uganda Coffee Development Authority (UCDA), Uganda Development Corporation (UDC), and Ministry of Local Government (MoLG). Enhanced agricultural financing through the Parish Development Model (PDM), coupled with the provision of quality inputs, water for production, and mechanization, facilitated increased access to superior agricultural technologies and markets. A substantial rise in the value of agricultural exports, notably in coffee, marked a significant achievement during this timeframe.

Service delivery, however, was negatively affected by inadequate funding; low disbursement of external financing due to delayed verification and compensation of PAPs in infrastructure-related projects, and quarantine measures on the movement and sale of livestock products due to the prevalence of Foot and Mouth Disease (FMD) in the cattle corridor negatively impacted the dairy sector's performance.

Detailed Sub-programme performance

Agricultural Production and Productivity

As of December 31st 2023, the National Agricultural Research Organisation (NARO) had introduced several technological innovations and practices, including improved varieties of sweet potatoes, maize, and rice. Additionally, starter cultures for milk fermentation, probiotics, improved coffee seedlings, and nutrient-rich bio-fertilizers were promoted. Research efforts focused on developing Vitamin A-fortified orange and purple sweet potato varieties, as well as an antioxidant black rice variety. Progress was noted in remodeling of the Anti-Tick Vaccine Facility and the installation of equipment in the Alfasafe Facility to control aflatoxins.

However, the expansion and renovation of the Semen Laboratory by the National Animal Genetic and Resource Centre and Data Bank (NAGRC&DB) were only at 20% completion, while the construction of the gene bank was behind schedule. Despite the importation of 22 improved bulls from South Africa and Kenya, disease-related fatalities occurred.

Various administrative and breeding infrastructures at NAGRC&DB stations, such as hay barns and silage bunkers, were at different stages of completion. Progress on water infrastructure projects varied, with some, like the Acomai Irrigation Scheme, behind schedule. Rehabilitation efforts on old water production facilities showed mixed results, with some areas achieving full completion while others lagged significantly. Construction of solar-powered small-scale irrigation schemes faced challenges, resulting in poor performance due to constraints such as limited water sources, manpower, and land acquisition issues.

Storage, Agro-Processing and Value Addition

Poor performance was noted in establishing storage, processing, and value-addition facilities by several governmental bodies including MAAIF, NAADS, UCDA, UDC, and MoLG. The poor performance was due to inadequate development releases, non-functionality of some established facilities and delayed or stalled civil works. The UCDA notably distributed 25 wet mills and 50 hand pulpers acquired in FY2022/23. The MoLG rehabilitated 19 non-functional agro-processing facilities.

Furthermore, 15 ordinary maize milling equipment were allocated to 15 farmer organizations, along with 23 milk coolers and accompanying implements with a capacity of 63,000 litres provided to farmers. Progress on construction and equipping of value addition facilities under the Local Economic Growth Support (LEGS) Project varied, with some projects stalling and new contracts initiated. Additionally, the construction of a warehouse at the Acomai Irrigation Scheme had reached 66.7% physical completion. Agro-processing continued at the UDC-supported Soroti Fruit Factory, Bukona Agro-processors Limited, and Mutuma Commercial Agencies Limited. Project performance was lower due to power outages, inadequate raw

materials, low productivity machinery, servicing outstanding loan obligations, inadequate working capital and an increase in prices of key ingredients.

Agricultural Market Access and Competitiveness

Good performance was realized in the certification and quality assurance of agricultural products, renovation and equipping of certification laboratories, construction of farm and community access roads and road chokes, coffee value addition services and establishment of markets under NAADS, Market Oriented and Environmentally Sustainable Beef Industry (MOBIP) and LEGS interventions.

Ongoing projects included the renovation of the sanitary and phytosanitary laboratory at Namalere, the construction of a milk collection centre at Nabiswera in Nakasongola District, and civil works for rehabilitating the Sanga Slaughter Facility in Kiruhura District. UCDA certified 1,296,319 coffee bags for export, while inspections were conducted on 1,396 milk handling premises, equipment, and consignments for compliance. Additionally, 2,444 milk and milk product samples were analyzed. The Dairy Development Authority (DDA) provided training to 166 dairy stakeholders in milk value addition and quality assurance.

Agricultural Financing

During the review period, the Agricultural Credit Facility (ACF) disbursed loans totaling Ug shs 41.091bn to 368 farmers and firms, with a government contribution of Ug shs 20.546bn. More smallholder farmers were brought on board through the block allocation arrangement. However, the northern and eastern regions of Uganda received a disproportionately low share of ACF loans, primarily due to communal land tenure systems in Northern Uganda, limited financial literacy among farmers, absence of collateral, and insufficient information on ACF in participating financial institutions (PFI) branches, hindering credit access in some areas in Eastern Uganda. Male farmers had higher access to the ACF than their female counterparts.

Furthermore, UDC continued its support for 10 agro-industrialization projects, with four investments generating USD 2,874,783 in export revenue as of 30th September 2023. Soroti Fruit Factory processed oranges and mangoes but operated at a loss, attributed to inadequate financing for industrial packaging lines and low demand for concentrate. Atiak Sugar Factory remained non-operational due to cane shortages. By 30th September 2023, UDC reported poor fund absorption, utilizing only 12.3% of available funds by 31st December 2023.

Institutional Strengthening and Coordination

The MAAIF, in partnership with the Uganda National Farmers Federation (UNFFE), PDM Secretariat, and District Local Governments (DLGs), continued nationwide campaigns to educate farmers and encourage their participation in the PDM program. They provided training to enterprise groups and distributed technical guidelines and manuals on priority and strategic enterprises. As of 30th November 2023, a total of 56,375 enterprise groups across the country had been trained and received revolving funds. Parish Development Committees (PDCs) were established with seed capital of Ug shs 500,000 for operational and logistical support.

However, some farmers diverted PDM funds for purposes other than those approved in their business plans. Additionally, conflicting information and guidelines from different ministries,

departments, and agencies (MDAs) continued to hinder the effective implementation of the PDM.

Challenges

- i) Changes in the scope of planned interventions by MAAIF senior leadership and Parliament delayed the implementation of approved donor-financed projects as exemplified by the National Oil Seeds Project.
- ii) An outbreak of zoonotic diseases in the southern cattle corridor like Anthrax and FMD.
- iii) Weak contract management in civil works especially in LEGS and MAAIF resulting in the late implementation of infrastructure projects.
- iv) Gender and regional inequalities in access to agricultural infrastructure and services, with the women, North and East being the least served.

Recommendations

- i) The Ministry of Finance, Planning and Economic Development (MFPED) ought to initiate projects only after ensuring a comprehensive financing agreement and feasibility study are in place to prevent delays in project commencement.
- ii) The MAAIF and MFPED should prioritize financing for vaccine procurement and ensure routine massive vaccination against FMD in the cattle corridor.
- iii) The MFPED, MAAIF and MoLG should strengthen contract management processes for agricultural infrastructure projects.
- iv) The MAAIF and all agencies should integrate measures to ensure affirmative action for the Northern and Eastern regions and women to enhance access to services.

CHAPTER 1: INTRODUCTION

1.1 Background

The mission of the Ministry of Finance, Planning and Economic Development (MFPED) is, “*To formulate sound economic policies, maximize revenue mobilisation, and ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development.*”

The MFPED through its Budget Monitoring and Accountability Unit (BMAU) tracks the implementation of programmes/projects by observing how values of different financial and physical indicators change over time against stated goals, indicators and targets (how things are working). The BMAU work is aligned with budget execution, accountability, service delivery, and implementation of the Domestic Revenue Mobilization Strategy (DRMS).

Starting FY 2021/22, the BMAU has been undertaking Programme-Based Monitoring to assess performance against targets and outcomes in the Programme Implementation Action Plans (PIAPs) and the third National Development Plan (NDPIII). Semi-annual field monitoring of government programmes and projects was undertaken to verify the receipt and application of funds by the user entities and beneficiaries, the outputs and intermediate outcomes achieved, and the level of gender and equity compliance in the budget execution processes.

The monitoring covered the following Programmes: Agro-Industrialization; Community Mobilization and Mindset Change; Digital Transformation; Human Capital Development; Innovation, Technology Development and Transfer; Integrated Transport Infrastructure and Services; Manufacturing; Mineral Development; Natural Resources, Environment, Climate Change, Land and Water Management; Public Sector Transformation; Sustainable Development of Petroleum Resources; and Sustainable Energy Development.

This Semi-annual Monitoring Report presents findings from monitoring the Agro-Industrialization Programme for the budget execution period from 1st July 2023 to 31st December 2023.

1.2 Programme Goal and Objectives

The Goal of the Agro-Industrialization Programme is “*To increase commercialization and competitiveness of agricultural production and agro-processing*”.

The programme objectives are to:

- i) Increase agricultural production and productivity;
- ii) Improve post-harvest handling and storage;
- iii) Improve agro-processing and value addition;
- iv) Increase market access and competitiveness of agricultural products in domestic and international markets;
- v) Increase the mobilization and equitable access and utilization of agricultural finance; and
- vi) Strengthen the institutional coordination for improved service delivery.

The theme guiding the budget strategy for FY 2023/24 is “*Full Monetization of Uganda’s Economy through Commercial Agriculture, Industrialization, Expanding and Broadening Services, Digital Transformation and Market Access*”. Key expenditure drivers focus on the implementation of the Parish Development Model (PDM), development of irrigation systems; provision of affordable credit; provision of quality inputs and planting materials; enhance storage and marketing; climate resilience programmes; food security interventions; agricultural research; disease control and commercializing agriculture (*Budget Speech FY 2023/24*).

1.3 Sub-programmes

The Agro-Industrialization Programme is implemented through five sub-programmes, namely:

- i) Agricultural Production and Productivity
- ii) Storage, Agro-processing and Value Addition
- iii) Agricultural Market Access and Competitiveness
- iv) Agricultural Financing
- v) Institutional Strengthening and Coordination

1.4 Programme Outcomes

The key results to be achieved over the five-year period (FY 2020/21 to FY 2024/25) are¹:

- i) Increased total export value of processed agricultural commodities; coffee, tea, fish, dairy, meat, and maize (and its products) from; USD 0.935 bn to USD2.7 bn;
- ii) Reduced total value of imported cereals and cereal preparations, vegetable fats and oils, and sugar preparations from USD 931.1 million to USD 500 million;
- iii) Increased agricultural sector growth rate from 3.8 percent to 6.0 percent;
- iv) Increased labour productivity in the agro-industrial value chain (value added, USD per worker) from USD 2,212 to USD 3,114;
- v) Increased number of jobs created per annum in agro-industry along the value chain by 180,000;
- vi) Reduced percentage of households dependent on subsistence agriculture as a main source of livelihood from 68.9 percent to 55 percent; and
- vii) Increased proportion of households that are food secure from 60 percent to 90 percent.

¹ Third National Development Plan (NDPIII)

CHAPTER 2: METHODOLOGY

2.1 Scope

This monitoring report is based on selected interventions in the Agro-Industrialization Programme planned during FY 2023/24 (Annex 1 and Table 2.1). A total of 17 (77.3%) of the interventions in the Programme Implementation Action Plan (PIAP) were monitored. Three interventions were not assessed due to two key reasons: a) they were not planned and budgeted for implementation in FY2023/24 and b) lack of credible data.

Table 2.1: Number of interventions monitored for Semi-Annual FY 2023/24

SN	Sub-programme	Total interventions in PIAP	No of interventions PIAP Monitored
1	Agricultural Production and Productivity	13	8
2	Storage, Agro-processing and Value Addition	8	4
3	Agricultural Market Access and Competitiveness	5	3
4	Agricultural Financing	6	2
5	Institutional Strengthening and Collaboration	2	1
	Total Interventions	34	18
	% of Total Interventions monitored		52.9

The selection of projects and interventions to monitor was based on the following criteria:

- i) Significant contribution to the programme objectives and national priorities.
- ii) Level of investment and interventions that had large volumes of funds allocated were prioritized.
- iii) Multiyear investments under implementation in the current year.
- iv) Projects that were considered at risk, mostly due to low absorption of external financing.

2.2 Approach and Sampling Methods

Monitoring involved analysis and tracking of inputs, activities, processes, outputs and outcomes as indicated in the Budget Speech FY2023/24, the PIAP, third National Development Plan (NDPIII), Ministerial Policy Statements (MPS) and Annual work plans, and performance reports of Ministries, Departments and Agencies (MDAs) and Local Governments (LGs). Both qualitative and quantitative methods were used in the monitoring exercise. The physical performance of outputs and intermediate outcomes were assessed by monitoring a range of indicators. Purposive sampling was used in selecting outputs under the interventions.

To aid in mapping PIAP interventions against annual planned targets stated in the Vote MPS and quarterly work plans, a multi-stage sampling was undertaken at four levels: i) Sub-programmes ii) Sub-sub-programmes, iii) local governments, and iv) project beneficiaries. The selection of districts and facilities considered regional representativeness.

2.3 Data Collection and Analysis

Data collection

The MDAs and entities that were responsible for the realization of the agro-industrialization agenda were consulted and participated in the provision of data. These included the Bank of Uganda (BoU), the Ministry of Finance, Planning and Economic Development (MFPED), Cotton Development Organization (CDO), Dairy Development Authority (DDA), Local Governments (LGs) and the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF).

The others were: The Ministry of Local Government (MoLG), Uganda Development Corporation (UDC), Agro Consortium Ltd, Ministry of Water and Environment (MWE), National Agricultural Advisory Services (NAADS) Secretariat, National Animal Genetic Resource Centre and Data Bank (NAGRC&DB), National Agricultural Research Organization (NARO) and Uganda Coffee Development Authority (UCDA). *ANNEX 2: Districts and Entities monitored for Semi-Annual FY 2023/24* provides details of the Institutions and LGs that were sampled.

The monitoring team employed both primary and secondary data collection methods. **Secondary data collection methods** include;

- i) Literature review from key policy documents including, MPS FY2023/24; National and Programme Budget Framework Papers; PIAPs, (NDP III), quarterly progress reports and work plans for the respective implementing agencies, Quarterly Performance Reports, Budget Speech, Public Investment Plans, Approved Estimates of Revenue and Expenditure, project reports, strategic plans, policy documents, Aide Memoires and Evaluation Reports for selected programmes/projects.
- ii) Review and analysis of data from the Integrated Financial Management System (IFMS); Programme Budgeting System (PBS); Quarterly Performance Reports and Bank statements from some implementing agencies.

Primary data collection methods on the other hand included:

- i) Consultations and key informant interviews with Institutional heads, project/intervention managers, household heads, and service beneficiaries at various implementation levels. Focused group discussions (FGDs) were also held in instances of group beneficiaries.
- ii) Field visits to various districts, for primary data collection, observation and photography.
- iii) Callbacks in some cases were made to triangulate information.

2.4 Data Analysis

The data was analyzed using both qualitative and quantitative approaches. Qualitative data was examined and classified in terms of constructs, themes or patterns to explain events among the beneficiaries (interpretation analysis) and reflective analysis where the monitoring teams provided an objective interpretation of the field events. Quantitative data on the other hand was analyzed using advanced Excel tools that aided interpretation.

Comparative analyses were done using percentages, averages, and cross-tabulations of the outputs/interventions; intermediate outcome indicators and overall scores. Performance of

outputs/interventions and intermediate outcome indicators was rated in percentages according to the level of achievement against the annual targets. The sub-programme score was determined as the weighted aggregate of the average percentage ratings for the output/intermediate outcomes in the ratio of 65%:35% respectively.

The overall programme performance is an average of individual sub-programme scores assessed. The performance of the programme and sub-programme was rated based on the criterion in Table 2.2. Based on the rating assigned, a BMAU colour-coded system was used to alert the policymakers and implementers on whether the interventions were achieved or had very good performance (green), or good performance (yellow), fair performance (light gold) and poor performance (red) to aid decision making.

Table 2.2: Assessment Guide to Measure Performance in FY 2023/24

Score	Performance Rating	Comment
90% and above	Green	Very Good (Achieved at least 90% of outputs and outcomes)
70%-89%	Yellow	Good (Achieved at least 70% of outputs and outcomes)
50%- 69%	Light Gold	Fair (Achieved at least 50% of outputs and outcomes)
49% and below	Red	Poor (Achieved below 50% of outputs and outcomes)

Source: BMAU

Ethical considerations

Entry meetings were undertaken with the Permanent Secretaries/and Accounting Officers or delegated Officers upon commencement of the monitoring exercises. Consent was sought from all respondents including programme or project beneficiaries. All information obtained during the budget monitoring exercise was treated with a high degree of confidentiality and only used in policy making and improving service delivery.

2.4 Limitations

- i) The limited scope of fieldwork due to inadequate funding and delayed availability of field vehicles as they were deployed in a National event. Two out of the five sub-programmes could not be rated due to insufficient primary data. The affected were: Agricultural Financing and Institutional Strengthening and Coordination.
- ii) Institutions and farmers in the cattle corridor areas did not allow the monitoring team to view some of the field projects to minimize the spread of FMD and other zoonotic diseases.

2.5 Structure of the Report

The report is structured into four chapters. These are: Introduction; Methodology; Programme Performance; and Conclusion and Recommendations.

CHAPTER 3: PROGRAMME PERFORMANCE

3.1 Overall Programme Performance

3.1.1 Financial performance

The appropriated budget for the Agro-Industrialization Programme for the FY 2023/24, is Ug shs 1,814.249 billion (bn) of which Ug shs 1007.192bn is external financing representing 55.5%. The revised half-year programme budget was 1,892.296bn inclusive of a supplementary amounting to Ug shs 58.725bn. By 31st December 2023, Ug shs 710.669 bn was released (39.2% of the appropriated budget) and Ug shs 491.348bn spent (69.1% of the release). The budget release and expenditure performance for the programme was good and fair, respectively.

External financing of the programme supports interventions in three votes: MAAIF, MoLG and MWE. The external financing budget for the programme was Ug shs 1,007.192bn representing 53.2% of the revised programme budget. By 31st December 2023, Ug shs 300.295 bn was released and Ug shs 170.499bn spent (Table 3.1). The release and expenditure performance for the external financing for MAAIF were poor and fair respectively. The MoLG received 100% of the annual external financing budget however; the expenditure was poor at 8.1%. Key challenges were: delayed verification and compensation of project-affected persons (PAPs) for infrastructure-related projects, delayed completion of environment, and social impact assessments, detailed scheme designs, and procurement of contractors and consultants.

Table 3.1: External Financing performance for Agro-industrialization programme as at 31st December 2023

Ministry	Budget (Ug shs bn)	Release (Ug shs bn)	Spent (Ug shs bn)	% of the budget released	% of the release spent
MAAIF	818.897	214.578	138.838	26.2	64.7
MWE	173.27	70.694	30.443	40.8	43.1
MoLG	15.025	15.023	1.217	100	8.1
Total	1,007.192	300.295	170.499	29.8	56.8

Source: MFPEB Budget Data

Financial performance by sub-programme

The analysis assessed the use of the appropriated budget by the five sub-programmes under the programme. However, the appropriation for Agricultural Financing is done under two programmes; Manufacturing and Private-Sector Development. The Agro-Industrialization Programme budget is Ug shs1,903.465bn of Ug shs 914.101bn was released and Ug shs 607.6096bn was spent by 31st December 2023, as shown in Table 3.2.

Table 3.2: Financial Performance of the Agro-Industrialization Programme as at 31st December 2023

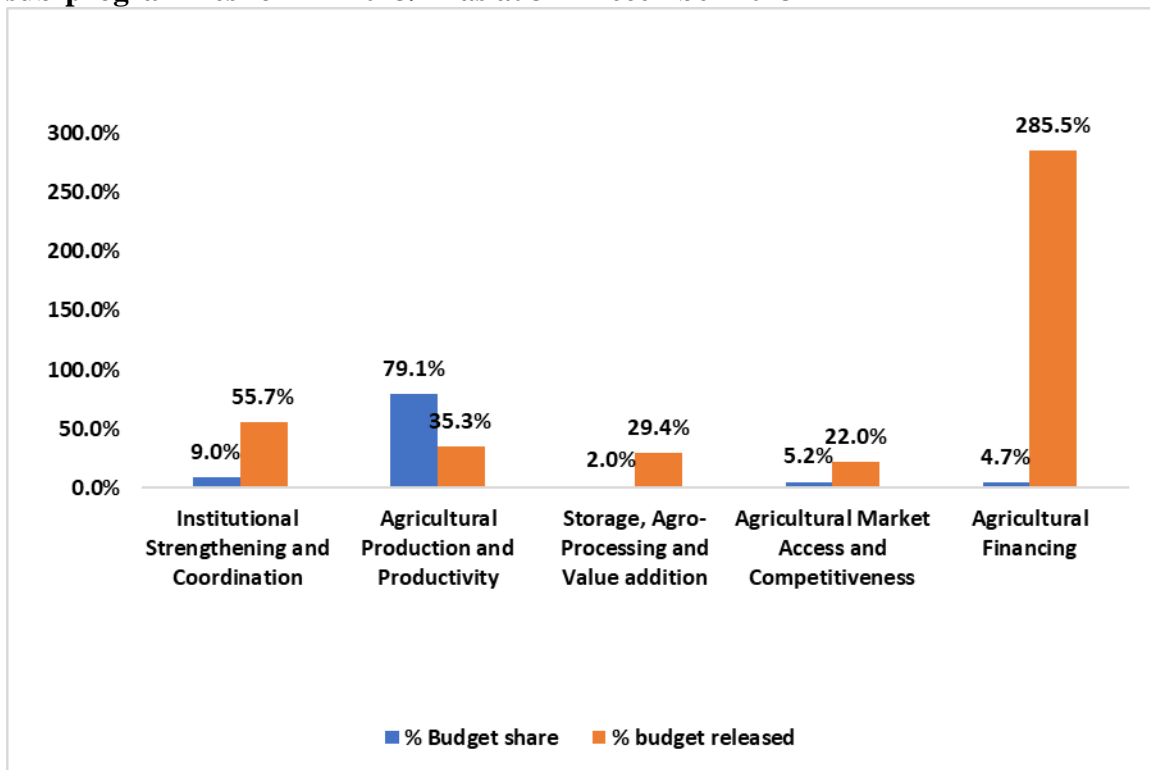
Sub-programme	Budget (Ug shs bn)	Release (Ug shs bn)	Spent (Ug shs bn)	% of the budget released	% of the release spent
Institutional Strengthening and Coordination	172.176	95.816	81.343	55.65	84.89
Agricultural Production and Productivity	1,504.78	530.565	364.157	35.26	68.64
Storage, Agro-Processing and Value addition	38.342	11.286	8.049	29.44	71.32
Agricultural Market Access and Competitiveness	98.95	21.745	7.936	21.98	36.49
Agricultural Financing	89.216	254.688	146.123	285.47	57.37
Total	1,903.465	914.101	607.609	48.02	66.47

Source: Approved Budget Estimates, IFMS and Field Findings

The agricultural production and productivity sub-programme had the highest budget share (79.1%) whereas the storage, agro-processing and value addition sub-programme had the least budget share (**Figure 3.1**). This shows a focus by the government to invest more in production, with limited funding for storage, value addition and market access infrastructure. The agricultural financing sub-programme had a very good release performance owing to the supplementary budget to the UDC of Ug shs 46.467bn and funds brought forward from FY22/23 of Ug shs 129.989bn by the UDC. The agricultural market access and competitiveness sub-programme had the least budget release followed by the Storage, Agro-Processing and Value Addition Sub-programme.

The institutional strengthening and coordination sub-programme had the highest budget absorption at 84.89% whereas the Agricultural market access and competitiveness sub-programme had the least absorption of availed releases at 36.49%. The low expenditure performance was partly attributed to the late release of funds for the agriculture extension and production and marketing grants to the district local governments.

Figure 3.1: Percentage budget share and release performance of the Agro-Industrialization sub-programmes for FY 2023/24 as at 31st December 2023



Source: Authors Analysis of MFPED Budget Data

3.1.2 Physical performance

The overall physical performance of the Agro-Industrialisation Programme during the period July to December 2023 was **fair at 63.6%** attainment of the semi-annual targets. Good performance was exhibited by the Agricultural Market Access and Competitiveness sub-programme, whereas the Storage, Agro-Processing and Value Addition Sub-programme had the lowest performance at 30% attainment of planned half-year outputs (**Table 3.3**).

The performance of monitored interventions under the market access and competitiveness sub-programme was very good except for the improvement of agriculture market infrastructure in rural and urban areas which performed fairly due to delayed completion of civil works projects and the expiration of contractual obligations under the LEGS Project.

The performance of interventions under the agricultural production and productivity sub-programme varied from very good for the strengthening of the agriculture extension system intervention to fair for most of the monitored interventions. The storage, agro-processing and value addition sub-programme performance was poor at 30% with the intervention of establish post-harvest handling, storage and processing infrastructure having the lowest performance at 24.8%, whereas establishing new and rehabilitating existing agro-processing industries performed relatively better at 34.82%.

The fair output programme performance was mainly due to inadequate releases of funds during Q1; non-functionality of established value addition and storage infrastructure; delayed completion of value addition and storage infrastructure under LEGS and ACDP projects; delayed compensation of project-affected persons (PAPs) and low readiness of institutions to implement public private partnerships (PPPs) and poor coordination between MAAF and MWE.

Table 3.3: Overall performance of the Agro-Industrialisation Programme by 31st December 2023

Sub-programme	Score	Performance Rating	Remarks
Agricultural Production and Productivity	73.13	Good	Good performance was registered under the strengthening agricultural extension system and agricultural research and technology strengthening, whereas other interventions performed fairly.
Storage, Agro-Processing and Value Addition	29.95	Poor	The poor performance was exhibited across all the monitored interventions due to low or non-functionality of established agro-processing and value addition infrastructure, low absorption of availed funds among others
Agricultural Market Access and Competitiveness	87.7	Good	Good performance was exhibited by the strengthening of capacities of public institutions in analysis, negotiation and development of international market opportunities and enforce and adherence to product quality standards.
Average	63.6	Fair	The Agricultural Market Access and Competitiveness Sub-programme performed better than other sub-programmes.

Source: Author Compilation from Field Findings

Note: Three out of five sub-programmes were rated. Two sub-programmes (Agricultural Financing sub-programme and Institutional Strengthening and Coordination) were not rated due to inadequate data as the fieldwork time was constrained.

3.2 Agricultural Production and Productivity Sub-programme

3.2.1 Introduction

The Government of Uganda aims to commercialize agriculture through increased production and productivity of strategic commodities for export and food security. Budget expenditures focus on strengthening agricultural research and technology development; extension system; input markets and distribution systems; access and use of water for production, agricultural mechanization and digital technologies; farmer organizations and cooperatives; systems for management of pests, vectors and disease; promoting sustainable land and environmental management practices and implementation of the PDM.

The overall performance of the Agricultural Production and Productivity Sub-programme was good at 73.1% at planned half-year outputs.

3.2.2 Agricultural Research and Technology Development strengthened

Introduction

This intervention is jointly implemented by the National Agricultural Research Organization (NARO) and the National Animal Genetic Resource Centre and Data Bank (NAGRC&DB). The budget focus during FY2023/24 is on six key sub-interventions whose performance is presented hereafter:

Performance

i) Invest in new and rehabilitate old infrastructure for agricultural research and animal breeding

With the limited GoU funding and off-budget support, most infrastructure development for agricultural research and animal breeding focused on the completion of multi-year investments and spillover works and equipping of facilities from FY2022/23. Animal breeding and multiplication performance was good as more improved bulls were imported, semen for artificial insemination was disseminated to farmers and access to breeding infrastructure was enhanced.

a) Research and administrative infrastructure constructed, rehabilitated and maintained

Good performance (73.57%) was realised in the construction, rehabilitation and equipping of infrastructure for agricultural research (**Table 3.4**). Most works were implemented at the National Livestock Resources Research Institute (NaLIRRI) stations at Nakyesesa and Maruzi. The partial demolition of completed works and remodeling of the Vaccine Research and Production Facility at the National Livestock Resources Research Institute (NaLIRRI) was at 70% completion and various equipment was at the tendering stage. Some projects were behind schedule due to flooding of sites from heavy rains and delayed vacating of sites by the NARO staff.

Table 3.4: Performance in construction/rehabilitation/equipping of agricultural research infrastructure at NARO Institutes and ZARDIs by 31st December 2023

Category	Infrastructure established	Status	Beneficiary institution	Remark
Residential	Residential staff blocks	100%	Maruzi	The site was handed over to the client and the project was under the Defect Liability Period.
Non-Residential	Multi-purpose Vaccine Research and Production Facility	70%	NALIRRI	The construction was at 90% by 30th June 2023. However, the facility was undergoing remodeling from a laboratory to a vaccine production unit as recommended by the international regulator; 20 technical staff were recruited to man the facility.
	Equipment for Alfasafe Facility procured	98%	NALIRRI	Installation of the equipment was ongoing.
	Calf and heifer barns constructed	100%	NALIRRI	Installation of the equipment was ongoing.
	Air and water purification	30%	NALIRRI	In the procurement phase.

	systems, vaccine seed production line and laboratory equipment			
	Goat research facility and queen bee rearing facility	65%	Maruzi	
	Remodeling of offices	25%	NALIRRI	Progress was at 5% against a target of 20% completion. The project was behind schedule; the contractor delayed the commencement of works as staff were still occupying the offices after the site handover.
Civil works Structures	Perimeter wall and incinerator at the vaccine facility	66%	NALIRRI	Progress was 20% against a target of 30% completion. Too much rain slowed the work.
	Biosafety Security Gate	70%	NALIRRI	
	Water extension project	100%	Maruzi	
	19,000 cubic metres of water reservoir	92%	Kigumba Farm	Construction works were delayed by rains and flooding.
	Diversion of access road from the Vaccine Research Facility from NaCCRI to NALIRRI	96%	NALIRRI	
	Renovation of Feed mill	80%	Kajjansi ARDC	The contract was behind schedule as it was planned to be completed by 6 th August 2023.
	Paddock system and farm access roads	37.5%	Maruzi	Progress was at 30% against a completion target of 80%.
	Average	73.57%		

Source: Field Findings



Clockwise from bottom: Equipment imported for the Alfsafe Facility awaiting installation; The Antitick Virus Facility under remodeling; and the perimeter fencing and road completed at NALIRRI in Wakiso District

b) Animal breeding, production and administrative facilities constructed and equipped

The performance in the establishment of breeding and administrative infrastructure at NAGRC&DB farms was fair (65.60%) as shown in **Table 3.5**. Many structures were either behind schedule or stalled due to inadequate funding, no work done during the COVID-19 pandemic period and abandonment of sites by contractors.

Table 3.5: Performance in development of breeding and administrative breeding infrastructure at selected NAGRC&DB farms by 31st December 2023

Farm	Infrastructure established	Completion Progress (%)	Remark
Aswa Ranch <i>Pader District</i>	Farm Managers House and Honey Processing Equipment	100	In defects liability period.
	Junior staff quarters and 4 stance pit latrine	74	The project was behind schedule.
	Hostel	75	Behind schedule.
Bull Stud Entebbe <i>Wakiso District</i>	Semen Laboratory	20	The progress was lagging by 8% due to heavy rains that affected the pace of construction; accessibility to deliver materials to the site was difficult.

	Gene Bank	78	The project was behind schedule due to the delayed onboarding of a new consultant that took 5 months; the consultant took an additional 2 months to undertake an inception study and the payment of the completed certificate was delayed by two months. A new completion date was set (30th June 2024).
Kasolwe Stock Farm <i>Kamuli District</i>	Grain storage facilities	78	
	Floating Fish Feed Production Plant	67	
	150-capacity cattle shed	100	In defects liability period.
	Hostel	43	Behind schedule.
	Learning Centre	88	Progress was for phase I.
	Farm gate, low-cost security housing and U-shaped bio-security ramp	38	Stalled
Livestock Experimental Station (LES) <i>Wakiso District</i>	Hatchery Facility	80	All hatchery machinery and incubators were procured awaiting installation; the hatchery capacity was 60,000 egg setting capacity.
	Piggery Unit	100	The structure houses about 200 animals.
Nshaara Ranch <i>Kiruhura District</i>	Five Hay barns	Two at 100 Two at 70 One at 30	
	15 concrete silage bunkers	100	
	Farm gate, low-cost security housing and U-shaped bio-security ramp	38	Stalled
Rubona Stock Farm <i>Bunyangabo District</i>	8 junior staff quarters and three stance pit latrines	67	
	Hostel block	100	In defects liability period.
Ruhengyere Field Station <i>Kiruhura District</i>	Farm Managers House	63	Delayed works as the contractors abandoned the site at times.
	Solar installation	0	The project was handed over to the contractor who has never reported to implement.
Sanga Field Station <i>Kiruhura District</i>	Four silage bunkers	90	Pending roofing.
	Average	65.60	

Source: Field Findings



L-R: Gene bank under construction at NAGRC&DB Headquarters and State of Art Hatchery Unit under construction at the Livestock Experimental Station in Wakiso District



L-R: competed barns at Nshaara Ranch and partially completed farm managers house at Ruhengyere Field Station in Kiruhura District

c) Animal breeding stock multiplied and distributed to farmers

The performance of the breeding at the NAGRC&DB farms was poor as the objective of animal multiplication was not achieved. The net change in cattle herds for the sampled farms was 186 and -137 for the goat herds (**Table 3.6 and Table 3.7**). Animal mortality was high due to diseases as animal feeds and drugs were inadequate and animal housing was poor. Inbreeding and the birth of weak animals were common due to old related herds. Land encroachment on most farms by senior citizens reduced the available space for quality pasture and water development. There was a significant growth in the swine herd at the Livestock Experimental Station (LES) from 103 on 1st July 2023 to 128 as of 31st December 2023.

Table 3.6: Progress in the multiplication of cattle breeding stock at selected NAGRC&DB farms by 31st December 2023

Farm	Opening Stock 1 st July 2023	Closing Stock 31 st December 2023	Net change	Remark/Challenges
Bull Stud Wakiso District	26	45	19	With support from the Agriculture Value Chain Development Project (AVCP), 22 improved bulls were imported from South Africa and Kenya; however, one died due to an unknown disease. The imported animals were of good quality. Two bulls were transferred to Intensive Farmers Group in Kashari, Mbarara District. The old stock of 26 bulls was aged and awaiting disposal.
Maruzi Ranch Apac District	780	739	-41	Death due to diseases.
*Ruhengyere Field Station Kiruhura District	1534	1426	-108	110 animals were sold off, 42 animals especially calves died due to diseases and 10 animals were slaughtered.
Nshaara Ranch	3,986	4406	420	

Farm	Opening Stock 1 st July 2023	Closing Stock 31 st December 2023	Net change	Remark/Challenges
Kiruhura District				
Livestock Experimental Station Wakiso District	146	68	-78	81 breeding bulls were disposed-off to farmers; 06 animals died due to diseases and inadequate veterinary drugs, arising from budget cuts.
*Sanga Field Station Kiruhura District	352	326	-26	Two animals died as a result of diseases and three were slaughtered in December 2023.
Total net change			186	

Source: Field Findings

Table 3.7: Progress in the multiplication of goat breeding stock at selected NAGRC&DB farms by 31st December 2023

Farm	Opening Stock 1 st July 2023	Closing Stock 31 st December 2023	Net Change	Reasons/key challenges
Maruzi Ranch <i>Apac District</i>	475	470	-5	Death to diseases like CBPP and predation by pythons and foxes.
Sanga Field Station <i>Kiruhura District</i>	658	667	9	Four goats died due to diseases.
^{2*}Ruhengyere Field Station <i>Kiruhura District</i>	1251	1110	-141	High mortality due to poor housing facilities and diseases.
Total net change			-137	

Source: Field Findings

² * The stock data used on those stations was provided during the semi-annual monitoring and the station managers did not avail the information on request at annual monitoring.



L-R: One of the imported bulls at LES in Wakiso District and part of the cattle herd at Nshaara Ranch in Kiruhura District

The three liquid nitrogen plants at Entebbe, Mbarara and Njeru were operational. It was planned that 112,307 litres of nitrogen and 142,906 doses of semen be locally produced and disseminated to farmers during FY2023/24. By 31st December 2023, a total of 34,008 doses (23.79%) of semen had been produced, of which 20,660 doses (60.75%) were dispatched to farmers. This was a poor performance for semen production and dissemination to farmers due to the following reasons: low appreciation and use of artificial insemination (AI) services by farmers; underdeveloped AI delivery system where the quality of semen and nitrogen deteriorates before it gets to farmers; and low AI conception rates at farm level due to poor handling of semen and nitrogen in the delivery system, unethical AI technicians and low investment in the required breeding inputs by farmers.

In addition, a total of 7,191 doses of sexed and non-sexed semen were imported from Italy, South Africa, Austria, Kenya, USA, Korea and South Korea and disseminated to farmers. From the plants, a total of 50,320 litres (44.08%) of nitrogen were dispatched to farmers through various delivery channels. This was a very good half-year performance. A total of 207 persons were trained in AI technologies, with support from the district local governments (DLGs), Local Economic Growth Support (LEGS) Project and Development Initiative for Northern Uganda (DINU).

Outreaches of breeding services in communities and training of farmers in improved animal production technologies continued but at a lower rate due to inadequate artificial insemination technicians and field vehicles. For example, in Ruhengyere Field Station, 68 households (64.76%) out of the semi-annual target of 105 households received breeding services. Vaccinations of animals against FMD, Lumpy skin disease, goat pox and deworming were routinely undertaken on all NAGRC&DB farms.

Key challenges

- i) Encroachment by senior citizens and allocations to private investors and other government entities of public land at the various agricultural institutions affected research, breeding and infrastructure development. For example, some established poultry and piggery structures at the LES farm could not be used as they were condoned off by Entebbe Zamugula Buganda

Group which had encroached on 30 acres. The matter has remained unresolved for many years by the Buganda Land Board.

- ii) Stalled projects and slow progress in the establishment of breeding infrastructure due to inadequate releases.

ii) Establish Climate Smart Technology Demonstration and multiplication centres

a) Demand-driven agricultural technologies developed

By February 2024, the National Variety Release Committee under MAAIF had released six new crop varieties developed at the National Crop Resources Research Institute (NACRRI) including a) two maize varieties, one rich in vitamin A orange in colour, with potential for value-addition in maize-based products such as corn flakes and maize snacks. b) One rice variety with better and consumer-preferred cooking and eating qualities; c) two early maturing virus-resistant sweet potato varieties excellent for the production of puree, flour, bread and confectionery products. The JP Management Company in West Nile was using one of the varieties for producing bread, substituting up to 40% of wheat with sweet potato puree; and d) One Lablab pasture with high protein content to substitute the expensive soybean that is used as the main ingredient of livestock feed and for human consumption.

Crop varieties that were near release were: two fall army worm-tolerant maize, two nutritious vitamin A-rich maize, one virus-resistant rice, 10 tomato varieties, four nutritious iron and zinc-rich bean varieties, and 10 clones of purple-fleshed sweet potato population (rich in anthocyanins for fighting cancer, high blood pressure and cardiovascular diseases).

At Ngetta Zonal Agricultural Research and Development Institute (Ngetta ZARDI), growth performance evaluation for rice (NARORICE1 & 2, NERICA 4 and NAMCHE 5), cassava (NAROCASS1, NASE14 and UG193) and Napier was ongoing. A demonstration garden for Brachiaria pasture was established on the station however, the targeted number of demonstration gardens was reduced from five to one due to limited funding.

Three fish ponds were stocked and maintained on the station for tilapia monosex culture and African catfish mono and polyculture. 42 acres of soybean were planted during Q2 of which 40 acres were for seed multiplication and two acres for adaptive trials. The major implementation challenge during the period was inadequate funding during Q1 which led to delayed implementation and re-scoping of planned activities.

At Mbarara ZARDI, evaluation of the safety and efficacy of indigenous herbal extracts in the control of ticks was progressing, with off-budget support from a non-governmental organization (NGO) SNV and Mbarara University of Science and Technology; development of probiotic inoculates as feed additives for improved nutrition and health of dairy cattle was in advanced stages; trials on banana hybrids and 20 surrogate mother cows pregnant with Jersey embryos were under evaluation.

At the National Semi-Arid Resources Research Institute (NaSARRI), breeding trials for 800 sorghum lines were established and maintained. Sorghum multi-location trials were established off-

station in Kaberemaido, Tororo, Bukedea, Oyam, Namutumba, Mayuge and Iganga districts. Attainment of set targets for fieldwork was constrained by the ageing fleet of vehicles that had very high operational costs. Proximate nutrient composition of extruded pigeon pea products to aid in the formulation of animal feeds as an alternative protein source was done.

Research on oil seeds sesame and sunflower was conducted at a slow pace due to the inadequate release of funds under the National Oil Seeds Project (NOSP). A total of 200 sesame materials for high throughput phenotyping were planted in season 2023B. Breeding of sunflower was ongoing and 50 hybrids were earmarked for further research of which 21 hybrids were taken for on-farm trials and 10 varieties were ready for plant trials. Draft standard operating procedure (SOP) for black soldier rearing and tick entomopathic fungal measurement, efficacy and tick eggs and larvae in the Kraal were made. The subvention was majorly constrained by the delayed release of funds.

Research and technology development of the first tick vaccine was in the advanced stages. To register and commercialise one anti-tick vaccine, on-farm trials were continued in Ibanda, Maruzi, Masindi and Mbarara. Three months' dataset on safety, efficacy and effectiveness of candidate anti-tick vaccine assembled through multi-locational clinical trials. The capacity of two scientists to manufacture vaccines under Good Laboratory Practice was enhanced. Ethical and regulatory approval for Anti-tick vaccine research processes was secured from the international and national regulatory authorities. At least two FMD virus strains were cultured and stabilized.

Progress on testing and registration of Aflasafe – a biological control agent to control Aflatoxin in grain crops was ongoing. Aflatoxin is a major grain quality and food-safety concern in Uganda affecting mainly maize, groundnut and sorghum crops. Two products code-named UG01 and KE01 were formulated and tested in over 500 farmers' fields second season of 2023. Test results over seasons have shown both products to be effective and efficacious in the control of Aflatoxin and will be used in an integrated management approach to mitigate Aflatoxin contamination.

Application dossiers for product registration and commercialization strategy have been developed. The Investor's forum for commercialization of Aflasafe was held on 19th October 2023 attracting several private sector actors that showed interest in marketing Aflasafe. The operationalization and commercialization of Aflasafe are planned to start in FY2024-2025.

b) Technology incubation centres established and operational

The Bio-Analytical and Nutrition Laboratory at NACCRI was functional, incubating some products for commercialisation and reduction of environmental pollution. Among the technologies under incubation were beer-producing using yellow vitamin A fortified cassava, orange and purple sweet potato flour for baby foods and anti-oxidants, biodegradable wraps for seedlings and activated charcoal for removing toxins from the environment. The anthocyanin mini-extractor was installed and tested, in readiness for the production of anthocyanins used as food colourants by the bakery and confectionery industry.



L-R: Black charcoal technology in round dishes and sweet potato powders in jars under incubation and anthocyanin mini-extractor

iii) Upscale research on biofortification and multiplication of nutrient-dense commodities

Research and quality assurance continued on nutrient-dense commodities to produce value-added research products as outlined below:

- The generic product was certified by the UNBS and the Q-mark US1853-2019 issued for precooked beans.
- The formulation of a bean soup thickener (both powder and cubes) to replace imported wheat-based products such as roycos was ongoing.
- Super Kawomera a composite nutritious porridge designed for fighting malnutrition in children and mothers at the base of the pyramid (one of the most vulnerable groups in society) was ready for upscaling with Nutreal Limited.
- Eleven (11) bean varieties with a cooking time of an hour or less, even after more than 3 months of storage were identified.
- Thirty-one (31) bean varieties with good canning quality were identified with the target audience being the urban population.
- Multi-location trials on-station (NaCRRI, Nakabango, NaSARRI, Ngetta ZARDI and Rwebitaba ZARDI) were conducted for 5 bio-fortified beans with reduced cooking time.
- Produced 126 kgs of indigenous vegetables: 80 kg of Nakati seed and 46kg of Bugga seed which seed was available to uptake pathways. Two (2) prototypes of innovative products from vegetables and spices were developed; gluten-free confectionary made of Nakati doughnuts made from Nakati and blended spices.

3.2.3 Agricultural Extension System Strengthened

Introduction

This intervention has four sub-interventions namely; i) operationalize agricultural extension system; ii) Develop and operationalize ICT-enabled agricultural extension supervision and traceability system; iii) Scale up innovative extension models such as nucleus farmers in all agro-ecological zones; iv) Strengthen the research-extension-farmer linkages to increase uptake of new technologies; v) Develop and equip youth with knowledge, skills and facilities for access and utilization of modern extension services.

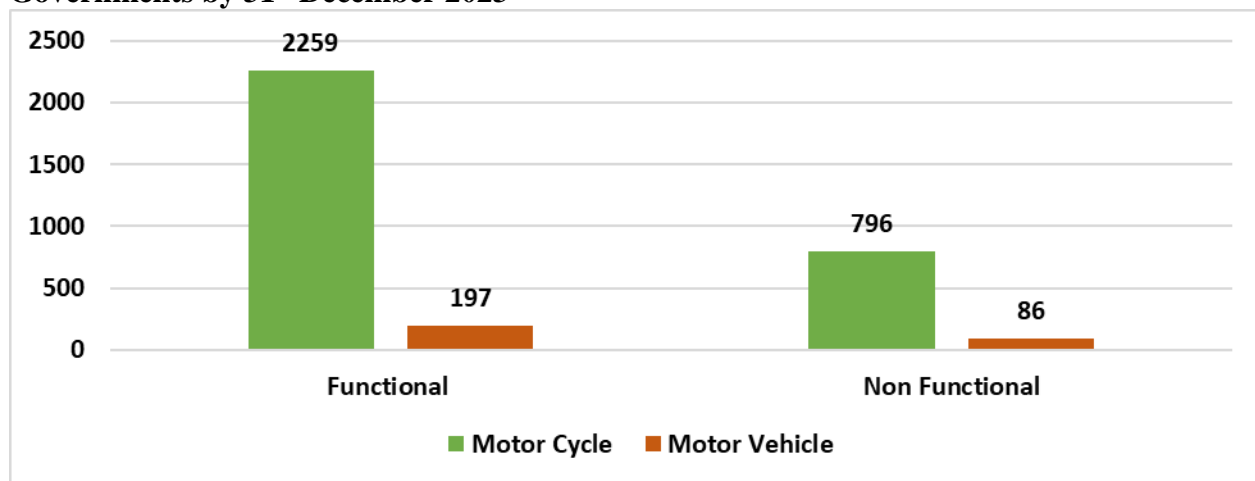
Performance

The overall performance of the agricultural extension system in various District Local Governments (DLGs) and other implementing MDAs as at 31st December 2023 was very low, this was attributed to unreleased funds in quarter one and late release in the second quarter. Extension services received by farmers included; training on good agronomic practices, pest and disease control and postharvest handling among others. The model farmers in the various sub-counties provided an avenue for knowledge transfer to the other farmers. Detailed performance of the monitored outputs is discussed below.

i) Operationalize agricultural extension system

By 31st December 2023, staffing of extension workers at the national level was low with 3,790 filled positions (43.6%) compared to the approved staffing norms of 8,688 leaving a gap of 4,898 (56.4 %) positions. On average, the extension worker to farmer ratio was one extension worker to 1,800 households (1: 1,800), higher than the recommended ratio of one extension worker to 500 households (1:500) in Uganda. Out of the available extension staff, 1,115 (26.1%) had no means of transport to enable them to execute their duties as planned. Most of the available means were dilapidated (**Figure 3.2**).

Figure 3.2: Transport equipment (motor vehicles and motorcycles) status for District Local Governments by 31st December 2023



Source: Field Findings

The extension services outreach to farmers in LGs was consequently low due to inadequate staffing and transport; non-disbarment of funds in the first quarter and repurposing of funds from planned extension activities to operationalization of the PDM; inadequate facilitation of extension workers and impassable roads in hard to reach areas presented below.

The extension staff to farmer ratio was overwhelming given the poor means of transportation in most of the districts monitored for instance - Nwoya DLG was at (1:4,000) instead of the recommended 1:500, whereby out of the required 23 extension staff only four (17%) were available; Buvuma DLG out of the approved 76 staff only 28 (36%); Bushenyi DLG out of the approved 80 extension staff only 34 (42%) and Bugweri DLG out of the approved 45 extension staff only 11 (24%) were available. This greatly contributed to limited access to extension and advisory services

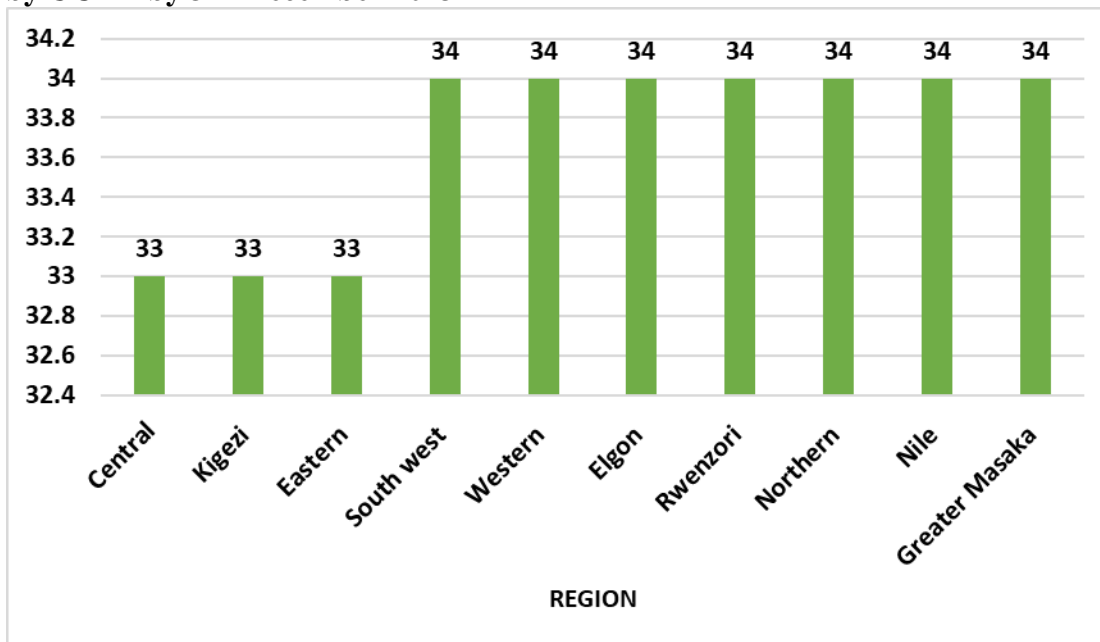
by most farming households. However, the existing staff mostly focused on PDM development activities over routine extension activities to help farmers adopt enterprise development approaches.

In the same way, the Uganda Coffee Development Authority (UCDA) had a high coffee farmer-to-extension staff ratio - for instance, in the Elgon region only 40% of the coffee farmers received extension services, this left out many coffee farmers from receiving timely and adequate coffee specific extension advice, knowledge and information. In many coffee-growing regions, one coffee extension worker coordinated more than two districts in a region, this resulted in limited coverage of the intended coffee farmers. Relatedly south western region's activities were mostly constrained by a lack of movement due to inadequate or no transport facilitation and heavy rainfall that made roads impassable.

On the other hand, UCDA conducted 782 farmer trainings in the 126 coffee growing districts of the 8 coffee growing regions reaching out to 22,529 coffee farmers as follows: 75 trainings in Rwenzori to 2,101 farmers; 240 trainings in South-western to 8,163 farmers; 111 trainings in Central to 2,225 farmers; 42 trainings in Elgon to 1,273 farmers; 103 trainings in Western to 3,441 farmers; 69 trainings in Northern to 1,492 farmers; 43 trainings in Greater Masaka to 1,303 farmers and 99 trainings in Eastern to 2,531 farmers. The trainings covered the following key topics: coffee rehabilitation, soil fertility management, soil and water conservation, pests and disease control, planting and farm establishment. Extension of advisory services to 6,935 coffee farmers through 1,585 farm visits conducted in the 8 coffee growing regions to complement farmer trainings and enhance adoption of good agronomic practices.

Correspondingly, the UCDA trained 139 lead farmers & Cooperatives on organic coffee production in Busoga (Buyendo COOP-Jinja) and Rwenzori (Busongora COOP-Kasese Nyamirama, Rugyeyo, Kihhihi, Kacofaco, Kanyantorogo, Banyakinkizi Kanungu) to create awareness on organic farming practices and Good Agricultural Practices (GAPS) 10 regions of Uganda Central, Greater Masaka, Eastern, Southwest, Western, Elgon, Rwenzori, Northern, Kigezi, West Nile as shown in **Figure 3.3**.

Figure 3.3: Number of Good Agricultural Practices (GAPS) trainings and support provided by UCDA by 31st December 2023



Source: Field Findings

Relatedly, the Cotton Development Organization (CDO) in collaboration with the Uganda Ginners and Cotton Exports Association (UGCEA) conducted 4,120 training sessions in areas of Busoga, Bukedi, Teso, Lango, Acholi, West Nile & Mid-West and Central Regions on demo plots covering pest, soil & water management & harvesting & postharvest handling. Extension messages on pest control, indicative prices & post-harvest handling were broadcast using local radios.

Consistently, CDO trained 352 extension workers on production whereby; (197 for Uganda Ginners Cotton Exporters Association – UGCEA & 155 LG & local leaders in Amolatar, Pader, Nebbi, Busoga, Alebtong, Tororo, Gulu, Kitgum & Obongi). Topics covered included farmer mobilization & group formation, land preparation & planting, crop & pest management, soil & water conservation, harvesting & post-harvest handling. UGCEA deployed extension workers in areas of; Busoga, South Bukedi, North Bukedi, Bugisu, Teso, Lango, East Acholi, West Nile, Kazinga Channel and Mid-west and Central regions. Out of these, 9 UGCEA extension workers were deployed in 10 hard-to-reach districts of Amuria, Katakwi, Abim, Napak, Kaabong, Adjumani, Moyo, Yumbe, Koboko & Obongi. However, there was a low outreach to cotton farmers due to the understaffed area coordinators/ extension staff in most of the monitored regions.

The National Oil Palm Project (NOPP) in conjunction with Oil Palm Buvuma Limited (OPBL) trained 436 Oil Palm Growers (OPGs) on ablation, circle weeding, minimum tillage practices, sanitary pruning, platforming for palms on steep terrain, cover crop establishment and proper drainage as shown in **Table 3.8**. Likewise, NOPP promoted activities along the apiary value chain in Buvuma by facilitating the training of 309 farmers in the management of honeybees and the use of bee gear.

Table 3.8: Number of Oil Palm Growers (OPGs) trained in Buvuma by NOPP as at 31st December 2023

Location Block	Total		
	Male	Female	Trained
Busamuzi	92	49	141
Nairambi	80	34	114
Buvuma TC	61	48	109
Buwooya	44	28	72
Total	277	159	436

Source: Field Findings

The MAAIF through Agriculture Value Chain Project (AVCP) NILE-RAID cumulatively trained 22,295 farmer groups, of which 1,872 received training as of December 2023 on the different aspects of farming as a business. This effort was to empower farmers with the knowledge, skills and resources to operate their farms as successful businesses, training on farming as a business equipped farmers with the knowledge and skills needed to manage their farming operations in a commercially viable manner, transitioning from subsistence to commercial agriculture.

ii) Develop and operationalize an ICT-enabled agricultural extension system

The MAAIF through the Department of Agricultural Extension and Skills Management (DAESM) developed the Agriculture Extension and Advisory System (AEAS). Development of the Agriculture Extension and Advisory System done by M-Omulimisa Innovative Agricultural Services was completed. All system modules were developed and ready for rollout. The system files are installed onto the National Information Technology Authority, Uganda (NITA-U) servers and can be accessed on extension.agriculture.go.ug. Furthermore, the developer of the e-extension provided System maintenance and support which ended in October 2023. The developer was still finalizing the development of the reporting engine before the handover could take place. Training of trainers was conducted and DAESM had so far rolled out the e-diary module in 84 districts. The other modules of the system were yet to be piloted.

The Agriculture Cluster Development Project (ACDP) standardized administrative data collection tools were developed and adopted for data collection. Under the Routine Agricultural Administrative Data System (AADS), a total of 36 administrative tools comprised 9 tools and 27 data collection dairies. The designed routine data tools included the farmer register; household and institutional tools of the crop, livestock, aquaculture and apiculture had been digitized and uploaded on the Google Play Store in the NFASS application “NFASS RMT” (icon appears as a farmer tending a plant). The 9 data tools were piloted in 5 districts of Iganga, Ntungamo, Amuru, Nebbi and Kalungu using the existing administrative structures to administer the tools, i.e. parish chiefs and extension workers.

In addition, the ACDP procured and deployed relevant ICT equipment for data collection. To strengthen the ministry’s statistical capacity in the form of data collection, analysis and reporting on the sector’s performance indicators, a total of 5,500 data collection tablets and 40 GPS readers were

procured, of which 3,378 were distributed among 62 districts to support data collection by district extension staff. The 500 tabs were to be distributed to District extension staff in the Elgon region.

iii) Develop and equip youth with knowledge, skills and facilities for access and utilization of modern extension services

The MAAIF through the NOPP conducted a capacity assessment of Bumangi Polytechnic Institute in Kalangala District, and subsequent selection of 122 beneficiaries (**Table 3.9**), the training was done in 2 phases; with the first phase of 61 beneficiaries. The remaining 61 beneficiaries were trained and graduated in the second phase; 73% of the graduates were already either employed or self-employed and earning on average Ug shs 200,000 per month. A total of 11 graduates retained by the polytechnic for further training to attain National Certificates.

Table 3.9: Vocational skills categories and respective beneficiaries by 31st December 2023

Vocational Skill	Total number beneficiaries	o/w Females	o/w Males
Catering	10	08	02
Carpentry and Joinery	23	0	23
Driving	07	0	07
Building and Concrete practice	28	01	27
Hairdressing	26	26	0
Tailoring	28	26	02
Total	122	61	61

Source: Field Findings

The UCDA trained 84 youths (45 male and 39 female) in brewing and skilling and baristas from various hotels, restaurants, and cafes. The trainings were conducted at Speke Resort Munyonyo, Wash and Wills in Mbale, and Lugogo respectively in basic barista skills to enable them to brew high-quality coffee beverages and thus improve domestic coffee consumption

Challenges

- i) Lack of coordination between DAES and other sister departments like NAADS-OWC affected the effectiveness of extension service delivery
- ii) Lack of field operational tools and equipment such as GPS and weather forecast tools for work in local governments.
- iii) Inadequate extension service, access due to understaffing and limited transport means for the available staff.
- iv) Budget cuts and late disbursements to the Department of Agriculture Extension and Skills Management (DAESM) led to limited implementation of some planned activities.

Recommendations

- i) The MAAIF should strengthen internal collaboration between its associated agencies to improve extension delivery at the LG level.
- ii) The MFPED, MAAIF, Ministry of Public Service (MoPS), and LGs should prioritize recruitment and equipping more extension workers. The MAAIF and other agencies should further strengthen and support extension services and farmer group cohesion.
- iii) The MFPED and MAAIF should review and revise the budget ceiling for extension services to cater for increased staff recruitment and operational expenses at the LG level.

3.2.4 Agricultural input markets and distribution systems strengthened to adhere to quality standards and guidelines

Introduction

This intervention has five focus areas and aims to; i) enforce pre-export verification for all agricultural inputs at the source of origin; ii) establish and equip nine regional mechanization centres to increase uptake of agricultural mechanization and labour-saving technologies; iii) reform the current input subsidy program including: scaling up the e-voucher model of inputs distribution; iv) setup and equip farm service centres within the public service e-service centres for bulk input procurement, storage and distribution; and v) regulation for improved inputs and new seed varieties.

The development of the value chains for key commodities remained fragmented with most interventions still concentrated at the production level and not fully translated through the value chain stages up to marketing. Value chain development was achieved for some commodities and not for many others. The commodities with the most advanced value chains were coffee, cotton, dairy, fruits, maize, rice, tea and oil palm. The value chains that were largely underdeveloped included poultry, fish, piggery, bananas, cassava, Irish potatoes, millet, Hass avocado, macadamia, beans, soya bean, sorghum and cashew nuts.

Performance

i) Enhanced efficiency in inputs distribution

a) Inputs procured, generated, distributed and accessed

A total of 35,966 bales of lint under CDO were produced and about 1,028 bales sold locally. At least 73% of bales were categorized in the top three grades. The quality improvement was due to the intensive sensitization and training of stakeholders on quality management and strict monitoring of quality standards during marketing, while the drop in quality was attributed to heavy rains during the harvesting season that resulted in the harvesting of wet cotton which compromised the quality.

Furthermore, 209,504 units of pesticides and 172 spray pumps were distributed to farmers, of which, 25,010 units were distributed in 10 hard-to-reach districts. An additional 330,000 units of pesticides (Uganda Ginners & Cotton Exporters Association UGCEA & CDO) were delivered to the Regional Inputs Bulking Stores by UGCEA. Out of 330,000 units of pesticides, 209,504 units and 172 knapsack spray pumps (from CDO) were taken up by farmers.

Similarly, CDO procured and delivered 709 pieces of assorted protective wear (overalls, gumboots, gloves, safety boots, goggles, ear plugs) to Pajule and Kasese Seed dressing stations. A total of 719 MT of seed from the seed multiplication areas were delivered to Pajule & Kasese Stations for processing. Preparations for the processing of cotton planting seeds were implemented in collaboration with UGCEA.

Through MAAIF, the Agriculture Value Chain Development Project (AVCP) supported NARO-NACRRI to produce 45.9Mt of maize foundation seed and 2.177Mt maize breeder seed to increase maize yields from 1.5 to 3.0MT/Ha. Additionally, the project procured 546.5Mt certified open-pollinated maize seed and 705.8Mt certified hybrid maize seed to farmers in season 2023B in the project district to increase maize production, distribution was ongoing.

Cumulatively, AVCP procured a total of 869.85Mt certified rice seed and 1,536Mt rice fertilizer for farmer demonstrations. A total of 13,516 rice farmers received inputs and established demonstration gardens in the project districts using the certified rice with 40% being female-headed households and 25% youth across the entire project area.

In the same way, AVCP tasked NILE-RAID Ltd to undertake technical agricultural extension and agri-business development services covering the maize and rice value chains in a total of 20 districts in Eastern and Northern Uganda. In September and October 2023, MAAIF delivered various inputs (fertilizer, pesticides, maize and rice seed) at Nile raid warehouses in the Northern region (Gulu) and Eastern region (Soroti), some of the inputs were distributed to farmers in the 2023 season B and the rest stored in preparation for the subsequent 2024 season (Season A) as reflected in **Table 3.10**.

Table 3.10: AVCP farming inputs received and distributed to farmers by 31st December 2023

Input Type	Description	Received (Kgs)	Dispatched / Distributed (Kgs)	Balance in Store (Kgs)
Maize Seed	Hybrid	85,040	85,040	-
	OPV	88,000	88,000	-
Rice Seed	GEN	644,000	528,070	115,930
Fertilizer	NPK 20:20:18	2,016,000	2,016,000	-
	NPK 23:23:17	990,000	425,200	564,800
Pesticides	DuduCyper (boxes)	533	533	-
	Dudufenos (boxes)	1577	997	580

Source: Field Findings

However, by 31st December 2023, Nile Raid was still holding much of the inputs in the warehouses meant for season A, as they were reluctant to distribute them to the intended farmers since their

contract expired on 26th October 2023. They submitted a no-cost extension request to MAAIF in October 2023 but had not received a formal response, thus they could not distribute the remaining inputs without an official/mandate communication. This is likely to compromise the input quality and later cause a waste of government resources. Relatedly, Nile Raid claims to have last received payment for their work/consultancy in May 2023 having a pending invoice submitted to MAAIF in October 2023.

To boost production, the UCDA pruned a total of 332,805 old and unproductive coffee trees across the coffee regions out of the planned 5,750,000 trees. These cut across different regions; 3,100 in South-western by 20 farmers; 14,508 in Eastern by 49 farmers; 281,260 in Western by 239 farmers; 14,337 in Rwenzori by 441 farmers 6,800 in Elgon by 16 farmers; 6,450 in Central by 26 farmers and 6,350 trees in Northern by 25 farmers. However, farmers were less motivated to prune coffee trees due to a lack of fertilizer for rejuvenating the pruned coffee. In addition, 22 (60kg) bags out of the planned 100-60kg of green coffee were purchased. Uganda coffee was promoted in 5 missions in China, Canada, Qatar, Turkey and the USA.

Under the ACDP, a total of 411,872 farmers received inputs through the e-voucher. However, only 9,998 beneficiaries transitioned from Cycle 1 to Cycle 2 and only 246 moved from Cycle 2 to 3. The poor transition was attributed to; (i) farmers recycle seed on all ACDP commodities except hybrid maize seed and getting fairly good yields (ii) higher contribution requirements by farmers at cycles 2 and 3, (iii) low access to credit for agricultural purposes coupled with limited time for farmers to sale and raise capital for the next season, (iv) delayed delivery of inputs which discourages farmers from continuing in the project, (v) existence of programs distributing free seed/ planting materials and fertilizers, and (vi) ability of farmers to use other family members for subsequent seasons at the same level of contribution on a piece of land.

Cumulatively, a total of 633,996 (141%) farmers were enrolled on the e-voucher system exceeding the 450,000-project target. However, out of the 633,996 farmers who enrolled on the E-voucher system, only 407,495 were ordered for inputs. A total of 411,872 farmers were able to receive inputs through the e-voucher system. A total of Ug shs 148.96bn was spent under the project on the subsidization of farmer inputs where farmer 21 contributions totaled Ug shs 43.8bn and the government contribution was Ug shs 105.17bn. The cumulative contribution by farmer organizations and the Government is shown in **Table 3.11**.

Table 3.11: Cumulative value of inputs redeemed by project beneficiaries as at 31st December 2023

Cluster	Farmer Contribution (Ug shs)	Gov't Contribution (Ug shs)	Total (Ug shs)
Cluster 1 (Masaka et al)	5,928,048,733	11,513,613,837	17,441,657,322
Cluster 2 (Iganga et al)	3,354,058,181	6,657,118,108	10,011,175,776
Cluster 3 (Tororo et al)	2,166,317,396	4,241,044,268	6,407,361,504
Cluster 4 (Kapchorwa et al)	3,654,258,116	7,370,743,717	11,024,999,775
Cluster 5 (Soroti et al)	1,277,974,884	2,584,714,561	3,862,688,740
Cluster 6 (Amuru et al)	756,962,552	1,536,371,425	2,293,333,950

Cluster 7 (Apac et al)	1,652,137,698	3,335,039,829	4,987,177,150
Cluster 8 (Kabarole et al)	5,719,982,554	11,307,401,209	17,027,379,668
Cluster 9 (Kyenjojo et al)	8,493,443,930	17,098,397,744	25,591,838,413
Cluster 10 (Hoima et al)	3,188,239,402	6,431,667,717	9,619,906,343
Cluster 11 (Ntungamo et al)	7,321,919,265	14,302,240,447	21,624,153,203
Cluster 12 (Nebbi et al)	278,641,413	558,518,088	837,159,501
Manual Redemptions		18,233,688,412	18,233,688,412
Total	43,791,984,124	105,170,559,362	148,962,519,757

Source: MAAIF Report, FY 2023/24; Field findings

By 31st December 2023, NAADS had procured 58,975 seedlings of macadamia to establish 589 acres in 19 DLGs out of the planned 324,675 seedlings and 217,975 Hass avocado seedlings to establish 1,362 acres in 42 DLGs out of 1,344,538 seedlings, delivery and distribution was ongoing.

Likewise, out of the planned 71,429kgs of sunflower seed and 333,333kgs of soya bean seed, NAADS only procured and delivered 72,748kgs of sunflower seed to establish 36,374 acres to the targeted 60 farmer cooperatives and 12 large-scale farmers targeted in Acholi and Lango sub-regions. The procurement of soybeans was not done due to budget shortfalls. An addition of 250,000 cashew nut seedlings and 3,000 improved goats were procured and distributed. Also procurement and distribution of (789,614) fish fingerlings and feeds (fish fingerlings for tilapia, (281,221) catfish; (50,000) mirror carp and 30.456.5kgs of associated feeds were also carried out.

b) Oil palm seedling nursery established and planted

The National Oil Palm Project under private sector-led infrastructure development. On Buvuma Island, the private sector partner - Oil Palm Buvuma Limited (OPBL) established 2,310.83ha of nucleus estate oil palm. Construction of the crude palm oil mill earlier slated for commencement in 2024 was postponed to 2027. In Sango Bay, Kyotera District, GoU leased 16,744ha to a partnership of Wilmar/BUL and a local firm - Bukora Limited.

In the Buvuma hub, the project supported 665 smallholders since the commencement of planting so far, with a cumulative total of 1,526.65 hectares. For the FY2023/24, only 214.02 hectares had been planted leaving a planting backlog of 585.26ha. This was largely attributed to delayed reimbursements of maintenance to farmers and the planting ban on Buwooya Sub-county to ensure the National Forestry Authority (NFA) demarcates Central Forest Reserve boundaries and the Ministry of Water and Environment (MWE) to check proposed farmland located in wetlands in addition to observance of the 200M buffer zone (**Table 3.12**).

On the contrary, the project was not designed to finance commercial oil palm growing. As such, farmers with more than 2 ha had to source alternative funding. This constrained the rate of oil palm establishment as the process of getting alternative financing had been lengthy.

Table 3.12: Progress of smallholder’s oil palm planting in Buvuma as at 31st December 2023

Plantation	Project Target	Planting Jan-Dec 2021		Planting Jan-Dec 2022		Planting Jan-Dec 2023		All cum.	<=2 ha cum.	=>2 ha cum.	Balance to 2 ha Project Target
		Target	Achieved	Target	Achieved	Target	Achieved				
Hectares	2,500	500.0	510.9	1,000	518.38	1,000	426.062	1,526.65	436.21	1,09	1,631.7
Oil Palm Growers								665	449	216	

Source: MAAIF, NOPP Report, FY 2023/24; Field Findings

The use of inputs such as fertilizers and crop protection products. The quantities of inputs were supplied and these included: seedlings, assorted fertilisers (rock phosphate, NPK, NK3, Urea, Kieserite and Dolomite.) and pesticides (chlorpyrifos) for smallholders’ establishment and maintaining the out-growers plantations. These are presented in **Table 3.13**.

Table 3.13: Summary of inputs distributed (fertilizers & pesticides) usage report by 31st December 2023

Description	2021	2022	2023				Totals
	Jan - Dec	Jan - Dec	Jan – Mar.	Apr-Jun	July- Sept	Oct.-Dec	
Rock-Phosp (Kg)	60,724	72,997	13,277	20,652	13,442	20,799	201,891
NPK (Kg)	22,577	149,288	31,863	57,480	-	1,020	262,228
Dolomite (Kg)	5,490	68,137	6,923	10,242	1,583	11,923	104,298
Kieserite (Kg)	-	-	-	17,980	16,866	4,836	39,682
NK3 (Kg)	-	-	-	1,272	-	-	1,272
Urea	-	-	-	-	-	26,683	26,683
Chlorpyriphos (L)	0	876	200	100	-	-	1,176

Source: MAAIF, NOPP Report, FY 2023/24; Field Findings

Land for the Nucleus Estate: As at 31st December 2023, Oil Palm Buvuma Limited (OPBL) owned 5,892.98 ha (**Table 3.14**).

Table 3.14: Land acquired/transferred to Oil Palm Buvuma Limited by 31st December 2023

Land Use	Hectares
Total land acquired by GoU	9,064.37
Land possessed by OPBL	5,892.98
Land leased to OPBL	5,493.61
Land planted with oil palm	2,310.83
Land under HCV	1,021.83

Source: MAAIF, NOPP Report, FY 2023/24; Field Findings

As required by NOPP, 595 PAPs were surveyed and verified to be compensated and the project was in the final stage of verification or evaluation exercise for the PAPs in the villages of Kachanga, Bukyiyindi, Bukalabati and Kaziru in Buvuma District. However, the payments would be effected to persons with a Suppliers Number and for one to get it he or she must be registered already with the Uganda Revenue Authority (URA) with a Tax Identification Number (TIN).

The first batch for compensation totaled Ug shs 2.558bn under NOPP. However, the land verification process was slow, neither the GoU allocations to the project for land purchase, compensation of tenants and other associated costs had been sufficient for the requirements in Buvuma and Sango Bay in Kyotera District. This contributed to the slowing down of the investments by the Private Sector and consequently benefits to the out-growers and the economy at large. The PAPs that were successfully registered on IFMIS are shown in **Table 3.15**.

Table 3.15: Number of Project Affected Persons registered on IFMS by 31st December 2023

Village	No. of PAPs registered	Amount approved	Amount to be paid to those successfully registered
Kaziru	34	476,523,970	404,289,120
Bukalabati	85	990,698,930	773,119,880
Kachanga	72	1,091,551,455	945,492,835

Source: MAAIF, NOPP Report, FY2023/24; Field Findings

Challenges

- i) High demand for planting material by farmers although access to seedlings was prioritized under the PDM Program.
- ii) Most people and farming communities are not aware of the recent NAADS interventions and inputs such as macadamia and Hass avocado among others

Recommendation

The MFPED, MAAIF and programme agencies should re-purpose the funds for free inputs to the interventions under the PDM.

3.2.5 Access and use of water for agricultural production increased

Introduction

The Uganda National Irrigation Policy aims to create 1.5 million hectares of irrigated land by the year 2040. In FY2023/24 the Government planned to construct/develop and where applicable operationalize and manage irrigation systems to increase access to water for production for large and small-scale farmers. The increased access and use of water for production intervention aims to increase water for production storage and utilization as a driver for socio-economic development,

and modernized agriculture as well as mitigate the effects of climate change. The Ministry of Water and Environment (MWE), MAAIF and the DLGs jointly implement this intervention. The planned budget outputs are facilities and equipment management; infrastructure development and management; support to irrigation schemes; support to farm-level production; and administrative and support services.

However, during the monitoring, the budget outputs were categorized into four themes namely:

- i) Water for production facilities designed
- ii) New large, medium and small scale solar powered irrigation schemes developed
- iii) Microscale irrigation systems installed
- iv) Sustainable management institutions for effective utilization of Water for Production (WfP) facilities established

Performance

The Water for Production performance was fair due to the non-achievement of key planned output targets by 31st December 2023. The planned commencement of Unyama, Namalu, Sipi, and Matanda irrigation schemes did not take off, while those under construction like Igogero-Naigoma, Acomai, Kabuyanda, and Kyenshama earth dams were behind schedule. The rehabilitation of valley tanks and the countrywide development of small-scale irrigation schemes were lagging. The fair performance was mainly attributed to the non-release of Q1 funds coupled with the inadequate GoU counterpart funding, delayed compensation of PAPs, low readiness of institutions to implement public-private partnerships (PPPs) and poor coordination between MAAF and MWE.

(i) Water for production facilities designed

In the FY2023/34, the plan is to design at least 24 new multipurpose water storage reservoirs (dams and valley tanks); and medium and large-scale irrigation schemes countrywide. By 31st December 2023, progress was fair as one design for a valley tank in Kiryandongo District was completed to 100%, detailed designs for 12 facilities³ were at approximately 75% progress, while 11 facilities⁴ were in the pre-feasibility stage between 10-20% levels of progress. Furthermore, designs for small-scale solar-powered irrigation schemes were ongoing under NEXUS GREEN following a design and construction contract for 252 irrigation systems.

(ii) New large, medium and small-scale solar-powered irrigation schemes constructed

Large (Over 1,000ha), and medium (100-1,000ha) scale irrigation schemes

Over the NDP III period (FY 2020/21-2024/25), the plan is to complete the construction of five irrigation schemes, namely, Doho II, Mobuku II, Ngenge, Tochi, and Wadelai, and commence construction of 23 new⁵ schemes. By January 2024, the four irrigation schemes (Doho II, Mobuku

³Five valley tanks in Busia, Kaliro, Buyende, Soroti and Amuria; four earth dams in Kween, Mayuge, Butebo and Soroti; and three medium scale irrigation schemes in Buyende, Butebo and Namisindwa.

⁴Water for production facilities in Pader, Kitgum, Yumbe, Alebtong, Amuru, Kole, Isingiro, Maracha, and in Rwenzori sub-region.

⁵Acomai, Amagoro, Angololo, Atari, Enengo, Igogero, Imvempi, Kabuyanda, Kagera, Kibimba, Lopei, Lumbuye, Matanda, Musambya, Nabigasa, Namalu, Namatala, Nyimur, Palyec, Purongo, Rwimi, Sipi, and Unyama.

II, Ngenge, and Tochi) were completed and in use by the beneficiary farmers. The construction of the Wadelai irrigation scheme, however, stalled at 89%. This initially was caused by land acquisition issues, and community resistance among others, which were resolved. However, the contractor has failed to complete the works due to a lack of financial capacity although all certificates were fully paid.

The semi-annual monitoring covered seven schemes: Acomai, Igogero-Naigomba, Kabuyanda, Amagoro, Atari, Matanda and Namalu. The status and performance of the various monitored schemes are provided in **Table 3.16**.

Table 3.16: Implementation status of the monitored irrigation schemes

Scheme and location	Implementing Institution	Status and remarks
Acomai (Bukedea District)	MAAIF (AVCP)	<p>The scheme coverage is 1800ha in the districts of Bulambuli and Bukedea districts along River Sironko. The civil works contractor is DOTT Services Ltd and Coil Limited JV, whereas the Consultant is Yerer Engineering PLC in association with ACES Consulting Group Ltd. The project contract period is October 2021 to August 2024.</p> <p>By 9th February 2024, civil works for the Acomai Irrigation Scheme were at 64% progress against a time and financial progress of 82 and 60 % respectively. 684 project-affected persons (PAPS) were identified and evaluated out of which 628 (92%) were compensated by 9th February 2024. Progress of works was as follows: Head works at 65%; reservoir 77.1%; flood protection at 89%; primary canals at 78.4%; secondary canal at 60%; tertiary canals at 54%; access roads at 61%; scheme facilities (toilets, farm shades etc.) at 6%; scheme building facilities (warehouse, guesthouse, office space and cafeteria) at 66.7%. Completion of head works; primary canal; and secondary canal 2 and 3 is expected by the end of February 2024.</p>
Atari (Bulambuli and Kween districts)	MAAIF (PISD-JICA)	Commenced the process of acquiring a contractor to undertake civil works by issuing an advert for expression of interest. 50% of the PAPs were compensated by 31 st December 2023.
Igogero-Naigomba Irrigation Scheme (Bugiri and Bugweri districts)	MAAIF (ENRP)	Physical progress was estimated at 4% against 33.2% and 15% time and financial progress respectively. Mobilization of key equipment was estimated at 60% and construction of the dam embankment was at 15%. However, it was observed during the monitoring in February 2023 that some of the mobilized equipment was antiquated and the contractor was behind schedule. It was also noted that the last date of disbursement was 25 th October 2023, six into the contract period for the scheme construction. The contract for the construction of the scheme is 18 months up to November 2024. This is likely to cause litigations to the project management and government as a whole if alternative financing is not sought. The key project implementation challenges include delayed compensation of PAPs and low mobilization by the contractor.
Amagoro (Tororo District) and Enengo	MWE	The planned stakeholder engagements, Environment and Social Impact Assessment (ESIA) documents and conduct detailed feasibility studies

Scheme and location	Implementing Institution	Status and remarks
(Rukungiri District)		and carry-out designs had not started by the end of the half-year period.
Kabuyanda (Isingiro District)	MWE	The annual plan is to attain a 50% progress. However, construction was at 10% physical progress. Delays were caused by heavy rains and the finalization of the Environment and Social Management Plans (ESMPs).
Matanda (Kanungu District)	MWE	The plan is to attain 5% construction progress, but the scheme was at a detailed design stage at half-year. There were delays in finalizing ESIA, ESMP and PAPs documentation.
Namalu (Nakapiripirit District) Sipi (Bulambuli District) Unyama (Gulu District)	MWE	The plan is to construct the three schemes to a 25% level of completion. Civil works had not commenced as procurement for the construction contractor and supervision consultants were still ongoing. Inadequate GoU counterpart funding affected the timely completion of designs and bidding document preparation. Furthermore, land acquisition was pending full compensation of PAPs.

Small-scale (5-100ha) solar-powered irrigation schemes constructed

The small-scale irrigation schemes (SSI) are mainly implemented by the Ministry of Water and Environment under the Development of Solar Powered Irrigation and Water Supply Systems project, implemented by Nexus Green, and a few schemes for demonstration purposes under the water for production regional offices. The construction of at least 80 out of the planned 207 small-scale solar-powered irrigation schemes was ongoing countrywide and 401 designs were finalized by NEXUS GREEN (42% level of progress). This was behind schedule as the project end date is 25th July 2024.

Monitoring was undertaken on eight schemes: Aganga SSI and Abudama SSI both in Apac District; Agule SSI in Katakwi District; Zigoti in Mityana District; Bulisa and Lwemilabo in Mubende District; Nyabubare SSI in Mitooma District; and Kyungu in Mukono District. These shall contribute to a total of 87 acres of irrigable land for the beneficiary farmers. The SSIs are meant to act as demonstrations from which the rest of the community members are to learn and replicate. **Table 3.17** provides the implementation status of the monitored small irrigation schemes.

Table 3.17: Status of small scale solar powered schemes monitored by 31st December 2023

Scheme and location	Acreage	Status and Remarks
Aganga SSI- Apac District	12	<p>The scheme was at substantial completion (95% level of progress). All scheme components including the pumping station and associated installations i.e. the pump, solar system; reservoir tank, pumping main and spray tapes among others were installed and functional. Testing of the system was in progress.</p> <p>Areas of improvement were landscaping, especially at the pumping station and reservoir tank sites that were overgrown with wild grass.</p> <p>It was observed that the scheme was sited in an area prone to flooding during the rainy seasons hence likely to interfere with farmers' operations in such seasons.</p>

Scheme and location	Acreage	Status and Remarks
		Secondly, the scheme lacked a sanitation facility (toilet) for the 20 beneficiary farmers.
Abudama SSI- Apac District, Akokoro Sub- county, Abudam Parish	3	The planned installation of the irrigation component was completed and functional. This is a micro-irrigation scheme installed for a model farmer. Noted was that the farmer was irrigating maize on the three-acre piece of land. There is a need to sensitize the farmer to engage in high-value crops such as vegetables.
Agule SSI- Katakwi District, Toroma Sub- county, Agule Parish	12.5	The scheme was substantially complete (98%), and undergoing test running. Major components such as the intake works, pumping station, energy package, reservoir tank and irrigation spray tapes in the field were constructed. These were functional at the time of monitoring. The quality of work was good. There were 47 beneficiary farmers of which 40% were male and 60% female. Noted was the lack of a toilet for the farmers, as this was not in the scope of work. There is a need to include it.
Zigoti SSI-Mityana District, Malangala Sub-county, Zigoti Parish	12.5	The scheme was at 95% completion. It will benefit a group of four people. The valley tank source was in existence in a pump was installed. The control room, 54 solar panels, and 4 (10m ³ each) tanks were 100% complete. Four out of the targeted six acres had laser spray tapes laid.
Buliisa-Mubende District, Bagezza Sub-county, Nabikakala Parish	12.5	The scheme was at 90% progress. The sump was complete; reservoir tanks were installed; installed solar panels had short pillars requiring to be raised. The remaining works included connecting laser tapes and concrete works at the intake and wire mesh installation as a sieve for silt trapping. The installed pump was nonfunctional due to a faulty meter.
Lwemivubo- Mubende District, Kasambya Sub- county, Nabingoola Parish	12.5	The scheme was 92% complete and will benefit 3 people. The tanks were installed; 18 solar panels were laid. The source remained with putting gabions and cleaning the water channel plus laser tape laying. The sump was complete and remained with covering.
Nyabubare SSI in Mitooma District, Rwoburungi Sub- county, Keerabwa Parish	10	The scheme was at 50% progress. The ongoing works included elevating walls and excavating the sump. The pump house brickworks were at the wall plate and the reservoir tank was still at the foundation level. Work progress was affected by rains which caused collapsing soil.
Kyungu SSI- Mukono District, Mukono Central Division, Nsuube- Kauga Ward	12	The scheme was at a 90% completion level. The source, sump, control room, guardhouse, and reservoir tank (100m ³) were complete; 48 solar panels were laid and pipe laying was at 75%. Soil testing awaited for the agronomist.

Source: Field Findings



L-R: Irrigation drip lines for Aganga Micro Irrigation Scheme in Apac District; Irrigation spray tape for Agule Small Scale Irrigation Scheme in Katakwi District



L-R: Solar array; and pumping station structures of Aganga Smallscale Irrigation Scheme in Apac District



L-R: Source protection works at Nyabubare in Mitooma District and sump at Lwemivubo in Mubende District

Dams and valley tanks for livestock watering constructed

The MAAIF planned to complete the construction of 15 one-acre ponds at Kyembogo Aquaculture Demonstration Centre in Kabalore District and 200 water storage infrastructure (valley tanks, dams, ponds for on-farm water harvesting) of capacity between 7,500 to 50,000 cubic meters in all the four regions.

During the period under review, the construction of 15 one-acre ponds at Kyembogo Aquaculture Demonstration Centre was at 20% by 31st December. A total of 11 water facilities (valley tanks and dams,) and on-farm water harvesting and storage infrastructure of capacity between 7,500 to 50,000 cubic meters in the Karamoja sub-region and southwestern cattle corridor were constructed. Construction of nine valley tanks in the Karamoja sub-region was ongoing and averaged 61%. A total of 32 fishponds and valley tanks were desilted in Butambala, Gomba and Sembabule districts.

Under the MWE, the plan for the FY was to construct new as well as rehabilitate existing multipurpose surface water reservoirs (dams and valley tanks) to increase storage capacity. Performance was poor as most works were below 50% and, in some cases, time was overspent such as for Leye Dam and Kyenshama.

Progress was reported as follows: rehabilitation of old facilities - Arua (Biacici 20%), Kitgum (Lakongera 45%), and Dokollo (Diima 25%), Kalungu 100%, Kalangala 100%, Masaka 40%, Buvuma 20%, Mpigi 40%, Kiboga 20%, Kumi (expansion of Amosingo valley tank 60%), Kibuku (expansion of Natoto Valley Tank 40%) and Kole (weed removal in Leye dam 60%); and civil works for new facilities - Omoro 5%, Amolatar 5%, Pader 5%, Kyotera 28%, Kazo 28%, Nakasongola 95%, Masindi 82%, Kalungu 15%, Kiryandongo 15%, Mubende 30%, Kyenshama 90%, Rushere 85%; and Nabisojjo 90%.

Monitoring covered seven facilities: Construction of Kyenshama Dam in the Mbarara-Kiruhura districts; weed removal on Leye Dam in Kole District; and expansion of Amosingo and Natoto valley tanks in Kumi and Kibuku districts respectively. Other valley tanks monitored were the construction of Rushere Valley Tank in Kiruhura District, Nabisojjo Valley Tank in Nakasongola District and Nyamurungi Valley Tank in Isingiro District. The valley tank construction works were undertaken using the ministry equipment, though these frequently broke down due to their old state.

Kyenshama earth dam in Mbarara District

The planned completion of Kyenshama Dam in Kabushwere Parish, Nyabisirira Sub-county was at 95% progress with 100% financial progress as of 5th February 2024. This was a one-and-a-half-year contract (1st February 2022-2^d August 2023) which was extended twice up to 15th December 2023. The contractor was in the process of requesting a third extension to complete the remaining works. The civil works were complete inclusive of setting out the embankment, rock and clay foundation excavations, impeachable clay works for embankment, marram fills, dredging works, filter drains, reservoir, spillway, abstraction pipework, and construction of troughs.

Pending were the electro-mechanicals (delivery and installation of the 225 solar panels; installation of the pump) and final painting on the buildings (attendant's house and pump house). Works delays were majorly attributed to floods caused by abnormal rains in the project area that even swept away the road culverts, delays in payments to procure electro-mechanicals, inflow of floating vegetation, escalation of material prices and vandalism of signposts.



R-L: Kyenshama dam and a reservoir tank

Leye dam in Telela Parish, Ayer Sub-county, Kole District

Leye Dam has not been in use since 2016 due to invasive weeds that had colonized it. In May 2023, a contractor was hired to safely remove and dispose of the weed, and clear the access roads and the dam embankments. As of 7th February 2024, 60% of the weed had been removed, although works had stalled and were behind schedule.



A section of Leye dam cleared of the invasive weed

Expansion of Amosingo Valley Tank in Akadot Parish, Kadami Sub-county, Kumi District; and Natoto Valley Tank in Natoto Parish, Buseeta Sub-county, Kibuku District

The plan for the FY is to increase the storage capacity of the valley tanks from 20,000 to 30,000 cubic meters of water storage, stone pitching of the inlet, fencing and grass planting along the banks. As at 15th February 2024, 60% of the works were accomplished for Amosingo and 40% for Natoto Valley Tank. The construction of the inlet and fence; and grass planting were pending. The earthworks were done using the ministry equipment, although the machines frequently broke down because they were quite old.



L-R: Amosingo valley tank in Kumi District; Natoto Valley Tank in Kibuku District

Construction of Rushere in Kiruhura District and Nabisojjo in Nakasongola District

Construction works for the two dams were completed in FY2021/22 and installation of the electro-mechanicals for Nabisojjo was done this FY. Rushere Valley Tank remains with pipe networks and installation of the electro-mechanicals (solar panels and pump) and the reservoir tank while Nabisojjo awaited commissioning.



Nabisojjo Valley Tank in Kakayonza Parish, Nakasongola District; Rushere Valley Tank, in Rushere Town Council, Kiruhura District

(iii) The micro-scale irrigation

Through the Micro Scale Irrigation Program, GoU helps farmers pay for irrigation equipment through a 75% subsidy and the farmers pay 25%. However, the subsidy is capped at Ug shs 18,000,000 and the project is managed by MAAIF through the Uganda Intergovernmental Fiscal Transfer Program (UgIFT) each participating district develops a work plan to implement based on the budget allocated to it. The microscale irrigation programme is also contributed to and fully financed by NAADS. During the period under review, the NAADS reported to have delivered and installed four sets of solar water pumping systems at four beneficiary sites in Mityana, Nwoya, Terego and Nakaseke DLGs.

During the monitoring, eight DLGs were covered under the UgIFT micro-scale irrigation program and **Table 3.18** shows the performance. Activities related to program awareness and sensitization, farm visits and procurement of systems for either individual farmers or demonstration farms mostly happened in quarter two of the FY2023/24 due to lack of indicative planning figures in quarter one and late release of funds. It was observed from the districts monitored that the percentage of farmers committing the Ug shs 1 million was less than 10% of the total farmers that expressed interest in acquiring the irrigation systems. This points to the salient issues that need to be addressed for the program to be embraced. There is a need to review the percentage of the subsidy, the government to co-fund the establishment of the water source, and for timely provision of indicative planning figures and release of funds to the DLGs.

Table 3.18: Performance of the micro-scale irrigation program in monitored DLGs

District	No. of farmers expressed interest	No. of farmers committing	No. of installation	Remarks
Bugiri	231	16	-	Procurement of systems for the committed farmers was awaiting full payment of the co-founding by farmers. Three demonstration sites were enhanced.
Nwoya	92	20	11	The installations were done in the field.
Luuka	701	37	0	Farm visits for the 37 farmers who committed were done and procurement of systems was ongoing in February 2024. Procurement of systems for two demonstration sites in Ikumbya Sub-county and Busalamu Town Council was ongoing.
Pader	106	06	-	The procurement process for systems for committed farmers was initiated.
Mbarara	22	3	0	Late release of funds delayed the implementation of the program.
Iganga	120	13	0	Procurement of contractors to supply the systems for the 13 committed farmers was at the bid evaluation stage. System repairs at three demonstration sites were done.
Mukono		12	0	Procurement for 10 systems for farmers that completed the payment and installation expected in Q3.
Bushenyi	40	3	0	Procurement of the system was ongoing.

Source: Field Findings

(iv) Sustainable Management Institutions for effective utilization of WFP facilities established

The Water for Production Department planned to offer support for newly completed facilities and for old ones that were having operational issues. Therefore, support for operations and maintenance, capacity building of beneficiary farmers, and agronomic support were offered to existing facilities countrywide. In Eastern Uganda, field-based irrigation support officers were available to guide the farmers utilizing small-scale irrigation schemes. The few and yet old fleet of vehicles, coupled with irregular release of quarterly funds affected the extensive support necessary for sustainable management of the WFP facilities.

3.2.6 Access and use of agricultural mechanization increased

The government aims to enhance agricultural production and productivity and commercialization by increasing farmers' access to agricultural mechanization services. During FY2023/24, the GoU focused on implementing two sub-interventions in this area: i) Expand and equip regional agricultural mechanization and services centres, ii) Establish appropriate public and private financing options for agricultural mechanization.

Performance

i) Expand and equip regional agricultural mechanization and service centres

a) The 5 regional centres in Kiruhura, Mbale, Kiryandongo, Agwata, Buwama, and Namalere National Referral Agriculture Mechanization Centre constructed and equipped

The operationalization and equipping of Buwama and Aqwata Zonal Agriculture Mechanization Centres was at 90% by 31st December 2023. Construction of the Nabuin Zonal Agriculture Mechanization Centre commenced and Mbale Zonal Agriculture Mechanization Centre was at 65%. MAAIF was acquiring a contractor to construct the Namalere Centre of Excellence and undertake renovation works at the Wandegeya offices.

In addition, the MAAIF through a Call-Off-Order Reference No: 045 procured the services of **M/s Bresun Enterprises Limited** to supply and deliver assorted construction and irrigation materials at the Sanga Zonal Agricultural Mechanization Centre in Kiruhura District using approved rates in the existing framework contract MAAIF/SUPLS/2019-20/00244. The total value was Ug shs 2,108,932,403 VAT inclusive. The supplier fully executed the contract and the delivery obligation including mobilization and demobilization were met up to 100% of the total supply and the required documentation submitted by the provider.

Whereby materials and equipment quality control checks were performed before delivering and accepting them on the site, the supplies were practically projected to be finalized by mid-June 2023 after issuance of the Call-of-Order. However, the budget shortfall realized by the department could not permit this supply to proceed as planned. The provider's performance was found generally satisfactory up to this level of the contract execution during the contract implementation, no issues were realized.



Construction materials and equipment supplied to Sanga Zonal Agricultural Mechanization Centre in Kiruhura District under Labour Saving Technologies for Agricultural Mechanization Project, Construction at the site had not started yet as at 31st December 2023

b) Tractors and implements delivered and distributed by MAAIF

The ministry initiated the procurement of two hundred tractors (200) and matching implements and 200 units of single axle tractors and implements with all accessories. These will support the ministry to increase the area under cultivation from the current 35% to 60%.

c) Tractors and implements delivered and distributed by NAADS/OWC

The NAADS procured and delivered a total of 5 units of tractors with their matching implement to 5 beneficiaries in the districts of Mitooma, Kiboga, Lira, Wakiso, Oyam, and Kitagwenda. The delivered tractors were operational, and the operators were trained in the operation and basic maintenance of the tractors.

ii) Establish appropriate public and private financing options for agricultural mechanization

a) Equipment and machinery suppliers, dealers and manufacturers accredited

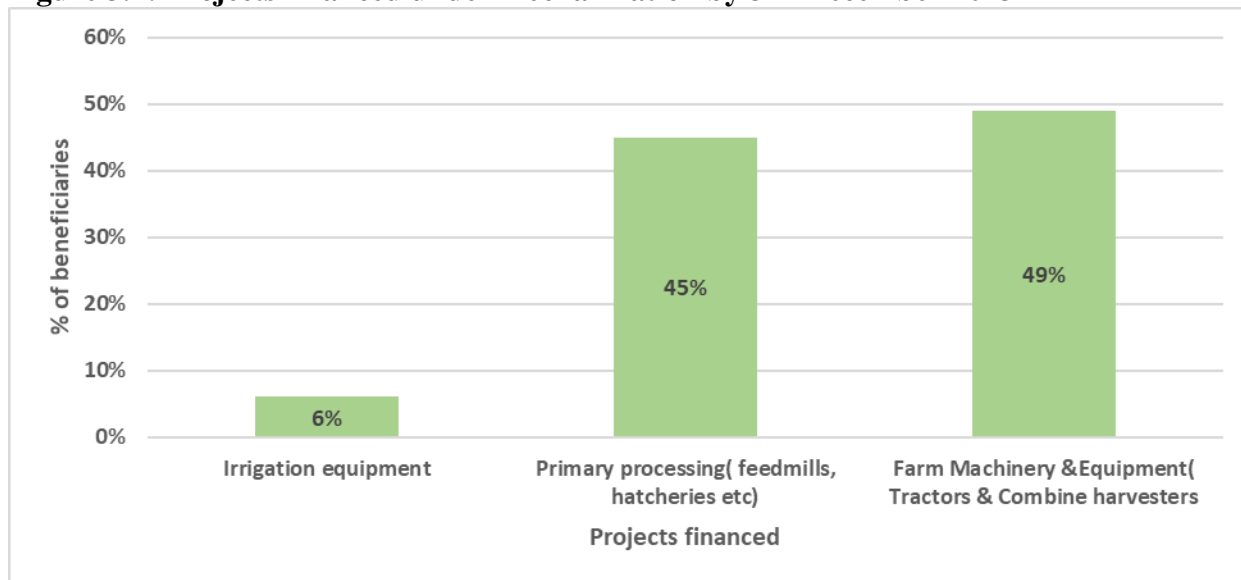
The mechanization of the agricultural sector is a key priority area under the National Development Plan (NDP III) for transforming the sector by the year 2040. The Agricultural Credit Facility (ACF) is well aligned with the government of Uganda's strategy of transforming the agriculture sector through mechanization to increase production and food security. This was achieved by providing affordable credit to farmers to acquire agricultural machinery and equipment to increase productivity on their farms.

Cumulatively, Ug shs 114.32bn was extended to 330 beneficiaries for the acquisition of agricultural machinery and equipment. The value of loans disbursed towards mechanization accounts for 14% of the total loans disbursed under the ACF. The financed areas included the acquisition of tractors and their implements, the purchase and installation of irrigation equipment, hatcheries and many more. In addition, the acquisition of other farm equipment such as coffee driers, generators, seed planters, grinders and mixers, forage cutters, fruit juice extractors and modern fish cages was also financed.

The ACF supported several projects or beneficiaries engaged in various agricultural value chains. The projects funded included on-farm activities such as financing infrastructure for farm improvements like dam excavation, greenhouses, and excavation of fishponds as well as financing agro-inputs to enhance yields. The financing had been extended to farm restocking and acquisition of agricultural machinery and equipment such as tractors, combine harvesters and irrigation equipment.

Agricultural machinery & equipment utilized the highest amount under mechanization accounting for 49% of the total financing extended for mechanization. The funds were used for the purchase of machinery and equipment for land opening such as tractors and their implements as well as combined harvesters that are used by large-scale farmers. Primary processing was the second highest category with a financing of Ug shs 51.26bn for the acquisition of machinery used in primary value addition such as feed mills, poultry and fish hatcheries, fruit juice extractors, coffee hulling and drying machinery among others (**Figure 3.4**).

Figure 3.4: Projects financed under mechanization by 31st December 2023



Source: Field Findings

3.2.7 Farmer organizations and cooperatives strengthened

Introduction

The intervention has two focus areas namely: sensitizing farmers on the benefits of cooperating; and supporting up-coming farmer groups and cooperatives to effectively manage themselves. The intervention has four actions: i) Engage cooperatives and colleges of commerce to inculcate cooperative and entrepreneurial skills to the farmers and farmer groups; ii) Register and profile farmer organizations; iii) Register breeder associations; and iv) Undertake capacity assessment of farmer groups, identify and fill their capacity gaps. The planned outputs for FY2022/23 included: a) Cooperative and entrepreneur skills inculcated to farmers and farmer groups and b) Farmer organizations registered and profiled. Semi-annual monitoring focused on the two outputs. The detailed performance is presented as follows:

Performance

i) Cooperative and entrepreneur skills inculcated to farmers and farmer groups.

By 31st December 2023, the MAAIF through ACDP trained and strengthened a total of 28,357 farmer groups with a membership of 656,331 (44.6% female). An additional 4,069 new farmer groups were formed and 7,039 farmer groups were linked to ACCEs/RPOs. Under the matching grants scheme, a total of 358 farmer organizations had received matching grants worth Ug shs 110bn of which government contribution was Ug shs 74bn and farmer organization contribution was Ug shs 36bn providing an additional storage capacity of 84,469MT.

Correspondingly, the project in collaboration with Uganda Cooperative Alliance (UCA) developed training manuals and guides, conducted trainings of trainers (ToTs) in all project districts to

establish district core teams comprised of Extension Officers, Community Development Officers and community-based facilitators including the supervisory team at both MAAIF and DLGs.

The ministry electronically circulated 3,000 copies of the “*Empower farmers through business-oriented farmer groups*” to 2,426 DLGs staff, these training manuals were translated into 9 local languages of English, Runyankole, Rutooro, Luganda, Lumasaba, Ateso, Lugbara, Luo, and Kupsabiny. Relatedly 1,500 copies of the trainers’ manual and 2,000 copies (350 English and 1,650 local languages) of the trainers’ guide were disseminated to all 57 districts. A total of 28,357 farmer groups with a membership of 656,331 (44.6% female) of the targeted 30,000 farmer groups were trained and strengthened.

The MAAIF adopted a lead farmer approach to accelerate technology and input use diffusion to farmers at the farmer group level. A total of 19,148 lead farmers were trained and supported to deliver extension services through training and technology demonstrations who also in turn trained 35,398 fellow farmers on Good Agronomic Practices (GAPS). A total of 22,087 demonstration gardens were established (6,965 at the sub-county level and 15,124 at the farmer group level) to demonstrate various technologies such as new and improved varieties, fertilizer usage and application and excellent agronomic practices.

The UCDA organized 420 farmer trainings across 126 coffee growing districts in all 8 coffee growing regions. A total of 139 lead farmers & cooperatives (M79, 60F, o/w 37Y) were trained on organic coffee production in Busoga (Buyendo COOP-Jinja) and Rwenzori (Busongora COOP-Kasese Nyamirama, Rugyeyo, Kihihi, Kacofaco, Kanyantorogo, Banyakinkizi Kanungu) to create awareness on organic farming practices, and procedures/requirements for organic certification, and ICS procedures for increased organic coffee exports. This amplified the interests of the farmers and cooperatives regarding Organic coffee production.

ii) Farmer organizations registered and profiled

Through AVCP, the two Business Development Services (BDS) provided business support and market advisory services to 450,000 maize and 205,000 rice farmers. The service providers were training farmers and responsible for the distribution of inputs to the farmer groups with the assistance of the district local government staff. Furthermore, the BDS providers identified, registered and mobilized 856,428 farmers (52% female) in 35,516 farmer groups across the project area. By region, 562,100 farmers (54% female) in 23,068 farmer groups were registered and received project services in Central and Western Uganda while in the Northern and Eastern regions, 294,318 farmers (49% female) were represented in 12,448 farmer groups.

A total of 2,030 dairy farmers under DDA were trained in good dairy farming practices such as Climate Smart dairy farming, local pasture improvement, fodder and water conservation, dry season feeding, and breed improvement. In addition, about 166 dairy stakeholders were trained in value addition and milk quality assurance at Entebbe Dairy Training School, and 12 new dairy farmer groups were mobilized, formed and trained.

Challenges

- i) Limited time for group development, growth and maturity: Sustainable development of groups needs some time while interacting with group members during their meetings, however, given the limited project duration and interruptions this was not possible.

- ii) High Illiteracy levels among leaders of farmer groups. Some FGs had leaders who were unable to comprehend the questions asked and required a lot of explaining.

Recommendations

- i) There is a need for refresher courses, to share experiences with different stakeholders and identify and address the areas that need enhanced skills.
- ii) Efforts should be made to link mature groups to secondary cooperatives within their sub-counties or districts to enable them to bulk and sell together for increased bargaining power.

3.3 Storage, Agro-Processing and Value Addition Sub-Programme

3.3.1 Introduction

The sub-programme aims to improve post-harvest handling and storage and increase agro-processing and value addition in Uganda. The semi-annual monitoring focused on four out of the seven NDPIII interventions: establish post-harvest handling, storage and processing infrastructure including silos, dryers, warehouses, and cold rooms of various scale; establish new and rehabilitate existing agro-processing industries; construct and regularly maintain community access & feeder roads for market access; and improve skills and competencies of the agricultural labour force at technical and managerial levels in post-harvest handling, storage and value addition.

Performance

The overall sub-programme performance was poor at 30% as at 31st December, 2023 (**Annex 5**). The intervention of establish post-harvest handling, storage and processing infrastructure had the worst performance at 16.32% whereas establishing new and rehabilitating existing agro-processing industries performed relatively better at 34.82% (**Table 3.19**). The poor output sub-programme performance was mainly due to inadequate releases for development funds during Q1; non-functionality of established value addition and storage infrastructure; and delayed completion of value addition and storage infrastructure under LEGS and ACDP projects.

Table 3.19: Summary of sub-programme performance by intervention as at 31st December 2023

Intervention	Output Performance (%)	Remark
Establish post-harvest handling, storage and processing infrastructure	24.84	Poor performance
Establish new and rehabilitate existing agro-processing industries to minimize negative environmental impacts for processing of key agricultural	34.82	Poor performance
Improve skills and competencies of the agricultural labour force at technical and managerial levels in post-harvest handling, storage and value addition	30.66	Poor performance

Source: Authors' Compilation

Detailed performance of the monitored interventions is provided hereafter:

3.3.3 Establish post-harvest handling, storage and processing infrastructure

Introduction

The intervention aims at improving post-harvest handling and enhance storage of agro-produce including value addition to facilitate the marketing of agricultural exports. The planned outputs for FY2023/24 included: postharvest handling, storage and processing; local economic development support services; support to agro-processing and value addition; and postharvest management. The outputs are largely implemented by MAAIF (ACDP, MoBIP), NAADS, CDO and MoLG (LEGS). The performance of the output is provided in detail hereafter:

Postharvest handling, storage and processing

The MAAIF under the MOBIP project planned to rehabilitate one regional slaughter facility; and also complete the construction of 70 storage facilities, install 58 value-addition equipment and connect 93 non-operational value-addition facilities that lack power for beneficiary farmer organizations under the Matching Grants Scheme (ACDP).

Cumulatively, the ACDP has supported 358 grantees under the matching grant arrangement with the government (project) contributing Ug shs 74bn whereas the farmer organizations contributed Ug shs 36.5bn. The distribution of the grants by commodity is given in **Table 3.20**. The majority of the grantees were dealing in maize whereas beans had the least number of beneficiaries. Out of the 358 grantees who received funding support, 67 were only supported to construct stores, while 291 were supported to acquire both storage facilities and value addition equipment. To date, 340 farmer organizations have completed construction with a total storage capacity of 82,514 metric tons. Only eighteen (18) facilities are slowly progressing to completion in construction. When all are finalized, the supported 358 ACCEs/RPOs will have a storage capacity of 84,469 metric tons.

Of the 291 farmer organizations supported to build storage facilities and install value-added machinery, 199 are operational (60 using generators and 139 using electricity) while 92 are not operational (35 are awaiting partial delivery of machinery, 31 are undergoing ACDP power installations, and 61 lack power to operate the machinery).

Table 3.20: ACDP established storage capacity by commodity as at 31st December 2023

Commodity	No. of FOs	Anticipated storage capacity (MT)	Completed construction	Storage capacity (MT) of the completed infrastructure
Cassava	53	8,778	48	7,854
Beans	39	8,360	39	8,360
Maize	113	31,498	109	30,698
Rice	49	9,910	49	9,910
Coffee	104	26,323	99	25,703
Total	358	84,869	340	82,514

Source: ACDP Project Management Unit and Field Findings

The non-functionality of completed structures was mostly due to a lack of three-phase power; missing equipment components (partial delivery of processing equipment); and inadequate volumes (off-season) among others.

Support to agro-processing and value addition

The NAADS planned to establish storage and value addition facilities for various enterprises that include: maize, cooking oil, rice, fruit and dairy processing; technical assessment visits and supervision conducted.

The NAADS delivered and installed 15 units of maize milling equipment at 15 beneficiary sites in Lwengo, Kiryandongo, Bushenyi, Kapchorwa, Luuka, Bunyangabu, Kasese, Kazo, Manafwa, Bukedea, Kaliro, Kyankwanzi, Masinda and Kitgum. The NAADS also delivered and installed 22 milk coolers and matching implements with a total capacity of 63,000 litres. However, procurement of the above equipment and milk coolers happened in FY2022/23. Assessed 40 potential beneficiaries of milk coolers and matching generators. The implementation of planned activities like procurement of milk processing equipment and oil mill for the FY2023/24 had not happened. The implementation challenges were inadequate budgetary releases against the approved budget during the period under review that affected the implementation of the planned activities.

Seed cotton ginning

As at 31st December 2023, the Cotton Seed Dressing Station in Akwara Village, Pajule Sub-county, Pader District was complete and fully operational. The station received 879Mt of seed cotton that was processed to produce 473.7MT of seed and 361.2MT of lint. A total of 975 bales of lint were sold to Liver Cot, Kampala and 669 bales were in stock at the time of monitoring. 694.7MT of delinted and dressed seed were processed of which 336.4MT was dispatched to Kachumbala, Gulu, Parombo, Nebbi, Lira, and Masindi regional centres. The seed processing facility has a capacity of 17MT per day, which does not match the storage capacity of the warehouse (250MT), thus the facility is underutilized.

Local economic development support services

The output is supported by the LEGS Project whose goal is to improve individual and household incomes in the participating 17 districts⁶. The component of support to value chain development contributes to the intervention of establish postharvest handling; storage; and processing infrastructure. The project planned activities for FY2023/24 include six milk collection centres and 11 agro-processing plants completed.

Performance

Two bulking centres: Ongongoja Grain Bulking Centre and Goli Goli Groundnuts Bulking Centre in Katakwi and Kibuku districts respectively were completed. The average cumulative physical progress of the 11 agro-processing plants/facilities under construction was 79%, whereas progress for the six (06) milk collection centres (MCC) was at 76.3% in the districts of Gomba, Kibuku, Kyenjojo, Bunyangabu, Nakaseke, Kumi, Alebtong, Katakwi, and Ntoroko as at 31st January 2024. Three out of the eleven processing plants were completed whereas progress for the other eight

⁶Isingiro, Gomba, Nakaseka, Bukedea, Amuria, OyamAdjumani, Buyende, Buikwe, Isingiro, Tororo, Luwero, Kibuku, Kyenjojo and Rukungiri. (Alebtong, Bunyangabu, Kabarole, Kumi, Katakwi, Ntoroko, Nwoya

plants varied. Seven out of the eight incomplete processing plants had their contract completion date expired by 31st January 2024.

Five out of the six milk collection centres under construction had their contract periods expired while one had barely a month to expiry. Extra civil works for Kifampa, Kigezi and Tisai MCCs had been contracted and the contract duration had expired but works had not commenced. It was observed that contractors for MCCs had received payment beyond the works completed.

The component performance was poor and most projects were incomplete and behind schedule. The poor performance is attributed to delayed initiation of procurements and weak contract management by MOLG; limited involvement of other critical stakeholders like DDA at the design stage that led to a revision of the architectural designs when the superstructures were already constructed; the slow pace of contractors due to weak financial capacity.

3.3.4 Establish new and rehabilitate existing agro-processing industries

The intervention aims at increasing agro-processing and value addition in Uganda and the planned NDPIII outputs are to be implemented by MoTIC (UDC), MoLG, DDA and MAAIF. The planned output for FY2023/24 is industrial and economic development (support to UDC). The monitoring focused on activities implemented by MoLG and UDC projects and performance is given hereafter:

Local economic development support services

The MoLG planned to rehabilitate 15 non-functional Agro-processing facilities (APFs) including milk coolers, coffee hullers, rice mills and maize mills in selected LGs.

The MoLG rehabilitated 19 non-functional APFs: maize mills, coffee hullers, milk coolers, and bulk stores, in 16 LGs of Kalungu, Masaka, Lwengo, Rubanda, Rukiga, Butambara, Lyantonde, Ntoroko, Bundibugyo, Bunyangabu, Kazo, Lyantonde, Sembabule, Kiruhura, Shema, Rwampara LGs to enhance their functionality.

Milk postharvest handling and value addition

The planned activities include: Wera Milk Collection Centre rehabilitated, Bugiri Milk Collection Center Rehabilitated, 12 coolers and matching generators procured and installed for MCCs in Bukedea, Wera, Bugiri and Kakooge among others; and One (01) tri-cycle for dairy cooperatives in North Eastern Uganda procured and handed over. However, these activities did not happen due to the late release of funds to the entity.

The Uganda Development Corporation (UDC)

The UDC was re-established under the Uganda Development Corporation Act, 2016 as the investment and development arm of the GoU. Its primary objective is to promote and facilitate industrial and economic development in Uganda. This is to be met through: i) establishment of subsidiaries and associated companies, ii) enter into public-private partnerships (PPPs) with other enterprises, and iii) promoting and facilitating research into industrial development.

Performance

The UDC budget for FY2023/24 is Ug shs59.216bn, of which Ug shs67.740bn (114% of the budget) was released by 31st December 2023. The over 100% was due to a supplementary release to the entity worth Ug shs 46.467bn. However, the total cash available to UDC was Ug shs 225.938bn (inclusive of GoU releases, balance brought forward from FY2022/23 and other revenues) of which Ug shs117.373bn (51.9%) was spent by 31st December 2023. A total of Ug shs 131.642bn of the total cash available to UDC was for agricultural-related investments⁷ (exclusive of funds for UDC wage, non-wage and feasibility studies) of which Ug shs 62.85bn was spent by 31st December 2023. The expenditure was an investment in three companies of which 98.5% of the funds were invested in the HIHC-Atiak Sugar Factory for procurement of mechanized cane equipment. However, it was reported in December 2023 that Atiak Sugar Factory was not operational due to a lack of cane.

The physical performance of the monitored agro-processing industries is given hereafter:

Soroti Fruit Factory

The Soroti Fruit Factory (SOFTE) is a government intervention aimed at supporting value addition in fruit processing for the promotion of industrial growth, income diversification and increasing household incomes in the Teso sub-region. In 2012, the Government of Korea through its development arm; the Korean International Cooperation Agency (KOICA) provided a turnkey project worth USD 7.4 million for the construction of the factory with the GoU responsible for the provision of complementary services and works.

The planned outputs for FY2023/24 are a processing plant maintained and working capital provided; procurement and installation of a packaging line for PET and construction of an effluent treatment plant. Some of the outputs have been recurring from FY21/22 but not implemented due to inadequate budget releases. The approved budget for SOFTE for FY2022/23 was Ug shs 11.332bn, of which Ug shs 10.951bn (96.6%) was released and spent. The procurement of an automated PET packaging line and effluent treatment plant had not commenced at the time of monitoring.

During the first half of FY2023/24, a total of 1,002MT of fruits (oranges and mangoes) were processed yielding 55.3MT of orange concentrate and 50.8MT of mango pulp/puree. The entity generated Ug shs 899 million as revenue from the sale of products like orange concentrate; mango pulp and ready-to-drink juice. However, this was below the targeted annual revenue of Ug shs 2.8bn thus the performance of the entity was fair. However, it was observed and reported ready to drink products were making more sales compared to orange concentrate and mango pulp and the factory was operating at an abnormal loss.

The factory cited challenges of inadequate working capital for procurement of key equipment; increase in selling and distribution expenses; increase in the price of key ingredients like sugar. The establishment of SOFTE was to add value to the locally produced fruits (oranges) in the region however the sales trends indicate mango products to have more demand than orange products thus the need to either market the orange products vigorously within and outside Uganda or to review the

⁷Soroti Fruits Limited; Cocoa processing factory; Zombo Tea Factory; Luwero Fruit Factory; HIHC Atiak Sugar Factory; Kabale Tea Growers Grant; Potato Processing Factory; Kaarokoffi Limited; Yumbe Fruit Factory; Bukona Agro-Processors Limited; Acholibur Cassava Processing Plant; Busoga Sugarcane Transporters Grant; Nwoya Fruit Factory; Budadiri Arabica Coffee Mills, and Busoga Sugar Factory.

strategy to have the focus on mangoes for the project to achieve the intended impact of increased revenues for fruit farmers. There is also a need for UDC to fully capitalize on the entity and streamline its operations for the factory to break even.

Bukona Agro Processors Limited

Located in Nwoya District, the factory produces denatured ethanol from cassava chips and maize and has an input capacity of 100MT/day of dry cassava chips/maize. Bukona Agro Processors Limited Signed an offer letter in December 2020, and the UDC has invested Ug shs17.457bn to date equivalent to 40.5% equity shareholding.

During the first half of FY2023/24, the entity processed 7,000MT of maize yielding 1,670,934 litres of denatured ethanol. The Bukona was able to sell 13, 647litres domestically and 1,657,287 litres in the region. The factory has ventured into the assembly of cookstoves and at the time of monitoring installation of the assembly line of 100 stoves per day was ongoing. The factory was operating below the installed capacity of 35,000 litres of denatured ethanol per day due to low off-take orders and at the time of monitoring the factory was under maintenance.

Mutuma Commercial Agencies Limited (MCAL)

The company adds value to raw cotton produced in Uganda to produce products like surgical cotton wool, vegetable oil and cotton seed cake and is located in Luuka Town Council. The UDC has invested Ug shs 4.5bn and a total ordinary shareholding of 36%.

During the FY2023/24 the MCAL generated revenue worth Ug shs 2.031bn from the sale of cotton husk, cotton lint waste, soap stock and cotton wool. The average gross profit margin for the period under review was 28.3% which is below the recommended industrial average of 35%. The company reported challenges of power outages, outstanding loan obligations with UDBL, and low throughput machinery. The company continues to report a net loss.

3.3.5 Conclusion

The overall sub-programme performance was poor at 30% as at 31st December, 2023. The NDPIII focuses on transforming the subsistence agriculture sector into a commercial and competitive sector. One of the listed avenues to realize this transformation is increased export value of selected agricultural commodities. Therefore, the establishment of storage, value addition, and agro-processing and construction and maintenance of transport infrastructure is envisaged to increase the value of exported agricultural commodities; however, the output performance for the period under review was poor. The poor performance was majorly attributed to inadequate release of development funds in quarter one for DDA, NAADS and UCDA; weak contract management for civil works especially under the LEGS Project; delayed completion of valuation and feasibility studies, due diligence and appraisal of investment projects by UDC; lack of appropriate electricity to power the established value addition facilities.

Recommendations

1. The MFPED should ensure the adequacy and timeliness of releases to implementing entities.
2. The MAAIF and MoLG should strengthen the contracting processes for civil works and ensure the project outputs are delivered in the stipulated timeframes. Inefficiencies in the contracting processes should attract penalties and sanctions.
3. The UDC should expedite pre-investment studies and processes to ensure that projects that have been in the pipeline for over two years are implemented or dropped.
4. The MAAIF and MEMD should develop robust mechanisms for the electrification of the established value addition and agro-processing facilities. The project coordination unit (PCU) and procurement manager deliver the project output targets in the stipulated timeframe to reduce the likely risk of time and cost overruns.
5. The MAAIF and MoLG should intensify monitoring and supervision of ongoing civil works in collaboration with beneficiary DLGs, and ensure results are reported promptly and corrective measures taken where activities are not performing well.

3.4 Agricultural Market Access and Competitiveness Sub-programme

3.4.1 Introduction

The GoU aims to increase market access and competitiveness of agricultural products in domestic and international markets through three NDPIII interventions. The interventions are to: strengthen enforcement and adherence to product quality requirements including; food safety, social and environmental standards, grades; improve agricultural market infrastructure in rural and urban areas and; strengthen capacities of public institutions in analysis, negotiation and development of international market opportunities particularly for the selected commodities.

The Key implementing agencies for the sub-programme included: The Uganda National Bureau of Standards (UNBS); Ministry of Local Government (MoLG); Ministry of Agriculture, Animal Industry and Fisheries (MAAIF); Uganda Coffee Development Authority (UCDA); Dairy Development Authority (DDA) and Cotton Development Organisation (CDO). The performance of the monitored interventions is given hereafter:

Performance

3.4.2 Strengthen enforcement and adherence to product quality requirements

i) Certification permits for products and firms issued

The DDA inspected a total of 558 milk handling premises involving equipment, processing plants, Freezers/retail outlets, road tankers/transporters, MCCs/coolers, and import and export consignments for compliance with quality standards; undertook 18 quality enforcement operations and nine (9) market surveillance activities in the same regard. Dairy authority registered and licensed 90 dairy businesses/premises across different milk sheds. Whereby a total of 2,124 milk and dairy product samples at regional laboratories and the National Dairy Laboratory at Lugogo were collected and analyzed.

In addition, the UNBS certified 15 management systems and increased demand for certification since the start of the enforcement of the Distinctive Mark. However, there was a backlog of product certification audits which was attributed to inadequate resources and delays in the release of funds.

The CDO inspected four ginneries in the Kazinga Channel Region, the gin settings and Lint Sampling Boxes were checked and registered. Four ginners and 8 lint exporters were registered using the URA Electronic Single Window and Fair Average Quality (FAQ) standards for seed cotton which were prepared and distributed to 18 ginners to guide them during cotton marketing. A total of 287 lots (50 bales of lint) were classed/graded and issued with Lint Quality Certificates, about 73% of the bales classified were in the top 3 grades.

The MAAIF, under the ACDP, conducted market enforcement activities at agro dealer shops where 6MT of maize seed and 58L of counterfeit pesticides were impounded. Through intelligence-led enforcement, DCIC similarly impounded 57,000pcs of packaging material suspected to be counterfeiting seed and agrochemicals. In addition to promoting- input standards, the Department of Crop Inspection and Certification developed and rolled out the digital Seed Traceability and Tracking System (STTS) to help improve the seed certification process. A total of 174 seed company representatives, seed dealers and stockiest were trained on the use of this system.

Relatedly, ACDP trained a total of 1,695 agro-input dealers on proper input handling and quality assurance. After the trainings, 968 agro-input dealers were inspected and approved for registration. On the other hand, only 468 agro-input dealers managed to pay registration fees and were fully registered and accredited by MAAIF to sell and supply agricultural inputs. The variation in the number of agro-input dealers trained and those approved for registration was mainly due to: (i) lack of academic qualifications, (i) small shops with limited capital (ii) shops being located in sensitive and high-risk places for agricultural inputs.

ii) Farmers and manufacturers trained on sanitary and phytosanitary standards

The AVCP procured, installed and trained staff under the Department of Crop Certification on the use of high-performance liquid chromatography (HPLC) equipment, the project was in the process of acquiring the necessary consumables for full deployment and testing of pesticides both from imported consignment and market enforcement activities.

The ACDP supported a total of 570 ACCEs/RPOs through training on the six business modules. As a result, 358 (63%) ACCEs/RPOs were developed. Furthermore, to improve access to remunerative domestic, regional and international markets of value-added products, 85 ACCEs were trained by UNBS and supported in acquiring a Q-mark of which 44 acquired TIN numbers, 33 developed and registered the product name with URSB, however, only four had received the Q-mark. Although all 85 were officially submitted to UNBS for follow-up.

The UCDA trained a total of 72 quality controllers (59 males, 13 females, 28 youth) in sanitary, safety and quality standards in regions of Greater Masaka and Elgon and 139 lead farmers and cooperatives (79 males, 60 females, 37 youth) trained in organic coffee production in Busoga and Rwenzori regions.

iii) Renovate, build and adequately equip certification laboratory facilities

a) Certification laboratory facilities renovated, built and equipped

The construction works for the National Metrology Laboratory at UNBS headquarters in Wakiso District funded by AVCP was completed by 31st December 2023 and awaiting handover. The structure included laboratories (10) basement; (7) ground floor; (7) first floor; and, (4) second floor and not yet operational. The contract for the first batch of UNBS equipment was signed and the delivery was to be completed by March 2024, although procurement of UNBS NML equipment for the second batch was awaiting, no objection from the African Development Bank (AfDB).

b) Rehabilitation of the National Semen Laboratory at NAGRC&DB in Entebbe to strengthen the cold chain system for the management of semen rehabilitated

The expansion of the National Semen Laboratory at NAGRC was supported by AVCP. The procurement process was initiated and the site was handed over to the contractor in November 2023. Construction works for the laboratory were ongoing at 20% progress. Delayed works were due to heavy rains that denied access to the station hence affected the progress.



The National Semen Laboratory at NAGRC&DB were under rehabilitation in Entebbe Municipality in Wakiso District

c) Supported Dairy Development Authority to improve food safety and quality management systems in the milk and dairy sub-sector at the National Dairy Analytical Laboratory (NDAL) at Lugogo

The AVCP procured and installed Ultra-High Performance Liquid Chromatography (UHPLC) and CHARM II equipment for the accreditation process of the Analytical Laboratory at Lugogo. The equipment was fully operational and functional at the time of monitoring, and 386 milk and dairy product samples were analysed. The technical staff were trained in quality management systems, method validation and measurement uncertainty. Furthermore, AVCP supported DDA to expand the programme of improving food safety and quality management systems among dairy farmers including publishing and dissemination of various regulations for dairy marketing and processing, food safety and quality management systems. Proficiency testing and ISO 17025:2017 certification.

d) National Seed Testing and Certification Laboratory constructed and rehabilitated

The rehabilitation and construction of the National Seed Laboratory structure at Kawanda was supported by the ACDP and civil works were at 75% physical performance. The roofing stage and installation of the fittings had been completed, and electrical and plumbing were ongoing. The works were behind schedule and it was very unlikely to be completed by the project closure date of 30th September, 2023. Although an extension was given up to 31st May 2024 to complete the project, weak contractor financial capacity and weak contract management led to slow progress.

e) The phytosanitary laboratory at Namalere rehabilitated at ACDP and AVCP

The physical progress of the civil works for the laboratory was completed. The ACDP equipped the fertilizer analytical laboratory at Namalere with; Analytical equipment, glass wares, seed laboratory consumables, Analytical reagents & standards and personal protective equipment. All equipment was assembled and fully functioning. A total of 100-150 samples are tested daily on parameters such as PH, total nutrients, organic carbon, moisture and heavy metals concentration. The equipment too was expected to make it easier for local innovators to formulate organic fertilizers.

Under AVCP, rehabilitation of the National Phyto-sanitary Laboratory in Namalere was undertaken. The project procured assorted laboratory equipment which was fully installed and operational, and 500 samples of suspected diseased plants were tested from the facility. In addition, HPLC was installed too, though it was awaiting training before being fully operationalized to support the testing of pesticides entering the country and monitoring the quality of pesticides in the market.

3.4.3 Agricultural market infrastructure in rural and urban areas improved

The intervention aims at improving access to farms and to markets for inputs and produce respectively. The output is implemented by the MAAIF under the ACDP, NOPP and MoLG under the LEGS Project and NAADS.

i) Farm and community access roads and road chokes constructed

Regarding rehabilitation of road chokes on community farm access roads under ACDP, the overall physical progress was at 78% as of 31st December 2023. In Phase 1, works in the 6 districts of; (Kalungu, Amuru, Nebbi, Pakwach, Iganga; Bugweri) were completed except in Ntungamo works was at 75% physical progress. In Phase 2, overall work progressed at 71% and was completed in 5 districts (Kyotera, Masaka, Kakumiro, Rakai, and Bushenyi). Phase 3, the overall physical progress achieved was 85% of which works in the 17 districts of (Kole, Oyam, Dokolo, Lira, Butebo, Pallisa, Apac, Kwania, Serere, Soroti, Kasanda, Mubende, Bunyangabu, Kabarole, Kamwenge, Kitagwenda and Kasese) were practically complete.

ii) Access roads and farm roads opened up in partnership with the National Oil Palm Project (NOPP)

A total of 32km of farm roads and 16.5km of access roads were constructed and completed in Buvuma Hub under NOPP. The works executed in Buvuma DLG consisted of bush clearing, shaping and compaction of 32km, gravelling of 13.7km and installation of 167 linear meters of culverts. Mitre drains were constructed at appropriate intervals and soak pits were dug at their endpoints to collect water for the benefit of the oil palm plantations especially those near the roadway. In addition, the OPBL opened 561.42 km of access roads in and around the nucleus estate in Buvuma Hub in a bid to ease access to FFB harvests and movement from the gardens to the processing mill. The private partner employed 835 workers (27% are Female) who maintained 561.42 Km of access road.

iii) Local economic development support services (LEGS)

The output is implemented by the MoLG with support from the LEGS Project funded by the Islamic Development Bank (IsDB). The project development was implemented in 17 districts⁸. The project rehabilitated 10 Community Access Roads (CARs) equivalent to 157kms. On average, 90% of the civil works were completed, and four of the roads were handed over to the district. The roads served a total of 104 parishes in the 10 LEGS districts. In addition, the roads benefitted a total of 48,546 households comprising a population of approximately 242,716 people as of 31st December 2023.

This investment increased access to trading centres where districts gazetted weekly markets. The roads simplified access to health centres, especially for pregnant mothers and school-going children. The cost of transport for both farm produce to markets and access to social services was estimated to have reduced by 30%. However, routine maintenance of completed roads was not included in the district road yearly maintenance plans.

iv) Farm access roads rehabilitated under Labour Saving Project

The MAAIF through the Labour Saving Project, constructed 87km of farm access roads out of the planned 350km to ease transportation of agricultural produce among others. For instance, in Masaka Municipality, about 500m of access road swamp was constructed and progress was at 50% (Kitanga Agricultural access road) in Kitanga Village, Kimanya Sub-county. Although the project was supposed to start in November 2023, the contractor slowed down works due to much rain and commenced in January 2024 but again implementation was equally hindered by broken equipment which was awaiting progress with the operations.



Halted works at 50% progress for agricultural access road (left) and broken equipment (excavator and tractor) for operation awaiting overhauling at Kitanga Village, Kimanya Sub-county

v) Market infrastructures established

⁸ Isingiro, Gomba, Nakaseka, Bukedea, Amuria, Oyam Adjumani, Buyende, Buikwe, Isingiro, Tororo, Luwero, Kibuku, Kyenjojo and Rukungiri. (Alebtong, Bunyangabu, Kabarole, Kumi, Katakwi, Ntoroko, Nwoya

Construction of market infrastructure under the NAADS and LEGS Project performed fairly. Detailed performance and status of the monitored markets are provided in **Table 3.21**. The fair output performance was attributed to delayed site handovers, weak financial capacity of some contractors especially under the LEGS Project, land acquisition challenges, slow approvals and issuance of no-objections by the donors and weak contracting processes by MoLG.

Table 3.21: Status of monitored markets implemented under NAADS, MOBIP and LEGS as at 31st December 2023

Implementer	Market	Status	Cost (Ug shs)	Remark/reason
Agri-led by NAADS	Two (2) Rural Agricultural Markets (Kasangali - Kajolly market and Ezron Mbethe - Kinyamaseke main Market) constructed in Kasese District	Works were in progress at 75% in Kasangali and 65% in Kinyamaseka's main market.	1.185bn	Works ongoing.
	Rwaihamba Market constructed in Kabarole District	Works commenced and were at 10% progress, excavation on the foundation.	1.163bn	The contractor was not on site.
	Busunga Town Council border market constructed in Bundibugyo	Works were at 75% physical progress.	2.690bn	Works ongoing.
	Construction of Roadside market at Nyakigumba TC Bunyangabu District carried out	Physical performance at 65%.	306.357 million	Ongoing works in progress.
	Construction of Kamwenge Central Market Phase 1 in Kamwenge undertaken	Works commenced and procured, and the progress of the market was at 85%.	1.263bn	The project experienced delays in commencement due to stakeholder encouragement which affected performance.
	Agule Livestock market in Kumi District constructed	Physical progress was at 68% completion.	428.636 million	The contractor was expected to complete the works by 05/12/2023 but due to financial challenges, he was given an extension up to 20/02/2024 to complete the works.
	Nakaseke Agro	The works were	492.763 million	Works completed and awaiting

Implementer	Market	Status	Cost (Ug shs)	Remark/reason
Local Economic Growth Support Project	Produce Market (Magoma Market) constructed	completed 100%.		handle over.
	Maddu Market Shed in Gomba District constructed	Civil works estimated at 70% progress.	591.409 million	Works were ongoing, though the contractor was slow, delays affected the farmers' development progress.
	Kadama Livestock Market in Kibuku District undertook the construction	Performance of physical progress was at 57%.	592.626 million	Implementation was still ongoing.
	Alebtong Market Shed constructed	Works were at 80% completion.	303,544 million	Construction was ongoing.
	Kagera Market in Bunyangabu District constructed	Construction works were at 90%.	421,834 million	The completion date was supposed to be 15th October 2023. Implementation delays were attributed to delays in issuing receipts to the contractor.
	Kihondo Market Shed constructed in Kabarole District	Progress was at 85% completion.	590,897 million	Works were ongoing.

Source: Field Findings, MAAIF, MOLG and NAADS Progress Report

3.4.4 Capacities of public institutions in analysis, negotiation and development of international market opportunities strengthened

The intervention contributes to the objective of increasing market access and competitiveness of agricultural products in domestic and international markets. It involves Uganda's bilateral engagements/diplomatic missions to promote Ugandan products abroad.

i) Coffee value addition services

The UCDA organized 13 local exhibitions to promote domestic coffee consumption and value addition and they were undertaken as follows; 29th Uganda Manufacturers Association (UMA) international trade fair; Kisoboka agriculture shows in Kagadi, Kibale & Kakumiro; 2nd edition of the Uganda United Arab Emirates Trade & Business Forum; World Food Day Celebrations 2023; 13th Annual Coffee Platform Stakeholders meeting; Blood donation drives at Coffee House and Nakivubo; Caritas Kampala Cooperatives Exhibition in Wakiso; and the 19th Annual General Meeting for the Parliamentary SACCO.

Others were: Kampala Archdiocese International Youth Day Celebrations; Kuzukuka Agriculture campaign in Gomba, Butambala and Mpigi districts; East African Magistrates and Judges Conference in Munyonyo; National Organic Exhibition at Africana Hotel and Women in Agribusiness Expo in Jinja City. Over 36,800 cups of coffee were brewed and information on coffee trade, investment opportunities in the sector, coffee types, grades, and benefits of taking coffee was explained to the attendees.

Relatedly, UCDA developed and disseminated 250 promotional materials, 234 leaflets, 5 UCDA banners, a booth backdrop and 11 banners of coffee profiles in the Chinese market to showcase the uniqueness of Uganda's Coffee. In addition, 22 (60kg) bags of green coffee were purchased and promoted in 5 missions in China, Canada, Qatar, Turkey and the USA. The 110 finished coffee brands samples were analyzed using EAS and 105:1999 standards for cup quality to determine trends and quality of coffee on the market. Uganda's membership was maintained at the Inter-African Coffee Organization (IACO) and Africa Coffee Research Network (ACRN) for collaboration and coordination.

By 31st December 2023, under UCDA a total of 1.297 (60kg) million bags worth USD 215,313,528 had been exported compared to 1.321 (60kg) million bags valued at USD 190,414,371 exported in FY2022/23. This represented a decrease in exports by 2% and an increase in value by 13%. Coffee export volume was slightly lower than last year due to heavy rains that delayed the harvest and drying of coffee whereas an increase in coffee value was attributed to the prevailing high prices at the global scene.

The NAADS participated in one national exhibition on the agricultural show in Jinja and 3 regional agricultural exhibitions in Mubende, Greater Luweero and Masaka City. Over 5,000 farmers were reached and sensitized on NAADS Interventions. It also participated in the 16th African Dairy Conference and Exhibition which provided a platform to create awareness about NAADS' interventions in the dairy sector to 1,000 delegates and 100 international and local exhibitors.

Correspondingly, the DDA participated in and facilitated 4 dairy farmer exhibitions and trade shows which involved showcasing and elaborating to participants through open engagements and exhibitions to farmers on dairy equipment, testing equipment, sensitization on dairy standards and regulations, dissemination of information and exhibition of dairy technologies and products for a deep understanding.

3.4.5 Conclusion

The performance of the sub-programme was good at 87.7% attainment of the half-year output targets (**ANNEX 6: *Performance of Agricultural Market Access and Competitiveness Sub-programme by 31st December 2023***). Interventions related to strengthening the capacities of public institutions in analysis, negotiation, and development of international market opportunities performed very well. On the other hand, the establishment of market infrastructure in both rural and urban areas performed fairly. The key sub-programme implementation challenges were delayed completion and functionality of the market of infrastructure, and increased number of counterfeit agricultural products and inadequate budgetary releases.

Recommendations

- i) The MAAIF and UNBS should strengthen quality controls and certification of agro-produce to meet international market standards to ensure the importation and exportation of quality products.
- ii) The MAAIF, NAADS and MoLG should review project implementation including cancellation of contracts for the non-performing contractors, strengthen the contracting process and fast-track procurement for the remaining works to cope with the time lost for the enduring works.
- iii) The DDA should increase surveillance and enforcement against the illegal use of counterfeit products coupled with continued sensitization of the dairy farming community.

3.5 Agricultural Financing Sub-programme

3.5.1 Introduction

The Government aims to increase the mobilization, equitable access, and utilization of agricultural finance for farmers, agro-processing firms and farmer groups. Key interventions focus on the development of concessional long-term financing instruments including the Agricultural Credit Facility (ACF), Uganda Development Bank (UDB), Microfinance Support Centre Limited, Agricultural Insurance Scheme and Uganda Development Corporation (UDC). During the available limited time for fieldwork, the semi-annual monitoring exercise focused on ACF, UDC and Agricultural Insurance. The findings are presented hereafter:

Performance

By 31st December 2023, good performance was made in disbursement and access to agricultural financing by farms and firms, as discussed hereafter:

3.5.2 Develop concessional long-term financing for agricultural infrastructure and capital investments

Agricultural Credit Facility

The ACF is a risk-sharing public-private partnership that provides medium and long-term financing since 2009 to farmers to undertake agricultural projects, agro-processing and grain trade at subsidised interest rates. The ACF leverages the resources of Participating Financial Institutions (PFIs) to bridge the financing gap, with interest chargeable being 12% per annum except for working capital for grain trade which is chargeable at 15% per annum. Block allocations of Ug shs 20 million are provided to micro-borrowers who often lack collateral.

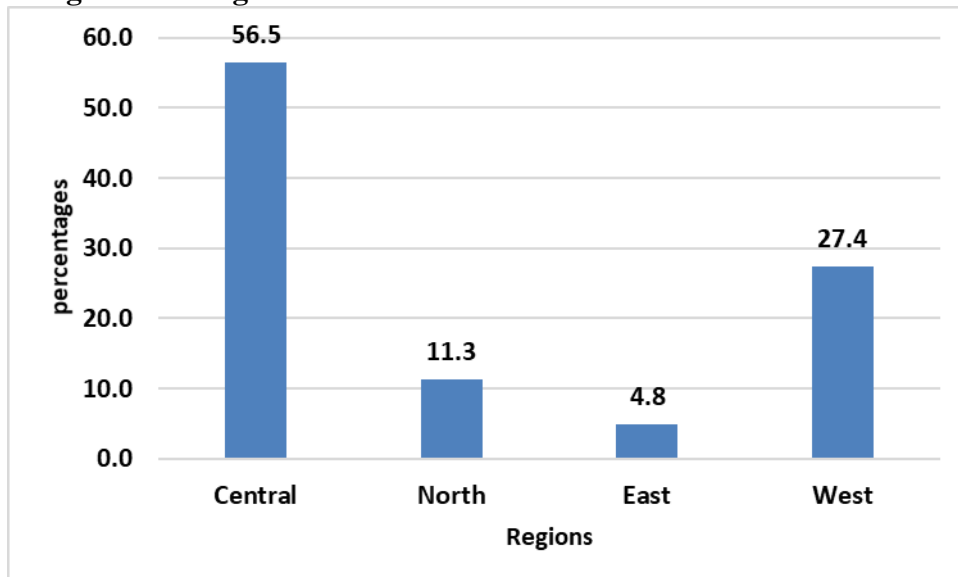
Cumulative performance: From FY2009/10 to 30th September 2023, the ACF cumulative remittance by the Government of Uganda (GoU) to the Escrow account was Ug shs 278.427bn. With the repayments from the PFIs of Ug shs 299.46bn, the GoU contribution has increased to Ug shs 425.56bn. With the PFIs cumulative contribution amounting to Ug shs 415.41bn, cumulative lending to farmers and firms under the ACF totaled Ug shs 840.96bn.

Cumulatively, 4,658 loan applications worth Ug shs 1,288.270bn were received, of which 3,744 (80.377%) worth Ug shs 840.96bn (65.27%) was disbursed to farmer projects. There was regional disparity in the value of loans taken up by farmers, with the highest value going to the Central region (53.6%) and the Western region (22.6%) and the least in the Northern (4.5%) and Eastern (19.4%) regions. The communal type of land tenure system in Northern Uganda limited access to ACF due to a lack of land titles. Inadequate financial literacy among farmers, lack of collateral and information gaps on ACF in PFI branches limited access to credit in some areas in Eastern Uganda.

Performance in FY 2023/24: During the review period (1st July to 31st December 2023), the PFIs disbursed loans totaling Ug shs 41.091bn to 368 farmers and firms, with a government contribution of Ug shs 20.546bn. Block Allocation has emerged as a pivotal strategy in facilitating access to finance for micro and smallholder farmers, experiencing a commendable expansion trajectory. Cumulatively, disbursements under the Block Allocation arrangement have surged to Ug shs 14.78bn, marking a significant uptick from the previous Ug shs 13.50bn recorded as of June 30 2023. This shows an impressive increase of Ug shs 1.28bn disbursed within the quarter under review, signifying the growing commitment to supporting agriculture.

Equity analysis in access to the ACF showed persistent regional disparities in the distribution of loans among farmers, with the Central region receiving the highest share and the Eastern region having the least share (**Figure 3.5**). The communal land tenure system in Northern Uganda constrained access to ACF due to the absence of land titles/collateral. Furthermore, insufficient financial literacy among farmers, coupled with a lack of collateral and information gaps regarding ACF in branches of the PFIs, hindered credit access in certain areas of Eastern Uganda.

Figure 3.5: Regional distribution of ACF as at 31st December 2023

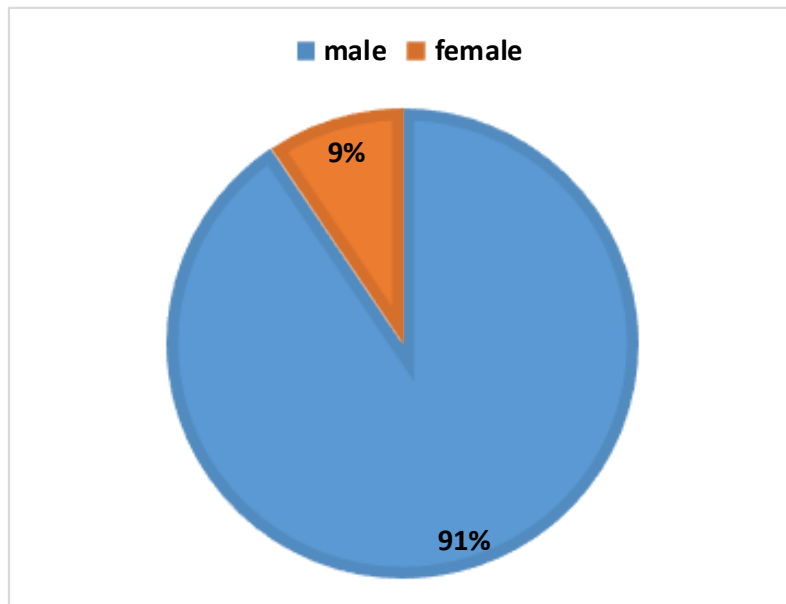


Source: Authors' analysis of ACF data

Gender analysis revealed that the male had a high number of disbursed loans compared to the women (**Figure 3.6**) despite the implementation of block allocation. This trend was attributed to

men's more widespread access to collateral and availability of working capital, enabling them to support capital investments more readily than women.

Figure 3.6: Access to ACF loans by gender as at 31st December 2023



Source: Author's Analysis of BoU Financial Data

An analysis of the 317 loans disbursed during the reviewed period reveals that individuals (72.60%) emerged as the primary beneficiaries, followed by companies engaged in commercial agriculture (15.75%), block allocations (6.84%) and other groups (4.79%).

Key challenges

- i) Low access to ACF by smallholder farmers due to: a) limited awareness and financial literacy, b) lack of collateral, iii) lack of proximal PFIs offering ACF, c) information gaps at the PFI branches regarding ACF as they do not get a briefing from their headquarters.
- ii) The inability of smallholder farmers in savings and credit cooperative societies to access the ACF as the tier 4 institutions are not accredited to participate in the scheme.
- iii) Persistent regional and gender inequalities in access to ACF with the North and East and females have the least access.

Recommendations

- i) The BoU and PFIs should continue publicizing the ACF especially in Northern and Eastern Uganda and among the underserved groups.
- ii) The BoU and MFPED to consider allowing tier 4 institutions such as SACCOs to be accredited to extend ACF to smallholder farmers.

3.5.3 Finalize and implement the Agricultural Finance and Insurance Policy

Introduction

The Uganda Agriculture Insurance Scheme (UAIS) started as a pilot scheme in Fiscal Year 2016/17, through a PPP between the Government of Uganda and private sector insurance players, to mitigate financial losses suffered by farmers as a result of damage and destruction of crops and livestock due to adverse climate, pests and diseases, fires and other related disasters. Uganda Insurers Association is the private partner implementer of the scheme through the Agro Consortium, a coalition of current insurance companies licensed to underwrite agriculture insurance in Uganda.

Performance

Cumulatively, the number of insured farmers rose from 26,741 in FY2016/17 to 665,240 by Quarter 2 of FY 2022/23, with a corresponding increase of the sum insured from Ug shs 129.177bn to Ug shs 2,297.299bn in the same period. Due to increasing losses incurred by farmers as a result of worsening climate and pest and disease-related hazards, the claims rose from Ug shs zero (0%) to Ug shs 32.628 million (38%) over the same period⁹.

From July to December 2023, the Agriculture Insurance Scheme was embraced in all regions of Uganda with a total of 37,114 farmers enrolled with the value of insured enterprises at Ug shs 202.552bn (**Table 3.22.**). The increase in the number of subscribers during FY2023/24 was partly attributed to the increased awareness of insured loans. The western region had the highest number of farmers enrolled whereas the eastern region had the lowest number enrolled. A total of Ug shs 9.264bn (59.8%) was paid as the government subsidy way above the annual allocation of Ug shs 5bn.

Table 3.22: Summary of performance of access to Agriculture Insurance Scheme by 31st December 2023

Region	Number of farmers	% insured	Sum Insured	Basic Premium	Subsidy Amount
West	13,366	36.01	85,528,532,934	3,334,603,677	1,861,058,146
North	10,620	28.61	27,794,737,100	1,936,404,132	1,451,389,152
East	4,333	11.67	17,894,771,549	1,037,587,961	746,433,390
Central	8,795	23.70	71,333,967,457	1,979,790,228	994,679,857
Total	37,114		202,552,009,040	8,288,385,998	5,053,560,545

Source: Authors' Analysis of AIC Data

The proposed subsidy allocation aims to cater to different categories of farmers based on their scale and the level of risk in their areas. The subsidy allocation is as follows: 30% for large-scale farmers, 50% for small-scale farmers, and 80% for those in high-risk areas regardless of their scale. During the review period, 37114 farmers subscribed to the scheme. it was observed that the majority of the

⁹ Agro Consortium, 2023. Uganda Agriculture Insurance Scheme Progress Report Quarter 2 FY2022/23

farmers (35,265) got the government subsidy while the 1,849 farmers were unable to access it due to the depletion of the government subsidy funds. The farmers that applied for insurance were small-scale farmers and large-scale farmers in highly risky and prone areas (received 80%) and small-scale farmers (received 50%). The bulk of the subsidy was extended to farmers involved in crop and mixed farming which were most prone to climatic adversities while aquaculture and machinery were the least insured (**Table 3.23**).

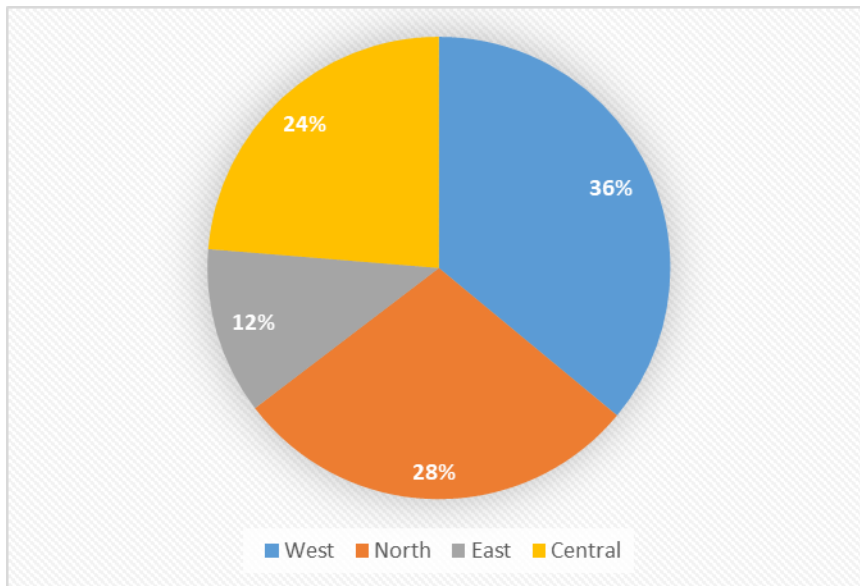
Table 3.23: Access by farmers to the Agriculture Insurance subsidy by 31st December 2023

Enterprise	No. of farmers insured	Amount received (Ug shs)
Crop farming	21,065	1,423,532,050
Aquaculture	34	3,215,450
Mixed farming	12,183	1,332,391,623
Poultry and livestock	1,839	463,432,440
Machinery	11	891,450
Others	133	21,809,035
Total	35,265	3,245,272,048

Source: Authors' Analysis of AIC Data

In the period under review, the west and north had the highest number of farmers enrolled for the scheme at 36% and 28% respectively. The uptake of the scheme in the east continues to be very low. This distribution highlights the necessity for effective subsidy management to ensure equitable support for farmers across different scales and geographic conditions

Figure 3.7: Percentage share in farmers’ access to insurance subsidy by region by 31st December 2023



Source: Authors’ Analysis of AIC Data

Uganda Development Corporation

Furthermore, Uganda Development Corporation (UDC) continued its support for 10 agro-industrialization projects, with four investments generating USD 2,874,783 in export revenue as of September 30, 2023. The Soroti Fruit Factory processed oranges and mangoes but operated at a loss, attributed to inadequate financing for industrial packaging lines and low demand for concentrate. The Atiak Sugar Factory remained non-operational due to cane shortages. By September 30 2023, UDC reported poor fund absorption, utilizing only 12.3% of available funds.

The UDC continued supporting the 10 agro-industrialization investments. A total of four investments reported USD 2,874,783 export revenue as at 30th September 2023. The Soroti Fruit Factory processed 100.2MT and 105MT of oranges and mango fruits respectively and it was operating at a loss. The poor performance of the SOFTE was attributed to inadequate financing of the entity to procure an industrial packaging line for ready-to-drink juice and low uptake of the concentrate. By 31st December 2023, Atiak Sugar Factory was reported non-operational due to lack of cane. By 30th September 2023, the UDC reported a poor absorption of funds at 12.3% of the availed funds.

Soroti Fruit Factory

The factory initially allocated a budget of approximately Ug shs 3.4bn, with an additional 9.4 million in supplementary funds. From this budget, the UDC released 850 million to the factory, which was entirely allocated to the procurement of inputs and packaging materials. Despite the non-functional status of the liquid effluent waste treatment plant, there was a budget allocation of 700 million for its renovation. SOFTE, the overseeing body, was tasked with submitting samples to the National Water and Sewerage Corporation for analysis of the effluent leaving the plant.

With 100,265 kilograms of oranges, the factory produced 55,300 kilograms of pulp, generating sales totalling Ug shs 98 million. Additionally, 105 metric tons of mangoes were utilized, resulting

in the production of 50,856 kilograms of pulp concentrate, which yielded sales amounting to Ug shs 112 million. the sales of ready-to-drink soft drinks amounted to Ug shs 689 million. As of December 31st, the factory had only achieved sales of Ug shs 899 million, falling short of its target of Ug shs 2.8bn for the half-year period. The factory has a target of 55-60 brix of orange concentrate.

The major constraint was the lack of an automated PET line and infrastructure to house the line coupled with an inadequate operations budget and working capital.

Bukoona Agro Processors

Presently, the factory utilizes maize for ethanol extraction, benefitting from its abundant availability. Operating at a capacity of 35,000 litres of ethanol per day, the factory procured 7,000 tonnes of maize from farmers between July and December. The maize was acquired at prices ranging from Ug shs 850 to Ug shs 1,000 per kilogram, resulting in the production of 380 litres of ethanol per ton.

By 31st December, a cumulative total of 3 million litres of fuel had been exported, with 2.9 million litres destined for Kenya and 0.1 million litres for Rwanda. Furthermore, the factory facilitates home deliveries of fuel within Kampala, Gulu, and Fort Portal. With the readily available raw materials, the factory has set a target to sell 100,000 stoves soon. To meet this target, the factory anticipates assembling between 40 to 150 stoves per day according to demand. The factory faces the challenge of low uptake for both its stoves and fuel, a concern that affects the entire value-addition chain.

Conclusion

The overall sub-programme performance was fair as at least 50% of the outputs were achieved. The sub-programme performed better in regards to increasing the mobilisation of agriculture finance. Farmers however accessed finance and improved their farms, acquired machinery and key inputs to expand production and agro-processing of agricultural commodities. With the introduction of block allocation under ACF, smallholder farmers especially women were able to access loans without collateral. However, under agriculture insurance, the number of farmers that subscribed to the scheme reduced compared to FY2022/23 because of the depletion of the government subsidy which then required the farmers to pay full premiums.

The men continued to dominate the uptake of agriculture financing compared to the women. This distribution highlights the necessity for effective subsidy management to ensure equitable support for farmers across different scales and geographic conditions. Utilization of finance under UDC was poor as most of the investments were at low production due to a lack of working capital and high operation costs.

Challenges

- i) Lack of collateral especially by small-scale farmers like women and PWDs limits their access to agricultural loans.
- ii) Insufficient financial literacy among farmers. Many farmers are not aware of government-subsidized programs.
- iii) Depletion of government subsidy which affection agriculture insurance subscription.

- iv) Limited demand for factory produce, this is the case for investments in UDC like Bukoona where the demand for ethanol and cooking stoves is very low and Soroti fruit factory which still has processed products in stock.

Recommendations

- i) The MFPED and BoU should consider revising premium subsidy structures based on a thorough assessment of the financial needs and capabilities of farmers. This could increase uptake and participation in the insurance scheme.
- ii) The BoU should strengthen affirmative action for disadvantaged regions and genders to enhance access to agriculture financing.

3.6 Institutional Strengthening and Coordination Sub-programme

3.6.1 Introduction

The sub-programme aims to strengthen institutional coordination for improved service delivery. Monitoring focused on the implementation of the Parish Development Model. The sub-programme is composed of two sub-interventions namely - strengthen coordination of public institutions in the design and implementation of policies including access to quality food and food security, and strengthen linkages between public and private sectors in agro-industry. The semi-annual monitoring exercise focused on one sub-intervention - strengthen coordination of public institutions in the design and implementation of policies including access to quality food and food security with the components of the PDM and data collection among DLGs to support policy and coordination.

Performance

Some government institutions have been strengthened for effective and efficient service delivery, this has been done through carrying out trainings of extension workers and farmers to enhance and improve their skills for example for example CDO conducted 4,120 trainings on pest, soil & water management & harvesting & postharvest handling at demonstration plots. Retooling of CDO was done at Pajule for instance Specifications for walkways, water harvesting system and burglar proofing for staff houses at Pajule were finalized and approved.

The Government institutional structures were constructed and others rehabilitated are NAGRC&DB ongoing construction sites in the project areas like the construction of farm manager and junior staff houses in Rubona and Aswa ranch, a 1,000 capacity feed lot constructed in Lusenke Stock Farm, a National Gene Bank constructed at bull stud among others. Additionally, NAGRC&DB has a retooling project which aims at implementing a Content Management Solution (SharePoint) for NAGRC&DB documents management, storage, and collaboration at H/Q, Government ranches and farms, and Community breeding satellite centres.

Research has been done through NARO to improve on the different varieties of crops to boost production for example 34 Agricultural research projects supported through technical backstopping across 16 Public Research Institutes (PARI). One social-economic impact assessment for two technologies was conducted. Research enabling environment for 16 PARIs created & maintained.

3.6.2 Strengthen coordination of public institutions in design and implementation of policies

This intervention contributes to the objective of Strengthening Institutional Coordination for Improved Service Delivery. The planned outputs were: i) Public-private dialogue guidelines developed (PDM implemented); ii) Regular collection and dissemination of agriculture data undertaken; iii) Nucleus farmer model across all ecological zones supported and developed; iv) Partnerships and collaboration with other relevant stakeholders promoted e.g. women groups. The semiannual monitoring focused on two outputs out of four as discussed hereafter:

i) Public-private dialogue guidelines developed (Parish Development Model)

The MAAIF in collaboration with the Uganda National Farmers Federation (UNFFE), PDM Secretariat and DLGs continued the nationwide campaigns of farmer education to encourage farmers to participate in the PDM programme, training enterprise groups and providing technical guidelines and manuals on the key priority and strategic enterprises. By 30th November 2023, a total of 56,375 enterprise groups countrywide had been trained and provided with the revolving fund.

The PDCs were operationalized with seed capital of Ug shs 500,000 to cater for operations and logistics. There were cases of farmers who benefitted from the PDM repurposing funds to other uses other than what was approved in their business plans. Implementation of the PDM was still negatively affected by conflicting information and guidelines from the various implementing MDAs.

The MAAIF was actively supporting the piloting and rollout of PDM activities in selected District Local Governments. Collaborating with district production officers, MAAIF utilizes agricultural extension services to facilitate various training. These trainings encompass a wide range of topics, including but not limited to, enterprise group development along various value chains, value addition techniques, and post-harvest management strategies. As evidenced by the growing number of enterprise groups registered nationwide as of December 31st 2023 it's clear that PDM is gaining traction and being embraced by numerous households across the country.

Table 3.24: Number of PDM enterprise groups per region by 31st December 2023

Region	Number of enterprise groups
West	15,014
Central	13,529
North	14,595
East	13,237
Total	56,375

Source: Authors' Analysis of PDM Data, MAAIF

Most of the districts monitored last received the Parish Revolving Fund (PRF) in July. However, as of November 2023, they have received additional funds of Ug shs 500,000 for Parish Development Committees (PDCs) to facilitate monitoring and mobilization activities.

Table 3.25: Performance of sampled beneficiaries of the PDM revolving fund by 31st December 2023

Name	Location	Remark
Senkayi Samuel	Nakatete B Village, Guluma Parish, Buwanga Sub-county in Masaka District	He received Ug shs 1 million, which he utilized for treating his cow and purchasing pasture. Since July, the cow has been consistently producing 15 litres of milk per day, which he sells at Ug shs 1,000 per litre. He is obligated to repay the loan within two years. During the loan processing, he encountered the challenge of high costs.
Margret Ndagano	Bukinda Nakatete Village, Guluma Parish in Masaka District	Ms Ndagano is a member of the Butebere Twegatilewamu enterprise group. She received Ug shs 1 million, which she invested in purchasing six additional wooden boxes, effectively expanding her apiary business. These boxes were seamlessly integrated with her existing eight hives, significantly enhancing her apiary's capacity and productivity. With a grace period of three years, Ms Ndagano has ample time to capitalize on her investment and further develop her beekeeping venture.
Ssebugulu Aloysius	Bukwaya Village, Busamizi Sub-county in Buvuma District	In November, he received Ug shs 1 million, which he allocated towards purchasing two pigs, acquiring 15 chickens, constructing a poultry house, and procuring animal feeds. This financial assistance enabled him to generate a steady income, significantly contributing to the sustenance of his household. However, the absence of essential extension services, such as animal vaccination, poses a challenge. Without access to these services, he is compelled to bear the burden of expensive animal treatments, impacting the overall profitability of his livestock enterprise.
Kiwanuka Godfrey Mubiru	Nakapinyi Village, Nama North Sub-county, Mukono District	He received Ug shs 1 million which he invested into his poultry business, leveraging the profits from selling his chickens to further expand his enterprise and venture into a mushroom project. However, his biggest challenge lies in the costly feeds and vaccines, which occasionally prove ineffective.

Source: Field Findings

The program was facing several potential challenges: i) The Parish Development Model Information System (PDMIS) experiences mismatches between the information stored in the National Identification and Registration Authority (NIRA) and the beneficiaries' bank information. This discrepancy complicates payments through the system, leading to some beneficiaries missing out on receiving funds. ii) Insufficient operational funds pose a risk to the program's sustainability and effectiveness. iii) Lengthy processes involved in accessing the funds may lead to delays in implementation and disbursement, potentially hindering timely project execution. iv) Diversion of

funds by some beneficiaries, which could undermine the intended impact of the program and result in misallocation of resources.

ii) Regular collection and dissemination of agriculture data undertaken

The MAAIF, under the Comprehensive Africa Agriculture Development Program (CAADP), conducted 25 production and marketing field data collection in 25 districts and compiled a CAADP African Biennial review report. In a bid to control trypanosomiasis and sleeping sickness, the ministry collected 1,000 blood samples from suspected risk areas and analysed them using molecular tools to assess the magnitude of the risk. For example, in Buvuma 402 animals were reported sick with trypanosomiasis and were treated alongside the 125,000 heads of cattle catalytically treated with diminazene to demonstrate the usefulness of treating cattle with trypanocides to increase production and productivity in trypanosomiasis high-risk areas.

Relatedly, a total of 250,000 heads of cattle were found in arable areas catalytically sprayed to demonstrate to cattle keepers how they can participate in tsetse and trypanosomiasis control without always waiting for Government interventions.

Licensing of all fisheries activities along the value chain was conducted by MAAIF (targeting 5,000 fishing vessels, fishers (women, men and youth), transporting trucks, processors, traders and factories), for example in Buvuma a total of 1,317 fishers (men and women) were identified with 3,552 fishing vessels, 132 landing sites, and 194 transporting trucks.

The UCDA conducted a domestic coffee consumption survey to ascertain the current levels and perceptions of consumers. Preliminary findings indicate that per capita coffee consumption was 0.7kg p.a. slightly lower than 0.8kg in the 2018 domestic survey report. The slight decline in coffee consumption was largely attributed to the effects of COVID-19 and its resultant effects such as a reduction in income, loss of income as well as a change in lifestyle with more preference for other beverages such as herbal teas and juices among others. Per capita coffee consumption was highest in Kampala at 1.00kgs, followed by the Northern region at 0.9kgs, Eastern region had the lowest per capita consumption of coffee at 0.4kgs.

The UCDA further conducted a coffee production survey in 39 coffee-growing districts in regions of Western (9), Rwenzori (8), Eastern (8), Central (8), and Elgon (8). The total estimated production was 3,671,086 bags.

Under CDO, 1,200 members of the 350 women & 200 youth groups in Busoga, North & South Bukedi, Bugisu, Teso, Lango, East & West Acholi, West Nile, Mid-West & Central and Kazinga Channel Regions were trained on pest, soil & water management, harvesting & post-harvest handling, proper inputs usage & on-farm storage and use of ox ploughs for weeding cotton using demo plots.

The MoLG under the LEGS project established a post-harvest handling, storage and processing infrastructure including silos, dryers, warehouses, cold rooms and a warehouse receipt system for farmers in those regions of implementation.

The Agriculture Management Information System was not fully functional since most extension workers did not capture the data on the system. Most of the data was not synthesized well while

other systems like the Parish Development Management Information System (PDMIS) were too slow proving to be inefficient.

iii) Nucleus farmer model across all ecological zones supported and developed

Nucleus farmers serve as centralized hubs for promoting commercialisation in Uganda. Their primary functions include providing access to high-quality planting materials and imparting essential agronomy education to interested farmers and out-growers. These farmers typically maintain nurseries and serve as reliable off-takers for produce from the out-growers.

The Oil Palm Buvuma Limited (OPBL), as a private sector partner, successfully established 2,310.83 hectares of nucleus estate oil palm. Employing a workforce of 835 individuals, with 27% representing female workers, which has demonstrated a commitment to inclusive growth.

Additionally, BIDCO Uganda Limited contributed significantly by establishing a 5,000-hectare nucleus estate on Buvuma. The company was in the process of setting up a nursery, to serve as a primary source for oil palm seedlings, bolstering the supply chain to support emerging hubs in the region. This collaborative effort underscores the private sector's proactive role in driving sustainable development and economic prosperity in Buvuma.

In Kalangala, the target set by the National Oil Palm Project (NOPP) was to establish 500 hectares, whether through commercial or private financing. However, the actual nucleus estate established exceeds expectations, reaching an impressive 6,500 hectares. This remarkable achievement not only surpasses the initial goal but also reflects a significant investment and commitment towards the development of the oil palm sector in the region.

The National Oil Seeds Project commenced strategic partnerships with nucleus farmers as key stakeholders in its six operational hubs. By integrating nucleus farmers into its initiatives, NOSP aims to leverage their expertise, resources, and local knowledge to enhance the success and sustainability of its projects. This partnership underscores NOSP's commitment to fostering inclusive growth and empowering local communities within the oil seeds sector.

iv) Partnerships and collaboration with other relevant stakeholders promoted

In abide to promote agro-industrialization, MAAIF collaborated with many stakeholders for promoting the agro-industrialization agenda. For example, MAAIF under NOSP recently signed an MoU with NARO to research to develop and release NARO-improved seed varieties of sunflower, ground nuts and sesame in terms of increased yield, seed size, resistance to pests and diseases and high oil content for farmers to cultivate and improve their produce hence increase in income.

Makerere University partnered with NOSP and an MoU was signed to engage in the implementation of adaptive research activities leading to the release of improved seed for soybean and attendant technologies to promote the production and productivity of the soybean crop.

Participating financial institutions, under the ACF and Agricultural Insurance Scheme, have extended valuable financial support to numerous farmers across the country. This assistance has significantly contributed to the agricultural sector, enabling farmers to readily access vital information regarding a diverse range of agro-financial products, including agricultural insurance and loans.

To promote the involvement of women in agriculture, CDO in partnership with UGCEA facilitated members of the women & youth groups in Teso, Lango and Acholi with training on how to use ox ploughs for weeding cotton. Servicing and repair of the 17 tractors was done by UGCEA and Approx. 45 Mt of cotton planting seed were distributed to the 350 women & 200 youth groups. Groups also received pesticides and spray pumps.

Inputs were distributed to farmers including women and youth monitored in the 75 cotton-growing districts in Busoga, South Bukedi, North Bukedi, Bugisu, Teso, Lango, Acholi, West Nile and Midwest & Central and Kazinga Channel Regions. Training of farmers including members of 350 women groups and 200 youth groups on proper inputs usage and on-farm storage continued during Q2 at the 3,965 demonstration plots.

Working closely with agro-input dealers and service providers, the NAADS distributed fish fingerlings and feeds (fish fingerlings for tilapia (789,614), catfish (281,221); mirror carp (50,000) and 30.456.5kgs of associated feeds procured & distributed for youths, women, and other interest groups across the country. NAADS has continued to support youths, women and PWD with agriculture inputs to improve their livelihood.

Conclusion

The sub-programme performance was considered fair, although a rating could not be derived due to inadequate information from the implementing agencies especially those working on the PDM. It was noted that most of the monitored districts last received the parish revolving funds in July 2023 and the only funds received were to facilitate the PDCs.

Key challenges

- i) Insufficient operational funds hinder the District Production and Marketing Office from effectively implementing PDM activities.
- ii) The unreliable PDMIS network and discrepancies in information stored in NIRA and the banks pose challenges to accurate data management and fund disbursement.
- iii) Lengthy processes delay beneficiaries' access to the revolving fund, impeding timely project implementation.
- iv) Beneficiaries face unreliable access to extension services, hindering their capacity-building and agricultural productivity.
- v) The PDM chiefs lack administrative resources and offices to conduct their activities efficiently.

Recommendations

- i) Optimal utilization of available funds through efficient budget allocation by MFPED and MAAIF and cost-effective strategies can help stretch the available resources under PDM further.
- ii) Regular maintenance and updates of PDMIS should be made to minimize system downtime and improve its overall reliability.
- iii) Relevant government agencies and stakeholders should be consulted to prioritize the establishment of administrative facilities in all the implementing districts or parishes to help address this issue effectively.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1 Programme Conclusion

This report presents findings from monitoring the Agro-Industrialization Programme for the budget execution period from 1st July to 31st December 2023. The approved budget for the FY 2023/24 stood at Ug shs 1,922.42bn, with Government of Uganda funding amounting to Ug shs 1,103.343bn and external financing contributing Ug shs 818.897bn.

As of December 31st 2023, a total of Ug shs 763.533bn, equivalent to 40% of the programme budget had been released, of which Ug shs 463.357bn, representing 61% of the released amount, was expended. The GoU's half-year release and expenditure performance were assessed as very good, reaching 57%, and fair reaching 61%, respectively. Conversely, the performance of external financing in terms of release was poor at 16%, while expenditure performance was deemed fair at 58%.

The overall performance of the Agro-Industrialization Programme **was fair at 63.6%**. The best-performing sub-programmes were: Agricultural Market Access and Competitiveness (87.7%), and Agricultural Production and Productivity (73.13%), while the worst was Storage, Agro-Processing and Value Addition (27.96%). Good performance was realized in the inspection and certification of products including milk handling premises and equipment, cotton ginneries, coffee quality controllers and agro-input dealers. There was increased enforcement of sanitary, safety and standards of products and acquisition of the Q-Mark from UNBS.

There was sustained execution of multi-year investments, particularly in agricultural research and breeding infrastructure and equipment, supported by off-budget and private-sector collaboration. Substantial advancements were made in establishing storage, processing, and value-addition facilities by several governmental bodies including MAAIF, NAADS, UCDA, UDC, and MoLG. Enhanced agricultural financing through the PDM, coupled with the provision of quality inputs, water for production, and mechanization, facilitated increased access to superior agricultural technologies and markets. A substantial rise in the value of agricultural exports, notably in coffee, marked a significant achievement during this timeframe.

Service delivery, however, was negatively affected by inadequate funding, and low disbursement of external financing due to delayed verification and compensation of PAPs in infrastructure-related projects. Quarantine measures on the movement and sale of livestock products due to the prevalence of Foot and Mouth Disease in the cattle corridor negatively impacted the dairy sector's performance.

Additionally, adverse weather conditions constrained research activities, while numerous value addition and processing equipment remained non-functional due to power shortages and raw material scarcity. Although the Storage, Agro-Processing, and Value Addition Sub-programme displayed fair performance, several established facilities were either non-operational or operated below their designated capacity. Furthermore, the necessity for farmer contributions in water for production projects contributed to the sluggish pace of implementation. Gender and regional

inequalities persisted with the North, East and women being the underserved in terms of outreach to public services.

4.2 Overall Challenges

- i) Change in scope of planned interventions by MAAIF senior leadership and Parliament delayed the implementation of approved donor-financed projects as exemplified by the National Oil Seeds Project.
- ii) The outbreak of zoonotic diseases in the southern cattle corridor like Anthrax and FMD.
- iii) Weak contract management in civil works especially in LEGs and MAAIF resulting in late implementation of infrastructure projects.
- iv) Gender and regional inequalities in access to agricultural infrastructure and services, with the women, North and East being the least served.

4.3 Recommendations

- i) The MFPED ought to initiate projects only after ensuring a comprehensive financing agreement and feasibility study are in place to prevent delays in project commencement.
- ii) The MAAIF and MFPED should prioritize financing for vaccine procurement and ensure routine massive vaccination against FMD in the cattle corridor.
- iii) The MFPED, MAAIF and MoLG should strengthen contract management processes for agricultural infrastructure projects.
- iv) The MAAIF and all agencies should integrate measures to ensure affirmative action for the Northern and Eastern regions and women to enhance access to services.

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ANNEXES

ANNEX 1: Planned interventions in the PIAP that were monitored for FY 2023/24

S/N	Sub-programme	Total Interventions in PIAP	No of Interventions in PIAP Monitored	Interventions that were monitored**
1	Agricultural Production and Productivity	11	8	<ol style="list-style-type: none"> 1) Agricultural research and technology development strengthened** 2) Agricultural extension system strengthened** 3) Agricultural input market and distribution systems strengthened to adhere to quality standards and guidelines** 4) Access and use of water for agricultural production increased** 5) Access and use of agricultural mechanization increased** 6) Access and use of digital technologies in agriculture** 7) Land tenure systems and security mechanisms improved 8) Farmer organisations and cooperatives strengthened** 9) Systems for management of pests, vectors and diseases strengthened** 10) Sustainable land and environment management practices promoted 11) Strengthen the capacity to collect, report, disseminate and use weather or accurate meteorological information
2.	Storage, Agro-processing and Value Addition	4	3	<ol style="list-style-type: none"> 1) Post-harvest handling, storage and processing infrastructure established** 2) Agro-processing industries established and rehabilitated** 3) Community access and feeder roads for market access constructed or regularly maintained**
3	Agricultural Market Access and Competitiveness	3	3	<ol style="list-style-type: none"> 1) Strengthen enforcement and adherence to product quality requirements** 2) Agricultural market infrastructure in rural and urban areas improved** 3) Capacities of public institutions in analysis, negotiation and development of international market opportunities strengthened**
4	Agricultural Financing	3	2	<ol style="list-style-type: none"> 1) Finalise and implement the Agricultural Finance and Insurance Policy** 2) Develop concessional long-term financing for agricultural infrastructure and capital investments**

S/N	Sub-programme	Total Interventions in PIAP	No of Interventions in PIAP Monitored	Interventions that were monitored**
5	Institutional Strengthening and Collaboration	1	1	1) Strengthen coordination of public institutions in design and implementation of policies*
	Total Interventions	22	17	
	% of total monitored	Interventions	77.3%	

ANNEX 2: Districts and Entities monitored for Semi-Annual FY 2023/24

Sub Programme	Sub-Sub-programme/project	Sampled Districts/Entities
Agricultural Production and Productivity	Small-scale irrigation systems	Aganga SSI-,Abudama SSI- Apac District, Agule SSI- Katakwi District, Zigoti SSI-Mityana District, Buliisa-Mubende District, Lwemivubo, Nyabubare SSI in Mitooma District,Kyungu SSI-Mukono District
	UGIFT (Uganda Intergovernmental Fiscal Transfer))	Nwoya, Bushenyi, Mukono, Bugiri, Pader, Luuka, Mbarara, Iganga
	AVCP (Agriculture Value Chain Project)	Acomai–Bukedea, Kasese, Kyegegwa, Masindi Kamwenge, Buwama, UNBS (Uganda National Bureau of Standards)
	Large-scale Irrigation Systems	Acomai irrigation scheme - Bukedea, Atari, Igogero-Naigomba irrigation scheme, Amagoro (Tororo District) and Enengo (Rukungiri District) Kabuyanda (Isingiro District), Matanda (Kanungu District)
	NARO (National Agriculture Research Organization)	NARO (National Agricultural Research Organisation) secretariat, NALIRRI (National Livestock Resources Research Institute), NALIRRI (National Livestock Resources Research Institute) and NACRRI (National Crops Resources Research Institute) Namulonge; Ngetta ZARDI, NARL (National Agricultural Research Laboratories) Kawanda
	CDO (Cotton Development Organization)	CDO (Cotton Development Organisation) headquarters, CDO (Cotton Development Organisation)- Lira, Gulu, Nebbi, Pader-Pajule
	UCDA (Uganda Coffee Development Authority)	NACORI (National Coffee Research Institute) Kituzi, Bushenyi(South Western Region), Kabarole (Rwenzori Region), Hoima (Western Region), UCDA(Uganda Coffee Development Authority) headquarters, Gulu (Mid Northern Region)
	NAADS (National Agriculture Advisory Services)	Mitooma, Kiboga, Lira, Wakiso, Oyam and Kitagwenda
	AEGS/PMG (Agriculture Extension Services)	Nwoya, Buvuma, Bushenyi, Bugweri, Masaka, Kasese, Bunyagabo, Kanungu, Jinja, Mukono, Kigezi, Mbale, Amuria, Katakwi, Kalangala
	NAGRC& DB (National Animal Genetic Resources Centre and Data Bank)	LusenkeStock Farm-Kayunga, Maruzi-Apac, Nwoya, Arua, Kasolwe Farm- Kamuli
	Labour Saving Technologies	Namalere Mechanization Shop, Mechanization Center Buwama, Butambala
	NOPP (National Oil Palm Project)	Kampala and Buvuma
	DDA (Dairy Development Authority)	Kampala, Gulu, Soroti
Storage, Agro-processing and Value Addition	ACDP (Agricultural Cluster Development Project)	Kampala
	AVCP (Agriculture Value Chain Development Project)	UNBS
	UDC (Uganda Development Corporation)	Nwoya,, Soroti, Luuka
	CDO (Cotton Development	CDO (Cotton Development Organization)-Pader, Fine spinners-

Sub Programme	Sub-Sub-programme/project	Sampled Districts/Entities
	Organization)	Bugolobi, CDO (Cotton Development Organization) headquarters, CDO (Cotton Development Organisation)-Masindi, Southern Range Nyanza, Gulu, Lira, Iganga, North Eastern Regional Offices, Nytil,
	UCDA (Uganda Coffee Development Authority)	Bushenyi, NACORI ((National Coffee Research Institute)-Kituzi, Analytical laboratory-Lugogo, Gulu, Mbale
	NARO (National Agriculture Research Organization)	NALIRRI (National Livestock Resources Research Institute) and NACORI (National Coffee Research Institute)-Namulonge, Bulindi ZARDI (Zonal Agriculture Research Development Institute)- Hoima,
	DDA	Gulu
	LEGS	MoLG, Nwoya, Gomba, Kibuku, Kyenjonjo, Nakaseke, Bunyangabu
	NOPP (National Oil Palm Project)	Buvuma, MAAIF
Agricultural Market Access and Competitiveness	UNBS (Uganda National Bureau of Standards)	Wakiso
	MAAIF (Ministry of Agriculture, Animal Industry and Fisheries)	Kampala
	CDO (Cotton Development Organization)	Kasese (Southwestern), Gulu (East and West Acholi), Lira (West Nile), Hoima (Mid-west), Iganga (Busoga) CDO (Cotton Development Organization) headquarters
	ACDP	Buvuma, Masaka, Kawanda-Wakiso
	Agri-led-NAADS	Kyenjojo, Kabarole
	MOBIP	Sanga Kiruhura
	Labour Saving Project	Masaka
	NOPP	Buvuma
	UCDA (Uganda Coffee Development Authority)	UCDA (Uganda Coffee Development Authority) Headquarters, Analytical laboratory- Lugogo
Enabling Environment and Strengthening Private Sector Institutional and Organizational Capacity (Agricultural Financing)	ACF (Agriculture Credit Facility)	Bank of Uganda
	UDC (Uganda Development Corporation)	UDC Headquarters, Soroti, Luuka, Nwoya
	Agricultural Insurance	Agro Consortium (AIC)
Institutional Strengthening and Coordination	PDM (Parish Development Model)	MAAIF (Production and Productivity Pillar Secretariat)

Annex 3: Progress of MCC and processing plants supported under LEGS Project

District	Project	Contract sum (Ug shs)	Amount paid as at 31 st January 2024 (Ug shs)	Revised Completion Date	Physical Progress as at 31 st January 2024 (%)
Gomba	Kigezi Milk Collection Centre	565,092,812	349,015,215	30/09/2023	75
	Kabulasoke/Kifampa Milk Collection Centre	459,352,824	433,507,080	25/10/2023	60
Kibuku	Buseta Milk Collection Centre	459,934,175	335,691,871	30/09/2022	90
Kimu	Tisai Milk Collection Centre	502,700,439	502700439	15/09/2022	92
Kyenjojo	Katooke Milk Collection Centre	429,646,256	277,261,780	15/02/2024	71
Nakaseke	Buwama Milk Collection Centre	553,734,669	277,938,982	14/06/2022	70
Alebtong	Apala Seed Oil Processing	506,388,530	292,653,613	15/01/2024	80
Bunyangabu	Gatyanga Coffee Processing and Storage	490,879,431	288,273,668	20/12/2023	56
	Rwimi Rice Processing Plant	539,137,977	355,445,270	15/12/2023	99
Katakwi	Ocorimongin Rice Processing Plant	415,445,793	102,076,930	25/02/2024	60
Kumi	Kajamaka Rice Processing	560,567,039	385,824,327	20/01/2024	85
Kyenjojo	Kasiina Maize Processing and Storage	910,070,118	527,646,630	20/12/2023	65
	Kigoyera Maize Processing and Storage	910,013,820	887,263,113	15/01/2024	99
Nakaseke	Kikwata Coffee Processing and Storage	895,417,585	605,994,719	25/02/2024	80
	Kiwoko Maize Processing and Storage Facility	753,728,989	314,458,911	25/04/2023	60
Ntoroko	Itojo Rice and Maize Processing	907,486,558	474,775,494	15/01/2024	85
	Nombe Rice and Maize	888,599,081	709,075,145	20/12/2023	100

Source: LEGS Project Management Unit and Field Findings

ANNEX 4: Performance of the Agricultural Production and Productivity Sub-programme as at 31st December 2023

Output	Financial Performance			Physical Performance		
	Annual Budget (Ug shs)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)
Air and water purification systems installed in the NALIRRI Vaccine Research and Production Facility (No. of systems)	4,026,712,964	30.0	100	1.00	0.30	100.00
Mini-vaccine laboratory remodelled, bio-security gate and perimeter wall and incinerator constructed at NALIRRI (number of facilities)	11,862,914,811	7.2	100	3.00	0.25	100.00
Vaccine seed/innoculum production line and laboratory equipment procured for the Vaccine facility at NALIRRI (lots)	22,670,816,948	30.0	100	2.00	0.60	100.00
Goat research facility and queen bee rearing facility established at Maruzi NALIRRI (lots)	1,514,891,212	55.6	100	2.00	1.30	100.00
Screen house and dry yard paved and fenced at NACRRI (number of units)	77,762,000	100.0	100	2.00	2.00	100.00
Sorghum pre-breeding trials established at NASARRI (number of lines)	67,800,000	131.8	100	800.00	800.00	75.87
Farm inputs, agricultural supplies and laboratory materials procured and utilized at NALIRRI (number of lots)	82,013,500	100.0	100	5.00	5.00	100.00
Demonstrations of high-yielding technologies for rice, cassava, soybean, napier and catfish	250,000,000	24.0	100	21.00	13.00	100.00

developed and maintained (number)						
Farmers and key stakeholders trained in animal breeding and assisted reproductive technologies (number)	885,000,000	56.5	100	350.00	207.00	100.00
Sexed semen procured (doses)	800,000,000	100.0	100	5,000.00	7,191.00	100.00
Nitrogen truck procured (number)	800,000,000	-	-	1.00	0.00	0.00
Farm Managers House, Junior Staff quarters, honey processing plant and hostel constructed at Aswa Ranch (No of infrastructures)	1,294,976,326	100.0	86	4.00	3.49	87.25
Grain Storage Facilities, Floating Fish Feed Production Plant, Cattle Shae, Hostel, and Learning Centre constructed/installed at Kasolwe Stock farm (No. of Units)	19,807,810,975	100.0	68	5.00	3.76	75.20
Farm Managers House constructed at Ruhengyere Field Station (number)	198,132,950	100.0	63	1.00	0.63	63.00
8 Junior Staff houses and three stance VIP constructed at Maruzi Ranch (number)	397,280,085	100.0	73	11.00	8.03	73.00
Number of GAPS trainings conducted in 10 regions of Uganda	3,234,964,000	41.7	100	1,344.00	698.00	100.00
Agricultural Extension System strengthened: Number of traders and primary processors trained on Post-Harvest Handling	337,600,000	26.4	100	1,500.00	493.00	100.00
Agricultural Extension System strengthened: Number of Master Trainers (MTs) whose capacity is built in coffee-specific extension and facilitation skills to PCDAs	106,070,000	100.0	100	2.00	2.00	100.00
Agricultural Extension System strengthened: No. of IQC trainings conducted In 4 Coffee growing	17,800,000	100.0	100	9.00	6.00	66.67

regions						
Agricultural Extension System strengthened: 5 Elementary Basic Quality Control (EBQC) trainings for primary level players i.e. processors, farmers and traders in 10 regions (3 s dedicated to hard-to-reach areas Buko, Mt Rwenzori & Paidha) - No. of trainings	12,035,250	58.2	100	5.00	4.00	100.00
Agricultural Extension strengthened: Coffee Monitoring Operations of Coffee Quality in Central(2), Western (2), Kigezi (1) Eastern(2), Grt Msk (2), Mid North (1), W.Nile(1), Rwenzori(2), Mt Elgon (2), SW (1) conducted	40,000,000	35.0	100	16.00	8.00	100.00
Agricultural Extension System strengthened: 10 Trainings on Organic coffee production systems conducted for lead farmers and cooperatives	87,000,000	44.8	100	15.00	8.00	100.00
Agricultural Extension System strengthened: No. of Uganda Barista trained Judge trained as a World Barista Judge	25,000,000	45.6	100	2.00	15.00	100.00
Agricultural Extension System strengthened: Farmer mobilisation and sensitisation	372,300,000	67.3	94	4000.00	4120.00	100.00
Agricultural Extension System strengthened: Monitor training of farmers by the 220 UGCEA Extension workers on postharvest handling of cotton, quality control and stalk destruction. 3. Evaluate the performance of the 220 UGCEA Extension workers (Number of activities)	247,700,000	76.0	93	4.00	3.00	98.66

Procure and distribute 14,117 bags (25kg each) of organic fertilizer procured for demonstrations to stumped coffee in * regions Central (1,764 bags), Greater Masaka (1,769 bags), Eastern (1,764 bags), South-western (1,764 bags), Western (764 bags) Elgon (1,764 bags)	1,200,000,000	-	-	14117.00	0.00	0.00
Control BCTB in South-west, Central, Greater Masaka, Eastern, Western and Rwenzori regions through distributing 4118 litres of Imidachlopid to coffee farmer organizations (Number of litres distributed)	1,700,000,000	-	-	54118.00	0.00	0.00
Control coffee leaf rust and coffee berry disease in Arabica coffee growing areas of Rwenzori, Elgon, West Nile, Kigezi and Southwest through the distribution of 6,000 bottles of Cabrio fungicides to farmers (Number of bottles distributed)	600,000,000	-	-	6000.00	0.00	0.00
Procure and distribute 175 motorized Coffee pulpers procured & distributed to demonstrate improved processing technologies in 8 regions of Uganda	345,000,000	-	-	175.00	0.00	0.00
Provision of cotton inputs procured (Number of cotton growing districts	715,781,600	84.7	99	75.00	75.00	100.00
Seed multiplication	417,300,000	40.2	88	5.00	3.00	100.00
Provision of cotton planting seed procured (Number of cotton growing districts	429,907,949	51.3	91	75.00	75.00	100.00
Support to farm-level production (Number of activities)	135,232,509,097,073	0.2	84	14.00	6.00	100.00

Infrastructure Development and Management	84,084,711,715	43.5	49	22.00	5.30	55.36
Support to irrigation schemes	1,170,000,000	45.3	99	7.00	3.00	94.61
Multi-purpose water development schemes including valley dams, and valley tanks developed	31,150,063,249	68.4	82	100.00	38.00	55.56
New irrigation schemes constructed to completion.	5,530,000,000	47.1	100	100.00	10.00	21.24
Medium-scale irrigation schemes constructed.	15,383,579,223	74.1	92	100.00	35.00	47.22
Solar-powered small-scale irrigation systems developed.	21,480,000,000	97.7	99	100.00	42.00	43.01
Sustainable management institutions for the effective utilization of dams and valley tanks established.	15,593,915,641	49.1	87	100.00	39.00	79.35
Micro-scale solar-powered irrigation systems installed and operationalized	6,899,471,925	64.2	8	584.00	97.00	25.87
Assorted sets of Agric mechanization equipment acquired and deployed: Supervision and monitoring for civil works undertaken during the construction of water storage and harvesting infrastructure to ensure adherence to designs, plans and standards (Number of activities)	2,700,000,000	56.3	59	3.00	1.00	59.23
Mechanisation service centres and farm access roads (number of activities)	69,999,999,999	45.5	53	4.00	2.30	100.00
Support to Mechanisation of land opening; Train cotton farmers on the use of ox ploughs for weeding cotton. 2. Monitor servicing and repair of the 17 tractors under the UGCEA tractor hire scheme in preparation for	46,400,000	24.8	52	2.00	0.00	0.00

ploughing during the first rains of 2024. (Number of activities)						
Conduct 10 trainings on organic coffee production systems for lead farmers and cooperatives (M=200,F=2 00, Y=180) in 10 Regions (No. of training conducted)	64,200,000	71.8	74	10.00	5.00	69.63
0	135,561,236,009,394	383,211,242,239	299,947,748,743	0	78	-
Average Output Performance						73.13

ANNEX 5: Performance of the Storage, Agro-processing and Value Addition Sub-programme by 31st December 2023

Intervention	Output	Financial Performance			Physical Performance			Remarks
		Annual Budget (Ug shs bn)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
Post-harvest handling, storage and processing infrastructure established	Support to agro-processing and value addition	1.628	38.3	-	4.00	0.50	32.64	Delivery and installation of value addition equipment procured in FY22/23 was completed. Implementation of planned activities for the year had just started.
	Education and skills development	0.540	37.4	99	4.00	0.00	0.00	No output was reported.
	Post-harvest handling, storage and processing	13.962	-	-	222	93	41.89	199 value addition facilities constructed under the ACDP were operational whereas 92 were not.
Improve skills and competencies of the agricultural labour force at technical and managerial levels in post-harvest handling, storage and value-addition	Education and skills development	0.20	58.7	97	5.00	0.90	30.66	Six special interest groups trained in yoghurt making. 166 dairy stakeholders trained in value addition and Milk Quality Assurance at Entebbe Dairy Training School.
Agro-processing industries established or rehabilitated	Investment in agro-processing by UDC	12.928	1,018.3	48	11.00	5.00	4.46	UDC invested in three agro-processing companies and conducted feasibility studies. However, 52% of the funds availed during the period remained unspent.
	Local economic development support services	0.260	51.7	88	15.00	19.00	100.00	Rehabilitated non-functional agro-processing facilities; the overperformance was a result of support from the GIZ PRUDEV

	Milk post-harvest handling and value addition	4.698	51.8	0	4.00	0.00	0.00	Procurement of contractors to undertake civil works at select MCCs and dairy training school did not happen due to the non-release of development funds in Q1.
Average Outputs Performance							29.95	Poor performance

ANNEX 6: Performance of Agricultural Market Access and Competitiveness Sub-programme by 31st December 2023

Intervention	Output	Financial Performance			Physical Performance			Remarks
		Annual Budget (Ug shs bn)	% of budget received	% of budget spent	Annual Target	Cum. Achieved Quantity	Physical Performance Score (%)	
Strengthen enforcement and adherence to product quality standards	Enforced compliance with quality standards, regulation and accreditation (Number of traders and processors inspected, registered and certified)	4.581	23.9	120	3,658	1,866	100	Targets substantially achieved mainly by UCDA, DDA and CDO.
	Participated in Proficiency testing for selected Coffee, and dairy parameters in line with requirements of ISO 17025 and 17025:217 (No. of testing)	0.004	52.4	100	2.00	1.00	95.45	Activity implemented fairly.

Agricultural market infrastructure in rural and urban areas improved	Road choke points constructed under ACDP (% completion)	2.068	51.3	94	100.00	78.00	100.00	
	Farm access roads rehabilitated under Labour Saving Project (kms)	0.005	60.0	100	350.00	87.00	41.43	Output fairy achieved.
	Access and farm roads opened, maintained and constructed in Buvuma and Kalangala by NOPP (kms)	2.012	1.6	100	63.00	15.75	100.00	Output fairy achieved.
	The National Seed Laboratory at Kawanda renovated under ACDP (% completion)	2.866	71.9	100	100.00	75.00	100.00	Construction was ongoing.
	Sanga slaughter facility rehabilitated (% completion)	6,384,394, 205	143.9	36	100.00	80.00	55.58	Work was in progress at 80% for the slaughter facility and 40% for the waste management facility but behind schedule.
	National Metrology Laboratory (NML) at UNBS- Phase-3 constructed under AVCP (% completion)	6.48	52.6	100	100.00	100.00	100.00	
	Agule Livestock market in Kumi constructed under LEGS (% completion)	428.637	100.0	51	100.00	68.00	68.00	The works were behind schedule.

	completion)							
	Construction of Maddu Market Shed in Gomba implemented by LEGS (% completion)	591.409	100.0	30	100.00	70.00	70.00	Works ongoing.
	Kadama Livestock Market in Kibuku district constructed under LEGS (% completion)	0.592	100.0	31	100.00	57.00	57.00	Implementation was ongoing.
	Magoma Market Shed constructed under LEGS in Nakaseke (% completion)	0.492	100.0	98	100.00	100.00	100.00	Construction completed.
	Alebtong Market Shed constructed by LEGS (% completion)	0.303	100.0	32	100.00	80.00	80.00	Construction is ongoing.
	Kagera Market in Bunyangabu district constructed under LEGS (% completion)	0.422	100.0	59	100.00	90.00	90.00	The completion date was supposed to be 15th October 2023. However delays in issuing receipts to the contractor.
	Kihondo Market Shed constructed in Kabarole district by LEGS (% completion)	0.591	100.0	85	100.00	85.00	85.00	Works ongoing.

Rwaihamba market constructed in Kabarole district under Agriled implemented by NAADS (% completion)	1.163	10.0	100	100.00	10.00	100.00	The contractor was not on the site and the works was behind schedule.
Two (2) Rural Agricultural Markets (Kasangali-Kajolly market and Ezron Mbethe - Kinyamaseke main Market) constructed in Kasese by NAADS (% completion)	1.185	75.0	100	100.00	75.00	100.00	Works ongoing.
Busunga Town Council border market by NAADS in Bundibugyo (% completion)	2.69	75.0	100	100.00	75.00	100.00	Works ongoing.
Construction of Roadside market at Nyakigumba TC Bunyangabu district undertaken in NAADS (% completion)	0.306	65.0	100	100.00	65.00	100.00	Ongoing works in progress.
Kamwenge Central Market Phase 1 constructed by NAADS (% completion)	1.263	85.0	100	100.00	85.00	100.00	The project experienced delays in commencement due to stakeholder engagement which affected the performance.

	completion)							
Capacities of public institutions in analysis, negotiation and development of international market opportunities strengthened	Coffee marketing promoted by UCDA (No)	0.576	51.7	65	20.00	16.00	100.00	Output fairly achieved.
	Total	33.616	55.6	92				
	Average Output Performance						87.7	Good performance

Source: IFMS, Field Findings and Progress Reports