

EVALUATION REPORT

THE PLAN FOR THE MODERNISATION OF AGRICULTURE

ANNEX A

September 2005

Oxford Policy Management
6 St Aldates Courtyard
38 St Aldates
Oxford, OX1 1BN
United Kingdom
Tel: +44 (0) 1865 207300
email: admin @opml.co.uk



Oxford
Policy
Management

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Annex A1 Terms of Reference

1 BACKGROUND

The PMA and the National Policy Framework

The long-term vision of the Government of Uganda (GoU) is to eradicate poverty by year 2017, i.e. to reduce the poverty incidence from 44 percent in 1996/97 to below 10 percent by 2017. The strategies for achieving this vision are defined in the Poverty Eradication Action Plan (PEAP) which constitutes Uganda's national Comprehensive Development Framework. The PEAP was designed in 1997 and is currently undergoing its second revision. One of the cornerstones of the PEAP is to enhance the ability of poor rural households to increase their incomes from farm and off-farm activities.

The Plan for Modernisation of Agriculture (PMA) was issued in 2000, after a long and inclusive consultative process, and has been implemented since 2001. The PMA is an integral part of the PEAP strategies and contributes directly to two of the four overarching PEAP goals/pillars, viz. Goal 1: rapid and sustainable economic growth and structural transformation, and Goal 3: increased ability of the poor to raise their incomes. The vision of the PMA is to eradicate poverty *through a profitable, competitive, sustainable and dynamic agricultural and agro-industrial sector*. The mission is clearly and briefly defined as *transforming subsistence agriculture to commercial agriculture*. The specific objectives of the PMA are to: (i) increase the income and quality of life of rural households; (ii) improve household food security through the market; (iii) generate gainful employment; and (iv) promote sustainable use and management of natural resources.

The PMA is not in itself an investment plan. Rather it defines the visions, and the principles and strategies which Central Government, Local Councils and farmers/rural households may apply to develop policies and investment plans for the sectors and sub-sectors that are relevant for improving agriculture-based livelihoods.

The PMA is comprehensive in the sense that it covers all renewable natural resource sectors, crops, livestock, fisheries and forestry, as well as the processing and marketing of these sub-sectors¹. The PMA applies a multi-dimensional approach to reduction of rural poverty and has prioritised seven complementary areas, viz.

- 1) Agricultural research and technology development
- 2) Delivery of agricultural advisory services
- 3) Rural financial services
- 4) Promotion of agricultural marketing and processing
- 5) Agricultural education
- 6) Sustainable natural resource management and use, and
- 7) Supportive physical infrastructure, - roads, and water and energy for production

In addition to these priority pillars, the GoU is transferring Non Sectoral Conditional Grants (NSCGs) to districts and sub-counties to empower farmers to address their PMA-related non-sectoral challenges and capitalise on farm and non-farm opportunities that arise. The grants are conditional in the sense that they shall be used for the multi-sectoral PMA menu and that the conditionality of the fiscal decentralisation (Local Development Grants) is applied.

¹ In the following, "agriculture" refers to all renewable resource sub-sectors unless otherwise indicated

While the public budget for the PMA emphasises the financing and delivery of “public goods”, the PMA places strong emphasis on developing public-private partnerships within agro-processing and marketing but also with respect to the financing and delivery of traditional services (research and extension) which hitherto has been the primary responsibility of government. Co-funding of services by end-users and local governments is a fundamental principle of the PMA. In addition to the central and local governments and Uganda’s development partners, - the private sector, civil society and the farmers and their organisations are therefore important stakeholders.

The PMA recognises the need for reform of the policy and institutional framework governing the seven priority areas and considerable efforts have during the first years of implementation gone into work on reforming the institutional, legal and policy framework. Policy/strategy documents have been issued or are in the process of formulation, and a number of bills have been submitted and new laws have been passed. Plans for restructuring of central agencies are being prepared or adopted.

The Institutional Architecture for PMA Implementation

The PMA applies a decentralised and participatory approach to planning and service delivery and is implemented within the decentralised administrative and political framework of Uganda. The centre focuses mainly on policy guidance and overall resource allocation while the responsibility for implementation of activities in the field lies with districts and sub-counties.

In order to provide a wide section of stakeholders with the opportunity of following and influencing the implementation, a *PMA Forum* has been established and meets about every six months. The PMA Forum has no decision powers but is used to exchange views, receive advice and generate ownership among the many stakeholders.

At the national level, a *PMA Steering Committee (SC)* provides the overall coordination and guidance, and advises the Government, in particular the Ministry of Finance, Planning and Economic Development (MFPED), on the allocation of resources. The Permanent Secretary of MFPED/Secretary to the Treasury (PS/ST) chairs the SC, which has representatives from relevant line ministries, local government, the development partners, civil society and the private sector. In the original design, it was envisaged that the PMA SC would actually decide on the allocation of resources through implementation of a basket fund mechanism supported by donors. It was also assumed that all central ministries in most meetings would be represented at the level of Permanent Secretary. However, these assumptions have been difficult to realise.

Under the PMA SC, several *sub-committees*² have been established to address and coordinate specific aspects of the PMA, such as Monitoring and Evaluation, and Programmes and Projects, - the latter is amongst others screening projects and programmes for PMA compliance.

To support the PMA SC undertake its responsibilities efficiently and effectively, a *PMA Secretariat* has been established. It provides consolidated progress reports (quarterly), technical analyses and information for monitoring and evaluation. A comprehensive monitoring framework with numerous indicators has been established

² Under the PMA SC, there are nine sub-committees, viz. Monitoring and Evaluation; Finances and NSCGs; Projects and Programmes; Environment and Natural Resources; Food and Nutrition; Gender Technical; Marketing and Agro-Processing; Dissemination; and Rural Finance.

but baseline and repeat studies are still lacking in a number of areas. The PMA Secretariat follows up with the “PMA agencies” on their progress in implementing the agreed undertakings and actions. Funding for the PMA Secretariat is included in the budget of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) whose Permanent Secretary serves as the Secretary of the PMA SC. The PMA Secretariat reports to both the PS/MAAIF and the PS/ST.

In a district, the district council and the administration coordinate the PMA activities while sub-county councils coordinate the implementation of PMA activities at sub-county and community level. In addition, local PMA fora have been established in the sub-counties *inter alia* as a mechanism for identifying demand for PMA supported services.

Operationalisation of the PMA

According to the PMA Document, the initial operationalisation, over a period of three years, comprises five phases which are largely focusing on establishing the implementation structure, undertaking the necessary policy, legal and institutional reforms, and rolling out the PMA to districts and other stakeholders. Major targets included the establishment of National Agricultural Advisory Services (NAADS) and a National Agricultural Research System (NARS) delivering services based on demand and having the private sector participating in the financing and delivery of services. Currently, NAADS is operational and its coverage is being expanded, while the legal and institutional framework for NARS is under development.

Progress in the implementation and operationalisation of the seven pillars and the NSCGs has shown considerable variation. NAADS and the NSCGs have been operationalised at field level in a part of the country and investments in “PMA infrastructure”, in particular in district and community access roads, are being implemented. However, much more needs to be done to operationalise the other pillars, in particular agricultural marketing and processing, agricultural education, and rural financial services.

A number of development partners are providing financial support specifically for implementation of the PMA, using various aid modalities such as general budget support, earmarked budget support, and project aid. In addition, many PMA compliant investments and activities of “PMA ministries”, supported by national and donor resources, may be classified as belonging to the PMA resource envelope. Such include investments in district and community access roads; the IFAD and ADB supported Area Based Agricultural Modernisation Programme, the Agricultural Productivity Enhancement Programme; (APEP) and the SCOPE Programme (Strengthening the Competitiveness of Private Enterprise), both are “projects” supported by USAID outside the GoU budget; and the World Bank supported Energy for Rural Transformation Programme of the Ministry of Energy and Mines.

The PMA was planned to be implemented in phases progressing from start up activities to full implementation. The fifth phase, defined as “*after the first Medium Term Expenditure framework (MTEF)*”, will contain “*a review of the PMA implementation process and its performance based on monitored indicators. This will form the basis for reviewing and revising the PMA document and redesigning the second MTEF of PMA implementation*”.

PMA Joint Reviews

Joint Reviews (JRs) are an integral feature of monitoring PMA progress and performance, and formulating annual work plans. So far, two JRs have been undertaken, in April 2002 and August 2003. Both JRs were aimed at assessing the

progress of the PMA implementation against agreed actions and to set priorities and undertakings for the next 12 months or so. A third review is scheduled for around October 2004.

While the JRs have made valuable contributions to assessing the status of the implementation of agreed actions and defining subsequent actions, the JRs have had insufficient time and resources to assess impact and analyse the fundamental principles, strategies and issues of the PMA. The Second Joint PMA Review in 2003 concluded *“that significant progress had been made during the last 12 months especially in putting the institutional process in place – policies, strategies, Bills, and in some cases Laws had been enacted to support the PMA processes”*. However, the Review also found that ownership and understanding of the PMA principles and processes needed to be improved within central government ministries, local councils and other stakeholders. The Review recommended improvements in the M&E framework and that *“to monitor progress, a joint evaluation should be undertaken during the period 2004/05.”*

2 OBJECTIVE OF THE CONSULTANT’S ASSIGNMENT

The objective of the Consultant’s assignment, equal to the objective of the evaluation, is to provide substantial input to form the basis for the fourth PMA Joint Review (scheduled for September 2005) and the process of reviewing and revising the PMA Document by:

- Assessing the performance of the PMA in terms of progress towards achieving its objectives, final and intermediate outcomes.
- Identifying strengths and weaknesses in the conceptualisation and implementation of the PMA.
- Present options and opportunities for changes or adaptations of the PMA and its implementation modalities to enhance the achievement of the vision and mission of the PMA and the objectives of PEAP.

3 OUTPUTS

The Evaluation Team will produce the following outputs:

- An inception report with preliminary findings, suggestions for modifications of the Terms of Reference and a detailed work plan
- A draft evaluation report
- A final evaluation report of no more than 60 pages (details may be presented in annexes)
- A dissemination workshop in Uganda. This will be the same as the PMA Joint Review meeting scheduled for September 2005.

4 THEMES AND ACTIVITIES

As by the character of the PMA design, the evaluation needs to be multi-dimensional and comprehensive. The scope of work is proposed organised around 10 main themes and shall i.a. include the below assessments and tasks, however the depth and comprehensiveness of the coverage may vary according to the availability of data and the relative importance of the task in the overall assessment. It is anticipated that the assessments and analyses will lead to recommendations on how to improve the relevance, efficiency, effectiveness and sustainability of the PMA design and the individual interventions, including clear outlines for how to implement these improvements.

Theme 1: Status of Poverty, the Macro-economic Environment and Agriculture

1. Review the developments (2000-2004) in rural poverty incidence³ and the macroeconomic environment, - is the environment becoming more or less conducive to agricultural growth and reduction of rural poverty? Review the developments in the foreign exchange rates, the interest rates and access to rural financial services, as influenced by government policies. Assess how changes in farmers' terms of trade may have impacted on agricultural growth and rural poverty. Analyse developments in the security and general political situation, including recent developments in the first part of 2005, and how these developments may impact on agriculture and poverty reduction.

2. Review, for the period 2000 – 2004, developments in agricultural production and its composition, in agricultural exports and their composition, and the changes in the productivity of the major crops. As available data permits, assess any changes in the commercialisation of agricultural households (the share of their produce they sell on the market or monetary/non-monetary agricultural GDP) and in the value added generated through processing⁴.

Theme 2: PMA's Vision, Principles, Strategies and Assumptions

Vision

3. Assess the consistency of the original PMA design with the second revision of PEAP (currently in the process of being completed).

4. Assess the present validity of the originally identified key constraints, and analyse the relevance of the focus and priorities of the PMA. Have new constraints and issues emerged since 2000?

5. Assess whether there is a common perception among PMA stakeholders of how PMA intends to reduce poverty. Is there general support for the mission and vision that increased agricultural commercialisation is the most effective strategy for growth and poverty reduction. Also, assess whether there is a consensus among PMA stakeholders about how PMA shall balance the support

- between subsistence households and promotion of rapid pro-poor growth emphasising commercialisation and exports
- between high and low potential areas

Principles, Approach and Strategies

6. Assess the strategies which are emerging for different categories of farm households – are they clear and sufficiently differentiated, - and are they likely to be effective?

7. Assess the appropriateness and application of the PMA definitions of public sector and private sector responsibilities within the seven priority components. Assess whether new and other programmes, e.g. the Strategic Exports Programme introduced in 2001, have had consequences for the acceptance and implementation of these definitions and principles.

³ Data for 1999/2000 and 2002/2003 are available from household surveys.

⁴ The Uganda Bureau of Statistics (UBOS) provides annual data on agricultural GDP, the monetary and non-monetary part, and on agricultural exports, unprocessed and processed.

8. Assess the principle of user, sub-county and district co-funding of services and activities. Assess the current levels of co-funding and the consequences for poor households and districts.

9. Assess the relevance, and the advantages and disadvantages of a multi-dimensional/ sectoral/ministerial approach covering all renewable natural resource sectors.

Assumptions (assessment to be done for each of the PMA priority areas)

10. Assess the assumptions regarding demand-driven service delivery. – Assess the capacity of poor subsistence households to define and express their demand, and influence and contract the delivery of services. Assess the ability of farmers to prioritise between different crops and enterprises, considering their knowledge of the market. Assess the balance between demand- and supply-driven service delivery.

11. Assess the assumption that the private sector, within a relatively short period of time, would respond to the opening of markets for private services and enter as service providers.

Public-private partnerships

12. Assess the functioning of public-private partnerships for development of the national policy, institutional and legal framework

13. Assess public-private partnerships at district and lower levels, for example between local governments and farmers' associations. Assess the participation of private service providers (private entities, NGOs etc.) and assess procedures and practices for contracting private service providers and for assuring the quality of service delivery.

14. Assess public support for establishing linkages between producers and their organisations and enterprises in the domestic and export markets.

15. Assess what is being done to develop the capacity of private service providers, - is it sufficient and appropriate.

Theme 3: PMA's Seven Pillars and the NCSGs

Targeting of Geographical Areas and Beneficiaries

16. To enable an assessment of the targeting and roll-out plans, map the ongoing PMA field activities, illustrating agro-ecological and socioeconomic characteristics of the "PMA locations", (using GIS methods).

17. Review the criteria for choice of target areas, applied by the individual field components. Assess how the roll-out plans are coordinated to ensure that a combined support is provided within one area and that complementarity and synergies are obtained.

18. Assess whether the "locational strategy" and roll-out plans have included considerations of the comparative advantages and commercial potential of different crops, sub-sectors and areas. Assess the roll-out and expansion of PMA activities in terms of effectiveness and sustainability. Considering the national resource constraint, assess the speed of the expansion, - is it too rapid and are resources spread too thinly? Assess whether better impact could be achieved by applying an integrated commodity systems approach to select pocket-areas or clusters for a massive co-ordinated effort.

19. Assess the appropriateness of the menu of the NSCGs and the approach and guidelines of NAADS for reaching and supporting poor subsistence households having limited experience and capacity for defining their priorities and service demand? Would a more supply-driven approach be relevant to this category of households?

Progress and Delivery

20. Review progress (implemented activities and delivered outputs) of the seven components and analyse why some components have progressed well while others not? Assess the management of the implementation and delivery of activities and services and review activity implementation against agreed plans.

21. Assess the consequences of the delay in some components and explore options for how to implement the components concurrently.

22. Assess, for the seven components, the efficiency in the delivery – have outputs been delivered and activities implemented at reasonable costs?

Effectiveness, Sustainability, and Relevance

23. Where relevant, assess the effectiveness and sustainability of the interventions. Are intermediate outcomes being achieved at reasonable costs and are activities and outcomes likely to be sustained?

24. Assess whether the choice of the seven priority components is still optimal and relevant. Should some components be re-considered in view of their slow progress or because of other factors? Is the relative weight of the components (in terms of budget) appropriate? Should new focus areas be included?

Theme 4: Policy, Regulatory and Institutional Reform

25. Review progress on policy, regulatory and institutional reform, promoted by PMA, and assess the costs involved in implementing the reforms.

26. Analyse the relevance of these reforms to the PMA vision/mission and assess whether the reforms are consistent with the formal (revised) mandates of the concerned institutions. Estimate possible consequences for farmers and the agricultural sector of the legal and institutional changes that the PMA is promoting and supporting.

Theme 5: Mobilisation of Beneficiaries, Communication and Awareness

27. Assess the role and functions of local governments and politicians in mobilising beneficiaries and analyse issues in the mobilisation process, including the issue of financial facilitation of local mobilisers (or the lack of such).

28. Assess the activities of the PMA Secretariat and the PMA SC aimed at raising PMA awareness at various levels, - members of parliament, central government officials, local politicians and administrations, the private sector and civil society, and beneficiaries.

Theme 6: Crosscutting Issues

29. Assess how the issues of gender equity and HIV/AIDS have been integrated and mainstreamed in the PMA supported activities. Are PMA supported activities

promoting improvements in gender equity and in the control of HIV/AIDS? Assess options for integrating and mainstreaming the issue of malaria into PMA activities.

Theme 7: Impact – Tentative Assessment

30. Undertake a tentative assessment of impact, primarily in terms of intermediate outcomes, disaggregated according to gender and other relevant criteria. Attempts should be made to answer questions such as: Have the PMA activities changed the commercialisation and market integration of the households? How have such possible changes affected the agricultural productivity, the household income, and the livelihoods of households and individual household members?

(Note that some components are not yet on the ground while others have had field activities for a few years, thus the impact of the latter components might be assessed. However, baseline and repeat studies are yet to be undertaken in a number of important areas. As a second best solution, the Contractor may consider a rapid participatory assessment, interviewing farmers and rural households in one or two sub-counties with PMA activities and in one or two sub-counties without any PMA activities, - preferably the “with” and “without” sub-counties should be in the same area and have similar characteristics otherwise. In addition, national datasets of the UBOS might, where available, be used to assess changes in indicators for outcomes and the national environment for agriculture).

Theme 8: Institutional Structure for PMA Implementation

PMA Steering Committee

31. Assess the relevance and assumptions of the Terms of Reference for the PMA Steering Committee (SC), as presented in the PMA Document. In particular, analyse the consequences of non-satisfaction of the assumption that a PMA Basket Fund would be established “to enable the PMA SC to allocate resources to priority activities in a timely manner” (PMA Document, page 161)

32. Assess the current mandate, role, functions and performance of the PMA SC, in particular with respect to: coordinating the components and activities, providing strategic guidance to PMA agencies and stakeholders, ensuring prioritisation of and funding for PMA activities of the PMA ministries, deciding/advising on geographical expansion, aligning projects to ensure PMA compliance, and establishing proper mechanisms to ensure that PMA outcomes are achieved and the implementation stays on course. Assess the institutional buy-in into the PMA processes

PMA Sub-committees

33. Review the mandate, role, functions and work of the PMA sub-committees and assess whether government and other stakeholders act on their recommendations and advice.

PMA Secretariat

34. Assess the mandate and role of the PMA Secretariat. Analyse the issues involved in the institutional location and formal reporting lines of the PMA Secretariat (“part of the Government structures under MAAIF; responsible to the PMA SC through the PS, MAAIF who shall be the Secretary to the PMA SC”). Assess the informal, actual reporting lines, and the issues involved. Assess the implications on the Secretariat’s performance of being financed through the MAAIF budget.

35. Assess the relevance and efficiency of the services and activities of the Secretariat.

Institutional Proliferation

36. Assess the justification, efficiency and sustainability of the new institutional structures that have been established for implementation of some of the PMA components. Assess the institutional buy-in.

Monitoring and Evaluation Framework

37. Review the M&E framework for the PMA, including those elements managed by the PMA Secretariat and those managed by “PMA Ministries” and local governments. Assess the capacity of the M&E units. - Assess the use of the M&E information and institutional buy-in into the PMA M&E. Analyse the constraints in generating the planned M&E outputs and in using the M&E outputs.

38. Assess the role and modalities of the Joint Reviews and, if relevant, propose changes for enhancing their impact.

Theme 9: Resource Allocation and Financial Management

39. Assess the allocation of resources for PMA, - based on analyses of the Medium Term Expenditure Framework (MTEF), budget estimates, annual allocations, releases, and actual disbursements. For the key ministries, estimate the “PMA spending” as a percentage of total spending.

40. Assess how procedures and practices related to the formulation and implementation of the MTEF influence PMA implementation. Assess how the PMA ministries prioritise PMA activities in their budget proposals, including the common practice of listing “PMA priorities” as “unfunded”. Analyse incentives/disincentives and pressures for PMA ministries to (i) prioritise PMA activities in their budget and spending, and reduce the spending that is not PMA compliant, and (ii) improve their performance in PMA implementation.

41. Assess the role of MFPED with respect to promoting PMA priorities and PMA compliance in the budgets of PMA ministries.

42. Assess the relationship between the resources used for PMA administration and coordination and the resources obtained by beneficiaries.

43. Assess the financial management information systems and the reporting on PMA spending.

44 Assess the (likely) impact of the Fiscal Decentralisation Strategy in the allocation of resources to the PMA implementation.

Theme 10: The Support of the Development Partners

45. Provide an overview of the support for the PMA of the development partners, both the direct support for PMA and the PMA compliant support.

46. Assess the various funding modalities of the development partners and how these modalities influence PMA implementation. Assess the effectiveness of different donor funding modalities (general and earmarked budget support, project support etc.) with respect to financing temporary one-time interventions supporting the policy and institutional reforms, e.g. Core Functional Analysis.

47. Explore possible problems of duplication and contradictions of the various donor supported activities. - Assess the follow-up of the development partners on the harmonisation studies which have been implemented to align on-going projects to the PMA.

48. Assess the coordination among development partners in terms of their financial support and participation in the PMA related policy dialogue.

5 REQUIREMENTS FOR TRAINING AND TRANSFER OF KNOW-HOW

The evaluation does not include direct requirements for training and transfer of know-how. However, it is expected that national consultants will be provided indirect on-the-job training through the evaluation activities to be undertaken together with the international consultants.

6 EVALUATION APPROACH

The Evaluation will be carried out by an independent team in accordance with the Danida Evaluation Guidelines⁵. It will build on existing studies, reviews and other relevant documentation, see chapter 10. The main elements in the implementation strategy are:

- An initial fact finding trip where stakeholders in PMA are interviewed by key members of the Evaluation Team. (8-10 days)
- An extensive and comprehensive desk study of the performance of the PMA including a thorough mapping of the implementation of the PMA and a detailed work plan for the next steps in the evaluation; a significant amount of secondary information is available to assist the Team in its tasks. The fact-finding and desk-study is concluded with a draft Inception Report, including a work plan for the surveys and field work. (4 weeks)
- Surveys/studies collecting primary data.
- Field work in Uganda enabling the evaluation team through interviews, focus group discussions and workshops with all relevant stakeholders to cross-examine and further qualify observations and findings emerging from the desk study. (surveys and field work total 2 months)
- Analysis and reporting, to include a draft, and a final Evaluation Report. (1 month)
- Presentation and dissemination for the PMA Steering Group and the Joint Review.

It is anticipated that a mid-term evaluation of the National Agricultural Advisory Services (NAADS) will be carried out during the same period as the PMA Evaluation. Co-ordination between the two undertakings shall be established to ensure cross-fertilization.

7 MANAGEMENT OF THE EVALUATION AND THE ROLES OF THE CONSULTANT AND OTHER PARTNERS

The Evaluation will be carried out by an independent team of consultants selected through international tendering.

The tendering process will follow Danida's guidelines for tendering as stated in: "Practical Guide to Tendering and Award of Larger Contracts by Danida, January

⁵ <http://www.um.dk/danida/evalueringsrapporter/eval-gui/index.asp>

2004". Danida will be responsible for legal contracting with the selected consultants and for financial management of the contract.

The Evaluation is commissioned by the PMA Steering Committee and the final evaluation report will be submitted to the PMA SC.

The PMA SC will:

- approve the Terms of Reference (has taken place),
- discuss and comment on inception report
- discuss and comment on draft report
- decide any follow up actions

The PMA SC will delegate to a Management Group the authority to oversee the work of the Evaluation Team and to provide external quality control of intermediate and final products.

The Management Group will consist of the Chairman of the PMA M&E Sub-committee, the Head of Danida's Evaluation Department, a representative of MAAIF, a representative of MFPED, a representative of the PMA Secretariat and a representative of the donors' group.

Once the Evaluation Team has been appointed, the Management Group will convene at least at the following occasions:

- Briefing of core evaluation team
- Presentation of the Inception Report to PMA SC
- Receipt and quality assurance of the first draft of the evaluation report
- Presentation of the draft evaluation report to PMA SC
- Presentation of the final evaluation report to PMA SC
- Participation in the PMA Joint Review meeting

The Management Group may decide further meetings as deemed necessary, but will primarily communicate by e-mail.

The PMA Secretariat will assist the Evaluation Team by facilitating access to documentation and facilitating interviews.

Within the above framework, the Consultant is free to propose the preferred organisation of the evaluation, including the role of each member of the Evaluation Team.

8 SPECIFICATION OF THE CONSULTANT'S INPUT

The Evaluation shall be undertaken by an international consulting company or a consortium of international and Ugandan consulting companies, with one international company taking the lead and holding the contract on behalf of the consortium. Regardless of the set-up, the Contractor shall field a combined international and Ugandan team comprising expertise and experience broad enough to cover the scope of work as described above. The Team should have capacity amongst others in the following areas and disciplines:

- Evaluation methodologies
- Agricultural research and advisory services
- Public sector management and decentralisation

- Agricultural marketing and processing, and the promotion of market-driven commercialisation of agriculture and transformation of subsistence farming
- Public – private partnerships
- Rural financial services
- Sustainable natural resource management
- Rural economic infrastructure
- Integration and mainstreaming of crosscutting issues (gender, HIV/AIDS, environment)

Field surveys will be implemented by Ugandan consulting companies, universities, NGOs or individual consultants. The national key persons, responsible for the implementation of the field surveys shall be member of the Evaluation Team and shall be included in the proposed personnel. Junior and other support staff, undertaking the actual survey, will be financed through the Consultant's budget line for project related reimbursable expenses. The Consultant's technical proposal shall include a description of the field surveys proposed by the Consultant, and the Consultant's financial proposal shall contain a budget for the proposed field surveys. The same applies to the costs in connection with carrying out the workshop mentioned in chapter 12 of the present terms of reference.

The Team Leader must have extensive experience in evaluation of multi-dimensional and multi-sectoral programmes. It is anticipated that the total input of the Team Leader will be around 6 person-months of which the majority will be delivered in Uganda.

The budget allows for an input of 18 person-months of international consultants (including the above Team Leader) and 32 person-months of Ugandan key persons.

Within the above frame, the Tenderer is free to propose its team of international and national consultants. However, the Tenderer shall document that the Team adequately covers the above mentioned areas and disciplines. For each of the proposed team member, the nationality, the duration of the proposed inputs and the areas and disciplines to be covered shall be stated.

International and national key personnel are considered to have a conflict of interest, if they have taken active part in the implementation of Uganda's Plan for Modernisation of Agriculture, defined as implementing in total more than 6 month during 2000 – 2004.

9 REQUIREMENTS FOR THE CONSULTANT'S HOME OFFICE INTERVENTION

The Consultants home office shall provide the following, to be covered by the Consultant's fees:

- General home office administration and professional back-up. The back-up activities shall be specified.
- Quality assurance (QA) of the consultancy services in accordance with the Consultant's quality management and quality assurance system, as described in the Consultant's application for qualification. Special emphasis will be given to quality assurance of draft reports prior to the submission of such reports.

The Tendere should select a QA Team, envisaged to consist of minimum two persons, to be responsible for Head Office QA. The members of the QA should not be directly involved in the implementation of the Component and their CV should be included in the Tender. The QA team should have the same competence and professional experience as the Evaluation Team.

All QA activities should be properly documented.

The Tenders shall comprise a detailed description of the proposed QA, in order to document that the Tenderer has fully internalised how to implement the QA and in order to enable a subsequent verification that the QA has actually been carried out as agreed.

- Implementation of the business integrity management plan, as described in the Consultant's application for qualification, in relation to the present evaluation. This implementation shall be specified.

10 TIME SCHEDULE

The key milestones in the implementation process are, with indication of approximate dates:

9 February	Signing of contract
28 February	Start of the Evaluation with fact finding and surveys
28 February	Fact-finding (8-10 days)
8 April	Submission of draft Inception Report
25 April	Approval of Inception Report
May-June	Surveys and field-work
July	Analysis and report drafting
1 August	Submission of Draft Evaluation Report
15 August	Workshop with PMA SC & Evaluation Team
10 September	Submission of Final Draft Report
16 September	PMA Joint Review workshop
September-Oct.	Dissemination, follow-up

Though the Dissemination Workshop/PMA Joint Review Meeting constitutes the formal point of completion of the Evaluation, it is anticipated that the PMA Secretariat and Steering Committee, after this point, will play an active role in following-up on the recommendations and issues presented by the Evaluation.

Annex A2 Persons met

Advocates Coalition for Development and Environment (ACODE)

Godber Tumushabe, Executive Director

African Development Bank

Ashie Mukungu, Macroeconomist

Chi Lawrence Tawah, Task Manager for Agriculture and Senior Livestock Specialist

Agricultural Council of Uganda

Dr. J. J. Otim President,

Agricultural Productivity Enhancement Program (APEP)

Mark Wood, Commodity Commercialisation Director

Agriculture Sector Programme Support (Danida)

Margaret Kasiko, Social Development Adviser, Danida ASPSP

Warwick Thompson, Senior Adviser, Danida ASPSP

Association of Microfinance Institutions of Uganda.

Moses Opio Ogal, Board Member

Caroline Tuhwezeine, Information Officer

Auditor General's Office

Aloysius Mayanja, Director Audit

Centenary Rural Development Bank

Dr. Oketch Willibrord, General Manager, Microfinance Products

Segirinya Julius, Coordinator Agricultural Finance

Department for International Development (DFID)

Dr Alan Tollervey, Rural Livelihoods Adviser

Tim Sumner, Environment Adviser

Arthur Van Diesen, Social Development Adviser

Development Cooperation Ireland

Pontian Muhwezi, Rural Development Adviser

Development Network of Indigenous Voluntary Associations (DENIVA)

Professor Jassy Kwesiga, Executive Secretary

Delphine Mugisha, Programme Co-ordinator

Economic Policy Research Centre (EPRC)

Godfrey Bahigwa, (Chair, Evaluation Management Group)

European Union

Rémy Noé, First Counsellor, Rural Development Section

Reint Bakema, Programme Officer (PMA)

Gatsby Foundation

John Lynam

Independent Researcher

Ms. Tanya P. Dwyer, USA, working with HIV/AIDS victims / widows' legal rights

Ministry of Agriculture, Animal Industries and Fisheries

Hon. Janat Mukwaya, Minister of Agriculture, Animal Industry and Fisheries

David Obong, Permanent Secretary

Mr. Kimono, Under Secretary

Mrs Rhoda Tumusiime, Commissioner of Planning

Irene Matovu, Assistant Commissioner, Agricultural Planning Dept

Mark Otim, Assistant Commissioner for Planning

Martin Fowler, Senior Policy and Programme Adviser

William Olaho-Mukani, Director, Animal Resources

Dr Kauta, Commissioner, Livestock Health and Entomology

Robert Kauka, Principal Economist

Martin Othieno, Agribusiness Specialist
Ben Byamugisha, Senior Economist

Ministry of Education and Sports

Ms. Senkungu, Finance Officer, DANIDA Project-
Sulaiman Bulayo, Assistant Commissioner, Primary Schools Dept
Edward Walugembe, Principal Statistician, Planning Unit
Humphrey Mukooyo, Senior Information Scientist, Statistics Section

Ministry of Gender, Labour and Social Development

Ms. Maggie M. Kyomuku, Chair of the PMA Gender Technical Sub-committee
Ms. Imelda Kyaungabia, FAL programme

Ministry of Health

Dr. Sam Okware, Commissioner of Health Services
Ms. Jacinta T. Sabiiti, Nutrition Programme
Ms. Jennifer Kalule, Information officer, Malaria Prevention Programme
Esther Mbidde, Local Consultant on Malaria Prevention Programme

Ministry of Finance, Planning and Economic Development

C.M. Kassami, Permanent Secretary/ Secretary to the Treasury
L .K. Tisasirana (Tisa) Assistant Commissioner, Economic Development, Policy and Research
Peter Ngategize, National Coordinator, Medium Term Competitiveness Strategy for the Private Sector
Kenneth Mugambe, Acting Commissioner, Economic Devt Policy & Research Dept
Richard Sewakiryanga (PEAP)
Wilber Ainebyona, Desk Officer Agriculture
Ishmael Magona, Commissioner Transport
Lance Kashugyera, Coordinator, Microfinance Outreach Plan
Olive Katabalya, Consultant for MOP
Godfrey Okello Omoding, Monitoring and Evaluation Officer, Microfinance Outreach Plan

Ministry of Local Government

Benjamin Kumumanya, Donor Coordination Officer
Adam Babale, Senior Economist
Sylvia Nkera, M&E officer, LGDP
Elizabeth Imagara Senior Policy Analyst

Ministry of Tourism, Trade and Industry

Fred E G Mwesigye, Commissioner for Cooperatives
Cyprian Batala, Assistant Commissioner for Trade

Ministry of Water, Lands and Environment

Edith Kasaija, Commissioner
Eng. Richard Cong, Assistant Commissioner
Richard Oput, Land Tenure Reform

Ministry of Works, Housing and Communications

Betty Ddungu, Gender focal person
Niels Kofoed, DANIDA adviser, District Roads Component

NAADS

Francis Byekwaso, Manager, Planning Monitoring and Evaluation
Joseph Kyamanywa, Finance and Administration Manager
Hugh Bagnall-Oakeley, Advisor – Technical Services
Sam Kabuye, Consultant, Farmer Institutional Development
Millie Mugenyi, NAADS Cross-cutting Issues and Gender focal person
Gerosom Okecho-Ochwo, Planning, Monitoring and Evaluation Officer

National Agricultural Research Organisation (NARO)/ NARS

Dr G. W. Otim-Nape, Acting Director General
Dr Emily Twinamasiko
Dr J. Mwesigwa Magyembe, Special Assistant to the DG
Dr Heinz Loos, NARS-CIT
Dr Herbert Okurut-Akol, NARS-CIT
Dr Gadi Gumisiriza, NARS-CIT
Dr. A F N Opiyo, Director of Namulonge Agricultural & Animal Production Research Institute

National Environmental Management Authority

Kaggwa Ronald Kiragga, Environmental Economist

National Forestry Authority

Edward Mupada, Director, Corporate Affairs

NGO Forum

Deo Nyanza, PMA focal point

Parliament

Hon. Joseph Mugambe, Chairperson of Committee on Tourism, Trade and Industry

Mr Kasirivu, Vice-Chair, Agriculture Session Committee

Plan for Modernisation of Agriculture (PMA) Secretariat

Dr Willie. O. Odwongo, Director

Tom Kakuba, Programme Officer Monitoring and Evaluation

Tom Mugisa, Programme Officer, Technical Services

Ms. Caroline Kego Laker, Social Development Specialist

Nite Tanzarn, Local Gender Consultant (currently preparing PMA gender mainstreaming guidelines).

Private Sector Foundation Uganda (PSFU)

Gideon N Badagawa, Senior Policy Analyst

Royal Danish Embassy

Lis Garval, Counsellor

John F Olweny, Programme Officer

Royal Netherlands Embassy

Eng. Charles Drazu, Adviser, Local Governance

SCOPE (strengthening the competitiveness of private enterprise)

John Engle, Managing Director

Uganda Bureau of Statistics

J.B. Magezi Apuuli, Senior Statistician

S. Bahemuka, Principal Statistician

James Muwonge, Principal Statistician

Deo Musisi, GIS Officer

Johnson Kagugube, Principal Statistician, Capacity Building Dept

Uganda Coffee Development Authority,

George Lakwayo, Development Manager

Uganda Commodity Exchange (UCE),

Alex Rwego, Manager

Uganda Communications Commission, Rural Communications Development Fund (RCDF)

Mr. Arthur Muhangi, Project Officer

Uganda Cooperative Alliance, Ltd

Billy Butamanya Microfinance Officer

Chris Ibyisi-Ntabyo, Project Manager Farmer Empowerment through Agricultural Services (FETAS)

Uganda Grain Traders Ltd,

John Magnay, Chief Executive

Uganda National Farmers Federation,

Augustine Mwendya, Chief Executive Secretary

USAID

Paul Crawford, Team Leader, Sustainable Economic Growth Strategic Objective

James Dunn, Agricultural Advisor

World Bank

John J Oloya, Rural Development Specialist

Paul Mpuga, Economist

Christine E Cornelius, Lead Operations Officer, Rural, Social and Environments Operations, E. Africa

Others: In addition, the team met local government officials at district and subcounty level, representatives of the private sector, farmer representatives, farmer groups and NGO staff in Arua, Moyo, Kabarole, Kasese, Mubende, Kiboga, Tororo, Pallisa and Kibaale.

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Annex A4 PMA pillars and the NSCG

Pillar 1: Research and technology development

Pillar2: National agricultural advisory services

Pillar 3: Agricultural education

Pillar 4: Improving access to rural finance

Pillar 5: Agro-processing and marketing

Pillar 6: Sustainable natural resource utilisation and management

Pillar 7: Physical infrastructure

The Non-Sectoral Conditional Grant (NSCG)

Pillar 1: Research and technology development

Objectives and activities

The PMA vision for agricultural research is “a farmer responsive research system that generates and disseminates problem-solving, profitable and environmentally sound technologies on a sustainable basis”. The mission for research is “generation, adoption and dissemination of appropriate and demand-driven technologies, knowledge and information through effective, efficient, sustainable, decentralised and well co-ordinated agricultural research system.”

The PMA core document sets out the key strategies to be adopted to achieve a more farmer responsive research system.

- The development and adoption of a national agricultural research policy, which would provide the basis for institutional strategic plans to implement research;
- The decentralisation of research by establishing Agricultural Research and Development Centres (ARDCs) in key agroecological zones away from the central region. These should have autonomy to address indigenous knowledge and technology in their local areas;
- Greater stakeholder involvement in priority setting, planning implementation and evaluation of research. Subsistence farmers, processors, traders, NGOs, and CBOs would play a part here, and particular emphasis should be placed on developing technologies which address the needs of women farmers;
- Greater involvement of the private sector in both financing and conducting research. An Agricultural Research Fund would be established as a conduit for private sector funds;
- Improved financing of research in an efficient, transparent and accountable manner. This would include the NARS raising its own funding through leasing underutilised resources, selling research products and selling technical services.

Priority research areas are to include:

- technology development and multiplication, where emphasis is to be placed on commercial development, packaging and dissemination of technologies to farmers;
- socio-economic research, to ensure that research is meeting the needs of farmers and incorporates gender analysis;
- Strategic research, to address biotechnology and genetic resource conservation;
- Farm-power and post-harvest technologies, including agricultural transport and marketing;
- Land and water resource management, to identify practices and technologies that will restore and increase soil fertility in a sustainable manner.

Progress with implementation

NARO prepared a 10 year vision, and a five year strategy, which was presented shortly after the PMA was adopted. These were rejected as being non-PMA compliant, because they were too commodity focussed and did not address cross-cutting issues. A NARS review task force, under the PMA, headed by a private sector representative, was set up to review the entire NARS in the country. On the basis of

task force's report, the NARS policy was formulated in 2003. The National Agricultural Research Policy has a number of key principles:

- Responding to market opportunities;
- Empowerment of stakeholders;
- Scientific Integrity and Professional Excellence;
- Decentralisation of research services;
- Promoting participation of private sector, civil society and farmers;
- Separating public funding from research service delivery;
- Mainstreaming gender into agricultural research;
- Social human and environmental concerns;
- Quality assurance of agricultural research services.

In May 2003, a core implementation team (CIT) was put in place to operationalise the policy, particularly in terms of institutional mechanisms and the legal and regulatory framework. This is chaired by the PS MAAIF, and comprises 17 members from the private sector institutions, universities, CSOs, MAAIF, MoFPED, MOPS, Ministry of Justice and Constitutional Affairs, PMA, NAADS, NARO and development partners (DPs). There is an inner core team of five, which includes an international change management consultant funded by the EU.

The implementation of the policy was seen to require a new legal framework, and in 2003, a draft bill for Agricultural Research was prepared. This draft bill was approved by Cabinet in 2004, but there were delays in its approval by Cabinet, which did not occur until June 2005.

The NARS bill sets up a new structure for Uganda's NARS. The apex body is NARO, which comprises the council (governing organ), three standing committees (technical arm) and the secretariat (management). The council will formulate policy, decide research strategy, set priorities, allocate funds between block grants and competitive funds, coordinates and monitors research providers and research programmes. There are six national research institutes, which focus on technical and scientific research, mostly with a subsector focus, and seven zonal research institutes⁶, with a mandate to undertake more integrated demand-led activities, and which will operate on a semi-autonomous basis.

A realigned research strategy for the period 2003-2010 was published in 2004. This identifies five research themes:

- (i) Understanding people, their livelihood systems, demands and impact of innovations
- (ii) Enhancing the innovation process and partnerships
- (iii) Enhancing integrated management of natural resources
- (iv) Technological options which respond to demands and market opportunities
- (v) Enabling policies and linking producers to markets

Much of the research which has been funded under NARO falls under theme 4. The outreach division of NARO, in conjunction with Makerere and ICRA (International Centre for Development Oriented Research In Agriculture) has implemented a capacity building programme to develop skills in integrated agricultural research, which has just finished a full training cycle. Staff from the PARIs, in particular the

⁶ Additional ZARIs are planned, one for each of 12 agroecological zones, and these will be brought on-stream as funds allow.

zonal institutes, and from the extension system have participated, and been encouraged to work with farmers to develop research proposals. Almost 40 staff in total have participated, but the participation from NAADS has poor. The approach adopted has addressed gender concerns and other cross-cutting issues. The first phase of the training was funded by DFID, through COARD, and has since received EU funding.

The delays in passing the NARS bill has affected progress in a number of key areas: the piloting of a Competitive Grant System (CGS), the establishment of an Agricultural Research Trust Fund, an inventory of potential non-PARI research providers and the establishment of a NARS research baseline.

The CGS is seen as particularly important in opening up the NARS for active participation by non-government research providers, such as universities, private sector and NGOs. CGS has already been piloted in Uganda, with the DFID-funded Client Oriented Agriculture Research and Dissemination Project (COARD). This has been in operation for over 2 years in North-Eastern Uganda, setting up two competitive agricultural research funds, and has been influential in determining the design for the national CGS.

Over the next year, the CIT intends to establish pilot zones for the CGS, develop guidelines for demand articulation and priority setting, establish an inventory of and guidelines for non-PARI research providers, and develop a NARS research baseline. In addition the CIT intends to monitor the extent of collaboration between NARS, NAADS and FGs in dissemination and upscaling.

Funding for the restructured NARS

IDA/ World Bank ARTPII is the main source of funding for the Reform Process. WB is also funding the Innovations @ Makerere Project which is realigning research and training to the needs of the decentralised governance structure. Individual ZARIs are being rehabilitated with donor funds.

Up until now, individual donors have funded particular commodity projects. For example, Danida has supported the Livestock Systems Research Programme under ASPs, and also the Crop Protection Seed Health Programme, both run by Makerere and the EU supports NARO through four projects, Coffee Wilt Disease R&D, Integrated Post-harvest, Agroforestry Systems R&D, and Decentralised and Institutional Learning, which were combined early in 2004.

It is expected that the new NARS will be supported by a basket funding arrangement, to which WB, DFID, EU and DANIDA have agreed to contribute. The funding will be divided between block grant funding for overheads and the core business of the public research system (foundation seed, disease control, etc.) and a trust fund set up for targeted research and the competitive grant funding. The current level of funding for research, as constrained by the MTEF ceiling, is only sufficient to cover the core functions of the public research system, so it is unlikely that more than 10% of the total funding would go to the trust fund. So far, Danida has promised \$400,000 for the NARS reform. The World Bank is currently carrying out a scoping mission to assess appropriate funding for the restructured NARS.

Outcome and impact

As yet there is little that can be attributed to the restructured NARS, because of the delays in passing the NARS bill. The uncertainty caused by this has lowered morale in NARO, and over 100 staff have left in the last few years.

Under the previous, commodity-based programmes, IFPRI has estimated the return to research as on the order of 50 percent a very high rate relative to other types of investment. The research undertaken has not, however, always corresponded to the needs of poorer farmers, women, or specific groups such as the HIV/AIDS affected. The capacity building programme of the outreach department (see above) should enable greater focus on grass roots needs, particularly in the ZARIs. The increased funding at district level should also allow for greater participation by farmers. Uganda has been divided into 12 agroecological zones, and it was originally decided to set up a zonal agricultural research institute (ZARI⁷) in each of these regions. For financial and logistic reasons, only seven have been set up, in West Nile, the Lake Albert Crescent, the Southern Highlands, Western Highlands, the Lake Victoria Crescent, mid-Northern and Eastern regions. The Southern Drylands, South East, Eastern Highlands, Karamoja Drylands, and Northern Zones are still without a decentralised ZARI.

There is also more involvement of women and farmers in the governing structures of the NARS. The NARO Council will be composed of 14 members, four of whom will be representatives of farmers groups, at least two of whom should be women, a representative each from the private sector and the NGO Forum, three representatives of the research community, public, private and the Universities, at least one of whom should be a woman, and various government organisations

None of these changes guarantees more appropriate research but the resulting research processes should be more open and participatory. Impact is also dependent on dissemination and uptake, and this is an area which appears to have been disrupted by the move away from the traditional extension system to NAADS.

The M& E indicators for NARO are

- amount of Government of Uganda (GoU) and donor funds allocated, released and spent;
- amount or percentage of private sector funding availed;
- level of farmer participation in priority setting and implementing agricultural research;
- number of technologies released by category and location.

There is no evidence against the first three of these, but against indicator 4, 8 technologies had been released as of late 2004.

Concerns and recommendations

Movement away from a commodity based approach to a livelihoods approach

There has been quite a dramatic shift in approach in the latest strategy for NARO. There are issues about the competence of existing staff to address these. Although there is substantial effort being put into capacity building, particularly at the zonal level, there has not perhaps been sufficient acknowledgement of some of the past successes of NARO in developing improved varieties, and an understanding of how to maintain that capacity, while improving their relevance to poor people's livelihoods and how to disseminate effectively. Although sensitisation of natural scientists to poverty issues is important, the real need is an environment where social and natural scientists work together building on each other's technical skills. This means that the links between the NARIs and the ZARIs are very important. Monitoring of the

⁷ Also referred to as Agricultural Research and Development Centres (ARDCs)

restructuring process should include some measure of effective communication and joint working between the two sets of organisations.

Improved dissemination and better interaction with NAADS.

Although NARO has had substantial achievements in developing technologies, and, in some cases, these have spread extensively⁸, in general, the dissemination process does not appear to be well thought through. Once a variety has been tested at local level, and the most appropriate varieties identified, foundation seed and cuttings are given to partners to multiply. However, where these are farmer groups, there appear to have been difficulties getting repayment of the seeds/ cuttings, and the links with NAADS appear to be very haphazard.

CIT intends to work on the monitoring of the extent of collaboration between the NARS, NAADS and farmer groups. This should be addressed as a matter of priority, and should be built into the key operational indicators for both NARS and NAADS.

⁸ In particular, mosaic resistant varieties of cassava spread over the 1990s until in some districts 90-100% of farmers had adopted them.

Pillar 2: Delivery of agricultural advisory services

A wide range of activities have been implemented that are relevant to this pillar⁹. However the most significant contribution to this pillar has been the establishment of NAADS as a new national approach for extension.

A new extension approach

At the time the PMA was conceived agricultural extension in Uganda was performing poorly. Although established institutions were active in both research and extension, farmers' needs were not driving the orientation of research and extension system (resulting in lack of relevance), while the technologies generated by the system, even when relevant, were not widely taken up by farmers (resulting in lack of effectiveness in technology transfer).

A new approach was required. The Government's vision as outlined in the PMA proposed new institutional arrangements for research and extension geared to ensuring a system that was more directly responsive to farmers' needs, and a shift towards private sector service delivery. The PMA document stated that this new approach would result in “*decentralised, farmer-owned and private sector delivered advisory services, contributing to the realisation of the agricultural sector objectives*”.

Establishing NAADS required a number of policy and institutional reforms. These were approved through the NAADS Act of June 2001. The main elements include:

- Establishment of a NAADS Board and Secretariat at the national level as a semi-autonomous self-accounting entity under MAAIF – to limit the bureaucratic structures that hinder the flexibility and effectiveness of many public sector institutions;
- Decentralisation of responsibilities, work plans and budgets for agricultural advisory services from the district to sub-county level of government and farmers - to increase the relevance and the accountability of the programme;
- Contracting the services of agricultural advisers rather than employing them as career civil servants - to improve efficiency and accountability while promoting pluralism of approaches.

The NAADS programme was formally launched in November 2001. It was envisaged that the programme would involve five phases over twenty-five years. Phase I of the programme would run for seven years (2001-08) at a total cost of \$107.9 million. The first two years of Phase I was intended as a ‘trailblazing’ stage, with the programme launched in six districts and twelve sub-counties (two in each district). It was intended that as NAADS was progressively introduced into new districts, the existing extension service would gradually be phased out.

The PMA document indicates that NAADS target beneficiaries should be subsistence farmers who constitute the majority of the poor in rural areas. NAADS documentation however, goes further to elaborate that their principal target group would be economically active poor (EAP) farmers. These are defined as subsistence and semi-commercial farmers, with access to productive assets, and with some skills and knowledge – i.e. those farmers with potential to take advantage of the technologies introduced. It was intended however, that provision would be made to provide extension messages suitable for disadvantaged groups, for example, women, youth, HIV affected farmers, and people with disabilities.

⁹ The evaluation team has identified 37 projects that contribute to the objectives of this pillar

Progress with implementation

Roll-out and harmonisation

In 2001, the NAADS programme was launched, as planned, in six 'trailblazing' districts and twelve sub-counties. Since then districts and sub-counties have been added at a pace determined by programme capacity and funding. Amongst all PMA pillars, progress with the roll-out of NAADS has proceeded at the fastest pace. Concerns have been raised however, over the extent to which NAADS impact has been constrained by weaker performance in the roll-out of other pillars (especially rural credit, and support to marketing and agro-processing). These concerns were confirmed by the evaluation field visits, and relate also to the need for the promotion of agricultural technologies to adopt a commodity-chain analysis approach that reflects input and output market realities.

Harmonisation between NAADS and other extension programmes is also important. The evaluation acknowledges that efforts currently are being made to ensure harmonisation with some of the larger parallel extension programmes (e.g. Uganda Land Management Programme, District Development Support Programme, Area-based Agricultural Modernisation Programme), and that NAADS is working towards harmonisation with extension-related components of other projects.

Table 1 shows that in FY2004/05 NAADS has a presence in 29 districts, compared to the target of 20 districts in the project appraisal document. However, in 8 of these districts the programme is at the farmer group formation stage, and has not yet (June 2005) commenced the delivery of extension services. It is also important to note that within NAADS districts not all sub-counties are covered.

Table 1: NAADS presence in districts and sub-counties

Financial Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Project Year	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Districts							
Target no. (as per appraisal):	6	12	16	20	28	35	45
Actual no. (accumulative)	6	16	21	29 [#]	-	-	-
Sub-counties							
Target no. (as per appraisal)	13	26	162	264	388	500	683
Actual no.	24	100	153	280	-	-	-

Includes eight districts (and 24 sub-counties) where NAADS is providing Farmer Institutional Development (FID), but not yet any agricultural advisory services.

Source: mid-term evaluation and NAADS Secretariat

To date 29 District Farmers' Fora (DFF) and 280 SFF Sub-county Farmers' Fora (SFF) have been established countrywide. However, the proposed National Farmer's Forum (NFF) has not yet been established as the number of participating districts remains too low.

Private service providers

NAADS delivers extension through private service providers (PSPs). To date, 449 PSPs have been registered. The de-layering (redundancy) of public extension workers was intended to increase the number of private sector service providers that would be available to provide NAADS services. However, the process of delayering has been held up by the omission of NAADS structures from the local government

restructuring programme. In early 2005 MAAIF asked the Ministry of Public Service to include NAADS functions within LG structures, but this did not take place.¹⁰

PSPs are provided with contracts that are only valid within a financial year. The field visits show that due to the time involved in tendering this can result in PSPs being contracted for periods as short as three months – an issue highlighted as a problem by both PSPs and farmer groups. The team recommends that the process for contracting PSPs be reviewed as a matter of urgency, and that consideration be given to lengthening contracts for up to three years – perhaps on a pilot basis. This would introduce depth and stability in the relationship between PSPs and farmer groups and also reduce transaction costs in the tendering process. Longer contracts would remain subject to the usual performance assessment measures.

Low capacity amongst PSPs is recognised by NAADS as a constraint to effective service provision. NAADS includes an institutional development component to enhance the capacities of PSPs. However, spending against this component is low compared to other components of the programme (see table 2 below).

Analysis of PSPs contracted during 2003/4 shows that 652 firms and 142 individuals were contracted to provide NAADS services during the year. The total value of contracts was Ush 3.9bn, of which Ush 3.2bn was disbursed. This relatively high disbursement rate (71 percent) suggests that although PSP capacities may be low, this does not appear to hinder the rate of service delivery. However, little information is available on the quality of services provided.

Performance of PSPs is monitored by farmer groups and the NAADS district technical auditing team against quantitative outputs specified in the contract for service providers. The 2005 Mid-Term Evaluation (MTE)¹¹ supports the involvement of farmer groups in performance assessment, but suggests that scope exists for the process to be strengthened and for service provider contracts to be more specific as to the involvement of farmers in providing this information.

NAADS beneficiaries

Identifying the 'economically active poor' as the principal target group for NAADS is accepted by the evaluation team as justified on the basis that this group is most likely to benefit from the services available under the programme. This finding however, is qualified by the recommendation that the focus upon the economically active should be interpreted only as an 'entry point' for the programme. As NAADS matures it needs to develop services that reach out to other groups of farmers, including the elderly, the disabled, and sick, who cannot afford or are not able to join a group, and those who have a limited access to productive assets (i.e. a 'deepening' of the programme).

Enabling poorer or more marginal farmers to access appropriate services is a significant challenge for NAADS. Farmers must join registered groups to access services, and yet the very poor are least likely to be members of such groups.

¹⁰ This has been slowed by the lack of appropriate legislation to approve a new Local Government Structure. But even then, NAADS' needs were not included in the proposed LG Structures, which implies that delayering of public extension workers would still not be feasible under the new structure. However, the Public Service has agreed that delayering will take place from September 2005 on a case-by-case basis and for each district where NAADS completes total coverage of all sub-counties. By September 2005, it is planned NAADS will have covered all sub-counties in at least 12 districts.

¹¹ NAADS has recently been subject to a mid-term evaluation (MTE). While the PMA evaluation draws upon the findings of the MTE, we note that at the time of writing the MTE has been reviewed but not accepted by GoU.

Similar issues are faced by NAADS in meeting the needs of the elderly, or those affected by HIV/AIDS who have limited labour resources.¹²

There is little information on the targeting of NAADS beneficiaries against poverty criteria. However, the NAADS Secretariat is starting to collect data on beneficiary wealth ranking. This will make it easier to assess the extent to which NAADS directly and effectively contributes to poverty reduction. The MTE found that the very poor tend to be excluded from most farmer groups – “*they do not attend meetings, and are not usually seen at public gatherings*”.

Demand-driven and responsive to needs?

NAADS is heralded as a new approach to extension, based firmly around the notion of a farmer-driven technology transfer system. While such a notion is compelling, the evaluation team feel that presenting NAADS in such way is problematic on two counts.

First, it can be difficult for farmers accustomed to a more top-down system effectively to articulate their demand for services. This is especially the case with NAADS where, despite enterprise selection being conducted in an apparently participatory manner, the technologies available to farmer groups are limited to only three enterprises – or for the most recent 8 NAADS districts, to just one enterprise. This leads to similar enterprises being selected across NAADS districts, with little opportunity to support marginal enterprises, or enterprises that may be attractive to only a small sub-set of farmers. The team feel that efforts are need to make information on market opportunities and technologies being developed by national and local research stations more available to farmers, and bring the demand side together with the supply side. One possibility would be to hold mini-agricultural shows as part of the enterprise selection process, at which researchers could present new varieties or private sector entrepreneurs could present market opportunities.

Second, NAADS favours non-traditional (or ‘new’) enterprises, perhaps reflecting an excessive focus upon the ‘modernisation’ aspects of the PMA. This approach tends to exclude poorer, more risk-averse farmers, for whom improvements in traditional crop technologies may yield significant benefits. This is particularly relevant to an agriculture sector where weakly commercialised input and output markets, and limited access to agricultural finance constrain the income-enhancing opportunities available to farmers, and therefore their scope to demand services. Ironically, the team found that services provided by the traditional extension service (due to be phased out) in non-NAADS sub-counties, provided a more diverse range of technologies to farmers, and was more responsive to the needs of the poorest groups (although even here services tended to be captured by better-off farmers).

Cross-cutting issues

Crosscutting issues intended to be addressed under the programme include the sustainable management of natural resources, gender, and HIV/AIDS. It is difficult to assess the extent of integration of these issues within NAADS activities although, for example, farmer groups are encouraged to accept HIV positive members. However, inclusion within a group is not sufficient if the services provided are not responsive to specific needs. There is also a sense that integration of these issues is being displaced by an over-riding focus upon expansion of the programme into new districts and sub-counties. However, as suggested above, it is important that NAADS makes efforts to deepen the programme by promoting a more diverse range of

¹² In Tororo, the evaluation team found that NAADS was working with at least one HIV/AIDS group, but that this group predated NAADS.

enterprises and advisory services, while also extending the reach of the programme beyond the economically active poor.

The majority of members of NAADS farmer groups are women (up to 60 percent). There is also evidence (from the MTE) that NAADS has enabled some women to gain greater access to land - but it is not clear the extent to which these women 'control' the land, or are merely working on land that continues to be owned by men.

For women and the very poor access to land is a major limiting factor. NAADS group members need access to land, either through ownership or hire, in order to participate in the programme. The division of family land plots amongst a large number of children, especially in polygamous families, results in land fragmentation and small landholdings - some families are left with less than 0.4ha. For some farmers, the land tenure system also limits the kind of enterprises they can adopt. The evaluation team noted in Mubende district that the *mailo* land tenure system effectively discourages small and poor farmers from investing in long-term land improvements and permanent crops.

NAADS expenditure

Table 2 shows budget and expenditure for NAADS over the first three year of the programme (FY 2001/02 – 2003/04) for each of the five programme components. Over this period total spending by NAADS is equivalent to 79 percent of the 'planned' spending figures proposed in the NAADS appraisal document. This reflects restrictions placed upon programme spending within the MTEF. By comparison, spending against approved budget figures rises to 90 percent. Although criticism has been raised over constrained spending by NAADS, disbursement is high compared to an average disbursement rate of 54 percent across all PMA-related projects, and 50 percent for this pillar (i.e. including other extension-related projects).¹³

Table 2: NAADS budget and expenditure data, 2001/02 – 2003/04

Total: 2001/02-2003/04 (US\$,000)					
NAADS components				Disbursement rates	
	Planned	Budget	Actual	actual/planned	actual/budget
1. Advisory services to farmers	9,126	7,439	6,598	72%	89%
2. Technology and market development	800	1,781	1,946	243%	109%
3. Regulation & technical audit of providers	583	350	313	54%	89%
4. Private sector institutional development	1,261	472	96	8%	20%
5. Programme management and monitoring	4,907	4,557	4,145	84%	91%
TOTALS	16,676	14,598	13,098	79%	90%

Note: 'planned' is derived from the WB Project Appraisal Document; 'budget' is the amount allocated to NAADS within the MTEF ceiling for MAAIF; 'actual' is the release made by MoFPED.

However, analysis by sub-component shows significant deviations in disbursement rates. For example, expenditure on sub-component 2, technology and market development, is almost one and half times greater than budgeted, while expenditure on sub-component 4, private sector development, is only 8 percent of that budgeted. The low level of spending on capacity building for PSPs is especially worrying and needs to be addressed.

The first phase of NAADS envisaged that 80 percent of funds would come from development partners, with the remaining 20 percent provided from government and

¹³ See chapter on PMA expenditure analysis in main report.

co-funding from NAADS beneficiaries. District level contributions to the programme (from district government, sub-counties, and farmer-groups) were forecast at 12 percent of total programme costs. These contributions have been lower than expected, but are increasing - from around 4 percent of programme costs in 2002/3, to 6 percent in 2003/4.

Programme impact

It is still too early fully to assess the impact of NAADS. While some data are available from annual surveys and also from the MTE, it remains difficult to draw firm conclusions about programme impact. Available information on NAADS impact is summarised below, together with comments based upon the findings of the PMA evaluation:

- **Farmer empowerment:** The MTE found that 88 percent of NAADS farmer groups felt they had greater ownership of the extension system compared to 30 percent for non-NAADS groups. The National Service Delivery Survey (2004) also suggests that NAADS has stimulated demand by farmers for more specialised extension services. This finding is not supported by the PMA evaluation, which finds that NAADS provides a more restricted range of services than that provided under the traditional extension system.
- **Access to services:** Both the NAADS Baseline Survey (2004) and MTE indicate that over half of NAADS farmers have had access to training provided by a service provider and that over two-thirds have had access to a technology demonstration site (TDS). However, evidence on the quality of services received is mixed – while farmers perceive benefits from the services received, they also express a desire for improved quality of services. In considering these findings it is important to recognise that NAADS focuses only upon the economically active poor and that, at least for now, it may not be improving access to services for poorer farmers, or those with limited resources.
- **Adoption rates:** The MTE indicates that NAADS has made a positive impact in terms of the uptake of new technologies. Surveys show that between 40 to 60 percent of farmers have changed agricultural practices as a result of exposure to TDS and training services.
- **Yields and incomes:** Surveys indicate that NAADS has had a positive impact upon crop yields and farm incomes. The MTE survey reported significant increases in yields on demonstration sites - some in excess of 200 percent - as a result of the new technologies promoted under NAADS. However data on incremental yields are not available at the household level. Independent analysis by IFPRI (2004) shows that participation in NAADS is associated with a 15 percent increase in the value of crop production per acre. Analysis of yield and production changes is complex and can be difficult to attribute. In this regard, the findings of the evaluation are discussed in the impact analysis chapter of the main report.
- **Economic analysis:** Recent work undertaken as part of the MTE process, suggests that NAADS will generate an economic return of 18 percent and also that NAADS is more cost effective than the previous Agricultural Extension System (AEP) – in terms of costs per household reached and overall adoption rates.¹⁴ It is noted by the PMA evaluation, however, that these findings are based upon a number of assumptions (on *inter alia*, adoption rates and service costs) and that comparing costs between different

¹⁴ Four years of NAADS implementation: programme outcomes and impact, A. Ekwamu and M. Brown, May 2005.

extension services is notoriously difficult (something that the authors themselves acknowledge).

Summary

In the absence of empirical evidence it is difficult to say anything conclusive about the impact of NAADS. Efficiency of service delivery is especially difficult to assess given limited information on the costs and quality of services. This is an issue that NAADS should seek to address if it wishes to strengthen its future claim on public resources.

The evaluation team recommends that:

- Efforts should be undertaken to address the need for more detailed data and analysis of NAADS coverage and impact. This should include a breakdown of NAADS beneficiaries by wealth ranking, the effectiveness of NAADS programmes in meeting the needs of different farmer groups, and more detailed scrutiny of the NAADS in comparison to the traditional extension approach;
- The promotion of agricultural technologies by NAADS should adopt a commodity-chain analysis approach that reflects input and output market realities;
- More information on market opportunities and technologies be made available to farmers, for example by including mini-agricultural shows as part of the enterprise selection process;
- NAADS develop approaches relevant to the needs of groups of farmers who cannot afford or are not able to join a group, and those who have a limited access to productive assets;
- The need for capacity building of service providers be addressed as a priority;
- The process for contracting PSPs be reviewed as a matter of urgency, and consideration be given to lengthening contracts for up to three years;
- The future role for NAADS in input distribution (see Rural Development Strategy) should be restricted to instances where public distribution of inputs can be justified on the basis of short-term needs – for example, in post-conflict areas or areas with a high population of displaced persons.

Pillar 3: Agricultural education

Introduction

Agricultural education is a priority area of the PMA. This annex summarises the content, progress and key issues in recent interventions within formal and informal agricultural education. It focuses on the overall policy context of the pillar and three major programmes within agricultural education, namely:

- Formal agricultural education in primary and secondary schools;
- Functional Adult Literacy programme (FAL);
- District Agricultural Training and Information Centres (DATICS).

The vision of agricultural education under the PMA is one in which *“agriculture is treated as a business and an honourable profession and farmers, farmers acquire knowledge and skills that enable them to increase productivity, profits so as to improve their quality of life”*.

In the PMA document, the rationale for including agricultural education is:

- Lack of a coherent policy for agricultural education and training;
- Insufficient funding for agricultural education and training;
- Ineffective institutional framework for the delivery of agricultural education and training;
- Inappropriate curricula and teaching and learning methodologies in agricultural education and training;
- Negative attitudes towards agriculture in general and agricultural education and training in particular.

The PMA seeks to address the availability and quality of agricultural education provision through a number of initiatives within the second Education Sector Investment Plan (ESIP, 2004-2015) currently being implemented by MOES. These include:

- A revised primary school curriculum in which agricultural education is viewed as a discrete subject and examinable from 2005;
- Pre- and in-service teacher education programmes in some Primary Teachers' Colleges to improve teaching and learning methodologies;
- The promotion of a practical approach to agricultural education in core Primary Teachers' Colleges and their cluster schools;
- Training programmes for specialist teachers of agricultural education to promote the use of locally available teaching and learning materials;
- The incremental provision of equipment and teaching and learning materials for agricultural education and training;
- The introduction of an holistic approach to educational development as recommended in the Mid-Term Review of ESIP;
- An extensive programme of functional adult literacy;
- Plans to establish 850 community-based polytechnics in which agricultural education and training will be a compulsory field of study;
- Creation of District Agricultural Training and Information Centres (DATICS).

Policy framework for agricultural education

The overall policies and strategies supporting both formal and non-formal agricultural education are:

- National Agricultural Education Policy 2004-2015 (NAES)
- National Agricultural Education Strategy and Investment Plan 2004- 2015 (NAEP)

The NAES has been developed by a national task force established jointly by the PMA and MOES in 2002/03. A wide range of stakeholders have participated in its development and the co-ordination of its implementation will be the responsibility of MOES. The NAES is built on the PMA and the goal and objectives are consistent with the PMA. In line with PMA objectives and the Government Education White Paper of 1992, the vision that will guide the National Agricultural Education Policy and Strategy is: “ *Development and provision of quality formal and non-formal agricultural education and training for all*”.

The Mission of NAES is to “*Support, guide, regulate and promote formal and non-formal agricultural education and training to contribute towards profitable and sustainable Agriculture and Agro Industry*”. In pursuit of the vision and mission, the Goal of the policy and strategy shall be: “*To enhance positive attitudes and practices for sustainable agriculture through the provision of quality formal and non-formal agricultural education and training at all levels*”.

Progress with implementation

As per July 2005, the National Agricultural Education Policy (NAEP) is awaiting GOU cabinet approval and the Ministry of Education and Sports (MOES) is in the process of integrating the NAEP in the national Education Sector Strategic Plan. It is still too early to assess progress of the implementation of the NAEP, which was formulated in October 2004.

The roll-out of the adult education pillar will contribute to the achievement of PMA objectives. However, a small share of overall PMA funding is directly attributed to this pillar (3 percent, Chapter 9 of main report). School gardens and adult education accounted for 6 percent of the NSCG in 2002/03, and only 1 in 2003/04.

Agricultural education in primarily schools

Agricultural education at primary schools is an important means of conveying PMA messages and practices to tomorrow’s farmers. It is also hoped that children will pass on new agricultural skills and knowledge to their parents.

The NSCG has supported school gardens in primary schools in PMA districts. According to the PMA annual report 2003/2004, in four districts 247 primary schools have started agriculture-related teaching or formed agriculture ‘clubs’¹⁵. The school gardens established through the NSCG are supervised by extension services. According to sub-county extension workers met during field visits, commitment to the gardens by teachers and students is low. Teachers are reluctant to take on the extra work of managing and maintaining the gardens, and students regard the work as a punishment rather than as education.

Integrating agricultural education within the curricula for primary schools is a challenging task. However, the evaluation team feel that this remains an important component of the education pillar and should be continued. The team recommends

¹⁵ PMA annual report 2003/04 pgs. 17-21

that: (i) More child-friendly posters, tapes, videos and informal information material on agriculture should be distributed to primary schools, and (ii) informal education approaches be used and efforts be made to stimulate interest amongst pupils, for example through excursions to model-farms.

Functional Adult Literacy Programme (FAL)

Adult illiteracy is a constraint to the commercialisation of agriculture. Although the government has increased the enrolment of students in primary education in recent years, at 63 percent literacy Uganda has the lowest literacy rate in East Africa (Uganda Poverty Status Report 2001). The literacy rate among women is 51 percent and 77 percent for men, and is higher in rural areas than urban areas. Female subsistence farmers make up the largest group of the illiterate.

The FAL Programme was initiated in 1992 as a pilot project in eight districts and is now nationwide. The objective of the FAL Programme is to raise adult literacy levels to 85 percent by 2007. By 2004 FAL had over 400 thousand learners enrolled, of whom 76 percent were females. The target beneficiaries are youth and adults of 15 years and above, with a focus upon women and vulnerable groups.

FAL is a decentralised programme implemented by Local Government. CDWs play an important role in the implementation and monitoring of FAL classes. A number of NGOs and donor agencies have been involved in FAL. In FY 2003/04, FAL classes were implemented in 14 districts and 800 sub-counties, representing an expansion of 11 percent since FY 2002/03. The team could not find nationwide data on drop-out rates of FAL instructors or learners, but districts complained about 'too high drop-out rates'.

The evaluation team has identified a number of areas where FAL needs strengthening if it is to contribute to PMA objectives:

- Participation of people with disabilities is low. Some affirmative action to include people with disabilities and other vulnerable groups in FAL is needed;
- Male attendance at FAL classes is also low. To encourage more men (and women) to join the FAL, women and men should have separate FAL classes. Women FAL should be facilitated by female instructors.
- There is low attendance by women, especially during agricultural peak seasons. Consideration should be given to special FAL classes where the location, timing and content is suitable to the needs of women. Instead of having FAL run for 12 months a year, it is recommended to stop classes during agricultural peak seasons – and adjust curricula accordingly;
- Instructors should be given more training and more incentives. Consideration should be given to the introduction of a modest user-fee payable to instructors;
- An evaluation of FAL should be undertaken by MGLSD.

DATICS

The aim of District Agricultural Training and Information Centres (DATICs) is to train farmers, youths, and women in the management of profitable agricultural enterprises that can generate profit, and thus contribute to poverty eradication and increased food security. The DATICS programme is a component under the ASPS and is implemented in 5 districts: Kabarole, Masaka, Rakai, Tororo and Pallisa. The development objective of the ASPS Component is "to reach an end state where agricultural activities and training conforming to farmers' needs are available under district responsibility".

The establishment of farmer field schools in Masaka and Tororo are the main activities of DATICS to date. A review of DATICS in March 2004 indicates that:

- Successful farmer field schools are scaling up and will be included in national agricultural education policy,
- DATICS exploit demand driven service provision in its collaboration with National Agricultural Research Services (NARS), NAADS and others to enhance its financial self-sustainability objective – and to support PMA implementation;
- DATICS has developed a Gender Mainstreaming Strategy and Implementation Guidelines to ensure equal participation of the two sexes in training and decision-making;
- HIV/AIDS concerns are given attention through DATICS HIV/AIDS prevention education activities.

Pillar 4: Access to rural finance

Objectives and activities as set out in the PMA core document.

The PMA design recognised the importance of rural finance in the transformation of agriculture but noted that access to finance was restricted for the majority of farmers. The rural finance services pillar thus aims to spread sustainable financial services to underserved rural areas to reach as many rural people as possible. Its long run vision is “an efficient nationally integrated system of financial institutions and intermediaries capable of accomplishing financial intermediation in rural sectors”. The mission is to “to put in place a system and institutional arrangements that will ensure increased availability of market based rural financial services in Uganda on sustainable basis”.

The following were the key strategic elements: (i) To focus on MFIs as an immediate strategy given their comparative advantage in operating at the grass- roots; (ii) To target widespread geographical outreach in terms of service points per unit area given that agricultural production units are widely dispersed, small scale and diverse; (iii) To target coverage of a large proportion of the rural population by MFIs; (iv) To train MFIs and their clients for effective rural finance intermediation through use of international best practices; and, (v) To specifically target women groups in the delivery of MFI services

The Microfinance Outreach Plan (MOP) was finalised in October 2003 as the implementing vehicle for the pillar aiming at "expanding the outreach of sustainable microfinance in Uganda" with a target of creating 40 new MFI branches and 40,000 new clients by June 2006 by: (i) Augmenting outreach with a shift from the current concentration in urban areas to rural areas; (ii) Consolidating MFIs, including linkages between different tiers and the diversification of products; and, (iii) Improving the environment for microfinance by strengthening the supervisory and regulatory framework and an incentive scheme for MFIs which does not conflict with the regulatory framework.

Five policy issues were to be given high priority: (i) Legal and regulatory framework to be spearheaded by the Bank of Uganda in collaboration with the micro-finance industry and other stakeholders; (ii) Capacity building for MFIs; (iii) Privatization of government credit projects/programmes by which the state would withdraw from direct delivery of credit and focus on capacity building and policy formulation; (iv) Promotion of other MFI initiatives including foreign-based NGOs to enter and operate freely in the rural finance industry; and, (v) Promotion of formal banking system involvement in rural finance.

Actual activity in the past four years

The Microfinance Outreach Plan Coordination Unit in the Ministry of Finance and Economic Development set up in November 2003 is charged with the responsibility of implementing the MOP through the Rural Finance Services Programme financed by IFAD/World Bank, and the Strategic Plan for Expanding Financial Services in Uganda under the grant from the European Union. The implementation of the MOP activities is done through implementing agencies with the latter responsible for overall coordination of the stakeholders. Table 1 provides the implementation performance of the MOP under its different components. It is clear that access and availability of rural finance services improved with MOP implementation through the utilisation of the MCAP funds and capacity building to 9 MFIs. This led to the establishment of 12 new rural branches reaching 22,000 new clients and is in line with the new rural finance targets of 10 new MFI branches and 10,000 clients every 6 months up to June 2006 agreed by the third PMA Joint Review of November 2004.

Table 1: Description and Performance of the Different Components of the Microfinance Outreach Plan

Component	Description	Output
Capacity Building Unit for Outreach	Registration of available and new training materials, training and certification of private sector suppliers in the provision of such appropriate training packages and compiling and dissemination of information to and from the supply and demand side, all of which serve to assist in expansion, upgrading and coordination of the supply of capacity building to meet the demand.	<ul style="list-style-type: none"> • 60 training packages for capacity building developed including: <ul style="list-style-type: none"> • Module for agriculture lending. Disseminated to 52 MFIs. • MicroSave SSP training opportunity in costing and pricing. • Household Saving course of the Business Culture component submitted to the curriculum development committee for approval • Institutional capacity assessment rolls (diagnostic toolkits) • Updated profiles and competencies of 64 MFI service providers
Matching Grant Facility for Capacity Building (MCAP)	MCAP is the largest component that includes provision of training through matching grants, logistical support, remote rural outreach and product development. This support is to be done using a coherent and agreed set of eligibility and selection criteria. The Implementing Partners for MCAP are to be autonomous private sector contractors.	<ul style="list-style-type: none"> • 9 MFIs funded to expand operations or open new branches in 11 districts • 12 new MFI branches created bringing in 22,000 new clients • Supported programmes which organised farmers with MFIs in two districts • Contracted the Association Microfinance Institutions in Uganda as implementing partner
Performance Monitoring System for Tier IV MFIs	AMFIU, the implementing partner, to develop and circulate a standardised performance reporting format to all Tier IV MFIs and register the completed formats received in a central database. Reporting MFIs to receive feed-back from the central database on performance against peer-group averages, and to be categorised based on performance.	<ul style="list-style-type: none"> • A standardised Performance Monitoring Tool (PMT) developed and operationalised by the SPEEP/USAID and is being used by 14 MFIs to monitor their performance.
District Level Microfinance Committees	MOP to be operationalised at district level with the establishment of District Microfinance Committees for the role of supervising the delivery of microfinance services in the district. The outreach map to be reviewed and updated for the District; members of the District Level Microfinance Committees are to be established; job descriptions, recruitment guidelines and standard contracts for the contracting of Financial Extension Workers (FEWs) by local authorities to be disseminated; and a monitoring system for FEWs in the District to be identified.	<ul style="list-style-type: none"> • 7 out of the planned 24 district microfinance committees established
Recruitment, payment and monitoring of Financial Extension	FEWS responsible for sensitization and mobilisation of groups of potential clients within the sub-county for good practice microfinance and linkage of such groups to sustainable MFIs. With their knowledge of the local micro/rural finance activities in their areas, FEWs to be an important link in the chain of information	<ul style="list-style-type: none"> • 48 FEWs trained and deployed after the following: <ul style="list-style-type: none"> • Mapped out undeserved areas in the 24 districts that would require microfinance outreach. Based on this, 7 pilot districts were chosen for recruitment of FEWs with an average 6 sub-counties for each district

Component	Description	Output
Workers (FEWs)	dissemination and reporting to the Microfinance Industry at national level. This information flow expected to help in countering negative political interventions and pressures	<ul style="list-style-type: none"> • A standardised Best Practice-Based Training Package, Toolkit and training of trainers, course were developed.
Data Collection and Updating of Outreach Map	AMFIU in collaboration with the Micro and Small Enterprise Policy Unit (MSEPU) of the Ministry of Finance to collect data on outreach to be utilised in the production of updated Maps as well as re-categorisation of MFIs in the Performance Monitoring System. This data to be fed into the policy framework.	<ul style="list-style-type: none"> • Data collected by MSEPU and AMPFIU with aid of GPS equipment but yet to be placed on the MOP website • An outreach digital map showing the outreach of micro finance services still being developed
Closure, Recovery and transfer of GOU credit funds	The Entandikwa Credit Secretariat (EGS) is responsible for three outputs: i) Reconcile and recover outstanding portfolio, ii) Divest the Entandikwa and Youth Entrepreneur Scheme (YES) credit schemes through sale or management contracts with MFIs and/or Non Performing Assets Recovery Trust, and iii) Transfer funds recovered to institutions providing sustainable credit, notably Microfinance Support Centre (MSC) Ltd or others. To be important step in making sure that the population is aware that there is no free money from government or donors.	<ul style="list-style-type: none"> • A survey was commissioned in July 2004 to establish the status of EGS with the following findings: • Starting March 1995, the EGS disbursed US\$ 9.924 billion to 45 districts through 113 intermediaries. • US\$ 282 million remitted to the Ministry of Gender, Labour and Social Development • US\$ 133 million available on district accounts • US\$ 520 million recovered
MFI to MDI Upgrade scheme	To facilitate the upgrade of MFIs to Microfinance deposit taking Institutions aimed at: (i) Diversifying sources of funding; (ii) Decreasing reliance on donor funds; (iii) Increasing services/ Professional image to clients; (iv) Becoming more efficient and financially sound; and, (v) Gaining competitive advantage over non-regulated MFIs. The clients are to benefit through Savings services and Potential reduction in costs	<ul style="list-style-type: none"> • Microfinance Deposit Taking Institutions (MDI) bill became law in April 2003. FINCA was licensed by BOU in October 2004 while MOP has disbursed funds to UMU, Pride, Faulu and Uganda Finance Trust for transformation to MDI.
Promotion of Rural Business Culture	The objective is to create more knowledgeable, skilled and motivated rural clientele to enable them benefit from Microfinance activities. This is to involve training in literacy, numeracy and management to enforce the capacities of poor women and men to diversify and increase their incomes.	<ul style="list-style-type: none"> • Procurement process of management agency (contractor) to manage business culture commenced with Expression of Interest in 2005

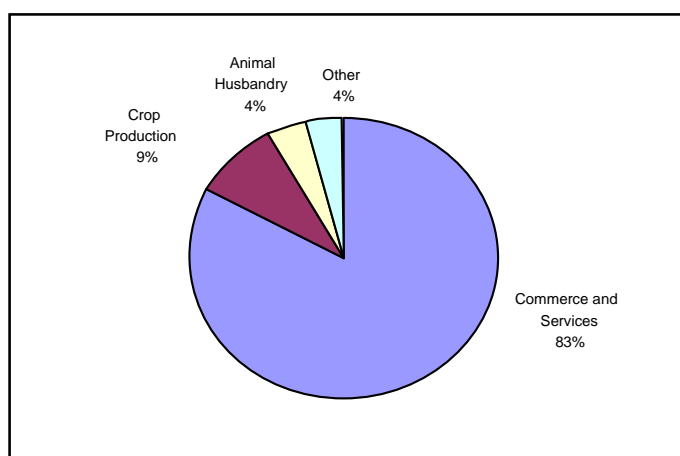
Analysis of activities over the past four years

The MOP was supposed to be rolled out to cover the whole country within a period of three years. It was to start in July 2003 with 24 districts accessing LGDP and NSCG funds “to ensure maximum coordination, complementarities and cost-effectiveness”. Among these districts, priority was to be given to districts served by private Sector Business Promotion Centres and those selected for NAADS grants. Employment of FEWs in sub-counties was linked to the availability of a Community Development Workers structure. The first districts were to be followed by 17 districts between July 2004 and June 2005 and then by 15 districts between July 2005 and June 2006.

The rollout of MOP has seriously lagged behind due to inadequate funding. Instead of 24 districts in Year 1, only 7 pilot districts were covered. Another 6 districts were added in Year 2 with DANIDA funds. However, rather than continue with the identified 24 districts, there was a diversion as DANIDA funds were linked to the Household Agriculture Support Programme (HASP). A further 12 districts are planned for Year 3 with the same DANIDA funds to bring the total number of districts to be covered by June 2006 to 25, a shortfall of 31 districts. Much of the progress reported in Table 1 pertains to national level activities. The establishment of District Finance Committees and recruitment of FEWs have not made much progress. It is still recognised that expansion of rural finance continues at a fast rate, with our without MOP.

Recognising that PMA target beneficiaries are small farmers that need help to modernise their farm enterprises, it is evident that the envisaged appropriate and efficient agriculture finance requirement is not yet addressed by MOP. Lending to agriculture and specifically to small farmers which should be the main target beneficiaries in the light of the overall aim of PMA is still unattractive to most MFIs. By September 2004, crop and animal production only made up 13% of the total MFI loan portfolio (Figure 1). MFIs have concentrated on short term working capital loans for trading and micro commercial enterprises with frequent loan instalments.

Figure 1: MFI loans by sector (as at 30 Sept 2004)



Source: Progress on the Rural Finance Pillar of the PMA -2003/2004

Lending to smallholder farmers to finance purchases of seasonal inputs faces well known difficulties as outlined below.

- The difficulty of mobilising savings for agriculture from agriculture. If agriculture is the dominant economic activity contributing to savings, savers are likely to withdraw their savings at the same time at the start of the farming season which may cause serious operational problems for MFIs.

- The concentration of demand for borrowing at the start of a season, followed by a period of several months without income (during which it may be difficult to make interest or principal repayments) and then a concentrated period after harvest when both interest and principal payments can be made. MFIs need to continuously recover and revolve their limited funds. Long grace periods appropriate for agricultural lending would choke their operations.
- The low number of commercial and semi commercial farmers (30% of the farming population). Financing inputs for subsistence crop production will not directly lead to an increased cash flow from which repayments can be made.
- High administration and transaction costs (in searching, screening, monitoring and enforcing agricultural loans) worsened by the dispersion of the rural population and poor communications infrastructure.
- The high risk involved in agriculture with covariant risks from adverse weather or price fluctuations affecting large numbers of farmers at the same time worsened by the lack of collateral (smallholders have freehold rights over land).
- The difficulty in assessing capability due to lack of records and valuations of past income, or future income estimates, or of assets.
- The tendency towards 'strategic default' among farmers whereby they have no incentive to repay loans due to past experience of not suffering penalties of enforced loan recoveries or even reduced access to future credit opportunities.

Summary

The expectation that MFIs under the MOP will solve the problem of agricultural finance appears farfetched due to reasons cited above. The bulk of the rural finance services under the MOP will not benefit farmers directly but will remain important to rural development in broad terms from which the modernisation of agriculture could be an indirect outcome. The loan portfolio of MFIs which are the focus of the MOP will for a long time tilt against agriculture lending. Therefore, the PMA Steering Committee should continue exploring ways in which the MOP could be made more relevant to the PMA targeted beneficiaries, i.e. small farmers. Pillars that directly deal with farmers should be encouraged to develop strategies of linking farmers to rural finance service providers. The emergence of savings and credit groups alongside or within farmer groups that the pillars are working with are a good opportunity that the MOP could build on to make rural finance more relevant to small farmers.

Pillar 5: Marketing

Objectives and activities as set out in the PMA core document

The PMA Core document. MTTI was given responsibility for implementing the marketing and agro-processing (MAP) pillar, coordinating activities and linking with other ministries/ agencies. The PMA vision for achieving 'improved market access' is "increased and sustainable supply of and demand for competitive processed and non-processed agro-products on domestic regional and international markets". The mission is "to implement measures that facilitate increased supply of requisite inputs in order to ensure increased and sustained supply of competitive processed and non-processed Ugandan agricultural products in domestic regional and international markets consistent with the economic growth objectives of the country".

As a result of the previous liberalisation policies, the PMA Document recognised that most agro-processing and marketing activities were private sector functions. Nevertheless, policy reforms and public expenditure were considered justified in areas such as the road network, transportation, market facilities, communication and information systems and facilitating services¹⁶, to provide a conducive environment, improve information flows and infrastructure¹⁷.

The Medium Term Competitive Strategy for the Private Sector (MTCS). At the same time as the PMA was being launched, the Government formulated a MTCS to improve public service delivery and remove impediments to private sector growth. It focuses on five priorities, namely: reforms in infrastructure provision; strengthening the financial sector and improving access; commercial legal sector reforms; institutional reforms dealing with corruption, public procurement, simplifying administrative procedures, improving taxation, etc, and; removing export sector-specific impediments. These actions are complementary and mutually reinforcing to those proposed in the PMA Document and both need to be considered when examining the PMA MAP pillar.

The Marketing and Agro-processing Strategy (MAPS). Based on a series of studies¹⁸ commissioned by the Government, the PMA MAP Sub-committee prepared a MAPS¹⁹ that was approved by MTTI, MAAIF and the PMA Steering Committee in 2004, but has yet to be launched formally. The main thrust of MAPS is to increase the competitiveness of the sector by addressing major constraints through public investment in four priority intervention areas (Table 1).

Implementation arrangements. MAPS implementation will be coordinated by a small secretariat based in MTTI (PMA, 2004) reporting to the PS MTTI. It will provide the PMA SC with regular updates on the implementation of the strategy, monitor progress against agreed indicators and coordinate government and private sector action in support of the strategy. Implementation is being carried out both through

¹⁶ However, several of these 'facilitating services' such as promotion of community organisations, rural financial systems and research and extension services were to be covered in other PMA pillars because of their inter-sectoral and cross-cutting nature. Moreover, a separate pillar covers physical infrastructure such as rural roads and electricity supplies.

¹⁷ The specific proposed interventions appear to have been heavily influenced by a NRI/APS study, (Kleih et al.1999)

¹⁸ They include: NRI/ IITA (2002); PMA Secretariat (2002); the sub-sector (commodity specific) studies undertaken for the Government of Uganda's Presidential Conference on Poverty Alleviation through Exports ("Strategic Exports") held in 2002; Barugahare & Co. (2002) and IFAD (2003). These studies suggest that most segments of the marketing chain work quite efficiently but weak social organisation and limited information reduce farmers, prices (MFPED, 2004, p.88).

¹⁹ PMA (2004) op.cit.

already existing institutions and the current modalities of the PMA with the PMA SC, supported by its Secretariat, being responsible for providing guidance and attempting to source the funds for intervention in close collaboration with concerned Ministry(ies) and MFPED's Development Committee. Proposed interventions will be incorporated into the annual Sector BFPs and budgets of the relevant lead agencies and participating partners.

Actual activity in the past four years

It needs to be appreciated that, although MAPS has yet to be formally launched, a wide array of MAP initiatives are already occurring as components of a variety of interventions. Table2 captures many of the major activities that have occurred or are still in process in this area.

Table 1: Marketing and agro-processing strategy

Intervention	Justification and areas of public sector intervention
i. Effective collective action by producers	<p>Smallholder producer groups and associations can achieve economies of scale and increased bargaining power by operating collectively in input and output markets. Collective action among traders can enhance access to international markets. Priorities for public intervention through PMA are to:</p> <ul style="list-style-type: none"> • Develop the capacity of producer organisations to engage effectively in market transactions; • Provide support to farmers' enterprise selection and farmers' decision making, and; • Educate farmers to engage more effectively in the liberalised market environment.
ii. Improving the transport and other rural infrastructure.	<p>Although there is a separate physical infrastructure pillar, MAPS considers that priority areas for public investment to improve market access for poor farmers, particularly in more remote areas are to:</p> <ul style="list-style-type: none"> • Increase rural road investment, to better link farmers with markets; • Overcome other infrastructure shortcomings (e.g. expand the electricity grid and increase the efficiency of rail and air freight transport)^a and; • Improve the efficiency of post-harvest technologies (including farm level storage).
iii. The development of a comprehensive policy, legal and regulatory framework.	<p>a. <i>Trade policy.</i> Priority areas for public investment, specific strategies and interventions are to:</p> <ul style="list-style-type: none"> • Develop a coherent position on key trade issues and constitute the Inter-Institutional Trade Committee (IITC), hosted by MTTI. • Improve government capacity to participate in regional and international trade negotiations. • Develop capacity to provide trade/market analysis, intelligence and strategies to identify competitive products, in particular regarding AGAO, EBA and COMESA trade opportunities. • Complete and implement a functional analysis of MTTI designed to suit its new responsibilities. <p>b. <i>Legal matters and legislation.</i> There is a need to improve commercial contract law and associated procedures to make contract enforcement better suited to the needs of rural communities. Achieving this will be the responsibility of MTCS.</p> <p>c. <i>Agricultural commodity exchange (ACE) and warehouse receipt system (WRS).</i> The Government is supporting the establishment of ACE and WRS as important interventions to enhance transparency and market efficiency and provide greater liquidity at the rural end of commodity supply chains.</p> <p>d. <i>Grade standards and quality.</i> Public agencies such as UNBS will be strengthened to draw up and enforce quality standards for imported inputs and agricultural produce exports, working in close partnership with the private sector to achieve this and encouraging self-regulation where appropriate. This will: generate incentives for traders and farmers to produce and market quality products; improve the usefulness of market information systems (MIS), and; underpin the functioning of a WRS and ACE.</p> <p>e. <i>Taxation.</i> MAPS recognises the need to review and reform the complex and burdensome local commodity, market, sales and transit taxes levied on agricultural produce. Research findings will be examined by the Local Government Finance Commission (LGFC), MoLG and PMA Secretariat.</p> <p>Objective, reliable, accessible and regular information on commodity prices is required in rural areas. Traders and agro-processors need an improved understanding of national and international agricultural marketing issues, access and trade agreements, analysis of areas of advantage, standards and traceability. This information should be made available through market chains and the work of UEPB and MAAIF. Small-scale market information systems (MIS) for rural areas have been piloted with the aim of nationwide expansion once sustainable systems have been developed. The long-term aim is for self-financing by the agricultural industry but, in the meantime, direct Government support or private sector partnerships will be required.</p>
iv. Better access to accurate and timely market information.	

Note: a. MAPS recognises that MTCS is dealing with reducing air and rail transport costs, improving contract enforcement, etc.

Table 2: Activities supporting the MAPS Interventions

Intervention	Activities
i. Effective collective action by producers	<p><i>a. Support to farmers' organisations.</i></p> <ul style="list-style-type: none"> i. Even before PMA started, the DANIDA-supported ASPS I intervention was working with the UNFFE to assist in the formation of farmers' groups. Part of their activities was related to group marketing of agricultural inputs and produce. Approximately 150,000 farmers in 44 Districts are currently members of these groups. ii. As the NAADS programme deepens and widens it may be anticipated that there will be increased group marketing activities and demand-driven calls for advice on marketing activities. iii. The ADP-financed AAMP project, operating mainly in South-western Districts is encouraging farmer groups to engage in marketing operations and linkages. iv. The USAID-financed Agricultural Productivity Enhancement Program (APEP), started in November 2003, has formed 291 commodity-based producer organisations (POs) trained in bulk marketing and input supply activities. POs are grouped into depot committees to increase the volume of crop at a central pick up point. <p><i>b. Cooperatives.</i></p> <ul style="list-style-type: none"> i. MTTI and the UCA collaborate to encourage the formation of cooperatives. After the virtual collapse of the agricultural marketing cooperatives following liberalisation, there is now some recovery with around 2,000-2,500 societies engaged in agricultural marketing activities. Twenty seven dairy/livestock societies were registered in 2003/04 and a further 27 agricultural marketing societies (RoU, 2005). ii. UCA are encouraging groups of around 5 societies to form Area Cooperative Enterprises (ACE) to bulk buy and sell. ACEs have been established in 4 districts and 14 ACEs were registered in 2003/04 (RoU, 2005). UCA state that there are currently 50 ACEs at sub-county level. iii. The proposed restructuring of MTTI should lead to the strengthening of the Department of Cooperatives. <p><i>c. Outgrower schemes.</i> Several outgrower schemes already exist to service agro-processing operations, some are being expanded and others are in the pipeline.</p>
ii. Improving the transport and other rural infrastructure.	<p><i>a. Road network</i> MWHC has developed a 10-year District, Urban and Community Access Roads Programme (DUCAR). The EU is supporting rehabilitation and maintenance of rural roads in 6 Districts.</p> <p><i>b. Other rural infrastructure</i> A 10-year Energy for Rural Transformation (ERT) programme started in 2002 aimed at increasing rural access to electricity from 1% to 10% by 2012 using private sector led delivery mechanisms. In FY 2003/04 14 projects covering 10 districts were initiated. Rural access to power increased to 3% in 2004</p> <p><i>c. Market structures and agro-processing units.</i></p> <ul style="list-style-type: none"> i. It is planned that a number of agricultural produce markets are to be constructed or existing market and fish landing sites improved as components of projects mainly supported by development partners (ADB/ IFAD). ii. LGs are investing in new markets and abattoirs or rehabilitating facilities using NSCG and LGDP funds. iii. ASPS II will support agribusiness sector development through business plan preparation, technical support, management mentoring and loan guarantees for SMEs developing agro-processing ventures. iv. JICA is encouraging private sector investment in the following agro-processing ventures: Kamuli and Luwero (rice milling plants), Kayunga

Intervention	Activities
iii. The development of a comprehensive policy, legal and regulatory framework.	<p>(pineapple juice and wine plant), Nakasongola (cassava processing plant).</p> <p>v. Several primary cooperatives now own maize mills (RoU, 2005) The private sector is very active in this field.</p> <p>i. <i>d. Post-harvest storage.</i> NARO is undertaking research, funded by the EU, on improved post-harvest technologies for smallholder farmers. R&D efforts and training have been strengthened in integrated pest management techniques and the development of appropriate storage, drying and processing techniques.</p> <p>a. <i>Trade policy.</i></p> <p>i. <i>Coherent position on trade issues.</i> A framework for improved trade negotiations is being developed and the Inter-Ministerial International Trade Committee (IITC) is now operational. Progress on the development of a national trade policy continues to be slow but a draft background paper for a comprehensive National Trade Policy has been developed under the supervision of the UPTOP Secretariat. This is being reviewed by MTTI as a basis for drafting a comprehensive trade policy. In June 2005, MTTI organised a National Trade Sector Review Conference, one objective being to input into the development of a comprehensive trade policy.</p> <p>ii. <i>Capacity building.</i> Through the UPTOP project, MTTI has been building the capacity of public and private sector staff in trade negotiations, trade policy and international trade. MTTI is also undertaking a training needs assessment for trade negotiations.</p> <p>iii. <i>Functional analysis of MTTI.</i> A final report was submitted to MTTI in September 2004. The ministry studied the report and submitted it to the Ministry of Public Service for review. This should lead to reforms in its functions, roles and responsibilities in line with government policies, including the PMA.</p> <p>b. <i>Legal matters and legislation.</i> Steps have been taken under the MTCS to improve commercial contract law and associated legal procedures, such that contract enforcement is better tailored to the needs of rural communities.</p> <p>c. <i>Agricultural commodity exchange (ACE) and warehouse receipt system (WRS).</i> Much of the preparatory work has been done (with EU support) and the Warehouse Receipt System (WRS) Bill prepared by MTTI was gazetted on 2nd June 2005 and was due to the first reading in Parliament on 24th June 2005.</p> <p>d. <i>Grade standards and quality.</i></p> <p>i. UNBS has worked closely with key private sector players to draw up grading standards and quality regulations in respect of several principal crops and livestock products.</p> <p>ii. Meat quality standards are due to be in place in June 2005.</p> <p>iii. National honey standards have been developed. Uganda honey now accepted in the European Market</p> <p>iv. The alignment of the Uganda maize standard into a regional standard has been agreed by the East African Standards Committee.</p>
iv. Better access to accurate and timely market information.	<p>Small-scale market information systems (MIS) currently operate through government agencies, commodity traders and donor-financed initiatives. A pilot scheme under the NAADS programme has been operational in 6 Districts but ended in June 2005 and has yet to be evaluated. There are concerns about the financial sustainability of this type of MIS. Since the end of the NAADS/Foodnet contract for implementing the MIS, there has been no alternative mechanism put in place and no budget was provided in the MTEF for it.</p>

Analysis of actual activities in the past four years.

The nature of the marketing problem. Generalising, Uganda has a “chronic” marketing problem due mainly to: limited access to finance by many small traders, the small amounts that most farmers have to sell; and the high costs and availability of transport. Within MTEF ceilings, PMA interventions are designed to gradually overcome these constraints. Given these limitations, the marketing system is relatively robust and efficient and, although farmers complain of low and variable prices, these reflect the costs and risks of the current market system. However, “the market” is often unfairly blamed for an inability to cope with sudden production surges caused by encouragement of farmers to diversify into, or expand production of, specific products without consideration of the whole value chain, the size of the final market, agro-processing capacity and the financing and risk costs involved.

Collective group action. Considerable emphasis is being placed on collective group action as a way of reducing transaction costs and increasing bargaining power. This effort may divert attention away from another important task, namely reducing the transaction costs of small traders and input stockists. Increasing their access to finance will enable them to buy larger quantities. Moreover, they are often in a better position to monitor seasonal loans to farmers than formal rural finance institutions, even if locally based. Increasing small trader access to working capital should be an important component of any agricultural finance strategy.

Taxation. While there is some progress on most components of MAPS, there has been no progress on the issue of the impact of local agricultural produce taxes.

Market information systems. The pilot ‘Foodnet’ MIS runs until June and is unlikely to be evaluated by the time the PMA Evaluation Team reports. There are suggestions in the NAADS mid-term review that NAADS are concerned about the financial sustainability of this type of MIS but the importance of providing an appropriate low cost and sustainable MIS in rural areas merits detailed attention by NAADS, MAAIF, the MAP sub-committee and the PMA Secretariat.

Target beneficiaries. The MAP strategy only states that the target beneficiaries are ‘small-scale farmers’. Within this very broad group, actual benefits are likely to vary widely. For example, the criteria used for feeder road development and maintenance, the selection criteria used in providing marketing training to farmers’ groups, the presence of agro-processing facilities in the locality, the farmer’s ability to generate a marketable surplus, are just a few of the parameters that will determine the actual beneficiaries within the farming community. Some of the components also target traders (e.g. ACE and WRS) although there should be indirect benefits for all those marketing produce through the new sources of finance that are mobilised. From a gender perspective, the majority of players in Uganda’s rural market chain are male, with the exception of the main retailer markets where most of the sellers are women (IFAD, 2003). Many women farmers tend to sell their produce to itinerant traders at the farm gate and thus may benefit from the increased choice available from the formation of marketing groups and bulk selling.

Major projects in the pillar.

It is clear from Table 2 that project support plays an important role in priority intervention areas and Table 3 indicates that there is considerable current or recent project activity embracing most aspects of MAPS and spread throughout the country. The MAP sub-committee, the PMA Secretariat or the MAPS Secretariat (when established) could provide a valuable service by evaluating these projects and identifying ‘best practice’ for replication.

Outcomes and impact

A logframe for MAPS has been developed and the PMA M&E Framework incorporates inputs, processes and outputs for the MAP pillar. However, as MAPS was only finalized in late 2004, most of the OVIs cannot be assessed yet. Similarly, baseline data and targets do not appear to be available for several of the indicators in the M&E Framework.

Other issues that should be addressed in the evaluation

a. Input marketing. Rather surprisingly, MAPS has no component for improving agricultural inputs marketing, even though this is in the PMA Document. The recent Rural Development Strategy (RDS) reintroduces the need to strengthen capacity and support provision to national level input dealers and local input suppliers and dealers. A recent report (PMA, 2005) indicates a rapid growth in the dealer network with over 2200 input dealers nationwide. However, limited capital and lack of technical and business training are common problems. Some 'best practice' projects have combined stockist training with encouragement to national suppliers to extend credit lines to rural stockists (both private sector and farmers' associations). These schemes often incorporate an Inventory Guarantee Fund to share the risk with suppliers of credit default by stockists during the training period. Their suitability for Uganda should be examined by the MAP and Agricultural Finance sub-committees.

b. The regulatory framework. With the development of grades and standards for an increasing number of agricultural products comes the need for sensitisation and education of farmers and traders and for the introduction of regulatory frameworks and enforcement mechanisms. Development and monitoring of appropriate frameworks is an important component of MAAIF's mandate but enforcement may be devolved to a variety of organisations depending on specific circumstances. One immediate action would be for MAAIF and UCDA to implement the proposals for reform of the coffee sector regulatory framework made by a PMA-coordinated Taskforce (PMA, 2003).

c. Marketing and physical infrastructure pillars. Amalgamation of the marketing and physical infrastructure pillars should be considered. Moreover, developing ways of incorporating PMA concerns into the prioritisation of rural infrastructure expenditure needs further consideration.

Table 3: Major projects with a marketing/ agro-processing component

Project and Source of Support	Main marketing and beneficiary focus
Vegetable Oil Development Project (VODP). ADB/ADF; GOU; Private Investors	a) 80,000 – 100,000 households in 20 districts in North and East growing sunflower and soya bean through cost-effective inputs; improved extraction and product quality; higher prices/returns through UOSPA.
Support to Fisheries Development Project. ADB/ADF; GOU	b) 7,000 - 10,000 households as outgrowers with group marketing in Oil Palm Development in Kalangala and Bundibugyo districts Fisher folk around all major lakes, urban and rural fish traders through construction of 5 ice plants and cold storage; 30 fish landing sites; development of Katwe market and construction of 20 fish markets in focal districts/centres
Support to the Dairy Development Authority (DDA). GOU	Beneficiaries are dairy farmers throughout the country through setting quality standards; producer groups/associations to improve negotiation/selling skills; selling to remote markets through cooling/pasteurization.
National Livestock Improvement Project. ADB/ADF; GOU	Livestock farmers in 20 districts in the "cattle corridor through: rehabilitation of 170 livestock marketing facilities; construction of 100 slaughter facilities; collecting and dissemination of livestock marketing information in 17 districts; training in added value to hides and skins; setting livestock and meat standards.
Agriculture and Marketing Support Project. WFP	Procurement from small scale farmer groups in war-torn areas – Gulu, Kitgum, Pader, Bundibugyo, Kasese, and West Nile districts
Improvement of Post Harvest Processing and Marketing. JICA	Transfer of appropriate technology to Ugandan personnel and local communities 14 districts in Central and Eastern Uganda through 5 pilot projects (see Table 1).
Agricultural Productivity Enhancement Programme (APEP). USAID	Focuses on creating economies of scale, lower transaction costs, higher prices and commercialisation through group formation, training and market linkages (see Table 1).
North West Smallholder Development Project (NWSDP). ADB/ADF; GOU	50,000 small farmers' households in NW through availability of cost effective inputs; improving marketing skills; selling to remote markets.
Area Based Agricultural Modernisation Programme (AAMP). IFAD; ADB; GOU; Local Government	312,500 farming households in 13 districts in SW through: availing skills to access inputs and access markets; selection of profitable enterprises; availing better production and post-harvest practices; selling to distant markets.
ASPS-Agri-Business Development component (ABDC) (part of ASPS II). DANIDA	Potential beneficiaries are farmer organisations, SMEs, SSEs, commercial banks through: better prices/returns through farmers' associations and collective marketing; improvement business support services to smallholder farmers.
Uganda Programme for Trade Opportunities and Policy (UPTOP). EU	Support formulation, implementation and evaluation of trade policy, leading to creation of a conducive environment so that Uganda can benefit from globalisation
Foodnet. IITA; ACDI/VOCA	Provision of market information. Current support has ended
National Agricultural Advisory Services (NAADS). Basket funding by various donors	Potential beneficiaries are small farmers in NAADS districts through exploitation of new production and marketing opportunities and market linkages (through enterprise and business development and group formation for collective marketing.
Second Private Sector Competitiveness Project (SCOPE). USAID; GOU Source: Derived from IFAD (2004).	Tends to focus on strategies for upper end of value chains. Potential benefits for small farmers are through more conducive environment.

Pillar 6: Sustainable use of natural resources

This pillar addresses issues of Land, Forest, Environment and Water for Production. The key agencies are MWLE, which has the mandate for water for production, land, environment and Forestry, the National Environmental Management Agency (NEMA), and MAAIF.

Land

Land reform, improved management and administration are seen as contributing to the PMA by

- Enhancing food security through redistributing land to the landless and land poor, giving them opportunities to be directly productive
- Facilitating investment and enhancing efficiency in use of factors of production
- Contributing to resource conservation by providing up to date inventories of natural resources and improving allocation of land to its optimal use.

Experience from other countries indicates that land reform is costly and requires significant political support. The PMA document suggests that Uganda should concentrate on the reconstruction of land records and the land registry in the medium term.

A Land Act was enacted in 1998, and, together with the Uganda constitution of 1995, defines:

- land tenure systems
- the processes by which land tenure can be registered and transferred, for example from customary ownership to freehold
- necessary structures at national and local levels, such as district offices, land tribunals and the Uganda Land Commission.

Currently, there is a major revision taking place of land legislation, The Land Amendment Act was passed in March 2004. This contains new land regulations and guidelines. All other land laws are regarded as moribund, and UNDP is assisting in the review of the Regulation of Titles Act, the Survey Act and the Land Acquisition Act. Local government has pushed for the revision of the Town and Country Planning Act, and a final draft of this was prepared, but it has hit a dead end over the institutional implications.

The Land Sector Strategy Plan (LSSP) is “designed to remove barriers to increased land utilisation, to broaden services to rural areas and customary land, to address inequality, tenure insecurity and inequitable systems and processes, to strengthen the land rights of the vulnerable and of women, to empower local governments and communities to make and implement their own policies and plans for their land, and to provide an appropriate and supportive framework for sound environmental and natural resource management.” It addresses the need for a land policy, to define the range of formally recognised land rights, the distribution of those rights, and land use. An integral part of this will be a land use policy. A draft land use policy is being finalised for presentation to Cabinet before the end of June 2005. However, the land policy is moving slowly. An issues paper is in place, but four major gaps have been identified: the issue of raising revenues based on land taxation; the privatisation of land services (in particular cadastral surveys and land valuation); how to deal with internally displaced persons (IDPs); and HIV/AIDS and land.

The priority objectives identified for the first phase of implementation of LSSP are: the development of national policies and review and revision of land sector legislation; collection of data on existing land use including identification of government land; piloting of a systematic approach to demarcation and strengthening of dispute resolution institutions; research on mechanisms for improving the land rights of women and vulnerable groups; strengthening of technical services in zonal offices; conducting a study for revenue generating potential and options; and piloting a study of methods for transferring funds to local government for addressing local land sector priorities. Once the appropriate policies and institutional frameworks have been established, and processes have been successfully piloted, these will then be consolidated under Phase 2 of the LSSP.

A Land Information System has been designed, but has little robust information for its effective operationalisation. MLWE is currently taking steps to rehabilitate the lands records system. The land registration system is hampered by a lack of qualified personnel. Only 10 districts, Hoima, Kibale, Wakiso, Mpigi, Kabale, Bushenyi, Bukalasa, Mukonon, Masaka and Mbarara, have registration officers in place.

There are no easy answers to the problems posed by the current state of land tenure in Uganda. The precise nature of the issues varies according to the four land tenure systems in the country: customary, freehold, mailo and leasehold. However, there are two general concerns. Many poor farmers do not understand what their rights are legally to land, and this deters them from investing in infrastructure, perennial crops and trees, or soil conservation technologies. Where people do understand their rights under law, they may have no faith in local juridical systems to enforce these. Secondly, women's rights to land are still highly disputed, even though they may provide the major labour input on the land. Attempts to address this have proved controversial and have not had sufficient political support to be adopted in law. A clause on co-ownership in the Land Act Amendment was dropped because of an inability to find a consensus position. There is an absence of a shared vision of land reform.

Land tenure is clearly very important for the commercialisation of agriculture, both in terms of providing collateral for finance, but also in terms of allowing larger scale production. At present it is difficult to consolidate the increasingly fragmented land-holdings. Internationally equitable access to land is increasingly recognised as a necessary prerequisite for pro-poor growth in agriculture. For all of these reasons, the medium-term impact of investment under PMA is likely to be constrained unless the land issue is addressed more expeditiously.

Land has not been a major element of donor support in the past. It is hoped that this will increase with LSSP, but the main source so far appears to be UNDP's support to legislative review and revision. SIDA has supported the development of the Land Information System (\$190,000). The MTEF envelope for implementation of the **LSSP** for the period 2001/2002-2003/2004 is US\$ 40,800 million, of which 720 million is estimated to come from donors. Estimates of unit costs are given in the LSSP.

Water for production

The vision for water for production, as expressed in the PMA core document, is availability of water all year round for increased and sustainable commercial agriculture production without degrading the environment. For the most part, this is expected to involve simple water harvesting techniques, improved rain water management and effective use of early warning systems and meteorological forecasts, rather than heavy investment in irrigation systems.

Currently MWLE is the lead agency for water supply development and MAAIF is the lead agency for water use and management.

A Water for Production Strategy and Investment Plan has now reached its fourth draft. It was preceded by a 1½ year reform study, which undertook a situational analysis of existing infrastructure, institutional roles and land tenure factors, and a gender analysis. The strategy sets out its principles as: having a poverty reduction focus; demand responsive approaches; sustainability; cost-efficiency; decentralisation and management at the lowest level; private sector involvement; gender responsive approach; incorporation of environment and health concerns; and taking a sector-wide approach to planning.

One of the recommendations of this is the formation of a national coordinating body, and, in response to this, terms of reference have been drafted for a National Water for Production Sub-sector Working Group, a sub-group of the Water and Sanitation Sector Working Group. The proposed members include representatives from MWLE, MAAIF and PMA as well as other ministries, UNFF, the private sector, local government and donors.

Over the last four years, MWLE has focused all its resource for WfP on an emergency programme to address the water needs for pastoralists and livestock keepers. This has involved the rehabilitation or development of large water reservoirs in the Karamoja, and small dams in the major cattle corridors. MWLE has provided the funds for this, and MAAIF has engaged communities in participatory planning processes. Increasingly water resources are being developed at district level, funded by the centre, and using a multi-sectoral approach.

WfP funding Funds for feasibility studies have been earmarked by JICA, and under the AfDB water initiative. Government has committed US\$ 4.3 billion for surface water reservoirs under the Strategic Interventions for Export Initiative. BADEA is funding a feasibility study for water supply to pastoralists in Northern and Eastern Uganda. The PMA harmonisation study identifies a water for production project, due to end in 2005, which is supported by BADEA (possibly the same as above) to the amount of \$210,000 and Danida/ SIDA to the tune of \$213,210. Although there is not a water for production conditional grant at district level, some districts have used some of their rural water supply conditional grant to fund valley tanks (small surface water reservoirs) which can address both domestic consumption and livestock needs.

The 2005 budget identified WfP as a priority area. As well as rainwater harvesting, it is proposed to fund the rehabilitation of three major irrigation schemes, valley tanks, and dam reconstruction.

Meteorology services have also been improved as part of PMA in support of WfP. Under various projects, both the physical and human resources available for field station services have been improved, and, as part of the evaluation of the effectiveness of meteorological forecasts, various stakeholder groups, and NGOs have participated in assessing the use made of these forecasts.

Forestry

The main challenge for the forestry sector is to recognise the value of forest resources in the Uganda economy, and rationalise current policies, regulations and institutional arrangements, which in 2000 were confusing and at times contradictory. The Uganda Forestry Policy was passed in 2001. As part of this process, and to

develop appropriate structures for implementing the policy there has been a major restructuring of the forestry sector. In 2001, stakeholders were brought together to develop a National Forestry Plan, which was approved by cabinet in 2002 and a National Forestry and Tree Planting Bill was approved by Parliament in 2003.

There are now three agencies involved in forestry activities. Within MWLE there is a Forestry Inspection Division (FID), responsible for policy issues, the National Forest Authority (NFA), which provides day to day management of national forest operations, technical services to farmers and backstops the third element, the District Forestry Services (DFS) which manages local forest reserves.

The NFA is now fully established, but the DFS is just being established. District Forest Officers are gradually being put in position.

The NFA has actively engaged with PMA, particularly in monitoring and evaluation. However there is poor integration with other pillars of the PMA. In particular the potential of agroforestry for poverty reduction has been rather overlooked, particularly where NAADS is concerned. Agroforestry tends to come quite far down the list of prioritised enterprises, whether because of the time scale involved, concerns about access to land and the ownership of trees, or lack of information on the part of farmers about the potential profitability and markets.

Environment Issues

In environmental issues in general, the challenge for the PMA is to increase productivity without degrading the environment, and to do this will require greater mainstreaming of environment, improving the linkages between, in particular, environment committees and agricultural services and research, appropriate monitoring, including EIA of PMA investment interventions, and preparation of district, subcounty, parish and village level environment action plans. The National Environmental Management Agency has three main areas of implementation: enhancing environmental management capacity in districts and communities; enhancing environmental management capacity in lead agencies; and enhancing environmental management capacity in NEMA.

Environmental issues should be addressed at district level through the development of a District Environmental Action Plan (DEAP) to be integrated into the District Development Plan. 24 districts are supported financially in this, to the tune of US\$ 3 million. At present 14 DEAPs have been prepared, but only 8 districts, supported by the World Bank funded Environmental Management and Capacity Building Project EMCPB II (EMCPB) have fully integrated their DEAPs into their DDPs. All 56 districts have a functioning district environmental committee, though these are not separate but part of the production, marketing and environmental committees. 47 district environmental officers have been gazetted and equipped. Specialised training has been provided in 7 districts, as environmental inspectors.

The EMCPB is also the main source of funding for NEMA's operations and has funded a significant proportion of capacity building for environmental management.

One increasingly important aspect of environmental management is management of wetlands. Degradation of swamps particularly through poorly managed rice production, is having a detrimental effect on the environment in certain districts as the pressure on land builds up, particularly in Eastern Uganda. To address this, the government has developed a Wetlands Subsector Strategic Plan, 2001-2010, which is being implemented, in part funded by a 5 year project from the Belgian

government. MWLE has supported 20 districts to develop District Wetlands Action Plans.

MWLE is developing an Environmental and Natural Resources (ENR) Sector-wide Approach (SWAp) to allow for a more coordinated approach to environmental issues. A strategic investment plan (SIP) is being drafted for implementation of the SWAp. There is an ENR subcommittee in the PMA, and an ENR sector working group, but little interconnection between the two, even though there seem to be the same people on both.

Natural resource management is an issue which should be mainstreamed into appropriate projects and strategies, as well as being addressed directly in environmental projects. This has happened to some extent in LGDP, according to NEMA, but not more generally. Environmental issues are being addressed under NARO. Environmental issues have been included in primary and secondary education curricula.

Outstanding issues

As discussed above, unless steps are taken to improve the access of the rural poor to land, and particularly to make women's access to land more secure, there are going to be constraints on the ability of the agriculture sector to deliver pro-poor growth. This does not necessarily mean individuals having formal land title, but could mean a better understanding and support to customary rights, if these protect women's access adequately.

Much of the achievement under the natural resource pillar so far has been at policy and strategy level, rather than at the level of implementation. District structures are slowly being put in place, but as yet there is limited evidence of impact. Activities have been funded by EMCPB in many districts, but the NSCG has provided useful additional funds, for workshops and sensitisation. Both technical staff and farmers appear to understand the severity of the environmental problems caused by inappropriate agricultural practices. There are limited incentives, again in part because of the nature of land tenure, to address these.

There is a more general issue, of how environment is dealt with as a cross-cutting issue in the other pillars of the PMA. A study by ACODE, on how it is being addressed within NAADS, indicates that ENR enterprises are being ignored in the choice of NAADS enterprises, partly because of the compartmentalised demand driven process of choosing enterprises, and partly because of the limited capacity of NAADS service providers to provide these services. Although, in theory NAADS contracts should require service providers to address environmental issues within the services they provide, in practice this does not appear to happen. NAADS should place more emphasis on this element, building capacity for environmental service provision, and working with district environmental officers to improve understanding of the returns to better conservation practices.

Pillar 7: Physical infrastructure

Introduction

This annex reviews the physical infrastructure pillar of the PMA. The PMA recognises that rural infrastructure, particularly rural feeder roads and the associated network of bridges, foot and bicycle paths, are important for poverty reduction as they open up rural areas to input and output markets.

The PMA document also recognises the importance of rural electrification in enhancing the ability to store, preserve, and process agricultural products: *“Access to electricity enables producers to use high productivity technologies which are labour saving and reduce drudgery. Lighting also contributes to increased working hours for households and agro-industries, thereby improving incomes and quality of life. Needs assessments will be conducted to guide the Government’s rural electrification programme have a PMA focus.”*

Expenditure on rural infrastructure projects accounts for the major share (30 percent) of overall PMA spending (Chapter 9 of main report).

Roads

The implementation of the physical infrastructure pillar is based on:

- The original and updated ten-year Road Sector Development Programme (1996 and 2002, respectively), most importantly the District Urban Community Access Roads
- The strategy for sustainable maintenance of district, urban and community access roads (October 2004)
- The ten-year Energy for Rural Transformation Programme

The road sector has been given high priority by the GOU during the last 15 years and many development partners have contributed to the development of the sector. Most current road projects are part of the ten-year Road Sector Development Programme (RSDP) budgeted at US \$1.5 billion.

Support to the development of rural roads will be achieved through two major programmes. The District Roads Investment Programme (US\$ 476million) and District, Urban and Community Access Roads (DUCAR) programme (US\$ 577 million). Both are ten year programmes and should improve access to rural areas, enabling farmers to access markets for their produce, and building district capacities for road network planning and management.

Maintenance of district roads is now entirely through the use of private sector contractors. However, a major problem is that district and community funds for road maintenance are limited, and delayed transfers from central government can slow down progress with road maintenance and rehabilitation.

Road investments are managed by MWHC. The impression of the evaluation team is that while MWHC is a reluctant partner in the PMA process, the contribution of roads is critical to the achievement of PMA objectives. There is therefore a need to strengthen links between MWHC and the PMA.

With the decentralisation of road maintenance and the restructuring of the MWHC, it is important that local government give priority to community access roads and district roads. Under the Local Government Act, the responsibility of feeder roads

falls under local government. However, most districts do not have adequate funds to address all their road maintenance needs.

The evaluation team found, that where the NSCG has been spent on roads it has provided modest inputs to on-going projects (e.g. culverts on feeder roads projects). Given the limited resources available under the NSCG, it is recommended that the PMA Secretariat review the use of the NSCG for this purpose.

Rural energy

The ten-year Energy for Rural Transformation (ERT) programme aims to increase rural access to electricity from 1 percent in 2002 to 10 percent by 2012 using private sector led delivery mechanisms. ERT has strong linkages with agricultural production. In FY 2003/04, the programme started implementation of fourteen projects covering 10 districts of Uganda. The programme includes an agricultural component which has implemented rural electrification projects in 3 rural trading centres of Kabarole, and carried out sensitisation activities in 7 districts.

The ERT is making steady progress – from 2002 and 2004, access to power in rural areas increased from 1 percent to 3 percent. The main challenges faced by the ERT are: (i) under-funding of the Rural Electrification Fund, and (ii) difficulties experienced in implementing the new private sector-led approach to rural electrification (PMA annual report 2003/04).

In Uganda more than 90 percent of rural energy is biomass energy, primarily wood, collected by rural women and girls, primarily. Wood collection and consumption has negative effects on the environment. Consideration should be given to the development of sustainable biomass energy and appropriate renewable energy forms such as solar energy.

The PMA Non-Sectoral Conditional Grant (NSCG)

Introduction

The Non-Sectoral Conditional Grant (NSCG)²⁰ was introduced in 2000/01 to support PMA implementation. The NSCG is a transfer of funds from central government (from the Poverty Action Fund) to sub-counties (through the LC3²¹) for rural communities to plan and finance investments that address locally perceived poverty needs. The PMA Cabinet Presentation Paper, states that: “..the introduction of the Non-Sectoral Conditional Grant (NSCGs) ...is revolutionary in the sense that it represents a significant step in the empowerment of rural communities to plan and finance their programmes in a non-sector manner”.

The NSCG is ‘**non-sectoral**’ in the sense that it can be used flexibly in any sector, provided that the ultimate impact is to increase the profitability of agriculture. However, the grant may not be used in sectors that are separately funded (e.g. health and education). The grant is ‘**conditional**’ in that it has to be for poverty-reducing activities that benefit the community as a whole (rather than specific individuals).

The NSCG appraisal recommended merging the NSCG and LGDP grants through a single ‘window’. However, this proposal has not been adopted and the two funds remain separate. The guidelines on the use of the NSCG state that the main differences between the NSCG and LGDP grants are that (i) the LGDP is for providing social services, while the NSCG is for increasing the incomes of rural household, and (ii) the LGDP is for development and capacity building, while the NSCG is for development activities only. In practice however, these differences do not strictly to apply, although the NSCG does fund the distribution of agricultural inputs, whereas the LGDP does not.

Although the LGDP and NSCG grants are separate, the LGDP provides the framework for the selection of districts that receive the NSCG. When the NSCG was introduced (in FY 2000/01) only 24 districts met the minimum conditions for accessing LGDP funds. These 24 districts were selected as the first recipients of the NSCG. Since then, the NSCG has not expanded into any new districts. This is largely due to budgetary constraints within the framework of the MTEF. The failure to expand the NSCG is of concern to those who perceived the NSCG is the strongest manifestation of the PMA at local levels and important in promoting the multi-sectoral characteristics of the PMA. The NSCG is due to be expanded into nine new districts in 2005/6, increasing the total number of NSCG districts to 33. However, this expansion has not been matched by additional funding.

Implementation experience

Use of funds and disbursement issues

Expenditure on NSCG activities increased from US\$2.0bn in 2000/1 to US\$5.0bn in 2002/3, and has remained at this level for the last two years. The NSCG budget for 2005/6 is also US\$5bn, despite the planned expansion to 33 districts. The level of funding of the NSCG has been criticised for being too low to allow significant investment activities to take place at sub-county and parish levels, thereby limiting the potential impact of the grant. This was confirmed by district visits by the PMA

²⁰ Sometimes referred to as the “PMA grant”

²¹ There are five levels of Local Council: LC1 = Village Council; LC2 = Parish Council, LC3 = Sub-county Council; LC4 = County Council; and, LC5 = District Council

evaluation team which found that NSCG allocations at parish level were typically less than USh 850,000 (\$500). The funding constraint will increase in 2005/06 as overall funding for the NSCG remains constant, but the number of participating districts increases from 24 to 33.

Disbursements rates for the NSCG have been high, at close to 100 percent - with the notable exception of 2001/02 where disbursement fell to 87 percent. While late disbursement and poor timeliness of payments (especially for projects linked to the production season) are problems previously associated with the NSCG, there is evidence that the record here is improving.

A recent review of the NSCG (2005)²² - while appearing to capture only one-third of total NSCG expenditure - shows that, over the four years to 2003/04 nearly 65 percent of NSCG funds have been allocated to agriculture (including natural resource management). Within agriculture, half of the funds were used for the purchase of inputs for production (seeds, fertilisers, etc). The remainder was split between the construction of physical assets for production (irrigation, fish ponds, dip tanks etc), and capacity building (farmer training).

Beyond agriculture, other areas for NSCG spending include infrastructure (16%) and health and sanitation (4%). This is confirmed by the PMA evaluation which found instances of the NSCG being used for the repair of rural roads and bridges, and the construction of public latrines and water storage facilities.

Non-completion of projects is a problem identified by previous reviews of the NSCG. This issue is highlighted in the 2005 review which shows a fall in the NSCG project completion rate from 85 percent in 2000/01 to 56 percent in 2003/04. Reasons for non-completion of projects include: (i) inadequate funds, (ii) late disbursement of funds; and (iii) changes in local investment priorities.

The 2005 review also shows that (apart from FY 2002/03) local governments are failing to provide the 10 percent contribution to the cost of NSCG activities required by the guidelines. The district financial analysis undertaken by the PMA evaluation indicates that this is due to low levels of local revenues and that the problem has become more acute since the abolition of the graduated tax, making it harder for local governments to provide co-financing contributions to programmes such as NSCG, LGDP, and NAADS.

The 2005 review also analyses investment service and monitoring costs, which account for around 6 percent of total NSCG spending. This is below the 15 percent maximum stated in the guidelines, indicating that considerable scope exists to increase the share of NSCG funding allocated to planning and project monitoring.

Participation and empowerment

Reviews of the NSCG consistently indicate weak community participation in decisions over how funds are allocated and suggest that in effect local political leaders and technicians have the major influence over the identification and selection of NSCG projects (PMA review, 2003). A review of the NSCG undertaken by an NGO in 2002²³ found '*..no evidence of the participatory planning process being followed at all levels...and that '...the NSCG requirement for participatory planning seems to be one performance measure that was least complied with.'* A more recent

²² Review of the use of the NSCG by local governments, 2000/1 – 2003/4, Independent Consulting Group (January 2005)

²³ The NSCG: Practice and Lessons from the Field, ACODE/VEDCO/EA 2003

review in 2004²⁴ indicated the situation has not improved, highlighting general and consistent problems of weak community participation in the NSCG planning process.

The PMA Secretariat has attempted to strengthen local participation and awareness through the PMA dissemination strategy and the preparation of participatory planning guidelines for local councils. However, the effectiveness of these measures remains to be seen. The district visits by the PMA evaluation team tend to confirm that NSCG decision-making remains dominated by local politicians and technicians, and that further work is required to: (i) build capacity for planning amongst local communities; and (ii) ensure greater transparency to communities in how NSCG funds are used.

Compliance with guidelines – poverty focus

Previous reviews indicate that NSCG investments often fail to comply with funding guidelines. Criticisms are that the NSCG is not sufficiently poverty-focussed, that it tends to benefit individuals rather than the community, and that it is used excessively for the distribution of agricultural inputs (most of which have strong private good characteristics). The first monitoring report on the NSCG (2001) found that only 50 percent of investments qualified as compliant with NSCG funding criteria. The PMA Secretariat has made attempts to tighten compliance with NSCG guidelines; however the limited capacity of the Secretariat prevents detailed monitoring of all NSCG spending proposals.

The 2002 PMA monitoring report notes limited success in targeting the poor in NSCG demonstration and multiplication projects. Field visits made by PMA evaluation team confirm that this remains the case. Although it is clear that many NSCG investments have strong public good characteristics and benefit the wider community including the poor (e.g. public latrines, water storage facilities etc), a major share of the NSCG continues to be used for the distribution of crop planting material and improved livestock breeds to individual farmers for demonstration or multiplication purposes. Recipients – or ‘caretakers’ - of these inputs are chosen by extension workers or political leaders, and tend to be amongst the better-off members of the community. While this may be justified on the basis that better-off farmers are most able to manage the assets provided to communities, it is important that measures are taken to ensure that the benefits are spread as much as possible throughout the community and that the demonstration and multiplication objectives are achieved.

The PMA evaluation team found instances where improved livestock breeds had been allocated to individual farmers as a resource for other farmers to use, but that these were then significantly under-utilised by the wider community. Similarly, it is not yet clear the extent to which the distribution of other inputs such as vanilla vines and improved bee hives is effective in achieving a demonstration impact.

Where projects are identified and selected by political leaders or technicians, the incentives to address the needs of the poor may be limited. In one sub-county visited by the PMA evaluation team, almost the entire NSCG allocation for 2005/06 has been earmarked to a women’s agro-processing group for the purchase of equipment. The process by which this had been agreed as a priority for NSCG funding was not clear, but it was evident that the group included members and wives of the local political elite.

The PMA second review (2003) proposes two reasons why the NSCG is not sufficiently poverty targeted. First, there is little evidence that NSCG planning

²⁴ Assessment of community mobilisation in the PMA, DENIVA 2004

processes distinguish sufficiently between the people with whom they are dealing with on poverty grounds. Second, that there is little evidence that poverty analysis is informing the diagnosis of issues to be resolved through NSCG expenditures. The PMA evaluation supports these proposals and finds that, in the absence of more detailed information, it is not possible to assess the extent to which the NSCG reaches the poor. As has been suggested in previous reviews, further analysis is required to deepen the poverty focus of the NSCG.

NSCG impact

In the five years of its operation, the NSCG has funded a wide range of activities in the 24 districts of its operation. While it is difficult to assess the impact of the NSCG the following points can be made:

- Awareness of the NSCG is high in participating districts - where it is often referred to as the 'PMA grant';
- The diversity of activities funded by the NSCG suggests that the non-sectoral nature of the grant is understood and that it is not perceived as a grant purely for agriculture. However, it is important to note that a significant share of NSCG funding is allocated to the distribution of agricultural inputs in a way that is not consistent with PMA and NSCG guidelines;
- The NSCG appears well integrated within local administrative processes – although community participation in these processes needs strengthening.

Previous reviews have questioned the sustainability of some agricultural projects funded by the NSCG. The 2002 review of NSCG performance estimated that only 35 percent of projects were maintained. The review found that group-based projects had a higher level of sustainability compared to community projects, whose management had been entrusted to an individual (e.g. a caretaker looking after an improved bull). The report suggests that one indicator of project sustainability was that caretakers of animals provided through livestock multiplication projects were successfully charging a fee to other users for reproductive servicing. The findings of the PMA evaluation suggest that low levels of sustainability amongst NSCG agriculture investments may be due to failure fully to assess the potential market for the enterprise being promoted (for example, honey), or the institutional arrangements by which the investment is managed.

Merger of the NSCG and LGDP

Since the NSCG was first introduced there has been considerable debate about whether it should be merged or kept separate from the LGDP. The issue first arose in the NSCG appraisal document, which recommended that the two funds be merged. It was decided however to retain the NSCG as a separate grant on a 'pilot' basis before merging with LGDP. The recommendation to merge the two grants was repeated in the PMA - Local Government Expenditure and Capacity Analysis study (LGECA) 2002²⁵, which stated that in fact the LGDP and NSCG were very similar and that what was being 'piloted' was a '*..slightly (but confusingly) different set of instructions accompanying the grant.*' It was subsequently agreed at the 42nd meeting of the PMA Steering Committee that the merger should take place in FY 2003/04. However, the issue was raised again during the PMA Second Joint Review which, recognising the strength of arguments on both sides, agreed to put the decision on hold and for steps to be taken to '*strengthen operations and focus of the grant*'.

²⁵ Uganda PMA - Local Government Expenditure and Capacity Analysis, Mokoro, March 2002

This decision seems to have been based on a perceived need to retain the NSCG as a separate funding source specifically to support PMA implementation - as the only visible manifestation of the PMA at local levels, and as a source of funding for 'productive' investments that otherwise would not be prioritised locally.

The contrary view, in favour of merging the two grants, has two main arguments. First, that the NSCG is simply not being applied as intended and that the operation and focus for grant has not been strengthened over time. This is supported by strong evidence that a significant number of the projects financed by the NSCG are inconsistent with both the PMS and NSCG guidelines (especially NSCG agriculture projects) and that the 'value added' features put forward to justify retaining the NSCG as a separate grant do not exist. Furthermore, many NSCG investments are effectively government managed distribution of free inputs to (better-off) farmers.

The second argument in favour of the merger is that it would significantly rationalise financial streams to districts by removing the administrative cost and inefficiency of involving the PMA Secretariat in grant administration, as well as the burden on local governments and communities of having to plan and account separately for two very similar streams of funds. Retaining two funding streams also has the effect of further fragmenting the resources that are in any case quite meagre at sub-county and parish levels (LGECA).

While the PMA evaluation team recognises that the case remains strongly split for and against the merger, the evidence in favour of the merger appears overwhelming. It is therefore the recommendation of the PMA evaluation team that the NSCG be merged with the LGDP - but that the LGDP guidelines should be revised to include PMA priorities and principles, and that this should be done in such a way as to ensure that a share of LGDP funds be used in PMA defined areas. The need to inject a stronger PMA flavour within the LGDP should therefore be a minimum condition for the merger to proceed. An approach to integrating PMA priorities within the LGDP is outlined in the LGECA report referred to above (section 4.3 of the LGECA report).

Recommendations

The principal recommendation made by the PMA evaluation team is therefore that:

- The NSCG be merged with the LGDP - on the proviso that LGDP guidelines be revised to include specific measures that support and strengthen PMA implementation;

Other recommendations are that:

- The poverty focus of the NSCG be deepened by introducing a poverty indicator in the district allocation formula – this is feasible given recent improvements in the quality of poverty data disaggregated by district;
- For poorer districts, the requirement for 10 percent local financing contributions should be relaxed;
- The pace of NSCG roll-out should be linked to the level of overall funding available under the grant;
- The share of NSCG funds allocated to investment and servicing should be increased to a level closer to the 15 percent ceiling indicated in the guidelines;
- Community participation in NSCG planning and monitoring should be strengthened through (i) greater transparency in fund allocation and outcomes, and (ii) capacity building of local communities.

Annex A5 Pillar matrix and maps²⁶

Implementation of the PMA's Seven pillars and NSCG

Issue	Research and Technology	National Agricultural Advisory Services	Access to Rural Financial Services
Targeted Beneficiaries	<ul style="list-style-type: none"> Subsistence farmers but with benefits to farmers in general 	<ul style="list-style-type: none"> Economically Active Poor, i.e. Subsistence or semi-commercial farmers with access to productive assets and some skills and knowledge. 	<ul style="list-style-type: none"> General rural population, i.e. tilt current concentration of financial service provision in urban areas to rural areas
District Selection Criteria	<ul style="list-style-type: none"> No criteria for districts, but according to agro-ecological zones. 	<ul style="list-style-type: none"> Meet conditions under Local Government Financial and Accounting Regulations (1998) Formulate a district level PMA plan; Include NAADS district counterpart contributions in district's 3-year plan Transfer existing extension staff to private sector 	<ul style="list-style-type: none"> YR 1: Start with well-served LGDP compliant districts with NSCG and then move to under-served LGDP compliant districts with NSCG Year 2: Provisional list given but final list was to be based on Outreach Map and then take districts with least coverage as at July 2004. Year 3: Remaining districts
Rollout Plan	<ul style="list-style-type: none"> Divided Uganda into 12 agro-ecological zones Under NARS, to set up 9 Zonal Agricultural Research Institutes (ZARIs) in Arua, Lira, Soroti, Moroto, Mbale, Mukono, Mbarara, Kamenge and Kabale Was to upgrade 9 of existing District Farm Institutes to become ZARIs 	<p>According to WB project appraisal document</p> <ul style="list-style-type: none"> YR 1: 6 districts and 13 sub-counties YR2: 12 districts & 26 sub-counties YR 3: 16 districts & 162 sub-counties YR 4: 20 districts & 264 sub-counties YR 5: 28 districts & 388 sub-counties YR 6: 35 districts & 500 sub-counties YR 7: 45 districts & 683 sub-counties 	<ul style="list-style-type: none"> YR 1: 24 NSCG implementing districts YR 2: 17 least covered districts YR 3: 15 remaining districts
Progress Made in Implementing Rollout Plan	<ul style="list-style-type: none"> 7 ZARIs set up. Nothing in the Southern Drylands, South East, Eastern Highlands, Karomoja Drylands, and Northern Zones. 	<ul style="list-style-type: none"> YR 1: 6 districts and 24 sub-counties YR 2: 16 districts & 100 sub-counties YR 3: 21 districts & 153 sub-counties YR 4: 29 districts & 280 sub-counties Choice of sub-counties was by district officials. 	<ul style="list-style-type: none"> YR 1: Rolled out to 7 pilot districts. YR 2: 12 further districts covered by the DANIDA supported HASP. A number of national level activities such as product development and capacity building implemented

²⁶ Maps are based upon available PMA documentation. Map graphics by AMA, July 2005

Implementation of the PMA's Seven pillars and NSCG (cont)

Issue	Research and Technology	National Agricultural Advisory Services	Access to Rural Financial Services
Conformity to Roll Out Plan and Reason(s)	<ul style="list-style-type: none"> 7 out of 9 planned ZARIs set up Financial and logistical reasons hindered achievement of set targets. Delays in enactment of NARS Act negatively affected implementation 	<ul style="list-style-type: none"> Ahead of rollout plan, partly due to splitting of districts. Picked up as program experience and capacity increased For 8 new districts, limited funding restricted implementation to only 3 sub-counties in the district 	<ul style="list-style-type: none"> In YR 1, limitation of funds hindered rolling out to the 24 NSCG districts. Pilot districts selected because had Promotion Centres set up under UNDP's self-sustaining micro-finance projects supporting savings and credit village banks. 11 districts planned for YR 1 not yet covered. 4 districts for YR 3 and 1 for YR 2 already covered. Use of DANIDA fund linked to HASP led to deviation from rollout plan. Outreach Map not completed yet.
Appropriateness of Selection Criteria	<ul style="list-style-type: none"> ZARI approach takes research closer to farmers creating potential for demand-driven research and better able to address specific needs in agro-ecological zones. Better arrangement than the previous one when the research institutes were concentrated in the Lake Victoria region 	<ul style="list-style-type: none"> LGDP compliance indicator of district capacity for better implementation Poverty incidence not criteria in selecting districts. 50% of districts covered had head count poverty of less than 40%. Only 23% had poverty incidence of more than 70%. 	<ul style="list-style-type: none"> Deviation indicates that original rollout plan not matched by funds Has adopted pragmatic approach, i.e. choosing districts when there are institutions to support activities
Relationship Between Selection Criteria and Resource Endowment	<ul style="list-style-type: none"> Agro-ecological zone approach takes resource endowment into account. 	<ul style="list-style-type: none"> Not clearly stated in rollout plan. Selection of enterprises reflects local resource endowments, but weak analysis of market demand. 	<ul style="list-style-type: none"> Not considered

Implementation of the PMA's Seven pillars and NSCG (cont)

Issue	Research and Technology	National Agricultural Advisory Services	Access to Rural Financial Services
Coordination With Other Pillars	<ul style="list-style-type: none"> According to survey results, farmer involvement in technology generation still low Expect better link with extension once NARS is fully implemented Some coordination in dissemination of improved technologies and foundation seed. 	<ul style="list-style-type: none"> Some coordination with MAPS in establishing Market Information Services with assistance from IITA/Foodnet. Rollout not coordinated with other pillars which are lagging far behind and may be constraining NAADS impact Not coordinating with other pillars where they exist in same area 	<ul style="list-style-type: none"> Design of rollout recognized need to coordinate with other pillars. NSCG, NAADS and MAPS are specifically mentioned. Not effected in reality because of the slow rollout (and the non-rollout of MAPS).
<i>Appropriateness for Reaching the Poor</i>	<ul style="list-style-type: none"> Making research demand driven has better prospects for resolving constraints affecting the poor. But to be more appropriate would need to: (i) improve linkage with NAADS which will take over the existing extension system; and, (ii) improve participation of the poor in NAADS groups as these will be the basis for demanding research. More research on labour and time saving appropriate technology for HIV/AIDS affected farmers, women farmers, and malaria-agriculture links is needed. 	<ul style="list-style-type: none"> Group approach appropriate but poor's participation constrained by: (i) Cost of belonging to groups; (ii) High level of enterprise management required; (iii) Need for productive assets & skills to utilise the services. Better differentiation and needs assessment required to know how different categories could benefit (including landless women and poorest farmers) Enterprise options are limited, restricting ability to meet needs of different categories of farmers. 	<ul style="list-style-type: none"> Micro-finance appears not to favour agriculture. MFI loan portfolio by September 2004 showed that agriculture accounted for only 13% But encouraging signs regarding the rise in savings and credit schemes There is need for pro-poor and pro-women financial services. The MOP seems to be gender blind.
<i>Relevance</i>	<ul style="list-style-type: none"> The livelihoods (and demand-driven) approach specified in the mid-term strategy has potential for research to focus on critical farmer issues rather than abstract issues. 	<ul style="list-style-type: none"> Relevant to needs of NAADS target group (EAP). Some limitations in helping women and the poorest due to limited differentiation Not fully addressing cross-cutting issues 	<ul style="list-style-type: none"> Inadequate access to finance is pointed out as a critical constraint by farmers in UPPAP. Pillar thus addresses relevant issue.

Implementation of the PMA’s Seven pillars and NSCG (cont)

Issue	Research and Technology	National Agricultural Advisory Services	Access to Rural Financial Services
<i>Effectiveness</i>	<ul style="list-style-type: none"> Not fully implemented to assess effectiveness 	<ul style="list-style-type: none"> Some evidence to show that, for those participating, NAADS is: (i) Empowering farmers; (ii) Increasing farmer access to services; (iii) Improving adoption rates; (iv) Helping to raise yields and farm incomes – but empirical evidence is limited. 	<ul style="list-style-type: none"> Not effective yet
<i>Sustainability</i>	<ul style="list-style-type: none"> Depends on government’s commitment to fund research. 	<ul style="list-style-type: none"> Too early to determine sustainability but concerns raised due to: (i) Poor services by PSPs; (ii) Short span of PSPs contracts with few prospects for effective follow up; (iii) Limited capacity of many PSPs to exist without NAADS Cost-sharing may encourage sustainability at district, sub-counties and farmer groups levels. 	<ul style="list-style-type: none"> In the design of MOP, a lot of emphasis on delivering microfinance through private rather public sector. Closure, recovery and transfer of GOU credit funds meant to change attitude of borrowers to repayment of credit by emphasizing that there is no free credit
Alternatives to Current Roll Out Strategies	<ul style="list-style-type: none"> Appropriate. Now that NARS Act has been passed, should fund the complete rollout to remaining 5 ZARIs. 	<ul style="list-style-type: none"> Should be coordinated better with rollout of other pillars 	<ul style="list-style-type: none"> Rollout plan should be revised to match available resources
Is Choice of Pillar Still Optimal	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> Yes, but more affirmative action is needed to reach and benefit to the large majority of PMA beneficiaries, the food-crop producing, land-less/land-poor women – and the poorest farmers: HIV/AIDS affected farmers, orphan farmers etc. Yes 	<ul style="list-style-type: none"> The PMA SC should explore ways for making pillar more relevant to the PMA targeted beneficiaries, i.e. small farmers. Emergence of savings and credit groups should be taken advantage of by MOP to make pillar more directly relevant to small farmers.

Implementation of the PMA's Seven pillars and NSCG (cont)

Issue	Agro-Processing and Marketing	Agricultural Education	Natural Resource Management
Targeted Beneficiaries	<ul style="list-style-type: none"> Small-scale farmers but benefits likely to vary widely within this category 	<ul style="list-style-type: none"> Primary and secondary school pupils FAL: Youth and adults of 15 years and above, mainly rural women, and most vulnerable people such as the disabled. 	<ul style="list-style-type: none"> Does not directly target beneficiaries as much work is policy and regulatory Subcounty and District Environmental Action Plans are developed and integrated into DDPs and SDPs, but activities targeted at vulnerable ecologies, rather than individuals
District Selection Criteria	<ul style="list-style-type: none"> No district selection criteria given. 	<ul style="list-style-type: none"> Rollout of agric education in primary schools, primary teachers college and agric colleges linked to donor support FAL national in character and ongoing 	<ul style="list-style-type: none"> No specific district selection. There are national planning processes for environment, implemented at district level. MWLE has had a specific push on water source provision in the Karamoja.
Roll Out Plan	<ul style="list-style-type: none"> No rollout plan given. Likely to be rolled out according to ongoing interventions 	<ul style="list-style-type: none"> Rollout plan not explicitly provided but dependent on where institutions are and ongoing programs (as for FAL) 	<ul style="list-style-type: none"> No rollout plan given
Progress Made in Implementing Plan	<ul style="list-style-type: none"> MAPS only finalized late 2004 and not formally launched. Appropriate initiatives have been ongoing in a variety of interventions, e.g: <ol style="list-style-type: none"> DANIDA-supported ASPS I, ADP-financed AAMP and USAID-financed APEP provide support to farmers' organizations NAADS supported provision of Market Information Services with IITA/Foodnet NARO was providing support in research, appropriate storage, drying and agro-processing technologies. 	<ul style="list-style-type: none"> 5 districts with DANIDA support in which 10 primary schools in each district were given seeds, tools and implements. 12 districts for 10 primary schools in each district so as to be given seeds, tools and implements. 2 agricultural colleges rehabilitated. 7 districts with ADB support for Primary Teachers' Colleges on Agricultural training materials. 5 districts with DANIDA support for DATICs FAL activities in all districts 	<ul style="list-style-type: none"> All 56 districts with operating district environmental committee 47 environmental officers gazetted and equipped 42 districts with water for production (wells, valley dams and tanks) 13 districts with Beach Management Units (BMUs) set up 5 districts with activities of tree nurseries District Environmental Action Plans included in the District Development Programs
Conformity to Roll Out Plan	<ul style="list-style-type: none"> No plan and yet to be rolled out 	<ul style="list-style-type: none"> Difficult to assess as no specific plan 	<ul style="list-style-type: none"> No one plan and hence cannot assess. Different elements / multiple ministries
Appropriateness of Selection Criteria	<ul style="list-style-type: none"> Not given 	<ul style="list-style-type: none"> Aligned to existing institutions and ongoing programs 	<ul style="list-style-type: none"> District and sub-county approach relevant to assessing needs
Relationship Between Selection Criteria & Resource Endowment	<ul style="list-style-type: none"> Not specified. Parameters for selecting beneficiaries likely to take into account resource endowment & market potential. 	<ul style="list-style-type: none"> Not considered 	<ul style="list-style-type: none"> Not according to resource endowment. Just followed perceived need.

Implementation of the PMA's Seven pillars and NSCG (cont)

Issue	Agro-Processing and Marketing	Agricultural Education	Natural Resource Management
Coordination With Other Pillars	<ul style="list-style-type: none"> Pillar not rolled out. Nevertheless, observed that it overlaps in a number of ways with NAADS, Infrastructure, NARS and MOP to which it should coordinate effectively if it continues to exist. 	<ul style="list-style-type: none"> Emerging coordination between NAADS and FAL. FAL clients are also farmers and a FAL class of 20-30 learners forms a farmers' group. Utilization of DATIC facilities created some indirect coordination with Agricultural Education, NAADS, NARS and NSCG (traditional extension system). 	<ul style="list-style-type: none"> Some duplication of activities observed with physical infrastructure pillar in valley dam and tank construction.
<i>Appropriateness for Reaching the Poor</i>	<ul style="list-style-type: none"> MAPS components all have good potential to benefit the poor. Specific strategies need to be developed for linking the poor to markets There is need for particular focus on women farmers in MAPS as it is currently gender blind 	<ul style="list-style-type: none"> Training school children helps messages reach adults (parents). Training materials used in FAL classes appropriate for people with little literacy also likely to be poor Some field evidence that DATICS open for learning purposes to farmers and schools and seem accessible. Women have responded well. 34 districts reported that of the total FAL learners, 76% were female and 24% were male according to PMA 2003/04 Annual Report. Separate classes for women and men would be more appropriate There is need to tackle the high drop-out during agricultural peak season 	<ul style="list-style-type: none"> Delays in developing land policy a major impediment in addressing the needs of the poor, and women in particular, for secure access to land. Many important initiatives, e.g. Wetlands Sector Strategic Plan, National Forestry Plan perceived by the poor as restricting their options, though necessary to protect the natural resource base. Need for greater sensitisation of the poor
<i>Relevance</i>	<ul style="list-style-type: none"> Market constraints have been ranked even higher than production constraints in UPPAP I & II 	<ul style="list-style-type: none"> Literate farmers better able to receive & use information for improved farming. 	<ul style="list-style-type: none"> Pillar addressing relevant land and environmental issues of water availability for people and livestock; deforestation and organized beach management units
<i>Effectiveness</i>	<ul style="list-style-type: none"> Pillar yet to be rolled out to assess 	<ul style="list-style-type: none"> No clear evidence but CDWs in Tororo and Pallisa suggest that FAL learners become more confident. Effectiveness would improve if the high drop-out of instructors and learners is tackled. 	<ul style="list-style-type: none"> Not enough information to assess.

Implementation of the PMA's Seven pillars and NSCG (cont)

Issue	Agro-Processing and Marketing	Agricultural Education	Natural Resource Management
<i>Sustainability</i>	<ul style="list-style-type: none"> Pillar yet to be rolled out to assess 	<ul style="list-style-type: none"> Agricultural education included in the syllabus for primary and secondary schools. Agricultural education going to be mainstreamed in national education policy Primary Teachers' Colleges included agriculture education in their curriculum. FAL activities been ongoing with limited funds since 1992. Already proved sustainable but modalities for instructors' salary / incentives need to be found. 	<ul style="list-style-type: none"> Too early to make judgment. Will depend on extent of mainstreaming of environmental issues in responsible organizations and other pillars.
Alternatives to Current Roll Out Strategies	<ul style="list-style-type: none"> A rollout plan should be adopted in the light of recommendation below 	<ul style="list-style-type: none"> There is need to adopt a well thought through rollout plan 	<ul style="list-style-type: none"> Should adopt a clearly thought through rollout plan
Is Choice of Pillar Still Optimal	<ul style="list-style-type: none"> Amalgamate transport and other rural infrastructure of MAPS with tphysical infrastructure pillar; and Effective collective action by producers, Better access to accurate and timely information with NAADS. 	<ul style="list-style-type: none"> Yes, FAL classes can be excellent entry-point activities to community organisation and development and empowerment of the poor, women and marginalised households in particular. Coordination between FAL and extension and NAADS.groups should be further encouraged LG should give priority to FAL Programme and introduce separate classes for men and women. 	<ul style="list-style-type: none"> Choice still optimal but should be consolidated with implementation experience

Implementation of the PMA's Seven pillars and NSCG (cont)

Issue	Rural Infrastructure	Non-Sector Conditional Grant	Overall Assessment
Targeted Beneficiaries	<ul style="list-style-type: none"> Rural community 	<ul style="list-style-type: none"> Rural communities with the objective of increasing poor households' incomes 	<ul style="list-style-type: none"> Subsistent farmers according to PMA document Identification of targeted beneficiaries not consistent across pillars due to inadequate differentiation of subsistent farmers in the core document
District Selection Criteria	<ul style="list-style-type: none"> According to the District and Urban and Community Access Roads programme (MoWHC). For PMA districts where NSCG is available. 	<ul style="list-style-type: none"> LGDP compliant districts Human Poverty Index (calculated by UBOS and UNDP) used to select 6 new districts to be covered in 2005/06 with support from DANIDA. 	<ul style="list-style-type: none"> Only clearly given for NARS, MOP, NAADS and NSCG District selection not subjected to wide stakeholder scrutiny through Steering Committee
Rollout Plan	<ul style="list-style-type: none"> As above 	<ul style="list-style-type: none"> YR 1: 24 LGDP compliant districts Other years: As districts get LGDP compliant. 	<ul style="list-style-type: none"> Available for only the four pillars mentioned above.
Progress Made in Implementing Plan	<ul style="list-style-type: none"> 16 districts had feeder and community access roads made or rehabilitated. 4 districts had valley dams and tanks constructed 4 irrigation schemes rehabilitated. 	<ul style="list-style-type: none"> Stalled at 24 districts since 2000/01 to date. Main activities are agricultural inputs for production, infrastructure, physical assets for production and human capacity building 	<ul style="list-style-type: none"> All districts now covered by activity of one or the other pillar. Rollout has been fastest with NAADS (29 districts) and NSCG (24 districts) But because of FAL, Agriculture Education is the most widespread Even at current slow pace, there is concern that rollout rate not backed by adequate resources to make impact
Conformity to Rollout Plan	<ul style="list-style-type: none"> Difficult to assess 	<ul style="list-style-type: none"> Not able to follow rollout plan due to inadequate funding. 	<ul style="list-style-type: none"> Variety of factors influenced speed of rollout and selection of districts: (i) LGDP compliance; (ii) presence of ongoing activities; (iii) presence of support institutions; (iv) link to donor projects
Appropriateness of Selection Criteria	<ul style="list-style-type: none"> Most of the activities are in districts with head count poverty of less than 40%. This may be due to the fact that interventions besides roads have been ongoing in the selected districts. 	<ul style="list-style-type: none"> LGDP compliance good for assuring good management of NSCGs. Introduction of HPI as selection criteria an important innovation. 	<ul style="list-style-type: none"> Poverty ranking of districts has not played a role in district selection Adoption of HPI as with NSCG for 2005/06 could help to change situation

Implementation of the PMA's Seven pillars and NSCG (cont)

Issue	Rural Infrastructure	Non-Sector Conditional Grant	Overall Assessment
Relationship Between Selection Criteria and Resource Endowment	<ul style="list-style-type: none"> No clear link. 	<ul style="list-style-type: none"> Resource endowment not considered but LGDP compliance in first years tended to result into selection of better resourced districts. 	<ul style="list-style-type: none"> Apart from NARS, there is no pillar that has specifically taken this into account in rollout strategy
Coordination With Other Pillars	<ul style="list-style-type: none"> Expected to coordinate with MAPS but the latter has not been rolled out. Duplication of activities with Sustainable Natural Resources in valley dam and tank construction. 	<ul style="list-style-type: none"> District visits showed that NSCG and NAADS worked separately. NSCG supporting traditional extension system mainly in the non-NAADS sub-counties. Appeared to duplicate LGDP for which had similar approach. 	<ul style="list-style-type: none"> Coordination not clearly considered as criteria in the rollout plans Pillars working separately in districts Inadequate coordination retarding impact Need a person to coordinate PMA at district level
Appropriateness for Reaching the Poor	<ul style="list-style-type: none"> Construction and rehabilitation of feeder and community access roads facilitates market integration in rural areas important for the poor. However, access to roads not enough, and the poor, women in particular, require access to affordable and reliable transport means, for transportation of agricultural produce / food crops primarily. Valley dams and tanks constructed in Karamoja region to help resolve water shortage for humans and livestock Rehabilitation of irrigation schemes means to provide water for continuous food production especially in the dry seasons There is need to mainstream malaria concerns in projects under pillar 	<ul style="list-style-type: none"> 55% of districts selected had poverty incidence of less than 40%. Participatory nature has potential to prioritize issues affecting the poor but people's participation has been limited. Some evidence that decisions are made by technocrats and politicians. Little evidence that poverty or gender analysis informing the diagnosis of issues to be resolved. Lack of selective targeting of women and poor and marginalised households 	<ul style="list-style-type: none"> Greater farmer differentiation required to help specify how the different categories of subsistent farmers would benefit from different pillars Marketing and land issues need to be addressed more strongly in all pillars as these have been placed high by farmers (UPPAP I & II) on list of constraints
Relevance	<ul style="list-style-type: none"> Constraints arising from rural infrastructure ranked highly as a cause of poverty in UPPAP I & II However, lack of pro-women and pro-poor transport an equally important cause of poverty 	<ul style="list-style-type: none"> Relevance would be increased if participation and poverty and gender analysis for selecting intervention areas are strengthened. 	<ul style="list-style-type: none"> By relying on the results of UPPAP I, the design process ensured that the choice of pillars was relevant

Implementation of the PMA's Seven pillars and NSCG (cont)

Issue	Rural Infrastructure	Non-Sector Conditional Grant	Overall Assessment
Effectiveness	<ul style="list-style-type: none"> 30% of total PMA expenditure but no evidence on outcomes and impacts of pillar activities. NSCG most commonly provides a small supplement to feeder road/ DUCAR activities in PMA districts e.g. culverts etc. 	<ul style="list-style-type: none"> NSCG widely appreciated, particularly in complimenting the traditional extension Potential impact undermined by the low level of funds to allow significant investments to take place. Too many agricultural demonstrations on individual farms with low potential for replication 	<ul style="list-style-type: none"> Difficult to assess for most pillars due to inadequate information. Although not strongly supported by observations of the evaluation team, recent reviews indicate positive impacts by NAADS
Sustainability	<ul style="list-style-type: none"> Too early to judge. Depends on commitment to spend on maintenance by both central and local governments. 	<ul style="list-style-type: none"> Big issue. Some reviews suggest that only 35% of projects were maintained. Higher sustainability for group-based projects compared to community projects Low sustainability may be due to failure to fully assess potential markets for enterprises promoted 	<ul style="list-style-type: none"> Too early to judge in most cases. Doubts raised concerning sustainability of NAADS (especially PSPs) and NSCG (especially demonstrations) activities
Alternatives to Current Rollout Strategies	<ul style="list-style-type: none"> A rollout plan should be devised that clearly links pillar activities to resolving marketing constraints especially in poor areas. 	<ul style="list-style-type: none"> If NSCG remains, use of HPI as rollout criteria should be consolidated. Would need to match rollout with resources and need to deepen impact 	<ul style="list-style-type: none"> Rate of rollout should be matched with resources so that pillars are not spread too thinly Before spreading to new areas, pillars must first deepen and consolidate services in current areas Pillars should operate in same area as much as possible to enhance impact
Is Choice of Pillar Still Optimal	<ul style="list-style-type: none"> Choice remains optimal. But may need to be revised to provide better coordination with other pillars (MAPS, NAADS, Natural Resources and NSCG). More effort needed to provide cheap and reliable all-year transport facilities 	<ul style="list-style-type: none"> Given the inadequacy of funds under NSCG and overlap with the LGDP, we propose the merging of the two funds after change in guidelines. 	<ul style="list-style-type: none"> Overall, choice of pillars is still optimal but requires some modification in at least three main ways: <ol style="list-style-type: none"> Pillars should be modified to allow for better coordination and impact Pillars should be modified so that they address needs of PMA targeted beneficiaries more directly There must be greater mainstreaming of marketing issues in all the pillars

Pillar 3: Distribution of agricultural education activities



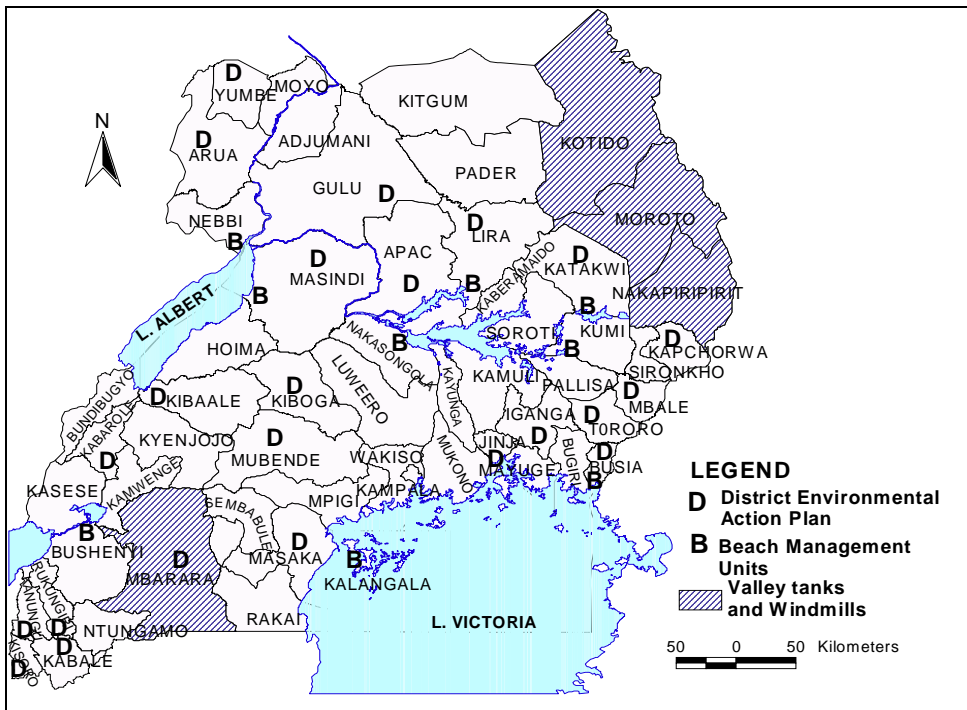
Pillar 4: Distribution of microfinance outreach plan activities



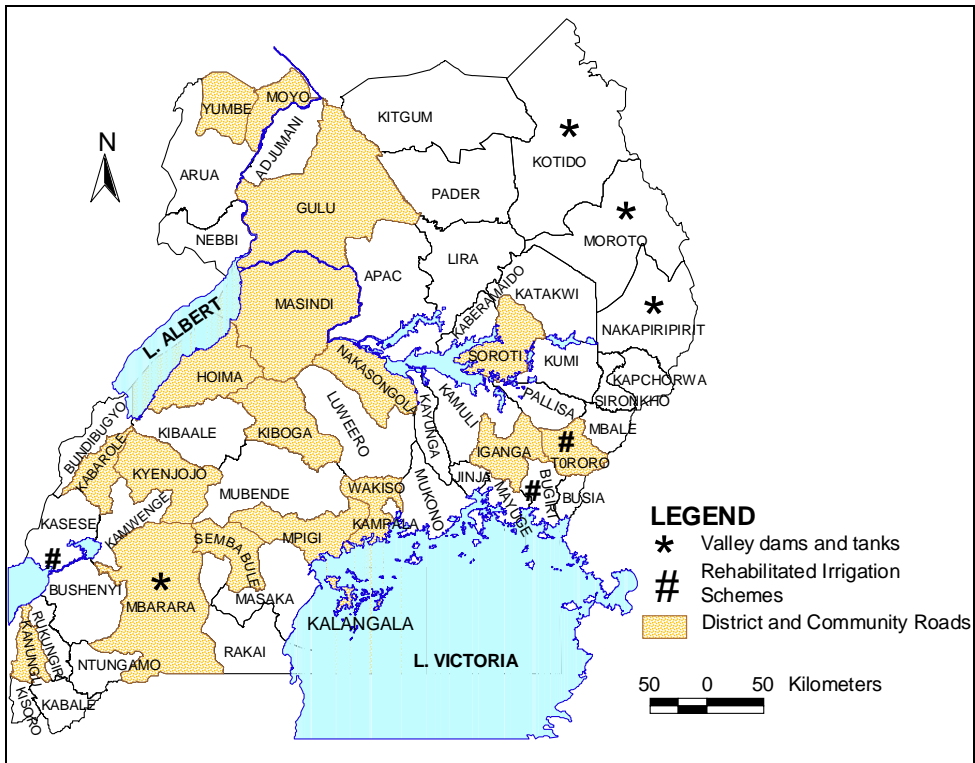
Pillar 5: Distribution of marketing and agro-processing activities



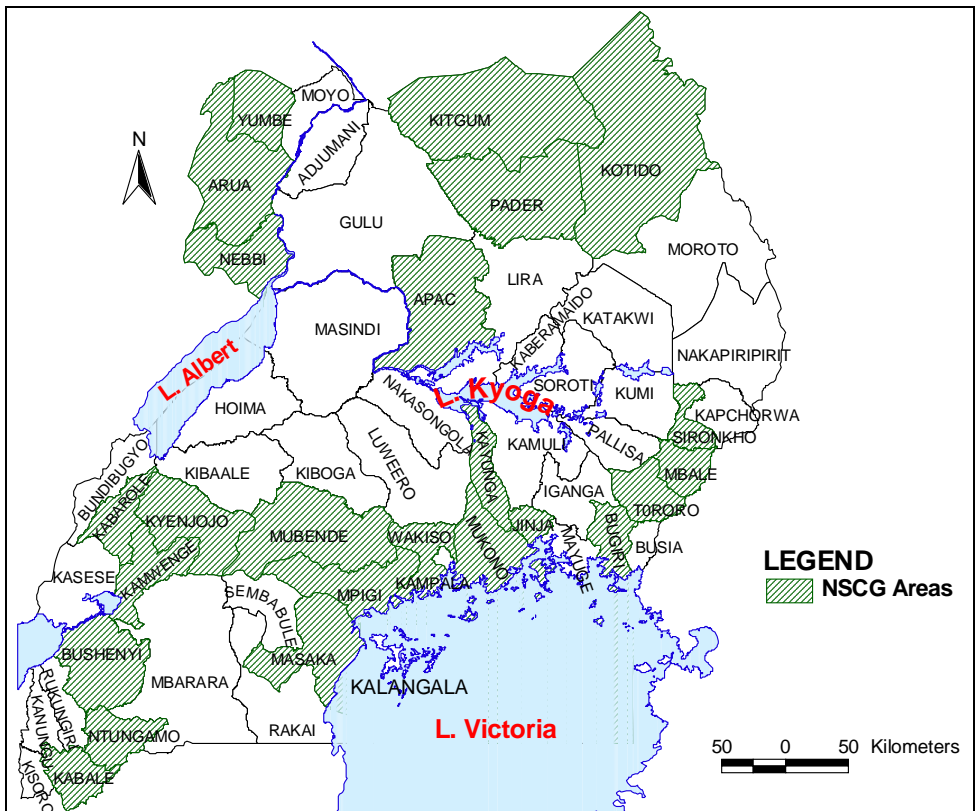
Pillar 6: Distribution of for sustainable natural resources activities



Pillar 7: Distribution of rural infrastructure activities



Pillar 7: Districts receiving the NSCG



Annex A6 PMA Policy, regulatory and institutional reform agenda

Intended reform	Actual progress to date	Nature of and reasons for impediments
<p>A. Policy reforms</p> <p>1. Agricultural sector policies.</p> <p>Review existing agricultural policies and standards to ensure effective operationalization of the PMA to achieve objectives</p>	<p>A Legal and Regulatory Analysis Study undertaken for PMA in 2002 identified a wide range of agricultural legislation that needed to be revised in order to make it compliant with PMA principles and the revise MAAIF mandate.</p> <p>In FY03/04 MAAIF revised and adopted a number of policies, statutes and regulations. The policies related to: Tea Development; Sericulture; Animal Feeds; Rangeland; Organic Farming; Hides, Skins and Leather Development; Seeds Industry Reorganisation; Agricultural Mechanisation; Tsetse Control; Tick Control, and Meat. (MAAIF Budget Policy Statement 04/05).</p> <p>New regulations for EurepGap phytosanitary regulations were also introduced.</p> <p>The following Bills have been approved and are before Parliament for enactment: The Seed and Plant Bill, 2003; The Agricultural Chemicals (Control) Bill, 2003; The Plant Protection and Health Bill, 2003; The Repeal of the Plant Protection Act, CAP 244 of 1962; The Repeal of the Agricultural Chemicals Statute No. 8 of 1989; The Repeal of the Agricultural Seed and Plant Statute No.8 of 1989. (MAAIF Budget Policy Statement 04/05)</p> <p>The Joint Annual Review on Decentralisation 2004 identified several agricultural sector acts that do not recognise the principle of decentralisation and thus, in theory, affect the operationalisation of PMA.</p>	
<p><i>a. Agricultural research.</i> Make agricultural research farmer -oriented and -driven. Address existing weaknesses in coordination, define roles of private sector and LGs in research,</p>	<p>A National Agricultural Research Policy was formulated in 2003 after an earlier NARO-prepared vision and strategy were rejected as non-PMA compliant. In May 2003 a core implementation team (CIT) was established to operationalise the policy. Some progress, in particular completion of CFA and guidelines for private sector research providers, but slow</p>	<p>Implementation required a new legal framework. A draft NARS bill was approved by Cabinet and MAAIF submitted it to Parliament I in May 2004. Delayed after submission by an impasse in Parliament over whether it is the Sessional Committees or Standing Committees that should review Bills.</p>

Intended reform	Actual progress to date	Nature of and reasons for impediments
	progress on development of appropriate governance structure. The bill was enacted by Parliament in June 2005 and is expected to be assented by the President before end of July 2005	
<p>b. <i>Agricultural advisory services.</i> i. MAAIF to formulate a national agricultural advisory services policy that is consistent with the PMA framework and Government policy particularly privatisation, liberalisation, decentralisation and democratisation.</p>	<p>Establishing the NAADS programme implied a number of important policy and institutional reforms that are encapsulated in the National Agricultural Advisory Services Act passed in May 2001. See C6 below for more detail. However, the Local Government Review 2004 found that the procurement procedures under NAADS are inconsistent with the procurement systems and procedures under the Local Government Act, ignore existing structures and introduce additional ones at LLG level.</p>	
<p>ii. Promote an efficient extension service primarily based on private sector delivery, and delayering of extension staff by Ministries of Public Service and Local Government.</p>	<p>One element of the reforms is contracting the services of a broad range of agricultural advisers rather than employing them as career civil servants.</p>	<p>This has been slowed down by the inability to delayer extension workers from LGs due to the lack of appropriate legislation to approve a new Local Government Structure. But even then, NAADS' needs were not included in the proposed LG Structures, which implies that delayering of public extension workers would still not be feasible under the new Local Government structure. However, MoPS has agreed that delayering will be done from September 2005 on a case-by-case basis and customised for each district whenever NAADS completes total coverage of all sub-counties in a district. By September 2005, it is planned NAADS will have covered all sub-counties in at least 12 districts</p>
<p>iii. Continue to regard provision of extension services to smallholder resource poor farmers as a public good. Government to increase its overall annual spending on extension services to poor farmers.</p>	<p>An additional Ushs 5.5 bn has been ear-marked in the budget for FY 2005/06 for NAADS roll out to additional 8 districts increasing the districts covered from the current 29 districts and about 280 sub-counties to 37 districts and 354 sub-counties. Also an additional Shs 8.0 bn has been ear-marked for scaling up farmers' uptake of improved technologies and strengthening of farmer institutional capacities. Total resource allocation to</p>	

Intended reform	Actual progress to date	Nature of and reasons for impediments
	NAADS during the year amounts to Ushs 32.18 bn which is an increase of Ushs 13.5 billion over the resources for FY 2004/05	
c. <i>Farm power and agricultural mechanisation.</i> i. Government will not engage the public sector in direct provision of these services.	A National Agricultural Mechanisation policy is in the MAAIF pipeline (MAAIF Budget Policy Statement 04/05).	
ii. Government will promote adoption and use of intermediate technology (animal traction) where appropriate	There has been training in ox cultivation using funds from LGDP, NSCG, and NUSAF.	
iii. Adoption of motorised farm power will be encouraged but will remain a private sector activity based on individual farmer needs.	The DFCU Bank is providing funds for tractor leasing to individuals.	
d. <i>Dairy sub-sector.</i> Through the Dairy Master Plan, government will support interventions that will expedite development of the sub-sector.	Privatisation of the Dairy Corporation is ongoing. Several private sector dairy operations have been started.	
e. <i>Beef sub-sector.</i> Government policies are in the recent Beef Master Plan. Government will provide the necessary legal and regulatory frameworks as well as standards for meat quality and hygiene.	A National Meat Policy has been approved. The Delivery of Veterinary Services Policy, the National Veterinary Drugs Policy and the National Animal Breeding Policy were operationalised. The Meat Industry Development Bill, 2003, is being drafted. The National Veterinary and Para veterinary Bill is under draft and the Animal Diseases Act (1964); Animal (Prevention of Cruelty) Act (1964); Cattle Traders Act (1964), and; Hides and Skins Traders Act (1964) are all due for amendment. (MAAIF Budget Policy Statement 04/05)	
g. <i>Fisheries sub-sector.</i> i. Government will promote fish farming mainly through agricultural advisory services and fishing in Ugandan water-bodies using carefully selected interventions	A National Fisheries Policy was put in place in 2003. It aims at deepening decentralisation and participation in the planning and management of capture fisheries through legally empowered Beach Management Units. The drafting of a new Fisheries Bill for effective implementation of the new National Fisheries Policy has been undertaken. The Fish Act (1964) was reviewed and a new draft bill produced (MAAIF Budget Policy Statement 04/05) Statutory Instruments have been made for the management of Aquaculture - 'The Fish	

Intended reform	Actual progress to date	Nature of and reasons for impediments
	(Aquaculture) Rules, 2003' and for legal involvement of communities in management of fisheries resources– 'The Fish (Beach Management) Rules, 2003 (MAAIF Budget Policy Statement 04/05) Around 300 BMUs have been established in 2 integrated lake management organisations.	
ii. Initial support will be provided in the form of demonstration sites for improvement of landing sites.		
iii. Fishery sub-sector advisory services will be stepped up in order to develop farm level commercial fish farming enterprises.		
h. <i>Seeds</i> . A national seed policy will be formulated and the Seed Industry statute reviewed and operationalised.	The Seed and Plant Bill (2003) is before Parliament for enactment (MAAIF Budget Policy Statement 04/05). Privatisation of the Uganda Seed Project is ongoing. Several private sector seed companies (FICA, Farmharvests, East African Seeds, etc.) have entered the market.	
2. Trade Policies Government will undertake periodic reviews of trade policies governing membership of WTO, UNCTAD, ITC, Lomé (now Cotonou) Convention, COMESA and EAC.	Progress on the development of a national trade policy continues to be slow. But a draft background paper for a comprehensive National Trade Policy has already been developed by Premium Consulting Ltd under the supervision of the UPTOP Secretariat. This is being reviewed by MTTI and as a basis for the drafting of a comprehensive trade policy by MTTI. In June 2005, MTTI organised a National Trade Sector Review Conference, with one of its objectives being to input into the development of a comprehensive trade policy.	There were many trade policies that had to be reviewed as an initial step in this process.
3. Decentralisation Policies i. Actual implementation and delivery of agricultural services will be left to local governments.		
ii. Central Government will be expected to offer policy guidance, define expected outputs and give guidance as to how the policy will be monitored.	A Joint Annual Review on implementation of Decentralisation over the last ten years was held in November 2004 and will now be held on annual basis.	A number of areas from the five thematic papers were identified and flagged as needing attention

Intended reform	Actual progress to date	Nature of and reasons for impediments
iii. Policy formulation by the centre will be participatory involving local governments and other key stakeholders and communicated widely.		
iv. Government will put in place comprehensive programmes to build human resource capacity at the district level for planning, budgeting and program implementation.	LGDP has a component for capacity building and is being used widely. Harmonised guidelines have been introduced for all planning at local government levels.	
v. Staff capacity will be built at the sub-county level to ensure efficient delivery of services at the grass roots.	Recruitment and training of graduate CDWs has been implemented in each sub-county of the 24 NSCG districts.	
vi. Government will review current criteria for conditional and equalisation grant allocation to ensure PMA activities are funded adequately.		
vii. Government will introduce a non-sectoral conditional grant (NSCG) for the implementation of bottom up planning for poverty eradication.	The NSCG has been introduced but in 2003/04 only 24 districts and all their sub-counties (about 432) accessed it. The NSCG is for rural communities to address local constraints to their poverty alleviation efforts. In 2005/06, it will be rolled out to 6 more districts.	Budgetary constraints are a major factor limiting the roll-out of the NSCG to all districts. There are strong proposals the NSCG be merged with LGDP
4. Food Security, Food and Nutrition Standards Policies.		
i. The existing food and nutrition policy, food law and the Uganda National Plan of Action of Nutrition (UNPAN) need to be revised. Government will develop a comprehensive food security policy including food policy and nutrition standards for implementation during PMA.	Cabinet approved the national food and nutrition policy (July 2003). However, a draft Food and Nutrition Bill has not been finalised and submitted to Cabinet (Prog rep Oct-Dec 04)	Draft Bill cannot be finalised until strategy has been agreed.
ii. Government will promote food security through interventions geared towards increasing household incomes by increasing agricultural production and productivity and farm use storage to reduce post-harvest losses.	1. PMA Food and Nutrition sub-Committee completed a draft National Food and Nutrition Strategy and Investment Plan (2004/05). The final draft report was approved by the PMA sub-committee on Food and Nutrition in Jan 2005. This was approved by the Food and Nutrition Council in April 2005 and circulated to the PMA SC, MAAIF and MoH for final approval before submission to the Cabinet.	Process prolonged by delayed stakeholder buy-in and need for considerable dialogue. FNSIP awaits Government approval and implementation The finalisation of the Bill and the undertaking of the food reserve study await the finalisation of the Strategy and Investment Plan
iii. Shortfalls in domestic production will be handled increasingly through market mechanisms.	TORs have been developed for a study of the justification for and nature of a food reserve system for Uganda.	
5. Gender Policies. Consistent with the National Gender Policy (1997)	i. The National Gender Policy has been revised and made more sector specific.	

Intended reform	Actual progress to date	Nature of and reasons for impediments
<p>participation of men and women will be promoted at all levels and all institutions will be oriented to be gender-responsive. Equality of access and control over economic resources and benefits will be rigorously pursued and recognition of women's roles and contributions to national development efforts will be accorded the priority it deserves.</p>	<p>ii. The PMA Gender sub-committee has:</p> <ul style="list-style-type: none"> • produced guidelines for mainstreaming gender issues in PMA activities • reviewed gender issues and developed questions to be incorporated in the PMA criteria for review of projects and programmes • developed gender sensitive indicators for the PMA M&E framework. • developed gender-sensitive PMA messages for dissemination and sensitisation. <p>iii. NAADS has implemented a gender and poverty strategy.</p> <p>iv. NARO staff members have been trained in mainstreaming gender into the NARO research agenda.</p> <p>v. MWLE has commissioned a consultant to undertake a baseline survey of the land rights awareness levels of women.</p>	<p>Delays in procurement led to the shifting of the completion date to June 2005 (PMA Progress Report Jan-Mar 2005)</p>
<p>6. Land Policies i. A comprehensive land use policy will be developed from the Land Act (1998), the Constitution (1995) and other relevant laws.</p>	<p>The PMA sub-Committee on Natural Resources contributed technical inputs to the National Taskforce on Sustainable Natural Resource Use and Management for an issues paper on Land Use Policy produced in 2004/05. The draft policy was finalised in June 2004 and submitted to MWLE for a final internal review before it could be sent to Cabinet (Prog rep Oct-Dec04). However, the Land Policy is still at the issues stage and completion will be preceded by at least 5 studies which have started.</p>	<p>Gaps in the issues paper on the National Land Policy were identified in a stakeholders' workshop and Terms of Reference were formulated to address the gaps. A consultant was commissioned to redraft the policy and it is expected that it will be submitted to Cabinet by June 2006. The formulation of the National Land Use Plan is expected to commence after the approval of the land use policy. (PMA Progress Report Jan-Mar 2005)</p>
<p>ii. Land policy will be harmonised with district development plans for each district.</p>		
<p>7. Agricultural Education Policies MOES must develop an engendered policy that encompasses: promotion of agriculture as a business; treatment of agriculture as a branch of applied science;</p>	<p>In FY 2002/03 the PMA-SC set up a Taskforce, under the leadership of MOES, to design a National Agricultural Education Policy, Strategy and Investment</p>	

Intended reform	Actual progress to date	Nature of and reasons for impediments
discouraging the use of agriculture as punishment in schools; application of multi-disciplinary approaches; encouragement of participation; recognition of indigenous knowledge.	Plan for implementation in the medium term. The Taskforce, through a consultative process, has completed a draft. The MOES has submitted the National Agricultural Education Policy to the Cabinet for final approval. Concern was raised in the 3 rd JR of the PMA about the unclear status of the agricultural education pillar in the Education Sector Strategic Plan (ESSP). Consequently, JR called for incorporation of NAES in ESSP. The design of the National Agricultural Education Strategy and Investment Plan was finalised and submitted to Cabinet for approval. After which it will be integrated into the second Education Strategic Investment Plan (ESIP II) of MOES.	MoES has finalised the preparation of a draft Education Sector Strategic Plan (ESSP). A workshop is planned for April 2005 to review and produce the final ESSP. It is expected that it is during this time that the Agricultural Education Policy and Strategy will be incorporated (PMA Progress Report Jan-Mar 2005).
B. Legal and Regulatory Reforms		
1. Land The Government will resolve the general perception that the Land Act (1998) does not address the issue of land ownership and inheritance by women and youth.	Some amendments to the Land Act have been approved that address some of these issues. Some of these aspects have been incorporated in the draft Domestic Relations Bill.	
2. Micro-finance There is a need for a legal and regulatory framework to govern and promote the activities of key players in the industry.	The Microfinance Deposit Taking Institutions (MDI) Act was enacted in April 2003.	
3. Commercial Legal Sector A critical problem for the private sector is that contracts are difficult to enforce because of weaknesses in the commercial justice sector. The Government has initiated a process of far-reaching reforms to ensure that commercial justice can be delivered in Uganda.	Steps have been taken under the MTCS to improve commercial contract law and the associated legal procedures, such that contract enforcement is better tailored to the needs of rural communities (PMA MAPS Sept 2004)	'There are doubts that contracts can be easily enforced in rural areas due to the generally low level of awareness and poor communication. This is an area in which further concerted efforts will be made under the MTCS' (PMA MAPS Sept 2004).
4. Local Government A review of the legal frameworks and mandates of Districts and sub-Counties is required for them to develop strategic plans for agricultural development.	LGs now produce 3-year rolling development plans for all sectors in order to access resources. Procurement procedures have been reviewed and it is proposed to replace the tender board structure with contract committees under the control of the District	

Intended reform	Actual progress to date	Nature of and reasons for impediments
	CAO.	
<p>5. Agricultural Advisory Services The development of a fully-fledged NAADS will require the development of an appropriate legal and institutional framework.</p>	The National Agricultural Advisory Services Act was enacted in May 2001 and commenced in June 2001.	
<p>6. Environment Issues Studies will be conducted to identify inconsistencies in existing laws and regulations and environmental monitoring mechanisms will be established.</p>	<p>Environmental and Natural Resource (ENR) management indicators have been produced for PMA M&E. An ENR Sector Working Group was constituted with some members of the PMA sub-committee and produced a road map for a sector wide approach (land, water for production, forestry, environment, wetlands, wildlife, fisheries, weather and climate) to ENR issues.</p>	
C. Institutional Reforms and Strengthening		
<p>1. Policy and legal basis of mandates Review the policy and legal basis for the current mandate and roles of respective institutions to ensure that they derive from existing policies and law.</p>		
<p>2. Core functional analysis (CFA) Institutional assessment and functional analysis leading to reform and strengthening of the agricultural sector institutions.</p>		
a. MAAIF	MAAIF completed its core functional analysis in late 2001. A Final Report on Reorganisation of MAAIF was produced in April 2002. MAAIF has developed a Strategy and Investment Plan based on its new mandate. It has been approved by the PMA SC subject to amendment.	Cabinet had not yet approved the new organisational structure by end of 2003/04 (PMA Annual Report 03/04). This lack of progress has continued to stifle and hold back the Ministry's effectiveness in fulfilling its mandate (Background Rep for 2004 JR)
b. NARO	MAAIF and the Ministry of Public Services initiated a core functional analysis of NARO and its institutes so as to realign NARO governance, research and management to the NARS (PMA Annual Report 03/04 p.53). The CFA was completed and was approved by the NARO Board and MAAIF Top Policy Management in July-Sept 2004.	Implementation awaits the enactment of the NARS Bill. Recommended staffing pattern involves substantial staff movements from NARO HQ to zonal institutes and this may prove to be unpopular.
c. UCDA	Following a study of coffee sub-sector reforms, UCDA	Other reforms recommended in the study have not been

Intended reform	Actual progress to date	Nature of and reasons for impediments
	reorganised its departmental set up and functions.	implemented.
d. MTTI	MTTI initiated a functional analysis that will lead to reforms in its functions, roles and responsibilities in line with government policies, including the PMA. A final report was submitted to MTTI in September 2004. The ministry studied the report and submitted it to the Ministry of Public Service for review	
e. MWLE	A core functional analysis was initiated, building on earlier analysis for the Department of Water development and the Department of Lands and Environment (Prog rep Jul-Sept 04)	
<p>3. PMA compliance Line Ministries will ensure that policies, plans and programmes are compliant with PMA principles and objectives.</p>	<p>“Guidelines for project/programme submission for PMA compliance and clearance for funding” has been produced and is now routinely used by the PMA Projects/programmes sub-committee and the Development Committee of MFPED. The guideline has also been used to screen 135 on-going PMA relevant projects/programmes for compliance. The PMA sub-committee on Natural Resource Use and Management have reviewed energy policy, minerals policy and soils policy (still in progress) for PMA compliance</p>	
<p>4. Guidelines and standards for service delivery Will be established to reduce transaction costs and enable the smooth operation of the public and private sectors for:</p>	<p>TORs have been drafted by MAAIF to study gaps in the existing guidelines. Draft guidelines for certification of vegetatively propagated materials have been prepared. Standards for the selection of high value crops for irrigation and sustainable crop cultivation in wetlands have been developed and disseminated. A protocol for efficacy testing of pesticides has been developed. Standards for private scientists to test agricultural chemicals have been developed. See 9. vii below</p>	
a. Processing (UNBS, MAAIF, private sector)		
b. Marketing (UMA, MTTI/UNBS)	A draft Quality Control manual, inspection guidelines and a code of practice for the flower and fruits and vegetable industry to meet EU requirements have been	

Intended reform	Actual progress to date	Nature of and reasons for impediments
	<p>prepared. Standards for the certification of organic agricultural products have been developed and disseminated. Guidelines on: the movement and transportation of livestock and livestock products have been developed and disseminated (MAAIF Budget Policy Statement 04/05) See 9. vii below.</p>	
c. Agricultural advisory services – NAADS (MAAIF, MOLG and private sector)		
d. Research (MAAIF, NARO, MOLG, private sector)	See C5. below	
e. Financial resource management (MFPED, MOLG, MAAIF, civil society, private sector)		
f. Planning (MFPED, MOLG, MAAIF)		
g. Monitoring (MOLG, MAAIF, MFPED)	<p>A national M&E system (NIMES) has been developed by the Office of the Prime Minister. UBOS and MPS have initiated a biennial National Service Delivery Survey.</p>	
<p>5. Agricultural research i. <i>Coordination.</i> Mechanism for coordination of agricultural research and providing support to the policy formulation and regulatory and monitoring functions under the mandate of MAAIF.</p>	<p>The NARS Act proposes the establishment of a National Agricultural Research Council (NARC) to coordinate and oversee all agricultural research in the country, decide agricultural strategy and control public funds.</p>	
<p>ii. <i>Decentralisation</i> of research institutes through:</p> <ul style="list-style-type: none"> • Rationalisation of existing institutions and creation of Agricultural Research and Development Centres (ARDCs) in key ecological zones. • Giving ARDCs autonomy to meet needs of farmers in their own areas. • Giving greater autonomy to existing NARO institutions in financial and administrative administration. 	<p>ARDCs have been renamed Zonal Agricultural Research Institutes (ZARIs). The new Act proposes the establishment of 9 ZARIs Uganda's various agroecological zones.</p>	

Intended reform	Actual progress to date	Nature of and reasons for impediments
<p><i>iii. Stakeholder involvement.</i> All stakeholders will have a primary role in priority setting, planning, implementation and evaluation of research. This will be enhanced at district and sub-county levels through production and marketing committees.</p>	<ul style="list-style-type: none"> • The proposed NARC will have representatives from farmer groups (of whom 2 will be women), the private sector and NGO forum from the research community (public, private and Universities, and various government organisations). • The Act provides for farmer group representation on the Management Committees of both NARIs and ZARIs. • CIT is assisting in identifying and appointing members of interim ZARD Steering Committees in pilot zones with assistance from LG. • NARO, in conjunction with Makerere and ICRA (International Centre for Development Oriented Research in Agriculture) have implemented a capacity building programme to develop skills in integrated agricultural research. Forty staff from the PARIs, in particular ZARIs, and from NAADS have participated and been encouraged to work with farmers to develop research proposals. The approach addresses gender issues. 	<p>Establishment of NARC awaits assent of NARS Act</p> <p>Awaits assent of NARS Act.</p> <p>The response from NAADS to the first full training cycle was poor.</p>
<p><i>iv. Private sector involvement.</i></p> <ul style="list-style-type: none"> • NARO will engage in dialogue with private sector institutions to define roles and responsibilities and components of research that can be privatised. • Operationalisation of the Agricultural Research Fund (ARF). 	<p>CIT has drawn up guidelines for participation of non-PARI research service providers.</p> <p>Guidelines have been developed for establishing Agricultural Research Trust Fund and for operationalising national and zonal agricultural research competitive grants (PMA Annual Rep 2003/04)</p>	<p>No action yet on drafting and discussing legislation (Oct 2004 CIT Prog. Rep).</p>
<p><i>v. Financing research.</i></p> <ul style="list-style-type: none"> • Establishment of the ARF 	<p>See 5.iv above</p> <p>Govt. has designed a competitive grant system to support research that is relevant to farmers' needs and to the strategic needs of the country. This will be piloted in 3 ZARIs in 2005/06.</p>	<p>See 5.iv above.</p> <p>Operationalization of the Competitive Agricultural Research Grant Scheme awaits assent of the NARS Act and securing funds for the scheme. However, some preliminary activities included introducing procedures for constituting zonal agricultural research and development (ZARD) Steering Committees and setting of research priorities were introduced in the three pilot zones. (PMA Progress Rep Jan-Mar 2005).</p>

Intended reform	Actual progress to date	Nature of and reasons for impediments
<ul style="list-style-type: none"> Explore avenues for self-financing. 		
<p>6. Agricultural Advisory Service. <i>i. NAADS.</i> A National Agricultural Advisory Service (NAADS) will be put in place that will advocate for a market-targeted AADS owned by stakeholders.</p>	<p>NAADS has been established as a semi-autonomous body of MAAIF. Management is the responsibility of the NAADS Board that is composed mainly of farmer representatives but reports to the PS MAAIF.</p>	
<p><i>ii. Farmer, sub-County and District Institutions.</i> The institutional arrangements for farmer participation will be rooted in village level farmer common interest groups that will form the building bricks for a hierarchy of federated farmer fora at parish, sub-County, District, zonal and national levels.</p>	<p>6001 farmers' groups were registered in the NAADS programme in FY 2003/04 with 100 sub-county fora. The NAADS Mid-Term Evaluation states that 17,000 farmer groups had been supported by the programme by December 2004 although not all were registered.</p>	<p>NAADS is operational in 29 (51%) and 280 (29%) of the districts and sub-counties respectively. Of these 21 districts are implementing the full NAADS programme, with 10 districts fully covered. Eight districts and 24 sub-counties are implementing a single enterprise entry. (PMA Progress Report Jan-Mar 2005). Note that 'operational' has to be qualified as 'presence in selected parishes and villages in the LG'.</p>
<p><i>iii. Link farmers.</i> A complement to the farmer groups will be a network of link farmers as focal points for the development of Technology Development Sites (TDSs). These will be used as one method of technology transfer mechanism.</p>	<p>There were 5191 TDSs in FY 2003/04.</p>	
<p><i>iv. Local strategic plans.</i> Districts and sub-counties will develop strategic plans for agricultural development in a participatory manner.</p>		<p>The process of integrating ENR issues into district development planning started in 2001/02.</p>
<p><i>v. Capacity building.</i> A considerable capacity-building programme will be undertaken at district and sub-county level. Government will provide resources to support the functional operations of the agricultural line staff at the sub-County and District levels.</p>	<p>In each participating district, NAADS provides funds for the district to hire a NAADS coordinator, responsible for ensuring the smooth operation of the programme and the integration of NAADS into the district annual workplan and budget..</p>	
<p><i>vi. ADCs.</i> Each District will establish an ADC as an operational training, information and communication Centre linked with the national network.</p>		
<p><i>vii. Agricultural statistics.</i> MAAIF in collaboration with UBOS will assist or support each District to develop and operationalise its agricultural statistics for use by lower LGs and central Government, line Ministries and other stakeholders.</p>	<p>vii. Ushs 2bn. Is allocated to UBOS in the National Budget Framework Paper for FY 2005/06 – 07/08 for Community Information Services in the new Rural Development Strategy. This will complement a Permanent Agricultural Statistics System (PASS) in 10</p>	

Intended reform	Actual progress to date	Nature of and reasons for impediments
	districts that is currently being implemented by UBOS	
<p>7. Agricultural Education</p> <p><i>i. Inter-Ministerial cooperation.</i> Enhanced cooperation between MoES and MAAIF is suggested to develop appropriate teacher guidelines, design curricula; establish experiential methodologies such as demonstration farms.</p>	<p>The PMA SC set up a Task Force in FY 2002/03 under the leadership of MOES to design a National Agricultural Education Policy, Strategy and Investment Plan. See A7 above.</p> <p>MOES has prepared a Cabinet Paper on the National Agricultural Education Policy and Strategy, which will be submitted to Cabinet in April 2005. (PMA Progress Report Jan-Mar 2005)</p>	
<p><i>ii. Functional Adult Literacy.</i> Current Government plans and private sector and CSO programmes must be coordinated and focused to be effective.</p>	<p>The Functional Adult Literacy Programme (FAL) was incorporated into NAES as the informal component of the Strategy. FAL activities have expanded from 8 districts in 1999 to 56 districts by 2005. By end of FY 2003/4 FAL had enrolled 412,968 adult learners, leading to a reduction of illiterates from 37% to 31%.</p>	<p>There is a need to increase the numbers of male adult learners.</p> <p>Incentives for attracting trained instructors need to be developed.</p> <p>Instructors work on a voluntary basis.</p>
<p><i>iii. Agricultural education in the formal sector.</i> To achieve enhancement of knowledge of agricultural practices at primary and secondary levels, strengthening of Local Government and the formation of linkages between agriculture, production, extension and education sectors at district level is required.</p>		
<p><i>iv. Primary schools.</i></p> <ul style="list-style-type: none"> • Integration of vocational skills, including an agricultural component, in the curriculum would better equip young people for engagement in the agricultural sector. • Training of teachers must be reviewed to create a system that enables more effective teaching of agriculture. 	<p>MOES has trained teachers in the implementation of the Primary agricultural syllabus and procured agricultural equipment, tools and inputs for 1400 primary schools in 14 districts</p>	

Intended reform	Actual progress to date	Nature of and reasons for impediments
<p>v. <i>Secondary schools.</i></p> <ul style="list-style-type: none"> • The system started at primary school must be continued for those students who would like to pursue agricultural studies options. • Pre- and in-service teacher orientation for agricultural education is necessary. • Increased coordination and linkages amongst schools, extension services, youth groups and community and business members. 		
<p>vi. <i>Tertiary education.</i></p> <ul style="list-style-type: none"> • Institutions like Busitema will need to be expanded and possibly replicated in each region of Uganda. • Agricultural colleges and universities must be oriented towards producing graduates who have appropriate theoretical and practical skills to engage in various areas of the agricultural sector. 	<p>Civil works for the rehabilitation of Bukulasa and Arapai Agricultural Colleges have been undertaken.</p>	
<p>vii. <i>Informal sector.</i> Re-establishment of self-sustaining voluntary youth clubs or vocational training courses through district ADCs or outreach programmes to foster attitude changes as well as deliver and demonstrate simple skills training.</p>		
<p>8. Rural Finance</p> <p>i. <i>Capacity building for MFIs.</i> Government will vigorously pursue actions to encourage capacity building for MFIs:</p> <p>a) MFPED operationalises Matching Grant Facility for</p>	<ul style="list-style-type: none"> • A new PMA sub-committee on agricultural finance was formally constituted in March 2005, with the mandate, inter alia, to develop a national agricultural financing strategy. • In June 2003, implementation of the Microfinance Outreach Plan started through the establishment of a Coordination Unit under the supervision of MFPED. A Capacity Building Unit (CBU) has been established to professionalise training by: registration of available and new training materials; training and certification of private sector trainers, and; compiling and dissemination of information to and from the supply and demand sides. • A matching grant facility for capacity building 	

Intended reform	Actual progress to date	Nature of and reasons for impediments
<p>Capacity Building (MCAP) funds for outreach support and capacity building to MFIs</p> <p>b) MFPED and BoU upgrades at least 3 MDIs</p>	<p>(MCAP) aims to help MFIs spread their operations into remote rural areas. By September 2004, 9 MFIs operating in 11 districts had been assisted in opening up 13 new branches; thereby reaching more than 20,000 new clients (Source: PMA Progress Jan-Mar 2005).</p> <ul style="list-style-type: none"> • One MFI – FINCA – acquired the MDI licence. There are 4 other MDI candidates, namely: Uganda Microfinance Union Ltd, Pride Microfinance, Faulu Uganda and UFT. • District Microfinance Committees are being established to supervise the delivery of microfinance services in the district and to link with the Micro Finance Forum (MFF) on policy development and implementation. 14 Committees have been formed to date (PMA Prog Rep Oct-Dec 2004). • 48 Financial Extension Workers (FEWs) have been recruited and trained in 5 pilot districts to sensitise and mobilise groups of potential clients within the sub-county for good practice microfinance and linking them to sustainable MFIs. 	<p>Mechanisms and strategies for sustaining the new initiatives, such as FEWs and District Microfinance Committees are yet to be considered. As many of the existing microfinance institutions started operating as charity institutions, they face the challenge of transforming into business-like institutions (Source: Microfinance Outreach Plan Progress Report # 1 June 2003-November 2004)</p>
<p><i>ii. Privatisation of Government credit projects/ programmes.</i> Government will consider restructuring existing credit projects (e.g. PAP, Entandikwa and BOU-based credit projects) and programmes to create a private sector-based Rural Financial Services System (RFSS) carrying out capacity building functions for rural financial institutions.</p>	<p>A work plan has been prepared for the Entandikwa Credit Secretariat (formerly under MGLSD and now under the Micro and Small Enterprise Policy Unit of MFPED) to:</p> <ol style="list-style-type: none"> i. Systematically reconcile and recover the outstanding portfolio of the Entandikwa credit scheme; ii. Divest the Entandikwa and Youth Entrepreneur Scheme (YES) credit schemes through sale or management contracts with MFIs and/or Non Performing Assets Recovery Trust, and iii. Transferring recovered funds to private sector MFIs for onward lending and capacity building. <p>Actual implementation has not commenced.</p>	<p>Institutional and structural modalities for the recovery of Youth Entrepreneurship Scheme (YES) loans are yet to be streamlined (Microfinance Outreach Plan Annual Progress Report: June 2003-November 2004)</p>
<p><i>iii. Government transfer of UCB branches.</i> Government will study the option of transforming some rural UCB</p>		

Intended reform	Actual progress to date	Nature of and reasons for impediments
branches into rural FIs to link up with existing MFIs operating at district level.		
<i>iv. Promotion of other MFI initiatives.</i> Government through RFSS and other MFI initiatives will continue to devise innovative strategies for savings mobilisation in rural areas.		
9. Marketing and Agro-processing		
<p><i>i. Road network.</i></p> <ul style="list-style-type: none"> • Greater involvement of private sector contracts and local community participation in road and track maintenance will be pursued. • Self help road construction and maintenance will be encouraged at the local level particularly for community roads. <p>In the short term, Government will endeavour to build capacity for private sector contractors and LG personnel.</p>	<p>MWHC has developed a 10-year District, Urban and Community Access Roads Programme (DUCAR). The EU is supporting the first phase of the rehabilitation and maintenance of rural roads in 6 Districts. A follow-on phase is in the pipeline.</p> <p>The participation of the private sector in the maintenance of district roads increased from 30% in FY2002/03 to 100% in FY 2003/04 (PMA Ann Rep 2003/04).</p> <p>A training centre for labour-intensive road construction methods has been developed.</p>	<p>The main challenge is inadequate funding and the slow response by districts to submit their quarterly budget requests for maintenance and rehabilitation of district roads in time (PMA Ann Rep 2003/04)</p>
<i>ii. Market infrastructure.</i> Following an initial moderate investment by the LGs, the running of markets will be tendered out to private operators.	Most markets are now tendered out to private sector operators. Several LGs have invested in market infrastructure using LGDP, NSCG and AAMP funds.	
<i>iii. Market information.</i> A decentralised, flexible information system bringing on board all the main stakeholders (E.g. LG, private associations, NGOs, local radio stations, etc.) will be adopted for implementation.	Small-scale market information systems (MIS) currently operate through government agencies, commodity traders and donor-financed initiatives. A pilot scheme under the NAADS programme has been operational in 6 Districts but ended in June 2005.	The pilot scheme has yet to be evaluated. There are suggestions in the NAADS Mid Term Review Report that NAADS are concerned about the financial sustainability of this type of MIS. Since the end of the NAADS/Foodnet contract for implementing the MIS, there has been no alternative mechanism put in place and no budget was provided in the MTEF for it (PMA Progress Report Jan-Mar 2005)
<p><i>iv. International market access.</i></p> <ul style="list-style-type: none"> • Capacity will be built in terms of competent personnel for international trade negotiations and for policy formulation, monitoring and enforcement especially in the area of the International Agreement on Agriculture (AoA) and Trade Related Property Rights (TRIPS). 	Through the UPTOP project, MTTI has been building the capacity of public and private sector staff in trade negotiations, trade policy and international trade (PMA Annual Rep 2003/04). MTTI is also undertaking a training needs assessment for trade negotiations. A framework for improved trade negotiations is being developed and the Inter-Ministerial International Trade	Resources are needed for research and there is no permanent Secretariat.

Intended reform	Actual progress to date	Nature of and reasons for impediments
<ul style="list-style-type: none"> Existing trade related institutions (UEPB, UIA, UTB, UNBS) will be reviewed, restructured and strengthened so they can effectively and efficiently perform their functions. 	<p>Committee (IITC) is now operational. No action has been taken to merge UEPB, UIA and UTB.</p>	
<p><i>v. Regional trade.</i> Government will exploit existing opportunities through:</p> <ul style="list-style-type: none"> Facilitating the private sector to enter into procurement contracts with international agencies (e.g. WFP) Initiating bilateral trade negotiations with neighbouring countries Accelerating the implementation of the EAC. 	<p>Government (MAAIF) and World Food Programme are collaborating in implementing a Market Support Project through which WFP purchases directly from farmers (currently about 7%). The rest of local procurement is done through private traders. UGTA has been supported to enter trade negotiations with neighbouring countries.</p> <p>The East African Customs Union was launched in January 2005</p>	
<p><i>vi. Quality standards.</i> Government will facilitate the development of product grades and standards for domestic and international markets.</p>	<p>UNBS has worked closely with key-private sector players to draw up the following grading standards and quality regulations in respect of principal crops and livestock products:</p> <ul style="list-style-type: none"> Standard specifications for: maize grains for direct human consumption, fortified milled maize products, whole maize meal and de-germed maize corn; sorghum grains; dry bean grains for human consumption; biscuit (wheat) flour and home baking (wheat) flour. General standard for labelling of pre packaged foods; and code of practice for hygiene in the food and drink manufacturing industry, Standard Operating Procedures for Fisheries 	<p>Specifications for pasteurised liquid milk and UHT milk are still being drafted (Source: UNBS Uganda Standards Catalogue, November 2004)</p> <p><u>Only standards for milk, dried milk butter milk and butter milk powder are harmonized by the East African Standards Council</u></p>

Intended reform	Actual progress to date	Nature of and reasons for impediments
	Inspection and for aquaculture practice developed and now being used by relevant units <ul style="list-style-type: none"> • Meat quality standards to be in place in June 2005 • National honey standards developed. Uganda honey now accepted in the European Market • The alignment of the Uganda maize standard into a regional standard has been agreed under the East African Standards Committee. 	
<i>vii. Agricultural commodity exchange (ACE) and warehouse receipt scheme.</i> The private sector will be supported with resources to undertake studies and other public sector investments to establish a WRS and ACE.	Much of the preparatory work on establishing an ACE and WRS has been done (with EU support) and the necessary legislation is awaiting final approval. The Warehouse Receipt System (WRS) Bill prepared by MTTI was gazetted on 2 nd June 2005 and was due to the first reading in Parliament on 24th June 2005.	'Considerable delays are being experienced in the drafting, processing and approval of legislation relating to various aspects of agricultural marketing and agro-processing. Steps will be taken to reduce such delays' (PMA MAPS Sept 2004.)
<i>viii. Rural electrification.</i> Promotion of rural electrification through a Rural Electrification Fund allowing private sector and LG access to funds for capacity building and to build, own and operate power supply facilities.	A 10-year Energy for Rural Transformation (ERT) programme started in 2002 aimed at increasing rural access to electricity from 1% to 10% by 2012 using private sector led delivery mechanisms. In FY 2003/04 the programme initiated implementation of 14 projects covering 10 districts. Access to power in rural areas increased to 3% in 2004 (PMA Ann Rep 2003/04).	The main challenges to the ERT programme were: <ul style="list-style-type: none"> • Underfunding of the Rural Electrification Fund • The unfamiliarity of the new private sector led approach to a population used to public sector provision of infrastructure (PMA Ann Rep 2003/04).
<i>viii. Seeds and planting materials.</i> <ul style="list-style-type: none"> • The private sector will be facilitated to enter foundation and certified seed multiplication, seed processing and marketing. • Government will set up a seed certification service for quality control and the issue of phytosanitary certificates. • MAAIF, in conjunction with NAADS, will promote seed stockists. • Institutional arrangements will be put in place to 	See A.h. above. Government has advertised in the papers May 2005 seeking expressions of interest from private firms to take over the seed sector (Masindi and Kasese).	

Intended reform	Actual progress to date	Nature of and reasons for impediments
<p>maximise the opportunities offered by improved seeds and planting materials available in other countries.</p>		
<p><i>ix. Stockist distribution network.</i> To ensure development of an effective network of stockists, Government will work closely with the private sector to:</p> <ul style="list-style-type: none"> • Set up demonstration sites in collaboration with input distributors to stimulate demand for inputs • Through NAADS, offer training to rural stockists and farmers on input handling, record keeping and financial management for the input business. 	<p>'Ensuring agricultural input availability' is stated to be a new but critical initiative in the new Rural Development Strategy (National Budget Framework Paper 2005/06-07/08 p.16).</p>	<p>It does not appear that additional funding has been made available for this activity.</p>
<p>10. Natural Resource Utilisation and Management <i>i. Land utilisation.</i> Government in the immediate medium term will:</p> <ul style="list-style-type: none"> • Implement the Lands Act of 1998 to enable farmers to get certificates of occupancy/ customary ownership • Undertake institutional reforms in the Land Registry to make land surveying, administration and titling easier • Build capacity in LGs for land administration and management including implementation of the Lands Act, 1999. 	<p>In 2003/04 MWLE started piloting systematic land demarcation and adjudication in 3 Districts (Ntungamo, Masaka and Soroti). MWLE has commissioned a consultant to undertake a baseline survey of the land rights awareness levels of women (PMA Progress Report Jan-Mar 2005). MWLE has continued with the design of a Land Information System (LIS) and the rehabilitation of the land registry records to complement the establishment of a more comprehensive LIS (PMA Ann Rep 2003/04)</p>	<p>Delays in procurement have led to the shifting of the completion date to June 2005.</p>
<p><i>ii. Water for production</i> Capacity building for private sector to effectively take over the planning, designing, construction/ installation and management of water for production facilities.</p>	<p>A Water for Production Strategy and Investment Plan has been completed by MWLE and approved by the PMA Steering Committee. A committee comprising of MWLE, PMA Secretariat, MFPED and NEMA is drafting a Government White Paper in preparation for its submission to Cabinet.. It is expected this will be done in</p>	

Intended reform	Actual progress to date	Nature of and reasons for impediments
	<p>July 2005. (PMA Prog Rep Oct-Dec 2004) Ushs 2.96bn has been allocated in FY2005/06 for water for production in water-scarce districts and rehabilitation of irrigation schemes in Doho (Tororo District), Mubuku (Kasese District) and Olweny (Apac and Liwa Districts) to prepare them for hand over to farmer groups.</p>	
<p><i>iii. Forestry.</i></p> <ul style="list-style-type: none"> • The way forward for the forestry sub-sector is to review the current policies, regulations and institutional arrangements. • The natural/ protected forests/ trees mandate will be consolidated and put into one Ministry together with Wildlife. 	<p>A National Forestry and Tree Planting Act was enacted in August 2003 to establish institutional mechanisms to implement sector reforms. A National Forestry Authority (NFA) was launched in April 2004 to manage the central forest reserves on a sustainable basis. The capacity of the Forestry Inspection Division (FID) which supports implementation of the National Forestry Policy was strengthened with recruitment of 2 more additional staff out of an expected 6. (PMA Ann Rep 2003/04). The private sector has been allowed concessions on government land to plant trees.</p>	
<p><i>iv. Environment issues.</i></p> <ul style="list-style-type: none"> • Mechanisms for greater private sector and NGO involvement in the implementation of environment related programmes will be made and capacities built at local government levels to plan and manage environment activities. • District, sub-County, parish and village-level EAPs will be prepared as provided for under the National Environment Statute 1995. • The private sector, through its associations, will be encouraged to regulate itself in environmental matters through the adoption of best practices. • Emphasis will be put on ensuring effective linkages between the Agricultural Advisory Services, the Production and Environment Committees at various LG levels and the environmental awareness activities of NEMA. 	<p>In 2003/04 14 districts completed District Environment Action Plans (DEAPs), 11 of which had already integrated them into their District Development Plans (PMA Ann Rp 2003/04).</p> <p>An ENR strategy for advisory services has been developed and implemented in collaboration with NEMA.</p>	
<p>11. Local Government i. LGs, especially standing committees for production,</p>	<p>MOLG has developed production sector guidelines for</p>	

Intended reform	Actual progress to date	Nature of and reasons for impediments
strengthened to undertake new responsibilities in, <i>inter alia</i> : designing LG agricultural sector plans; delivery of extension services; entomological services and vermin control; land survey and administration; forestry and wetlands management; licensing produce buying.	LGDP2.	
ii. Each sub-County and District will receive an annual operational fund from Central Government (a Non-Sectoral Conditional Grant) to support PMA activities.	Only 24 Districts were in receipt of an NSCG in 2003/04. See A3.vii.	
iii. LGs will have to design systems for the financing and delivery of agricultural sector services in partnership with a wide range of local and external stakeholders		
iv. A local government grant will be created to mobilise local and external resources for the delivery of services.	This is being implemented through various grants.	
v. Existing institutional arrangements will be strengthened to enhance service delivery	Restructuring is scheduled for full implementation in FY 2005/06	
vi. Greater emphasis will be placed on <ul style="list-style-type: none"> • improving market information flow to farmers • access to inputs and markets by improving infrastructure • management and dissemination of information at district level • promotion of agro-processing 		
12. Private Sector i. Capacity building for private sector institutions, commodity associations, farmer organisations and cooperatives will be critical during the formative stage.	ASPS2, SCOPE and APEP projects all have capacity building components. Private/ public partnerships have been developed in a number of commodity areas	Most of these arrangements operate outside PMA principles (PMA Secretariat).
ii. Government will expand opportunities for the private sector to participate in policy formulation processes and implementation of publicly funded programmes.	The private sector is represented on the PMA SC and on several PMA Technical sub-committees.	
iii. Private sector will be empowered through their involvement in sector plans and by being contracted for direct delivery of public services to farmers on a commercial basis.		
13. Civil Society i. Government will continue to support the empowerment of organisations targeting women, youth and local communities and also ensuring their participation in	PMA/ Civil Society Partnership Principles were approved by the PMA SC in June 2003 and provide, <i>inter alia</i> , for their representation on each of the PMA	

Intended reform	Actual progress to date	Nature of and reasons for impediments
agricultural modernisation.	governing institutions.	
ii. NGOs, CBOs and the poor will be involved in the process of planning, implementing and financing the delivery of services especially at local levels of Government.	A PMA/ CSO working group is operational. A number of CSOs are engaged in direct implementation of PMA programmes, sensitisation, M&E, delivery of NAADS components, etc.	
iii. Public sector resources will be used in: <ul style="list-style-type: none"> • building the capacity of civil society • facilitating their participation in public service activities • contracting them in the delivery of public sector services 		
iv. CSOs will be expected to integrate and harmonise their programmes with those of other players, especially at LG level.		
<p>14. Development Partners</p> <p>DPs in conjunction with the Government are expected to evolve consensus on mechanisms and procedures for financial disbursements and accountability that would apply in funding agreed upon programmes at central and local government levels.</p>	<p>A PMA Donor sub-Group was established in November 2002. It has agreed basket funding for NAADS and is working on a basket funding arrangement for NARO. DPs are participating in all PMA governing institutions and PMA-related Sector Working Groups for budget purposes.</p>	

Annex A7 Gender mainstreaming in the PMA

Overview of the gender dimension in PMA²⁷

The large majority of Uganda's population are smallholder farmers, and among the country's poor, 96 percent live in the countryside. Women account for 70 percent of small holder farmers.

Women provide 90 percent of the agricultural labour force and are responsible for providing food-crops for consumption and surplus sale. Women only own 7 percent of all agricultural land in Uganda. Most women neither own nor control the land they cultivate, resulting in cropping patterns which focus on annual crops, rather than long-term, high-value cash-crops, and a reluctance to invest in improvement of land. Where land is scarce there is often competition between husband and wife for the family land, and men take ownership. Women have limited knowledge of improved agricultural practices and soil conservation. This is due to a reluctance to participate in, or exclusion from training and extension services, as most are illiterate.

Men and women have differential access to resources. Women suffer limited access to credit as this often requires land or other assets as collateral. They also have limited access to reliable and affordable transport to market their surplus food crops, and have less access to market information than men. As men tend to travel frequently to markets, women are reliant on selling their food at the farm gate which makes them dependant on traders. Women mainly sell food crops - which face low and fluctuating market prices. Access to crop storage and collective marketing remains limited. Cash income from sale of crops or animals is controlled by men, who often appropriate it for their personal consumption. School fees usually account for most of the household income.

Women's mobility and their participation in decision-making and groups are severely restricted by husbands and 'cultural rules'. More adult women than men are illiterate, and girls are less likely to complete either primary or secondary education. Uganda has one of the highest maternal death rates, infant and child mortality rates in the world²⁸ and has high rates of domestic violence against women.

What does 'gender mainstreaming at all levels' mean in the PMA context?

National level

- At national level gender mainstreaming should involve the development of an in-depth national gender and poverty analysis and baseline/information system (UPPAP, district gender profiles, MGLSD) for use in the formulation and implementation of PEAP, PMA
- The Constitution, and national legislation, laws, Bills and Acts. National affirmative action commissions or task forces put in place to amend gender discriminating legislation, such as the Land Act, Inheritance law, Domestic Relations Bill etc. Land Reform commission, Equal Opportunity Commission.
- Promotion of women's and men's equal representation in government and national decision-making bodies.
- Public awareness campaigns on women's rights and gender equality.

²⁷ Sources are PEAP, UPPAP report,

²⁸ Although Uganda is on track to achieve many of the MDGs, it is unlikely to attain the maternal health or child mortality targets.

Institutional level (line ministries and other PMA stakeholder organisations)

- Employment of a gender and social inclusion focal person. It is important that this position should be advertised to encourage male as well as female applicants.
- Training of staff in gender mainstreaming
- Formulation of gender strategies and guidelines, which address specific sector issues. These should be simple and operational, rather than academic, and their implementation should be properly budgeted.
- Affirmative action to be taken to recruit women to leadership and professional positions through explicit pro-women public advertising of jobs.
- All staff in public sector, or publicly funded organisations should be responsible for gender mainstreaming in their daily work. This should be reflected in their performance indicators

Sector level

It is important to gender mainstreaming that an information base exists for each productive and social sector which provides baseline data on:

- gender division of labour within the given sector: “who does what”
- men’s and women’s different needs, priorities, roles, status, aspirations
- men’s and women’s roles in community decision-making and community activities;
- “who owns what”, and ways in which both sexes can benefit from sector projects/Programmes,

For the PMA there should be

- Identification of the key gender concerns within the agricultural sector and the PMA pillar sectors; such as land ownership and land use issues, women’s access to financial services, access to training, access to markets, and transport and mobility patterns, decision-making over cash income, land sale and purchase, crop production, livestock management, energy management, natural resources management, educational differences etc.
- An assessment of existing sector policies, plans, strategies and budgets to ensure that these reflect and are responsive to the sector specific gender situation and respond to the key gender concerns.
- Lobbying for amendments of sector-related legislation, existing Laws, Bills and Acts, which discriminate on a gender basis.

Programme design, planning and monitoring and evaluation

- Selection of districts for sector/PMA pillar programmes and PMA roll out (NAADS, NSCG etc) according to national poverty and gender situation. Interventions should give priority to the poorest districts and to districts with most gender inequality within a given sector.
- Programme-specific gender analysis / gender and social impact assessment;
- Care to be taken that Initial consultations with intended target beneficiaries include both men and women (and youth, elderly, HIV/AIDS affected households, widows/female-headed households, minority groups, orphan headed households etc.)
- Baseline surveys should explicitly include both the poor and women.

- Mainstreaming of gender in log-frames: goals, objectives, monitoring and evaluation indicators and assumptions: Women and the poorest should be explicitly, mentioned and sex-disaggregated indicators and milestones should be included.

Implementation level/LG level

- Gender mainstreaming training of LG officials and other decision-makers at district, sub-county and parish level involving gender workshops.
- Distribution of operational and simple gender mainstreaming tools and guidelines to LG by responsible line ministries / PMA Secretariat : gender budgeting guidelines, gender analysis tools, sector/programme specific gender guidelines;
- Distribution of pro-women and pro-poor practical and informative PMA information: radio and posters.
- To the extent possible women should be recruited as FEW, CDW, NAADS coordinators, to extension positions such as CEW, government extension services, NAADS and other services providers, FAL instructors, and in leadership posts in LG and councils and tribunals such as the district land tribunal etc.
- To encourage women's participation in public meetings and training, the design, timing, location, duration, content of meeting sessions and training sessions should be sensitive to their domestic and farm activities, and their specific interests.
- To build confidence in women, where possible they should have the opportunity of joining separate female farmer groups. Prioritisation of enterprises in NAADS should be carried out in a way which ensures female voice.
- Equitable provision of services and training responding to the needs identified among men and women groups under NSCG, NAADS and other PMA pillars.
- Gender mainstreaming of service providers' contracts to the extent relevant: inclusion of a clause on addressing gender issues where relevant and according to sector/programme specific gender guidelines and criteria and quotas set.

Annex A8 Methodology for PMA resource allocation analysis

The Evaluation has undertaken analysis of budget and actual (outturn) expenditure on PMA activities. The analysis is based upon data made available by government. The scope of the study did not include provision for the Evaluation to undertake independent data collection, or cross-referencing of data with donors or PMA implementing agencies.

In reviewing PMA expenditures there is no clear borderline between what is PMA-relevant and what is not. The Evaluation has therefore adopted a wide interpretation of PMA-relevant activities consistent with the scope of the PMA. The identification of PMA projects is based upon descriptions contained within the Public Investment Plan (PIP) and informed by discussions with PMA implementing agencies.

The analysis includes budget and actual PMA expenditure implemented through 12 government agencies, as well as district expenditure on NAADS and transfers to local government (e.g. NSCG). The analysis covers budget and expenditure data over the three years, FY 2001/02 – 2003/04.

The analysis **includes**:

- All recurrent and development expenditure by MAAIF (including NAADS) and NARO;
- Development expenditures by other relevant ministries and agencies;
- PMA-relevant projects and transfers contained within the PAF (e.g. extension grant, NSCG) and not already captured by (i) and (ii) above.

The analysis does **exclude**:

- Recurrent spending by agencies other than MAAIF, NARO and NAADS (the data does not easily allow apportionment of recurrent spending between PMA and non-PMA activities); and
- Direct funding of lower government by donors and NGOs, and district expenditure funded by local revenues (such data are not readily available).

In identifying PMA-relevant projects a number of activities emerge that are relevant to the PMA, but which have a wider impact than PMA alone, for example rural infrastructure, the LGDP, and adult literacy. For these projects we assume a variable proportion of their budget to be directly PMA-relevant according to the nature of the project. For example, 25 percent of the LGDP is assumed as directly PMA-relevant.

Annex A9 PMA expenditure tables

(reference chapter 9 of main report)

Table 1: PMA as a share of total GoU spending, actual Ush bn

	Actual expenditure		
	2001/02	2002/03	2003/04
Total GoU spending	2,131.2	2,354.6	2,655.3
PMA relevant spending	238.4	259.4	270.3
PMA share	11.2%	11.0%	10.2%

Source: Background to the Budget (MoFPED). Also derived from Tables below.

Table 2: MAAIF and NARO as a share of total GoU spending, actual Ush bn

MAAIF & NARO Recurrent	5.46	6.58	6.64
MAAIF & NARO Development	55.3	72.2	49
NAADS	2.4	5.5	9.0
Extension grant	5.1	5.7	6.0
Total	68.3	89.9	70.2
Share of total GoU	3.2%	3.8%	2.6%

Source: Background to the Budget (MoFPED)

Note: The NSCG is excluded as it is within the budget of MoFPED

Table 3: Breakdown of PMA spending, actual Ush bn

	Actual expenditure			Total 3yrs	Share 3yrs
	2001/02	2002/03	2003/04		
MAAIF & NARO recurrent (actual)	5.5	6.6	6.6	18.7	2.4%
PMA relevant projects (actual)	159.5	174.1	163.0	496.6	64.7%
NAADS districts	2.4	5.5	9.0	16.9	2.2%
LGDP	11.2	10.6	16.3	38.1	5.0%
Other PAF, not included above	59.7	62.6	75.4	197.7	25.7%
Total	238.4	259.4	270.3	768.0	100.0%

Source: Project expenditure database / Background to the Budget (MoFPED)

Table 4: PMA-relevant allocations within the Poverty Alleviation Fund (PAF), Ush bn

	2001/02	2002/03	2003/04	2004/05
	Releases	Releases	Releases	Releases
Included in PMA projects				
010 Ag Extension ministerial development budget	1.52	0.5	0.22	2.51
010/142 Strategic Exports (agric. PAF only)	13.75	12.83	8.56	12.29
003 Restocking and resettlement programme	7.94	5.33	8.04	4
sub-total (included in PMA projects)	23.21	18.66	16.82	18.8
Additional to PMA projects				
500 Rural roads conditional grant for maintenance	22.84	15.5	18.01	18.8
012 Implementation of Land Act	7.12	5.79	9.14	6.23
500 Ag Extension conditional grant - wage	2.16	2.82	3.06	3.53
500 Ag Extension conditional grant - non-wage	2.9	2.84	2.92	5.71
500/010 NAADS (incl districts)	4.73	9.59	13.67	13.6
008 Poverty alleviation	0	0	0	2.24
500 Non-sectoral PMA grant for LC III, non-wage	4.38	4.92	5.71	5.71
500 Non-sectoral PMA grant for LC III, wage	0	0	0.67	0.67
016 Rural roads & waterways development budget	15.11	20.49	21.49	18.49
012 Environment (wetlands)	0.5	0.67	0.68	0.69
sub-total (additional to PMA projects)	59.74	62.62	75.35	75.67
TOTAL PMA allocations within PAF	82.95	81.28	92.17	94.47
PAF-funded PMA allocations as % total PMA	34.8%	31.3%	34.1%	n/a
PMA allocations as % total PAF	13.5%	11.7%	11.9%	11.6%
<i>Memo:</i>				
Total PAF spending as % GoU discretionary budget	35.2%	36.6%	37.3%	36.7%

Source: Background to the Budget (MoFPED)

Table 5: PMA spending by ministry (inc. NAADS and LGDP districts), Ush million

	Budget				Actual			
	2001/02	2002/03	2003/04	Total	2001/02	2002/03	2003/04	Total
MAAIF	83,488	95,130	64,668	243,285	37,878	51,252	35,584	124,714
MWLE	65,986	58,108	59,719	183,814	33,453	30,513	42,978	106,944
MWH&C	51,595	60,984	60,029	172,608	39,034	38,043	42,877	119,955
NARO	33,384	32,030	26,745	92,159	17,460	20,907	13,018	51,385
OPM	14,795	23,516	24,685	62,995	6,114	2,834	7,304	16,252
MTTI	15,333	9,303	10,518	35,154	13,955	7,148	344	21,448
MOLG	15,163	13,185	26,236	54,584	1,534	10,357	9,582	21,473
MEMD	15,722	5,776	15,268	36,766	101	1,366	2,313	3,780
MOES	5,817	4,671	6,521	17,009	1,627	4,457	5,568	11,652
MOH	5,499	4,100	513	10,112	4,030	3,864	1,388	9,282
MOFPED	6,128	1,570	2,095	9,793	3,343	2,483	1,436	7,263
MGLSD	1,382	1,031	719	3,131	1,009	851	606	2,466
Sub-total	314,293	309,404	297,715	921,413	159,539	174,076	162,998	496,613
NAADS	2,360	5,660	9,481	17,500	2,418	5,524	8,960	16,903
LGDP (25%)	7,980	10,475	16,263	34,718	11,238	10,596	16,303	38,137
Sub-total	10,339	16,135	25,743	52,218	13,656	16,120	25,263	55,039
TOTAL	324,632	325,539	323,459	973,630	173,195	190,196	188,261	551,652

Source: Project expenditure database / Background to the Budget (MoFPED)

Table 6: Summary of PMA disbursement rates (actual spending as % budget)

	2001/02	2002/03	2003/04
PMA projects	50.8%	56.3%	54.7%
NAADS districts	102.5%	97.6%	94.5%
LGDP districts	140.8%	101.2%	100.2%
Summary, all PMA spending	53.4%	58.4%	58.2%

Source: Project expenditure database / Background to the Budget (MoFPED)

Table 7: PMA spending by pillar, Ush million

	Budget				Actual			
	2001/02	2002/03	2003/04	Total	2001/02	2002/03	2003/04	Total
1. Research & technology	33,384	32,030	26,745	92,159	17,460	20,907	13,018	51,385
2. Agric. advisory services	101,760	109,327	73,275	284,363	52,788	51,987	37,288	142,063
3. Rural finance	9,976	7,849	8,675	26,499	2,252	2,156	1,822	6,229
4. Agro-processing & mkt	5,069	2,487	7,006	14,563	450	313	1,231	1,994
5. Agricultural education	6,695	5,222	7,046	18,963	2,458	5,054	6,006	13,517
6. Natural resource mgt.	49,048	45,053	49,382	143,483	23,185	24,199	35,420	82,804
7. Infrastructure	82,584	88,487	106,257	277,328	41,724	51,607	55,909	149,239
Other - policy & instit. reforms	25,777	18,949	19,329	64,055	19,222	17,854	12,305	49,382
TOTAL	314,293	309,404	297,715	921,413	159,539	174,076	162,998	496,613

Source: Project expenditure database / Public Investment Plan (MoFPED)

Note: table excludes NAADS and LGDP

Table 8: Project ranking (main projects by total budget / expenditure 2001/02 - 2003/04)

Cumulative share of BUDGET			Cumulative share of ACTUAL		
Rank	Project		Rank	Project	
1	Support to fisheries development	5.0%	1	Support for NARO	5.4%
2	Support for NARO	10.0%	2	Land tenure reform	9.8%
3	NW smallholder agric. development	14.3%	3	Environment mgt capacity building	13.9%
4	Environment mgt capacity building	18.2%	4	Developing export agriculture	17.9%
5	Developing export agriculture	21.4%	5	RDP: Arua – Pakwach road	21.6%
6	Land tenure reform	24.5%	6	Support to UCDA (coffee seedlings)	25.1%
7	Rural electrification	27.5%	7	Road maintenance in E. Uganda (KFW)	28.5%
8	N. Uganda social action fund	30.4%	8	Support to NAADS Secretariat	31.6%
9	Microfinance support centre	33.1%	9	Area-based agric. modernisation (S/SW)	34.8%
10	Area-based agric. modernisation (S/SW)	35.7%	10	Forest sector policy & strategy	37.6%
11	Forest resource mgt. & conservation	38.0%	11	NW smallholder agric. development	40.2%
12	Vegetable oil development	40.2%	12	Water for production	42.5%
13	Water for production	42.4%	13	Forest resource mgt. & conservation	44.9%
14	Support to UCDA (coffee seedlings)	44.3%	14	Rehab. Of K'la – Malaba railway line	47.0%
15	L. Victoria environment mgt.	46.1%	15	Cotton sub-sector (CDO)	49.0%
16	Support to NAADS Secretariat	47.7%	16	Southwest road maintenance	50.9%
17	RDP: Pakwach – Karuma road	49.2%			
18	RDP: Arua – Pakwach road	50.7%			

Summary	No. of projects	
	Budget	Actual
up to 25% of budget / actual expenditure	6	6
up to 50% of budget / actual expenditure	18	16
up to 75% of budget / actual expenditure	40	33
up to 100% of budget / actual expenditure	155	155

Source: Project expenditure database, MoFPED

Table 9: Funding sources for PMA projects (PMA project spending, 2001/02 - 2003/04)

Funding source	Budget	Actual	Share of actual	Disb. Rate
GoU	352,293	255,178	46.3%	72.4%
IDA	164,431	72,514	13.1%	44.1%
EU	66,653	62,557	11.3%	93.9%
ADF	112,567	38,520	7.0%	34.2%
UK	26,735	34,536	6.3%	129.2%
DENMARK	54,175	21,626	3.9%	39.9%
USA	28,687	19,232	3.5%	67.0%
GERMANY	6,849	9,779	1.8%	142.8%
IFAD	39,335	8,625	1.6%	21.9%
GEF	25,608	7,813	1.4%	30.5%
NORWAY	8,273	5,804	1.1%	70.2%
Others	88,024	15,468	2.8%	17.6%
TOTAL	973,630	551,652	100.0%	56.7%

Source: Project expenditure database / Public Investment Plan (MoFPED)

Note: ADF (Africa Development Foundation); GEF (Global Environment Facility)

Memo:

Total GoU project spending, 2001/02 - 2003/04	Budget	Actual	Disb. Rate
Ush bn	1,968,860	1,399,072	71.1%

Table 10: PMA Secretariat Budget and Expenditure (Ush million)

	Budget (approved estimates)					Actual				
	start-up	2001-02	2002-03	2003-04	Total	start-up	2001-02	2002-03	2003-04	Total
GOU	200	1,576	2,595	700	5,071	185	1,230	778	757	2,949
EU	-	-	1,695	1,404	3,099	-	-	237	1,453	1,690
DFID	4	-	-	-	4	4	11	-	-	15
Total	204	1,576	4,290	2,104	8,174	189	1,241	1,015	2,210	4,655

Source: PMA Secretariat

Note: start-up = Feb-June 2001

Memo:

PMA secretariat spending as a share of total PMA
0.61%

Table 11: Contributions by development partners (actual Ush bn)

	Actual expenditure			Total
	2001/02	2002/03	2003/04	
Donor spending on PMA projects	88.3	111.8	96.5	296.5
as a share of total PMA spending	37.0%	43.1%	35.7%	38.6%
as a share of PMA projects (incl.NAADS)	54.5%	62.2%	56.1%	57.7%

Source: Project expenditure database (MoFPED). Derived from Table 9.

Annex A10 Progress with realignment of PMA projects²⁹

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
Ministry of Agriculture Animal Industry and Fisheries					
AG 010 (103)	Support to UCDA Coffee Seedlings	Rationalise this project to focus multiple goals/objectives and to reduce government's and UCDA's involvement	MAAIF, UCDA MFPED	The project was realigned as follows: phyto-sanitary control was shifted from UCDA to NARO, extension to NAADS, nurseries and seed distribution to the private sector	Yes
AG 02B (104)	Support to UTGC Tea Seedlings	Government to develop a strategy for the tea sub-sector with clear roles for smallholders. Reduce MAAIF's involvement.	MAAIF, UTGC, Uganda Tea Association, MFPED	A National Tea Development Policy was prepared by MAAIF to provide a framework for revamping and rationalizing the operations and development of the tea industry.	Yes
AG 03E (080)	Cotton Sub-sector Development Project	Restructure to separate commercial functions of Seed distribution from regulatory functions of CDO	MAAIF, CDO, NARO, NAADS, MFPED	Not implemented. The recommendation was made after the project had closed	No
AG 07A	Olweny Swamp Rice Irrigation Project	Harmonisation with NAADS		Not implemented. Instead the project was merged with another project AG75 (A) Small Scale Irrigation Development.	No
AG 49A (106)	Vegetable Oil Development Project (VODP)	Re-align to mainstream gender and incorporate the participation of civil society. Harmonisation with NAADS	MAAIF, Core, Investor, MFPED Development Partners	Harmonisation with NAADS is going on. Where NAADS operates in the same sub-county as VODP and farmers select oil seeds as their priority enterprise, then VODP withdraws and NAADS takes over. However experience has shown that even after pulling out, VODP's services for provision of input seeds are still needed.	Partially

²⁹ Based upon PMA project harmonisation study 2003

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
AG08D	National Seed Certification Service	Redesign to allow strong collaboration with NARO, NAADS, local governments, seed suppliers and credit institutions	MAAIF, UNBS, NARO, NAADS, LGs, Private Sector firms	Project was due to close in 2006 but due to the recommendation, it was closed earlier and a national seed certification was established in MAAIF.	Yes
AG 25 A (104)	Cocoa Development Programme	Restructure to remove public role in seed supply/distribution	MAAIF	Merged with AG 02B Tea seedlings project. Rather than divesting the program to the districts to be maintained under NAADS as recommended, MAAIF preferred a reformulation of the program into a Strategic Intervention. The aim was to develop the crop as an alternative to coffee especially in areas where coffee crop is affected by coffee wilt.	No
AG 27 A	Agricultural Extension Project (AEP)	Harmonisation with NAADS		Project closed because implementation period had ended. However following this recommendation, MAAIF opted to take action as explained below.	No
	District Agricultural Extension Conditional Grant (AECG)	Harmonisation with NAADS		AECG is not disbursed to sub-counties covered by NAADS. Rather than combine AEP & AECG and transferring their resources to strengthen NAADS roll-out and expansion to districts as recommended, MAAIF preferred to retain AEP as a separate project but re-designed to support identified logistical and capacity gaps in LGs. In addition to financing preparatory activities for NAADS in non-NAADS districts as recommended, MAAIF preferred AECG to also support current extension service delivery in these areas.	Partially
AG 60A	Japanese Input Programme	To be closed		It was closed as recommended.	Yes

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
AG 66A	Rehabilitation of Aquaculture in Uganda	Transfer project from section II of PIP 2001/02 – 2003/04 to section I and funding as provided in MTEF 2003/04 – 2005/06	MAAIF MFPED	See AG 66 B below	
AG 66 B	Support to Aquaculture – Fish Fry	Merge with AG 66 A – Rehabilitation of Aquaculture in Uganda	MAAIF, ADB/ADF, MFPED	Merged into AG 67 (A). Rather than integrating production aspects of this project into AG 66(A), MAAIF preferred the integration of AG 66(A), which had a subsistence farmer approach and was soon closing, with AG 66(B) which had a commercial orientation.	Yes
AG 66 C	Support to Fisheries Management	To be closed		Closed and merged into AG 67 (A). However initially MAAIF had recommended the project's retention to avoid recurrence of the EU Fish ban and to support MAAIF's regulatory function.	Yes
AG 67 A (097)	Support to Fisheries Development Project	Transfer/re-allocate budget resources from AG 66 B and AG 66 C to this project (AG 67A)	MAAIF, MFPED, ADB	Merged with AG 66B and renamed Support to Fisheries Development/ Production	Yes
AG 68 B (088)	NW Smallholder Development Project	Harmonisation with NAADS		Harmonisation is on going. NW has adopted farmers' forums and has agreed with NAADS that the two don't operate in the same sub-counties to avoid duplication of activities.	Yes
AG 12 C	Pan African Control of Epizootics (PACE)	Incorporate National epidemiological services into this project (PACE). There is a need to review AG 62 B Animal Health Research Centre in relation to PACE	MAAIF, MFPED	The project was integrated with the livestock productivity improvement project. A national epidemic / surveillance system concentrating on animal disease surveillance was strengthened under the PACE programme.	Yes

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
AG 13 C	Animal Genetic Resource Centre	Re-Allocate funds From AG 79A – Production of high yielding germplasm – to AG 13 C – the Centre (AGRC)	MAAIF, MFPED	The project was integrated with the livestock productivity improvement project. The implementation of this strategy is closed linked to the livestock productivity improvement project.	Yes
AG 13 F	Support to the Dairy Development Authority	Functional analysis study recommended to restructure core functions to fit within resource structure of government, MFPED may consider funding the Study	DDA/MFPED	Shifted to recurrent as sub-vention to ensure continuous flow of funds.	Partially
AG 31A	Farming in Tsetse Controlled Areas of Eastern Africa (FITCA)	Recommended to merge the project (FITCA) with AG 31 E – Integrated Tsetse Control in Buvuma Island to ensure complete elimination of the Disease	MAAIF, NARO (LIRI), MFPED, Ministry of Foreign Affairs	The two projects were merged as recommended. In addition COCTU, the secretariat of Uganda Trypanosomiasis Control Council (UTCC), was established. UTCC has overall mandate for eradication of tsetse flies and trypanosomiasis.	Yes
AG 31 E	Integrated Tsetse Control in Buvuma Island	Recommended to be integrally linked to AG 31 A (FITCA) and AG 31 F Human Trypanosomiasis Control in N&NW Uganda	MAAIF, NARO, MFPED	(See AG 31A above)	Yes
AG 62 B	Animal Health Research Centre (AHRC)	Transfer funds from AG 79A Production of high yielding Germ Plasma to AG 13C (AHRC) to redress current duplicity of effort	MAAIF, NARO, MFPED	Merged with National Livestock Productivity Improvement Project. The implementation of this strategy is closed linked to the livestock productivity improvement project.	Yes
AG 68 A	Agriculture and Marketing Support- WFP	Recommended that the threshold of 10% of total WFP funds allocated to procure food from small scale farmers be raised to at least 30% to enhance incomes of rural farmers through sale of produce to WFP	MAAIF, WFP, MFPED	Not effected. Even with the 10% offered by WFP the small-scale farmers had not fully utilised the quota. Recent figures are about 7%, with the large traders supplying the 93%.	Inappropriate recommendation

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
AG 70 B	Immunisation for East Coast Fever (ECF)	Recommended MAAIF develops a long-term programme for ECF control and eradication, for GOU funding.	MAAIF MFPED	The project was integrated into livestock productivity improvement project. See AG 13C	Yes
AG 70 B (074)	ASPS – DATICS II	Recommended DATICS be spread to cover more districts	MAAIF, DANIDA, MFPED	Project covers particular districts according to its design and was not intended to expand.	Inappropriate recommendation
AG 79 A	Production of high yielding germ plasma	Project uses public resources to produce private goods. Resources to be transferred to AG 62B above	MAAIF, NARO, MFPED	Merged into the new National Livestock Productivity Improvement Project.	Yes
Ministry of Gender Labour and Social Development					
MS 19(A)	Programme for enhancement of adolescent Reproductive Life (PEARL)	Re-alignment/restructuring recommended to better address PMA principles and objectives	MGLSD, MFPED, PMA Secretariat	It is currently under review. It wasn't possible to restructure it because EU & UNFPA who are its financers had set objectives, which could not be changed.	Inappropriate recommendation
PA 15(A)	Strengthening Ministry of Gender, Labour and Social Development	To be redesigned to be more consistent with PEAP and PMA	MGLSD, MFPED PMA Secretariat	Re-designed and merged with SI 38A (Support to Equal Opportunities Commission)	Yes
PA 37 B	Youth Entrepreneur Scheme	To be divested to private sector in a phased manner. The Ministry to develop a youth friendly and cost-effective exit strategy	MGLSD, MFPED, PMA Secretariat	Divested to MFPED	Yes
MS 28 A	Jobs for Africa	To be restructured to support PMA implementation	MGLSD, MFPED, PMA Sec	Project was closed in 2003/4.	Inappropriate recommendation

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
S1 10 A	Community based Rehabilitation for the Disabled	To be restructured	MGLSD, MFPED, PMA Sec	Restructured and expanded to cover 3 districts. It includes income generation, youth and skills development	Yes
S1 15 A	Adult Literacy Programme	To be reviewed to fine tune its objective outputs	MGLSD, MFPED PMA Secretariat	It wasn't changed. Its outputs are difficult to change.	Inappropriate recommendation
SI 29 A	Youth and Women Entrepreneur Skills	Divest to private Sector	MGLSD, MFPED, PMA Secretariat	Same as PA 37B. Training part of the program was integrated in SI 31B.	Yes
SI 31 B	Promotion of Youth and Children	To be restructured in light of PMA Criteria	MGLSD, MFPED, PMA Secretariat	29A, 31B, 32D & 37A were all merged into one program in accordance with PMA.	Yes
SI 32 D	Advocacy and Community Mobilisation for women & children	To be restructured in accordance with PMA criteria	MGLSD, MFPED, PMA Secretariat	29A, 31B, 32D & 37A were all merged into one program in accordance with PMA.	Yes
SI 33 D	Elimination of Child labour	To be restructured and merged with SI 31B promotion of Youth and children	MGLSD, MFPED, PMA Secretariat	Not changed. It is an ILO model project and not as small as the consultants report alleged.	Inappropriate recommendation
SI 33 E	Support children in Armed Conflict	To be restructured and merged with SI 31B	MGLSD, MFPED, PMA Secretariat	Not changed.	Inappropriate recommendation
SI 33 F	Rights of children in Armed Conflict	To be restructured and merged with SI 31B	MGLSD, MFPED PMA Secretariat	Not changed. MGLSD proposed merging it with 29A, 31B, 32D & 37A but MFPED objected.	No
S1 37 A	Vocational Training of Orphans and street children	Restructure to include PMA Component(s)	MGLSD, MFPED PMA Secretariat	29A, 31B, 32D & 37A were all merged into one program in accordance with PMA.	Yes

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
Ministry of Finance Planning and Economic Development					
PA 01 J	Uganda participatory Poverty Assessment (UPPAP) Project	GOU to seek general budget support from development partners to free some of the resources to other PMA relevant activities	GOU, MFPED, World Bank, UNDP, UNICEF, Oxfam GB, and SIDA	Under DFID funding, there is a GOU component. There is also a strategy to ensure that activities of this programme are part of the general MFPED work.	Yes
TR 72 A	Road Sector Devt. Programme Coordination Office	Reallocate some of Gou's contribution over the MTEF period	GOU, MFPED, DANIDA	Not done. The implementers of this programme have never heard of the recommendation.	No
PA 01 O	Poverty Monitoring and Policy Analysis (PMPA)	Review with donors possible re-allocation of some of these funds to other PEAP/PMA Priority areas	GOU, DFID, MFPED, PMA Secretariat	Combined with PA 46B (Good Governance for Poverty Eradication and PA 03A- EFMP II)	Yes
PA 42 B	National Enterprise Corporation (NEC)	To be divested. Recommended re-allocation of part of the budget for FY 2003/04 2005/06 of Shs. 2.57 billion	Parliament, MFPED, Ministry of Defence	Retained. This is a sensitive project dealing with national security and not within the sphere of the PMA	Inappropriate recommendation
PA 01M	Statistical Bureau: The Foods and Agricultural Statistics Devt. Programme	Recommended to be beneficiary of some of the funds identified for re-allocation over the MTEF period (2003/4-2005/6)	MFPED, UBOS, MAAIF Development Partners	This project has never been implemented because of funding constraints.	No
Ministry of Tourism, Trade and Industry					
IT 41 A	Uganda Integrated Programme (phase II)	Restructure/Re-align along PMA	MTTI, UNIDO, MFPED	The new phase focuses on capacity building for industrial development, effective governance and economic management. It is also linked with IT 40A.	Yes

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
IT 40 A	Joint Integrated Technical Assistance Prog. (JITAP)	Re-align but the programme has a little over one year to terminate	MTTI WTO/IT C UCTAD	Retained and linked with IT 41A. It also collaborates with UPTOP.	Yes
IT 38 A	Institutional Support to UTB	Merger with UIA and UEPB recommended	MTTI, MFPED	The merger wasn't implemented. It was resisted because of the retrenchment that would result and lack of funds to finance the retrenchment.	No
IT 23 D	Strengthening of the Uganda Export Promotion Board	Merger with UIA and UEPB recommended	MTTI, MFPED Parliament Development Partners	See IT 38 A above	No
AG 51A	Development Export Agriculture	Re-align and cease use of government employees at sub-county level	USAID, GOU, MTTI, MAAIF, PMA Secretariat	Recommendation implemented. Agricultural Productivity enhancement project (APEP), which succeeded IDEA, has phased out the use of government staff. They now use private sector and sometimes NGOs.	Yes
IT 17 D	Cleaner Production Centre	Re-align to more effectively target pillar two of the PEAP	MTTI, UIRI, UIP, MFPED	Phase II is being designed and aims at increasing productivity of local industries.	Partially
IT 17 E	Village Meat Products	Re-align to target pillar two of the PEAP	MTTI, UIRI, UIP, MFPED	It closed because UIRI's status wasn't clear.	No
Ministry of Local Government					
AG 23 B	Area Based Agricultural Modernisation Programme (AAMP)	Harmonisation with NAADS Recommended Project review for budget support funding arrangements	ADB/IFAD, MOLG, GOU, MFPED, NAADS, PMA Sec	Harmonisation is going on. AAMP supports the formation of farmers' fora and promotes provision of services by the private sector.	Yes

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
AG 70 C	Household Agriculture Support Programme (HASP)	Harmonisation with NAADS recommended as in para 2.6.15 of the report	DANIDA, MOLG, NAADS, MFPED, PMA Sec	Harmonisation is going on. HASP is now part of the advisory services component of ASPs II. Through its experience it is contributing to both the PMA NSCG and NAADS programmes.	Yes
MS 08 A	Hoima, Kibaale, Kabarole District Development Programme	Harmonisation with NAADS recommended as in para 2.6., 3.4	IFAD/BSF, Irish AID, GOU/MOLG, MFPED, PMA Sec, NAADS	Harmonisation is going on. DDSF uses farmers' fora and promotes provision of services by the private sector.	Yes
Ministry of Education and Sports					
ED 05 B	Support to the Directorate of Industrial Training	Re-alignment recommended for integration of agro-based technologies in the vocational training curriculum	MOES/DIT, MAAIF, MFPED	Retained and merged with IT 19B (rehabilitation of Vocational Training Institute, Nakawa)	No
IT 19 C	Support to Private Training providers	Re-alignment recommended for integration of agro-based technologies in the vocational training curriculum	MOES/DIT National Curriculum Devt. Centre, MAAIF, MFPED	Closed	No
ED 13A	The Science & Tech. Equipment Production Unit (STEPU)	Recommended for divestiture to private sector	NCDC, MOES, MFPED, UNBS	Merged with ED 13B (National Curriculum Development Centre)	No
Office of the Prime Minister					
MS 22 A	Support to Luwero Triangle	Recommended for closure and resources re-allocated to PMA priority areas	OPM, MFPED	Not closed, but project area expanded to 20 districts. Project should be evaluated instead of recommending for closure.	Inappropriate recommendation

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
PA 51 D	Karamoja Disarmament Programme	The Project does not fit into the PMA - restructuring is recommended	OPM, MoD, MAAIF, PMA Sec	Not restructured because agriculture can't be linked to disarmament.	Inappropriate recommendation
SI 06 F	Capacity Building for Disaster Management	Re-alignment recommended to incorporate PMA Principles	OPM, MAAIF, MFPED, PMA Sec	Not re-aligned because the project has very little to do with the PMA.	Inappropriate recommendation
SI 06 A	Development of Lake Mbuoro Resettlement Scheme	Recommended that Mbarara District LG assumes responsibility for the project under its normal development framework	OPM, MOLG, MFPED, PMA Sec	It was closed because it was too small a project to be handled by OPM.	No
PA 22 B	Reintegration of Veterans	Closure recommended and to incorporate veterans' needs into district extension services/NAADS	OPM, Ministry of Defence MFPED, NAADS	Not closed because there is no link between veterans and PMA.	Inappropriate recommendation
MA 26 A	Restocking project	Suspension recommended and transfer to NAADS and Micro-Finance agencies	OPM, MAAIF, MFPED, NAADS, PMA Sec	Merged with resettlement project but transfer not undertaken.	No
MS 17 A	The Uganda Nutrition and Early Childhood Devt. Project	Re—view and re-alignment to PMA goals and principles recommended	MOH, IDA, MFPED PMA Sec	Not re-aligned. Implementation method is still the same. Project has given grants to communities of which 75% are for food security and 25% are for childhood education.	No
NR 46E	National Biomass Study	Re-alignment recommended to broaden stakeholders to include district planners and farmers	MLWE , MFPED PMA Sec, NAADS, MAAIF	Retained	No
NR 46 A	Forest Sector Programme Unit	Re-alignment recommended to broaden stakeholders to include district planners and farmers	MLWE MFPED PMA Sec, NAADS, MAAIF	Closed because project period had elapsed.	

Code	Project Name	Action recommended	Responsible	Progress	Action (Yes /No /Partial)
PA 36 K	Meteorology support	Re-alignment recommended to provide for cascading information to poor farmers	MLWE , MFPED, MAAIF, NAADS, PMA Sec	Incorporated RANET program where extension workers at 33 sites (in 15 districts) receive and disseminate information to farmers. Funds are not enough to cover other areas but there are plans to produce and distribute publications to sub-counties.	Yes
WI 05 E	Gravity water Scheme	Re-alignment recommended to build institutional links and integrate outputs into water for production	MLWE , MFPED, MAAIF, NAADS, PMA Sec	Divested to districts	No
WI 04 G	Operational Water Resource Management for Nile Basin	Re-alignment recommended to build institutional links, clarify beneficiaries and to integrate outputs into water for production	MLWE, MFPED, MAAIF, NAADS, PMA Sec	Retained. Reasons are unclear as the Commissioner for Water Resources was unwilling to give information on the project	No
ME 06 C	Digital Mapping	Realignment recommended to provide for Multi-sectoral GIS with data access to District Planners and agricultural extension workers	MLWE , MFPED, MAAIF, NAADS, PMA Sec	No action was taken due to lack of funds. Implementation method is still the same although agriculture and industry are among the themes on which data is collected.	No