



**MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND
FISHERIES**

NATIONAL OIL PALM PROJECT

**HALF-ANNUAL REPORT
FINANCIAL YEAR 2023/24**

PROJECT MANAGEMENT UNIT

DECEMBER 2023

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LIST OF ACRONYMS

ACF	Agricultural Credit Facility
BUL	BIDCO Uganda Limited
CAO	Chief Administrative Officer
CAPI	Computer-Assisted personal interviewing
CBOs	Community Based Organisations
CDO	Community Development Officer
CPO	Crude Palm Oil
DLG	District Local Government
DNRO	District Natural Resources Officer
EA	Engineering Assistant
EHS	Environment, Health and Safety
EHSO	Environment, Health and Safety Officer
ESIA	Environmental and Social Impact Assessment
FFB	Fresh Fruit Bunch
FFS	Farmer Field School
FO	Farmer Organisation
GIS	Geographic information system
GoU	Government of Uganda
HCS	High Carbon Stocks
HCV	High Conservation Value
HDI	Human Development Index
HDP	Hub Development Plan
HH	Household
HIV/AIDS	Human Immuno-deficiency Virus infection/Acquired Immune Deficiency Syndrome
HUB	Geographical area covering favourable areas for OP growing within 30 km radius from a mill and benefiting from technical and FFB marketing support services
IFAD	International Fund for Agricultural Development
IGA	Income Generating Activities
IPSAS	International Public Sector Accounting Standards
IRB	Institutional Review Board
KOPGT	Kalangala Oil Palm Growers Trust
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MGLSD	Ministry of Gender, Labour and Social Development
NEMA	National Environment Management Authority
NFA	National Forestry Authority
Non-OPG	Non-Oil Palm Grower
NOPP	National Oil Palm Project
NRM	Natural Resource Management

OP	Oil Palm
OPG	Oil Palm Grower
OPUL	Oil Palm Uganda Limited
PPI	Poverty Probability Index
SACCO	Savings and Credit Cooperative Organization
TORs	Terms of Reference
UBOS	Uganda Bureau of Statistics
UGX	Uganda Shillings
UNCST	Uganda National Council for Science and Technology
UNHS	Uganda National Household Survey
UNRA	Uganda National Roads Authority
UOPGT	Uganda Oil Palm Growers Trust
USD	United States Dollars
VODP	Vegetable Oil Development Project (Phase 1 = VODP1; Phase 2 =VODP2)
VSLAs	Village Savings and Loan Associations
WDDS	Women Dietary Diversity Scores
ZARDI	Zonal Agricultural Research and Development Institute

CURRENCY EQUIVALENTS

Currency Equivalents

As of September 2019

Currency Unit = Ugandan Shillings (UGX)

USD 1 = UGX 3,700

Weights and measures

1 kilogram (kg) = 1000g

1kg = 2.204 Ib

1 hectare = 2.47 acres

1 acre = 0.405 hectare

Fiscal Year

July 1 – June 30

BASIC PROJECT DATA

COUNTRY	:	Uganda
PROJECT TITLE	:	National Oil Palm Project (NOPP)
EXECUTING AGENCY	:	Ministry of Agriculture, Animal Industry and Fisheries
REPORTING PERIOD	:	As at 30 th December 2023
IFAD LOAN NUMBER	:	2000002292
GOU PROJECT CODE	:	1508
PROJECT EFFECTIVE DATE	:	1 st March 2019
PROJECT COMPLETION DATE	:	31 st March 2029
PROJECT CLOSING DATE	:	30 th September 2029
FIRST DISBURSEMENT	:	13 th September 2019
APPROVED LOAN AMOUNT	:	USD 75.82 Million
APPROVED GRANT AMOUNT	:	USD. 1.210 Million

I. EXECUTIVE SUMMARY

The National Oil Palm Project (NOPP) was declared effective on 1st March 2019. The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) is the Executing Agency and established a Project Management Unit (PMU) in September 2019. NOPP received its first disbursement on the 13th of September 2019. The overall goal is inclusive rural transformation through oil palm investment. The project targets to reach an estimated 30,800 households with an outreach of 154,000 beneficiaries of which 30% are women and 40% are youth.

The project comprises of three (3) operational and one (1) management sub-component, namely: i) Scaling-up smallholder oil palm development; ii) Livelihoods diversification and resilience; iii) Oil Palm Sector Development Framework; and (iv) Project Management.

NOPP is establishing sustainable commercial partnerships between smallholder oil palm growers and a private processor. In total, NOPP intends to involve some 11,000 growers with a 19,700 ha under oil palm in 5 hubs comprising of Buvuma, Mayuge hub (Mayuge, Bugiri and Namayingo districts), Masaka hub (Masaka, Kalungu and Kyotera districts), Buikwe/Mukono hub where the crop will be planted for the first time, and in Kalangala where production is ongoing.

Under the Scaling-up smallholder oil palm development component; NOPP has supported 661 smallholders and 4 institutions in Buvuma district to establish 1,526.65 Ha of oil palm plantation. In Mayuge hub, 2,225 farmers have confirmed offer of 1,793.99 ha for oil palm establishment; Masaka hub has mobilized 898 smallholders with 1,992.2 Ha. To hasten funds management for smallholder oil palm establishment, NOPP recruited Equity Bank as Fund Manager – the project has so far disbursed Ushs. 11.18 billion for development loans for oil palm establishment under 2 Ha.

Under the Development of Oil Palm Grower (OPG) organizations; NOPP has continued supported Farmer Organisations including Kalangala Oil Palm Growers Trust (KOPGT), Ssese Oil Palm Growers Cooperative Society Limited (SOPGCO), Ssese Oil Palm Growers Savings and Credit Cooperative Society Limited (SOPAG), Buvuma Oil Palm Growers Cooperative Society Limited (BOPGCO) and Mayuge District Oil Palm Growers Cooperative Society Limited. A 2 year Individual consultancy ongoing to support sustainability of OPG organisations in Kalangala Hub and a 5 year institutional development consultancy ongoing to support OPGs in Buvuma and Mayuge Hubs. The support includes the registration of the cooperatives, capacity building in cooperative philosophy, Governances roles and responsibilities; and lately, in Kalangala specifically, loan portfolio management. Contracting for farmers Fertiliser store in final stages

For support infrastructure, NOPP has completed the construction of 16.5km access roads, and 32km farm roads, in Buvuma. Contracting for additional access roads in Buvuma in final stages and survey and demarcation of kms of farm roads completed

Under Private sector-led infrastructure development; On Buvuma Island, the private sector partner, Oil Palm Buvuma Limited (OPBL) has established 2,310.83 Ha of nucleus estate oil

palm. 160,000 new seedlings ordered for establishing in Buvuma. The Crude Palm Oil mill construction earlier slated for commencement in 2024 has been postponed to 2027. The private partner has employed 835 workers (27% are Female) and has maintained 561.42 Km of access road. In Sango Bay, in Kyotera district, Government of Uganda has leased 16,744 Ha to a partnership of Wilmar/BUL and a local firm, Bukora limited. 2 million seedlings established on 50Ha nursery.

Under alternative economic opportunities; NOPP has supported 2,799 Households in alternative livelihood economic opportunities. These opportunities include Piggery, Poultry, Apiary and back yard gardening of vegetables. NOPP has supported 72 enterprise groups (doubling as Village Savings and Loan Associations) formed in Kalangala with trainings on institutional development, record keeping and financial literacy. 17 groups have also been linked to the Parish Development Model (PDM) for financial inclusion.

Under the mitigation of social risks sub component, NOPP has graduated 751 out of 1300 mentees in the Mentorship program (500 households in Kalangala, 400 households in Buvuma and another 400 households in Mayuge). The mentees are sensitized on food and nutrition; HIV/AIDS and Gender Based Violence issues. In addition, the project in partnership with Ministry of Land, Housing and Urban Development (MoLHUD), conducted sensitization exercises at DLG & community levels for 2,039 persons in Buvuma in land administration and user rights. Four Grievance Redress Committees (GRCs) each with 13 members have been formed in Buvuma and facilitated to receive and address any concerns, complaints, notices of emerging conflicts, or grievances alleging actual or potential harm to affected person(s) arising from Project activities. A consultancy firm Youth Alive Uganda contracted and sensitising wider communities on HIV/AIDS and forming Youth groups to takeup opportunities arising from oil palm investment.

NOPP has supported restoration of 92.4 Ha of degraded area in Buvuma and Kalangala districts and also demarcated 300 ha for protection in Kalangala. Additionally, under the Environment, Health and Safety Sub component, the ESIA of Masaka and Mayuge were completed and approval granted by the National Environment Management Authority (NEMA) for Mayuge Hub. On boarding of INGO concluded in the reporting period and work commenced.

Under the Oil palm Sector development framework, the Regulatory Impact Assessment (RIA) draft report was presented to the MAAIF Senior Sector Management in July, 2023 and a validation workshop conducted thereafter. A presentation to Top Policy Management is scheduled for the 3rd quarter of FY2023/24. For institutional support, Uganda Development Bank has disbursed USD 280,780.8 2 for commercial farmers in Buvuma hub.

Under research development, the project has identified and established 15 adaptive in the districts of Arua, Zombo, Moyo and Adjumani, Nwoya, Amuru, Apac and Dokolo. Trial establishment is still on-going with 5 varieties exhibiting Fusarium wilt resistance, Ganoderma tolerance, shot growth and drought tolerance traits in Kagulube and Kayunga blocks in Kalangala.

II. INTRODUCTION

1.1 Background

1. The Government of Uganda (GOU) received a loan from the International Fund for Agricultural Development (IFAD) to finance a ten-year National Oil Palm Project. The project is implemented by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). The project is in its fourth year of implementation.

1.2 Project Objectives

2. The goal of the project is *inclusive rural transformation through oil palm investment*. The specific development objective is *to sustainably increase rural incomes through opportunities generated by the establishment of an efficient oil palm industry that complies with modern environmental and social standards*. The project targets to reach an estimated 30,800 households with an outreach of 154,000 beneficiaries, of which 30% are women and 40% are youth.
3. The project was designed based on the strategic objectives of the sector including the need to increase production and productivity; value addition and quality assurance for access to the different types of markets. The Ministry of Agriculture, Animal Industry and Fisheries is the Executing Agency and in this regard established a Project Management Unit (PMU).

1.3 Project Components

4. The project comprises of three (3) operational and one (1) management component, namely: i) Scaling-up smallholder oil palm development, ii) Livelihoods diversification and resilience, iii) Oil palm Sector Development Framework; and (iv) Project Management.

1.3.1 Scaling-up smallholder oil palm development Component

5. This component will establish sustainable commercial partnerships between smallholder oil palm growers and private processors, whilst putting in place enabling infrastructure. This will be done through 4 sub-components.

Sub-component 1.1: Development of smallholder oil palm plantations

6. The project will enable about 9,230 new smallholder producers to establish a total of 15,000 ha of oil palm. The project will support households to establish 2 ha of oil palm while providing quality inputs and extension services.

Sub-component 1.2: Development of oil palm grower organisations

7. The project plans to ensure sustainability of the oil palm operations through establishment of strong oil palm farmer organisations. The project will support the formation of 10 oil palm farmers' organizations in the new hubs; capacity assessment and strengthening of

farmer institutions undertaken in Kalangala hub; and a National Oil Palm Growers Trust established.

Sub-component 1.3: establishment of support infrastructure

8. The following support infrastructure will be established: 300 km of access roads and 910 km of farm roads; 4 Fertilizer storage capacity of 1,500 metric tons and 4 farmer office blocks in each hub; and a new ferry for Buvuma island.

Sub-component 1.4: private sector led infrastructure development

9. The private sector partner, BIDCO will 5000 ha establish a nucleus estate on Buvuma, construction of the estate road network; finance the establishment of a nursery to supply oil palm seedlings in all new hubs; and set up four processing mills in each hub where 3000 ha of oil palm are planted and a nucleus in Kyotera - Sangobay.

1.3.2 Livelihood diversification and resilience Component.

10. The component consists of two subcomponents designed to empower 23,800 oil palm and non-oil palm growers, their families and entire community where oil palm development will take place. It will support the creation of alternative economic opportunities and the mitigation of social risks in the project areas.

Sub-component 2.1: Alternative economic opportunities

11. This sub-component is designed to empower community members to be able to capture the range of economic opportunities arising from stream generated in the local economy by oil palm investment. Focus will be on agricultural intensification, entrepreneurship and financial accessibility interventions. These interventions will help communities in the project areas to overcome risks identified in connection with oil palm development. These include:

- The inability of some local households to take advantage of emerging economic opportunities
- The threat of long-term food and nutrition insecurity due to mono-cropping.

Sub-component 2.2: Mitigation of Social Risks

12. This sub-component addresses social risks and external shocks affecting households and communities that arise from rapid economic development in rural areas where poverty is widespread.

- The social risks include:
- Increase in intra-household tensions and vulnerabilities.
- Increase in high-risk sexual behaviour.
- Pressure on the traditional land tenure system.
- External shocks include:

- Adverse weather conditions.
- Migration of household head; and ill health.

Sub-component 2.3: Environment, Health and Safety

13. This sub-component was formulated post project commencement, to elevate the visibility of the interventions therein, in light of the significance of environmental compliance in the oil palm sub-sector. The Key Performance Indicator is hectares brought under climate-resilience practices, and the interventions include restoration of degraded environments, Environmental and Social Impact Assessments, Environmental Audits and capacity building in Environment, Health and Safety.

1.3.3 Oil Palm Sector Development Framework

14. This component is focused on assisting Government of Uganda to establish the enabling conditions for the sustainable scaling-up and long-term development of the oil palm sector, during and beyond the lifetime of NOPP.

Sub-component 3.1: Policy and institutional support for oil palm sector development

15. This is focused on the establishment of an enabling policy, legal, strategic and institutional framework for the inclusive and sustainable development of the oil palm sector.

16. The project will support a nationally owned process to develop a set of enabling policies for oil palm sector development.

17. It will also support establishment of the long-term institutional arrangements required for promoting and regulating the sector and will leverage commercial financing to the oil palm sector.

1.3.4 Project Management and Coordination

18. The objective of this component is to ensure all activities of MAAIF and other agencies are coordinated. The Executing Agency is the Ministry of Agriculture, Animal Industry and Fisheries, and it established a Project Management Unit which is responsible for the day-to-day coordination of project activities, monitoring, evaluation and reporting, communication and Knowledge management, coordination of financial management processes and procurement processes.

1.4 Project Funding

19. The project total costs are USD 210.5 million comprised of a loan of USD 75.82 million, a USD 1.21 million grant from International Fund for Agricultural Development (IFAD) and a government contribution of USD 11.74 million. The project was declared effective on 1st March 2019 and will be implemented over 10 years. By the end of December 2023, 27.84 % of the project funds had been disbursed and 88.6% of the disbursed funds have been expensed.

20. In implementing the project, the Project Management Unit collaborates with various partners, including the Private Sector partner BIDCO Uganda Limited (BUL) subsidiaries in Kalangala (Oil Palm Uganda Limited (OPUL)) and Buvuma (Oil Palm Buvuma Limited (OPBL)), National Agricultural Research Organisation (NARO), District Local Governments and Private Service Providers (PSPs).

21. This section presents the status of project implementation as of December 2023.

A. Component 1. Scaling up investment in smallholder oil palm development

22. Under this component, the project is establishing sustainable commercial partnerships between smallholder oil palm growers and private processors, whilst putting in place enabling infrastructure. This is done through 4 sub-components.

i. Subcomponent 1.1: Development of smallholder oil palm plantations

Table 1: Revised targeting strategy for Oil Palm establishment.

Hub/Loans	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	Total (Ha)	OPGs
Kalangala development										11348	2063
Kalangala commercial /own-financing			500							500	200
Buvuma development		500	500	750	750					2500	2023
Buvuma commercial /own-financing			100	100						200	40
Mayuge-development		500	1,250	1,000	750					3500	2692
Mayuge-commercial /own-financing				450	450	600				1500	538
Masaka - development				1500	1500					3000	2308
Masaka-commercial /own-financing					474	473				947	500
Mukono - development					1500	1500				3000	2308
Mukono - commercial /own financing						500	1000	500		2000	470
Total¹		1,000	2,250	3,700	5,424	3,073	1,000	500	0	17,147	11,342

¹ The totals exclude development target for Kalangala hub.

23. In June 2020, NOPP PMU revised the targeting strategy for Oil Palm establishment as indicated in Table 1 above. This was done in a bid to sync implementation targeting to the delayed project commencement.

a. Buvuma Hub

24. **Overview.** The project, in partnership with the Buvuma District Local Government leadership has conducted sensitization and mobilization of 2,550 farmers, of whom 1,650 (31% female) have been registered to grow oil palm.

25. The tripartite Memorandum of Understanding (MoU) between MAAIF, NOPP and OPBL, for the establishment of smallholder oil palm plantations in Buvuma, was signed on June 20, 2022. The purpose of the MoU is to streamline contractual arrangements between OPBL and MAAIF/NOPP. A Contract Management Team was constituted, and it continued with its responsibility of oversight, quality assurance and harmonization of services delivery to the farmers by OPBL.

26. **Survey and Mapping** of smallholders' farmland. In the reporting period, July to December 2023, the Project Surveyor surveyed and mapped 150 ha for 341 farmers in Buvuma district. Overall, in all project areas, 3,936.3 ha have been surveyed and mapped for 3,464 farmers. The cumulative performance is now 5,492.43 ha for 4,565 farmers.

Table 2: Hectares (Ha) and farmers surveyed and mapped.

Hub	July-December 2023		Cumulative	
	Number of Farmers	Area (Ha)	Number of Farmers	Area (Ha)
Mayuge	2,225.00	1,793.99	2,225.00	1,793.99
Buvuma	341.00	150.10	1,442.00	1,706.23
Masaka	898.00	1,992.20	898.00	1,992.20
Total	3,464.00	3,936.30	4,565.00	5,492.43

27. **Land clearing and planting of Oil Palm.** From the smallholders' land surveyed, 214.02 ha of oil palm were planted during July – December 2023; this included new and old plantations. The total hectares planted to oil palm are now 1,526.65, by 665 farmers, including 4 institutions.

Table 3: Out-grower Plantations Establishment Progress, Buvuma Hub, as at 30th December 2023

Description	Jan-Dec 2021		Jan-Dec 2022		Jan-Dec 2023		Cum. Total
	Target	Actual	Target	Actual	Target	Actual	
Hectares (Out-growers)	500	501	1,000	602.44	1,000	426.062	1,526.65
Oil Palm Growers							665

28. **Inputs usage.** The quantities of fertilisers (Rock phosphate, NPK, Kieserite, etc.) and pesticides (Chloropyrifos) used in establishing and maintaining the out-growers' plantations are summarised below:

Table 4: Summary inputs usage report, June 2021 - June 2023

Input	Agro-chemicals (Fertilisers & Pesticides) Application Table					Totals	
	2021		2022		2023		
	Jan - Dec	Jan - Dec	Jan - Jun	Jul - Dec			
Rock phosphate (Kg)	60,724	72,997	33,929	34,241	201,891		
NPK (Kg)	22,577	149,288	89,343	1020	262,228		
Dolomite (Kg)	5,490	68,137	17,165	11,923	102715		
Kieserite (Kg)	-	-	-	21,702	17,980		
NK3 (Kg)	-	-	-	1,272	1,272		
UREA	-	-	-	26,683	26,683		
Chloropyriphos (L)	0	876	200	100	1,176		

29. **Field husbandry.** Garden inspections done by Hub Agricultural Extension Workers and OPBL indicate that most oil palms planted during first and second planting windows (July 2021 - June 2022;) representing 66.6% of the total establishment, have started flowering, hence requiring ablation (de-flowering), since they are not yet strong enough to bear the fruits.

30. **Logistics.** To access inputs, the out-growers are issued with loading permits by the Logistics Officer and the Hub Manager, upon meeting minimum requirements. The permits are presented at OPBL for release of the permitted inputs, which the farmer then transports to his garden, by means of post-paid or cash-paid transportation. Owing to delays in reimbursements including for transportation resulting change to IFMS, some farmers have opted pay transportation in cash the more which isn't in the means of many farmers. According to contract signed between OPBL and MAAIF transportation is the responsibility of OPBL.

31. Upon the delivery to site, the labourers do the planting and application of the first fertiliser – rock phosphate. The Hub Extension Officers are also present to ensure compliance and offer extension services.

32. During the period July - December 2023, the Logistics and Inventory Management Officer working closely with Agronomist and Hub Manager prepared a calendar of oil palm establishment and maintenance, to guide and plan field operations.

33. **Training and Extension.** NOPP, in conjunction with OPBL, has trained 436 OPGs on ablation, circle weeding, minimum tillage practices, sanitary pruning, platforming for palms on steep terrain, cover crop establishment and proper drainage.

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

34. **Tree census.** In August 2023, the PMU conducted the first oil palm tree census in Buvuma district. Below are the findings by block.

Table 5: Summary of Buvuma Tree Census results

Sub County	Number of Units	Number of gardens	Normal palms	Vacant points	Total palms
Buvuma TC	5	207	61,968	3,555	65,523
Busamuzi	10	223	45,714	2,028	48,234
Nairambi	8	207	50,075	52,588	55,663
Buwooya	3	65	8,572	893	9,465
Total	26	702	166,329	12,064	178,393

b. Mayuge Hub

35. **Overview.** Mayuge hub comprises of the districts of Mayuge, Bugiri and Namayingo. Previously, the project had registered 3,435 potential farmers (F=21%) who pledged 5,280 ha for the establishment of oil palm.

36. **Survey and mapping.** In Mayuge hub, 1,793.99 ha is now re-surveyed, for 4-point coordinates, for 2,225 farmers. Details are in the table below.

District	July-December 2023		Cummulative	
	Number of Farmers	Area (Ha)	Number of Farmers	Area (Ha)
Mayuge	1,621.00	1,285.43	1,621.00	1,285.43
Bugiri	405.00	323.50	405.00	323.50
Namayingo	199.00	185.07	199.00	185.07
Sub-total	2,225.00	1,793.99	2,225.00	1,793.99

37. Hub entry meeting conducted in Namayingo district and during the reporting period the Minister of state for agriculture conducted a exploration visit to Mayuge hub to support in mobilization and assess readiness of Hub and the land for nursery establishment identified in Ikulwe NARO satellite.

c. Masaka Hub

38. **Overview.** Masaka hub comprises of the districts of Masaka, Kalungu and Kyotera. Previously, entry meetings were conducted in the three districts and Memoranda of Understanding were signed.

39. In Masaka hub, 1,200 ha was identified, for 600 potential OPGs. In Kyotera district, the Ministry of Lands, Housing and Urban Development together with MAAIF and the District Local Government completed the identification and valuation of project affected persons (PAPs) on the Sango Bay land. Government handed over 16,745 hectares of Sango Bay land to BIDCO and its partners for nucleus establishment in the sub-counties of Kasasa, Kakuuto, Kabira, Mutukula TC and Kyebe.

40. **Survey and mapping.** Below are the results of the survey and mapping interventions in Masaka hub.

Hub	July-December 2023		Cummulative	
	Number of Farmers	Area (Ha)	Number of Farmers	Area (Ha)
Kalungu	100.00	160.30	100.00	160.30
Kyotera	566.00	1,382.03	566.00	1,382.03
Masaka	232.00	449.87	232.00	449.87
Sub total	898.00	1,992.20	898.00	1,992.20

d. Mukono Hub

41. **Overview.** Mukono hub comprises of Mukono and Buikwe districts. In FY2021/22, an entry meeting was held in Buikwe district, where 61 District Leaders were introduced to the project implementation modalities. Procurement ongoing for ESIA studies for the Hub.

e. Kalangala Hub

42. **Overview.** At the end of Vegetable Oil Development Project II, in 2019, there were 4,848 ha planted by 2,063 out-growers in Kalangala hub/district. The NOPP target for Kalangala is 500 ha, commercially or privately financed. The nucleus estate established is 6,500 hectares.

43. **Land clearing and planting of oil palm.** Smallholder oil palm establishment has increased by 1,479.56 hectares in 2023; the total planted is now 6,239 ha. The OPGs are now 2,554 up from 2,213. The hectares under harvest remain at 4,030 ha, by 1,474 OPGs.

Table 6: Oil Palm Growers in Kalangala hub, December 2023

LIST OF KOPGT FARMERS PER SUBCOUNTY					
#	Subcounty	Male	Female	Institutions	Total
1	Bujumba	466	282	27	775
2	Kalangala Town Council	76	32	7	115
3	Mugoye	974	638	52	1,664
	Total	1,516	952	86	2,554

44. **Production of Fresh Fruit Bunches (FFBs).** Cumulatively, the farmer members of Kalangala Oil Palm Growers Trust (KOPGT) have harvested 420,379 MT of FFB valued at UGX 291.76 bn, between January 2010 and December 2023.

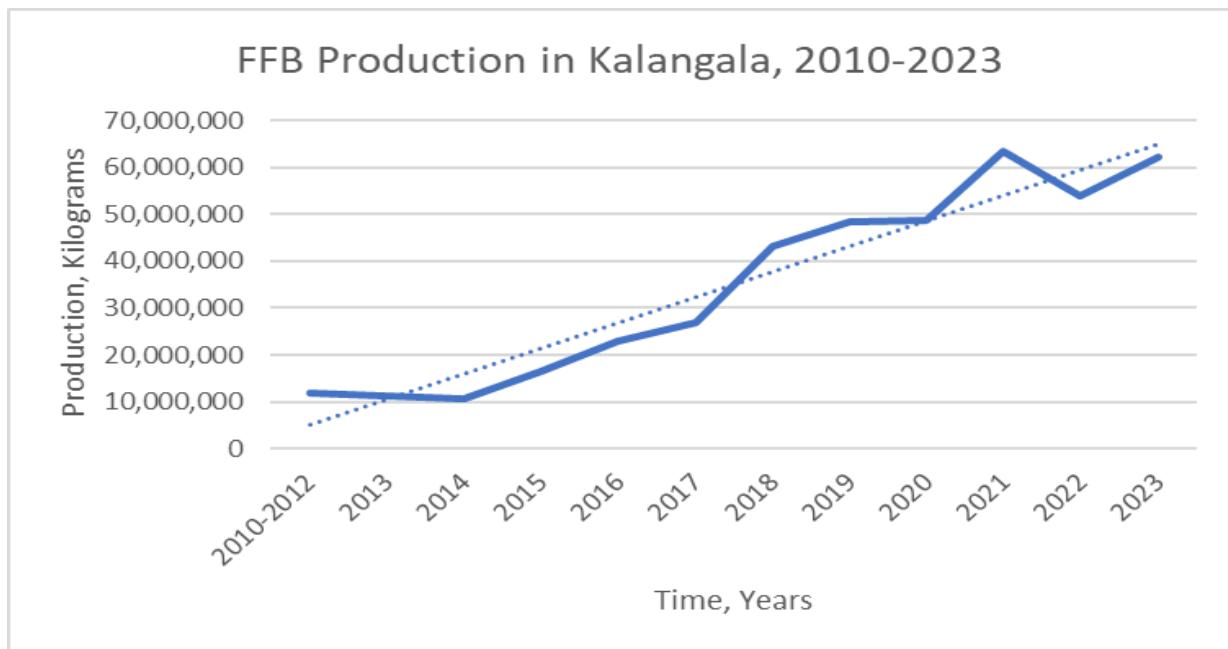


Figure 1: Fresh fruit bunch production trend in Kalangala, December 2023

45. **Further outcomes.** The average price of FFBs has been on an upward trend since production commenced in 2010. The average price for 2023 is notably lower than for 2022.

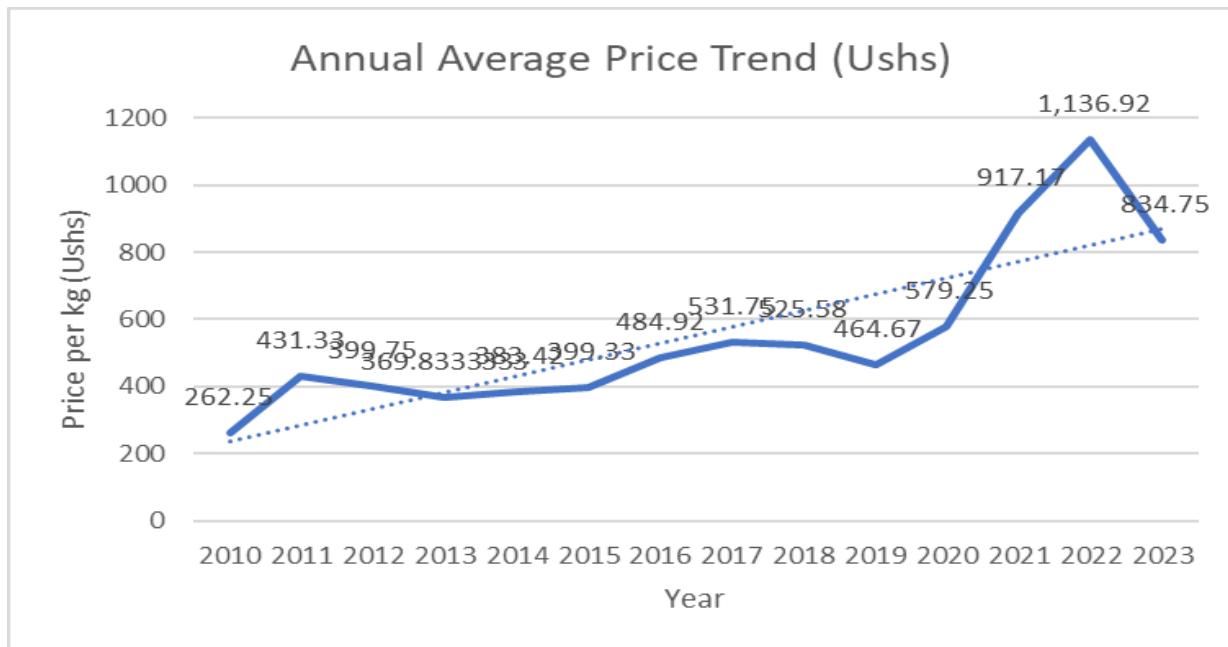


Figure 2: Average annual price trend for FFBs in Kalangala.

46. Relatedly, arising from the 10% shareholding in OPUL, the farmers have so far earned Ush. 50.2 bn in dividends.

Table 7: Dividends arising from KOPGT 10% shareholding in OPUL

Date	Gross Income	Tax	Net Income
17/12/2018	3,900,000,000	585,000,000	3,315,000,000
10/9/2018	8,300,000,000	1,240,000,000	7,055,000,000
12/12/2020	5,550,000,000	832,500,000	4,717,500,000
22/07/2021	5,400,000,000	810,000,000	4,590,000,000
29/03/2022	14,200,000,000	2,130,000,000	12,070,000,000
16/01/2023	12,845,000,000	1,926,750,000	10,918,250,000
Total	50,195,000,000	7,524,250,000	42,665,750,000

ii. Sub-component 1.2: Development of oil palm growers' organisations

47. In the FY2022/23, NOPP recruited a consultancy firm, Acholi Private Sector Development Company Limited (APSEDEC), on a 5-year contract, to build capacities of the OPG organisations in Buvuma and Mayuge. For Kalangala, an Individual Consultant was recruited to strengthen farmer organisations in Kalangala, for 2 years.

a. Kalangala Hub

48. In Kalangala Hub technical support in cleaning up the loan portfolio for SOPAG SACCO including conducting a portfolio audit aimed at improving the loan portfolio quality. Portfolio evaluation aimed at identifying problem loans, the assessment was done, action plan agreed upon with management and leadership.

49. SACCO staff capacity assessment conducted, gaps identified, discussed one on one and with management, initial trainings and coaching conducted and already signs of improvement and commitment to continuous learning are being demonstrated. On job training and coaching SACCO staff on preparation of monthly reports, interpretation of financial statements generated as reports and from the system has been ongoing.

50. Portfolio performance assessment was conducted and strategies on loan recovery are being implemented, one being the signing of an MOU between SOPGCO and SOPAG central to which is the recovery of loans by KOPGT/SOPCO and pass it to SOPAG instead of paying to farmers in other banks and SOPAG recovering on its own.

51. Internal controls measures were also reviewed and gaps found are being implemented. Some of the measures being considered include having a better and secure strong room, record of key bearers, better reports and reporting.

52. Credit policy manual was reviewed and found out that it did not only have gaps but had expired, the policy was not updated or initiated the process of update due to the anticipated merger that would have resulted in developing a credit policy and other working documents for SOPGCOs with a credit department instead of an independent SOPAG SACCO policy.

53. Other activities were supporting management Cleaning up/updating the accounting system- software to sort out the unclear figures based on the findings, this was done jointly with the service provider

Table 8: Ssese Oil Palm Growers Savings and Credit Cooperative Society performance.

Performance Parameters	2021	2022	July 2023	December 2023
Savings (Ush.)	590 million	2.2 billion	3.5 billion	4.03 billion
Loans (Ush.)	1.71 billion	3.5 billion	4.5 billion	6.4 billion
Share capital (Ush.)	315 million	709 million	447 million	498 million
Membership (No.)	786 members	836 members	875 members	1,068 members
Portfolio at Risk (PAR)	5%	30%	14%	4.4%

b. Buvuma Hub

54. Governance manuals, finance policy, assets management policy and marketing policy have been drafted and ratified by the board of the cooperative in Buvuma Hub. Trainings have been conducted covering governance in cooperatives context, record keeping in cooperatives context, bulking and marketing in under cooperatives business model, communication and relation management, negotiation and contract management.

55. Draft commercial loan policy has been drafted and being reviewed by the cooperative board for ratification.

c. Mayuge Hub

56. Mayuge Hub covers three districts including Mayuge, Buguri and Namayingo districts. In terms of institutional development, each District will have a primary Cooperative and a secondary Co-operative/Union will be formed in the later stages at hub level. The primary co-operatives in each district will provide both financial and material services to the oil palm farmers.

57. Mayuge District Oil Palm Growers Cooperative Society Limited has been registered with 206 founder members. An interim committee of 5 members is in place to steer the cooperative to the first AGM. The cooperative is facilitating the interface of smallholder farmers with NOPP PMU and private sector partner as oil palm establishment activities are being rolled out.

58. In Namayingo and Bugiri District, mobilisation of surveyed farmers for formation of primary cooperatives was conducted. An interim leadership committee was elected in each district with representatives from all the sub counties with suitable land for oil palm production.

iii. Sub-component 1.3: Establishment of support infrastructure.

59. In the current reporting period, in Buvuma hub, the progress under the infrastructural interventions is highlighted below.

Table 9: Progress of infrastructural interventions in Buvuma

Deliverable	Project Target	Progress July - December 2023	Cumulative progress to December 2023	Remarks
Survey, Design, and Demarcation of Access Roads in Buvuma	50 km	13 km	63 km	Cumulative achievement is more than the target because it is necessary to survey and design more kms, as some will be dropped at the point of execution of works.
Survey, Design, and Demarcation of Farm Roads in Buvuma	150	40 km	100 km	Target not yet achieved as the exercise progresses hand in hand with planting of palms
Construction of Access roads in Buvuma	50 km	2 km	16.5 km	Construction of another package of 25km is under procurement
Construction of Farm roads in Buvuma	150 km	3.2 km	32 km	
Design and build of Ferry for Buvuma	1		1	The 604 MT ferry was commissioned on the 27 th May, 2023.
Construction of Hub Office block for Buvuma	1		1	Completed
Construction of Fertilizer Store for Buvuma	1 (1,000 MT)	Ongoing procurement of a contractor		



Figure 3: Borrow pit excavation for gravelling works on Farm roads.

iv. Sub-component 1.4: Private sector-led infrastructure development

60. **Land for the Nucleus Estate.** As of June 2023, Oil Palm Buvuma Limited (OPBL) is in possession of 5,892.98 ha. The breakdown is detailed below.

Table 10: Land acquired and transferred to Oil Palm Buvuma Limited.

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

61. On the landholding in possession, OPBL has identified 12 hectares for siting of the processing Crude Palm Oil (CPO) Mill in Busamuzi sub-county and the construction of the mill will now commence in 2027, and not 2024 as earlier planned. The CPO mill has been postponed due to delay in land compensations - it is not viable to operate the CPO mill when the nucleus plantation is below 5,000 hectares. Whilst the Government of Uganda cleared the landlords, several tenants (*Bibanja* holders) were not paid. To mitigate the impact of this situation, the FFB from fruiting out-growers' gardens will be delivered to Kalangala for primary processing.

62. **Roads.** OPBL has opened 561.42 km of access roads in and around the nucleus estate in Buvuma hub in a bid to ease access to FFB harvests and movement from the gardens to the processing mill.

63. **Staffing and housing.** BIDCO has so far recruited 835 workers (F 27%; Y 70%); there are 9 expatriates. In addition, BIDCO has constructed houses for its various staff categories.



Figure 4: Bukola river, bordering the OSBL nursery site in Sango Bay, Kyotera district. Note the 200m buffer zone.

64. In Sango Bay, Kyotera district, BUL/WILMAR, through its subsidiary Oil Palm Sango Bay Limited (OSBL), and in partnership with Bukora Limited, was offered 16,744 ha by GoU. See details below:

Table 11: Details of Oil Palm Nucleus Estate in Sango Bay, Kyotera.

Description	OSBL	Bukora	Total
Area offered by GoU (Ha)	8,372	8,372	16,744
RAMSAR area (Ha)	-	2,372	2,372
HCV-HCS area(Ha)	1,617	1,551	3,168
Plantable area (Ha)	6,755	4,449	11,204

65. A 50-hectare nursery is under establishment, with 1,032,000 seedlings imported for it.

66. MAAIF has concluded the valuation of Project Affected Persons (PAPs) and has subsequently requested a supplementary budget of Ushs. 23 billion for compensations.

B. Component 2. Livelihood diversification and resilience

67. The component consists of two subcomponents designed to empower oil palm and non-oil palm growers, their families and communities where oil palm development will take place. It will support the creation of alternative economic opportunities and the mitigation of social risks in the larger communities. The detailed progress under this component is below:

i. Sub-component 2.1: Alternative Economic Opportunities

a. Agriculture Intensification

68. **Apiary value chain in Buvuma.** NOPP is promoting activities along the apiary value chain in Buvuma. This is a Natural Resource Based enterprise that is enhancing community protection of the forest ecosystem that the project is currently restoring. As at June 2023, the project had facilitated the training of 309 farmers in the management of honeybees and use of bee gear. Fifteen (15) bee-keeping groups comprising the 309 farmers were formed and integrated with the Village Savings and Lending Associations (VSLAs). Furthermore, during the group trainings, 37 group facilitators/honey aggregators were identified (2-3 per group). These were further trained as trainers, to further train the beekeepers.

69. **Piggery and poultry value chains in Buvuma and Kalangala.** The project has continued to work with the respective District Local Governments in promotion of piggery and poultry value chains.

70. In Kalangala Hub, 931 beneficiaries (668 F) were selected in FY 2022/23 and supported with piggery and poultry inputs, to set up 33 demo plots through financing to the DLG. Similarly, in Buvuma, the DLG selected and trained 250 (167 F) beneficiaries.

71. The project also provided funding to the DLGs to train the new beneficiaries on proper management of their respective enterprises, formation of business-oriented enterprise groups and financial literacy.

b. Self-employment and Entrepreneurship

72. **Vocational skilling.** Under vocational skilling, the project is targeting 2,500 beneficiaries (500 per hub) for promotion of self-employment of youth and women.

73. Following the capacity assessment of Bumangi Polytechnic Institute in Kalangala, and subsequent selection of 122 beneficiaries, the training was done in 2 phases; with the first phase of 61 beneficiaries graduating in June 2022. In FY22/23, the remaining 61 beneficiaries were trained and graduated on 1st May 2023. These were assessed by the Directorate of Industrial Training (DIT) and graduated in 2022 (61) and 2023 (61). See details below.

Table 12: Vocational skills categories and respective beneficiary numbers

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

74. **Outcomes.** Of the graduates, 73% are already either employed or self-employed and earning on average UGX 200,000 per month. 11 graduates were retained by the polytechnic for further training to attain National Certificates.

c. Crisis Response Initiative

75. The Crisis Response Initiative (CRI) is USD 5.05 million funding granted for the purpose of enhancing resilience of households within the oil palm growing communities, against the adverse effects of the Russia- Ukraine crisis, by improving their food and income securities.

76. In the reporting period, the progress made includes single-sourcing the service provider, with process at Solicitor General stage for contract approval – the contract signing is expected in February 2024, upon which the attendant Withdrawal Application shall be submitted. Listing of potential beneficiaries is proceeding and thus far; Mayuge (1,017 farmers with 776 Ha), Bugiri (405 farmers with 323 Ha) and Namayingo (199 farmers with 185 Ha). Their baselines will be established by mid-February 2024.

77. For effective management of the grant, an implementation plan was drawn up and task forces within the implementing DLGs proposed – Namayingo DLG has already instituted its team.

ii. Sub-component 2.2: Mitigation of Social Risks

a. Household and community-level sensitisation and empowerment

78. **Household Mentorship program.** In Buvuma, out of the 400 mentees were enrolled for the mentorship program in 2021, 205 graduated from the programme having gone through all the phases. 25 peer-to-peer champions were selected from the graduated mentees to scale up the programme. The peer-to-peer champions will first undergo a refresher training before being assigned mentee households. As a result, 205 new mentees have been selected to replace the ones that graduated from the programme in 2023.

Table 13: Mentors and mentee households in Buvuma district

Subcounty	Mentors	Mentees			Total Mentee Households
	No.	1st batch	2nd batch	3 rd batch	
Nairambi	13	44	86	63	193
Buvuma TC	9	34	56	40	130
Buwooya	9	34	56	57	147
Busamizi	9	24	66	45	135
Total	40	136	264	205	605

79. 57. In Kalangala, out of the 490 households, 315 graduated from the mentorship programme and 10 champions were selected to scale up the programme. Selection of new mentees and champions has not been done due to funding constraints.

Table 14: Mentors and Mentee households in Kalangala district

Subcounty	Mentors	Mentees		Total Mentee Households	Graduate mentees
	No.	1st batch	2nd batch		
Bujumba	7	15	55	70	47
Kalangala	6	17	36	53	27
Mugoye	34	61	276	337	229
Bunyama	2	5	25	30	12
Total	49	98	382	490	315

80. In Mayuge, the mentoring commenced in 2021 with a deployment of 40 mentors to carry out activities of household mentoring in 400 mentee households in 4 sub-counties of Malongo, Kityerera, Busakira and Baitambogwe. Out of the 400 mentees, 122 graduated from the programme in 2023. No peer-to-peer champions and new mentees have been selected due to funding constraints.

Table 15: Mentors and Mentee Households in Mayuge district

Subcounty	Mentors	Mentees		Total Mentee Households	Graduate Mentees
	No.	1st batch	2nd batch		
Busakira	10	97	3	100	53
Malongo	10	99	1	100	46
Kityerera	10	95	5	100	73
Baitambogwe	10	0	100	100	59
Total	39	291	109	400	231

81. **Community-level sensitization on HIV/AIDS, gender and nutrition.** NOPP has contracted Youth Alive Uganda (YAU) to implement of HIV/AIDS awareness and engage young people with responsive behaviour change messages through sports and cultural activities in Buvuma, Kalangala and Mayuge hubs

82. 4 sets (pictorial, English, Luganda and popular version) of IEC materials have reproduced and disseminated on HIV/AIDS focusing on gender and HIV/AIDS, nutrition care and support, orphans and vulnerable children, GBV and HIV/AIDS.

83. **Sports and cultural activities.** Twenty-four (24) self-help youth groups have been formed with 426 members and supported with drafting constitutions in Buvuma hub. 23 peer to peer educators have been selected and trained to train the self-help groups.

84. Six (I6) integrated HIV/AIDS outreaches and sexual and reproductive health outreaches were conducted in Buvuma where 626 persons received HIV testing and linkage services, viral load bleeding, cervical cancer screening, family planning and STI management.

Table 16: Community-level sensitizations by the numbers

Hub	Target	Actual					% achieved
		Gender	F&N	HIV/AIDS	TOTAL		
Kalangala	5,215	980	683	574	2,237	42.9	
Buvuma	5,526	340	2,881	1,063	4,284	77.5	
Mayuge	7,404	380	325	154	859	11.6	
Masaka/Rakai	6,346	0	0	0	0	0	
Hub 4	6,346	0	0	0	0	0	
Total	30,837	1700	3889	1,165	7,380	23.9	

b. Improved land access and tenure security

85. In partnership with Ministry of Land, Housing and Urban Development (MoLHUD), conducted a mediation and sensitization workshop for tenants and landlords on production of oil palm with the aim of harmonization between tenants and landlords in Buvuma Hub, ensuring that landlords are willing to allow tenants to grow oil palm on their land. This will contribute to the expansion of oil palm cultivation in the project area and promote economic growth and sustainability. 15 landlords and 309 tenants were targeted in all the 4 sub counties of Buvuma Hub. The activity has boosted oil palm establishment activities under sub component 1.1 with more farmers being able to plant after landlords allowed them to utilise their land as a result of the mediation exercise.

iii. Sub-component 2.3: Environment, Health and Safety (EHS)

86. **Restoration and demarcation.** In the current FY2023/24, 300 ha of 600 ha, have been demarcated in Kalangala, using bamboo as a live marker, as guided by the National Environment Management Authority (NEMA). In addition to this, an additional 19.8 ha of degraded lakeshore have been restored with indigenous tree species, bringing the total to 40.4 ha.

87. In Buvuma, 52 ha had been restored previously. The total restoration is therefore 92.4 ha, whilst the demarcated area is 300 ha. This represents a 41.1% (against the project target of 955 ha for the year 2023. Against the project target of 5,751 ha brought under climate-resilient practices, the score is 6.8%.

Table 17: Hectares of land brought under climate-resilient practices

Climate-resilient practice	District	Hectares
Restoration	Buvuma	52.0
	Kalangala	40.4
Demarcation	Kalangala	300.0
Total		392.4

88. In order to augment efforts to restore degraded sites, in FY2022/23, a 40,000-tree seedling nursery has been established at Namunyolo Local Forest Reserve, in Buvuma Hub. The nursery has been used to train 22 TOT female members of Kojja-Tojjwe Environment Conservation and Tree Planting Association (KECTPA) and these are expected to further train another 100 members, including 20 from Bukalabati Womens' Conservation Group on tree nursery management. The project has held prior engagement with Kyosiga Women Environmental Protection and Development Association and is facilitating collaboration between the group and NFA/BDLG for restoration related activities in both local and central forest reserves.

89. The NOPP, in conjunction with the National Forestry Authority (NFA) office in Buvuma, opened the boundaries of 4 forest reserves – Bugomba ((270 ha), Lukale (382 ha) and Olamus (391 ha) in Buwooya Sub County, and Bukaibale CFR (1,137 ha) in Busamuzi Sub County with respective boundary lengths of 6 km, 5.7 km, 11.5 km and 27 km).

90. **Environmental and Social Impact Assessments.** The ESIA for establishment of oil palm plantations in Mayuge Hub of the National Oil Palm Project was completed and approved by NEMA in the 2nd quarter of FY23/24. In 4th quarter of the FY22/23, the ESIA for the fertiliser store in Buvuma district, was completed and approved by NEMA..

91. The project, working with Wetlands Management Department (WMD) of Ministry of Water and Environment (MWE) verified a total of 566 additional farmers in Kyotera District of Masaka Hub, in the current reporting period. Previously, wetlands in Masaka and Mayuge Hubs of the NOPP were mapped as part of the Environmental and Social Impact Assessment studies. And in collaboration with the National Agricultural Research Laboratories, Kawanda, the NOPP undertook soil suitability analyses in Mayuge and Masaka Hubs as an input to the respective ESIA processes. The soil suitability reports were annexed to the final ESIA reports.

92. The NOPP, working with the National Forestry Authority (NFA) mapped central forest reserves in Mayuge as part of the ESIA for establishment of smallholder oil palm plantations. Preliminary desk analysis covering 4 Central Forest Reserves (i.e. Walulumbu, South Busoga, Bukaleba and Namafuma) was undertaken and a list of farmers whose gardens are within 50 metres of the actual boundary of the respective CFRs generated. A field verification exercise

was then undertaken targeting farmers that are close to the CFR boundary and the report finalised. The report was annexed to the ESIA for Mayuge.

93. The respective ESAs for Mayuge and Masaka Hubs were approved by NEMA and have since been translated into local languages – Lusoga and Lusamya for Mayuge and Luganda for Masaka Hub - and these are due to be disclosed at district, sub county and parish levels in the constituent districts of the respective hubs.

94. **Environmental Audit.** The Environmental Audit for smallholder oil palm growing in Kalangala, including the outlying islands of Bunyama and Bubembe, was concluded in March 2023 and issued a compliance agreement by NEMA in June 2023. Subsequently, based on the environmental audit, the environment and social monitoring plan for Kalangala out-growers has been updated to guide monitoring efforts.

95. **Private Sector EHS interventions.** In October, 2022, the EHSO participated in the HCV/HCS consultative meeting for Sango Bay at which it emerged that Sango Bay is a seasonally inundated grassland area, part of which is a Ramsar site. An ESIA study was commissioned by Oil Palm Buvuma Limited (OPUL) that included mapping of the Ramsar site that lies in the proposed wider Sango Bay landscape. Mapping of the Ramsar site was undertaken by the WMD of MWE as the institution mandated to oversee the management of wetlands in the country. On the basis of recommendations of the ESIA, growing of oil palm in Sango Bay is to be done in strict observance of the boundaries of the Ramsar site.

96. The EHSO and officials from MWE joined OPBL and the sustainability team from Wilmar International on a verification visit to Buvuma to assess HCV/HCS areas and propose approaches to managing them. An issue of contention emerged that about 1,330ha out of the 5,400 provided to OPBL for oil palm growing is being conserved as an HCV/HCS area and yet this forms part of the area that people were compensated. The guidance from MWE was that the HCV/HCS areas need to be introduced as new regulated areas for oil palm growing. Subsequently, a review of the HCV/HCS area was undertaken and this was reduced to 1,043 ha thus freeing up 287 ha for expansion of the oil palm nucleus estate.

97. **Local Environment Committees.** A total of 64 Local Environment Committees (LECs) were formed in the districts of Kalangala, Buvuma and Mayuge. In Mayuge, 26 LECs were formed – 23 at parish level and 3 at sub-county level i.e., Malongo, Bukabooli and Busakira Sub counties (69F, 773M); while in Kalangala 7 (at unit level) and Buvuma 31 (27 at unit level and 4 at block level). In total, 75 LECs were trained (including those that were formed in earlier financial years). Through the efforts of LECs in Kalangala, and the community at large, the district natural resources office has been notified of fresh encroachment of the buffer zone (especially planting of food crops) and so far, 10 improvement notices have been issued to offenders. The district has followed up to ensure that these sites are restored.

98. The NOPP engaged NFA and KDLG with regards to the rampant encroachment of Kijogolo CFR (281.74 ha and boundary line of 6.1 km) on Bunyama Island, especially through charcoal burning. As a result, NFA in conjunction with KDLG has enhanced surveillance

leading to halting of charcoal burning. The NOPP PMU and KDLG held a meeting with NFA to discuss restoration of Kijogolo CFR and the following was agreed:

- Boundaries of Kijogolo CFR be secured by surveying and placing boundary marks
- Map the badly degraded areas of the CFR
- 100ha of the CFR be restored with indigenous tree species planted in strips.
- Formulate community forest groups to help in restoration efforts and/or policing
- Support neighbouring community to grow fast growing wood species as a measure to reduce pressure on the reserve

99. In the first half of FY23/24, the NOPP, in conjunction with NFA, surveyed and demarcated 2 CFRs (Buwanzi and Olamus) in Buwooya Sub County, Buvuma District, to pave way for continued oil palm growing in approved areas of the sub-county. Olamus CFR is approximately 391ha with a boundary length of 6.5km, while Buwanzi CFR is 458ha with a boundary length of 11.45km.

100. **Roundtable on Sustainable Palm Oil (RSPO).** Three trainings have been held in Q2 FY23/24, as part of capacity building on RSPO for relevant district technical staff and farmers through *Solidaridad, the international NGO* that was contracted to build the capacity of key stakeholders on environmental and social sustainability and RSPO. A total of 111 people were trained (M - 43 and F - 43) on aspects of RSPO (including good agricultural practices, the RSPO principles and criteria and certification process) and cultural heritage management planning. Prior to this, working with Roundtable on Sustainable Palm Oil (RSPO) Africa Office, a stakeholder engagement was conducted in May 2023, to sensitize smallholder farmers in Kalangala and Buvuma, on the RSPO Independent Smallholder Standards. The engagement was a first step towards enabling the smallholder farmers attain RSPO certification. Besides enabling the smallholder farmers access to credits² (in addition to the incomes they already obtain from the sale of FFB to the private investor), RSPO certification will improve the image of Uganda's oil palm sector on the international scene.

² There are 3 types of credit; Certified Sustainable Palm Oil (CSPO), Certified Sustainable Palm Kernel Oil (CSPKO) and Certified Sustainable Palm Kernel Expeller (CSPKE). These are convertible into monetary income. One RSPO Credit equals one tonne of RSPO Certified Sustainable Palm Oil (CSPO), Certified Sustainable Palm Kernel Oil (CSPKO) or Certified Sustainable Palm Kernel Expeller (CSPKE). One RSPO Independent Smallholder (IS) Credit represents one tonne of IS-CSPO/IS-CSPKO/IS-CSPKE.

C. Component 3. Oil palm Sector development Framework

101. This component is focused on assisting Government of Uganda to establish the enabling conditions for the sustainable scaling-up and long-term development of the oil palm sector, during and beyond the lifetime of NOPP. The detailed progress under this component is below:

i. Sub-component 3.1: Policy and institutional support for Oil Palm sector development

a. Policy Development

102. The Regulatory Impact Assessment Draft Report, with input from the MAAIF Senior Management Team is due for Stakeholders validation in January 2024. This will be followed by a final submission to the MAAIF Top Policy Management, in March 2024.

b. Institutional support

103. In Buvuma, the project engaged UDB, Stanbic Bank, Post Bank and Centenary Bank, with the aim of attracting commercial financing of oil palm production.

104. In the reporting period, USD 280,780.77 was disbursed and paid to OPBL to clear invoices for inputs and services provided to commercial farmers, up to December 2022. Processing of other payments is ongoing to facilitate other loan disbursements. Earlier, in October 2022, a line of credit worth Ush. 11.6 billion from Uganda Development Bank Limited (UDBL) was approved for to finance 1000 hectare for commercial farmers in Buvuma.

ii. Sub-component 3.2: Strengthening of national capacity for oil palm research

a. New sites

105. **New adaptive oil palm trials establishment in Northern and West Nile region.** National Oil Palm Project and the National Agricultural Research Organisation (NARO) have the responsibility of expanding commercial oil palm production across suitable agro-ecologies in Uganda. The suitability of agro-ecologies is best determined by evaluating the performance of oil palm in various areas. The NARO research team has identified and planted oil palm adaptive trials in West Nile region in the districts of Arua (1 site), Zombo (1 site), Moyo (3 sites) and Adjumani (3 sites), to evaluate their yield performance. In the same line seven sites have been identified in the districts of Dokolo (4 sites), Apac (1 site) and Nwoya (2 sites) to host oil palm adaptive trials in Mid North. Trial establishment is on-going with 5 varieties exhibiting Fusarium wilt resistance, Ganoderma tolerance, short growth and drought tolerance traits.

b. Research sites

106. **Existing oil palm adaptive trial growth and yield performance.** The research team continues to evaluate oil palm growth and yields under research and on-farm trials in different environments. Data collection is yet to begin in the newly established trials. On-station trials

exist at NaCORI Kituza and at NaCRRI – Namulonge. The trials provide data for benchmarking Uganda's oil palm industry with the rest of the oil palm producing countries. The 25-year old trial at NaCORI Kituza yielded 14.01 ton of fresh fruit bunches per hectare while the 7-year old trial at NaCRRI yielded 1,489 bunches and 10.8 ton/ha. The growth parameters have increased with age to a canopy of 8.1 m, height of 2.14 m, girth 2.7 m.

c. Kalangala Hub

107. **Management of Fusarium wilt disease of oil palm and Ganoderma trunk rot.** In devising sustainable measures for the management of Fusarium wilt disease of oil palm, 250 oil palm seedlings resistant to Fusarium wilt and tolerant to Ganoderma obtained from CIRAD-Benin were planted in Fusarium wilt of oil palm and Ganoderma trunk rot infested fields in Kagulube block in Kalangala district. These seedlings are being evaluated against Fusarium wilt disease under field conditions for 5 years.

108. **Best Management plots.** Incidence and severity data collection in the Best Management Plots (BMPs) set for management of Fusarium wilt disease in Kagulube block and Ganoderma trunk rot in Kayunga block were initiated. Furthermore, to demonstrate best management practices to farmers in the management of Fusarium wilt of oil palm and Ganoderma trunk rot, *Arachis pintoi* (pinto nut) was planted as a cover crop, as a best management practice, BMPs plots in Kayunga for Ganoderma trunk rot and Fusarium wilt of oil palm in Kagulube block as a cover crop. Pintoi nut is intended to replace the more vigorous and harder to manage Mucuna that had been ignored by smallholder farmers in Kalangala.

109. **Oil palm bunch maturity period.** Understanding maturity days of oil palm is among the indicators used in developing harvesting indices. Harvesting index is used to determine the time for harvesting ripe bunches. Experiments to determine maturity period were set up in 2021 in Kayunga block in Kalangala. Findings from this trial indicated that oil palm in this location takes an average of 6.3 months to mature, from the time of flowering. This information will be key in developing a harvesting index for Kalangala hub.

110. **Integrated Pest Management.** *Rhynchophorus phoenicis* (African oil palm weevil) remains an important pest affecting oil palm fields. A study on pheromone traps has been initiated to assess their effectiveness in controlling the pest. Surveillances also focus on any other pests that may exist in the fields and trial sites.

d. Buvuma hub

111. **Training.** In the reporting period, a training was conducted for the extension officers in Buvuma hub. The training was aimed at skilling the oil palm extension officers in site selection, establishment, and management of young oil palm fields.

112. **Best Management Plots Establishment.** Three (3) acres of land, out of 15 acres allocated for research in Buvuma, has been identified for establishment a demonstration, research and BMP research plots. The research plot will serve as a testing area of research materials and also as a demonstration field. A detailed report is attached as Annex 4.

D. Component 4. Project Management, Monitoring and Evaluation and Knowledge Management

i. Project Management

113. The Ministry of Agriculture, Animal Industry and Fisheries established a Project Management Unit (PMU) to coordinate implementation of project activities between the respective implementing partners. The PMU is responsible for preparing and submitting the project work plans and budgets to the Government of Uganda and International Fund for Agriculture Development; Technical Backstopping; Monitoring and Evaluation; Procurement Management, Financial Management; preparation of reports to the different stakeholders including MAAIF, Office of the Prime Minister, Ministry of Finance, Planning and Economic Development, Operation Wealth Creation, Parliament of Uganda, and IFAD

114. The project prepared quarterly and annual work plans and progress reports using both GoU's Program Budgeting System (PBS) and IFAD formats and submitted them on time to MAAIF and IFAD for approval. The project produced the annual report for FY 2021/22.

115. The Ministry established a multi-sectoral Project Steering Committee (PSC) to provide policy oversight of the project, approve work plans and budgets, and ensure adherence to relevant strategies established by Government during project implementation. The Steering Committee is chaired by the Permanent Secretary, MAAIF and comprises of the technical heads of agencies responsible for implementation of Project activities including; National Environment Management Agency, Ministry of Finance Planning and Economic Development, Ministry of Works and Transport, Uganda National Road Authority and Ministry of Trade Industry and Cooperatives. The Steering Committee is supposed to meet twice a year and held a meeting on 06th October, 2022.

Table 18: Summary of the key action points agreed upon in the inaugural PSC meeting

Key issues	Agreed Action
Communication from Chair	<ul style="list-style-type: none">• To fast track the production of palm oil so as to cover the demand and supply of palm oil.• Plan for Project Steering Committee meetings as it is in the Project Design Document such that stake holders contribute to the progress of the Project.
Matters arising from the NOPP progress report presentation	<ul style="list-style-type: none">• NOPP team to share the detailed expansion plan to other Hubs and timelines.• Project to conclude ESIAs in the expansion hubs and submit for timely approval by NEMA.• Project to enforce environmental guidelines through the District Natural resources in the respective Hubs.• MAAIF- NOPP to conclude on land acquisition process for nucleus establishment.• Develop a clear plan/extended plan on how to fast track/increase the disbursement rate and catch up on

Key issues	Agreed Action
	targets and deadlines.
Presentation and approval of the Annual Work Plan and Budget & Procurement Plan 2022/23.	<ul style="list-style-type: none"> Provide details on the AWPB and share with PSC members. Provide Oil palm expansion and research strategy. Involve the political leaders, district leaders and the locals in an effort to mobilise more growers in the expansion hubs.

116. The Project Management Unit is fully constituted except for the vacancies of Mobilization and Participatory Planning Officer and the Project Accountant. The Buvuma hub staff were recruited and are all based at their work station in Buvuma - however, one of the hub staff resigned and has not been replaced, whilst the position of administration officer was not filled. A project surveyor was also recruited.

ii. Financial Performance

117. The project was declared effective on the 1st March 2019. The first disbursement to the country was made on the 13th September, 2019 of USD 500,000 and USD 5,200,000. The total startup costs amounted to USD 500,000 and additional USD 5,200,000 was made for project activities and to increase it to USD 5,700,000 as authorized allocation.

118. To-date, a total of USD 21,111,449.42 (27.84%) equivalent to approximately Ush. 77,181,468,029/= has been disbursed to the country, of which USD 4,332,250.57 were direct payments.

119. Out of the total disbursed funds to the country, 86% (Ush. 51,603,989,348/-) has been absorbed in total, since project inception.

Table 19: Project External Financing Performance, FY2019/20 - 2023/24, December 2023

FY	Budget	Actual Expenditure	% Actual
2019/2020	44,429,596,000	5,189,091,235	12%
2020/2021	39,969,765,700	18,624,786,849	47%
2021/2022	39,318,000,000	10,269,497,072	26%
2022/2023	35,897,042,000	22,939,758,503	63.9%
2023/2024	34,054,890,000	4,163,980,167	12.23%

120. The GoU financial performance for the project life is indicated below. In the cases of performance above 100%, this arose because the project had opening balances at the start of those particular Financial Years.

Table 20: Project GoU Financing Performance, FY2019/20 - 2023/24, December 2023

FY	Budget ('000)	Released ('000)	Actual Exp. ('000)	Release (%)	Expenditure (%)
2019/2020	10597,033	6,152,500	3,456,332	58	56.1
2020/2021	7,597,033	7,582,032	9,809,789	100	129
2021/2022	4,897,000	4,647,000	5,096,111	95	110
2022/2023	5,240,000	4,100,000	4,100,000	78	100
2023/2024	3,300,000	2,235,000	2,235,000	68	100

121. In FY2023/24, the sub-component level financial performance is here below:

Table 21: Budget Performance FY2023/24, as at December 2023

Component & Sub-component	Budget '000	Actual Expenditure	% Expenditure
1.1: Smallholder oil palm plantations developed	22,169,500	1,654,775	7.46%
1.2: Development of OPG organisations	963,928	19,110	1.98%
1.3: Support Infrastructures Established	2,011,903	32,707	1.63%
Component 1 sub-total	25,145,331	1,706,592	6.79%
2.1: Alternative Economic Opportunities	307,115	6,388	2.08%
2.2: Mitigation of social risks	609,249	5,300	0.87%
2.3: Environment, Health and Safety	1,243,431	76,403	6.14%
Component 2 sub-total	2,159,796	88,091	4.08%
3.1 Oil Palm Sector Development Framework	130,000	1,760	1.35%
3.2 Strengthen the National Capacity for Oil Palm Research	544,467	339,440	62.34%
Component 3 sub-total	674,467	341,200	50.59%
4.: Project Management, Monitoring and Evaluation and Knowledge Management	6,075,296	2,028,097	33.38%
Component 4 sub-total	6,075,296	2,028,097	33.38%
Grand Total ('000)	34,054,890	4,163,980	12.23%

iii. Procurement

122. The procurement of goods and non-consultancy services, works and the acquisition of consulting services, financed by the IFAD, have been carried out in accordance with the provisions of the Government of Uganda's Public Procurement and Disposal of Public Assets Act (PPDA Act) of 2003 and associated regulations.

123. **Procurement Methods and Procedures:** The application of different methods of procurement for goods, works and consulting services will be in accordance with the methods of procurement for goods, works and consulting services as established and approved in the Procurement Plan or in accordance with the provision of the PPDA.

124. **Borrower Procurement System/PPDA:** Specific Procurement Methods and Procedures under Public Procurement & Disposal of Public Assets (PPDA) Act and Regulations 2003 (as amended), using the PPDA Solicitation Documents for various transactions have been used under the project.

125. **Procurement function of NOPP:** A delegated Project Contracts Committee (comprising 5 senior members who include an Attorney representing Solicitor General's office) has been adjudicating project related procurement transactions. A Procurement and Contracts Manager, Procurement Officer and Procurement Assistant constitute the Project Procurement Unit.

126. On Procurement Performance, see Annex 2 for a detailed report.

iv. Monitoring and Evaluation

127. The project is implementing a results-based Monitoring, Evaluation and Learning approach where an M&E system customized for the NOPP is being implemented. The project maintains updated and detailed Logical and Results Management Frameworks. It is also incorporating the use of Geographic Information Systems (GIS). The project Management Information System will improve efficiency in data entry, analysis, storage and report production for the PMU and implementing partners.

128. **Project Management Information System and Tools.** The Project Management Information System contract was completed and the project has a functional MIS. The project is in the process of transferring project data from the excel data sets to the newly developed MIS, and transferring the MIS to the government of Uganda server at the National Information Technology Authority – Uganda (NITA-U).

129. **Routine monitoring activities.** The M&E team is undertaking routine monitoring in the project intervention areas. The monitoring has served to assess the extent to which planned activities and outputs are achieved, by implementers at the different levels of implementation, viz., PMU, NARO, Local Governments and Private Service Providers – specifically these are agronomy interventions for establishment of Oil Palm and for non-OPGs under subcomponents 2.1 and 2.2; support to farmer organisations; infrastructure interventions, particularly road works and training of road forepersons; support to non-OPGs in off-farm enterprises and vocational skilling; interventions for environment and Oil Palm research. The basis for assessments is the annual work plan and budget and any recommendations made previously.

130. The project also validates the data reported by the different implementation partners. The monitoring reports highlight the progress in the implementation of the annual work plans, challenges being encountered, recommendations and lessons learned that can be scaled up in other project areas.

131. **Mapping.** The project has undertaken mapping activities in Buvuma, Kalangala and Mayuge hubs. In Buvuma, the project M&E unit using kobo collect captured the GPS coordinates of the oil palm smallholders' gardens. The exercise enabled the project verify the

number of smallholder and the location of the oil palm plantations in Buvuma. All gardens were captured and a map showing the smallholders was developed. In Mayuge, as a critical requirement for the ESIA, the project responded to NEMA's recommendation and captured the GPS locations of the potential smallholder farmers in Mayuge. 523 potential farmers' gardens were captured and a GIS map developed. The project also captured the locations of all the 1300 mentees under the mentorship program. In the reporting period, the beneficiary coordinates have been also been uploaded onto the government GIS portal.

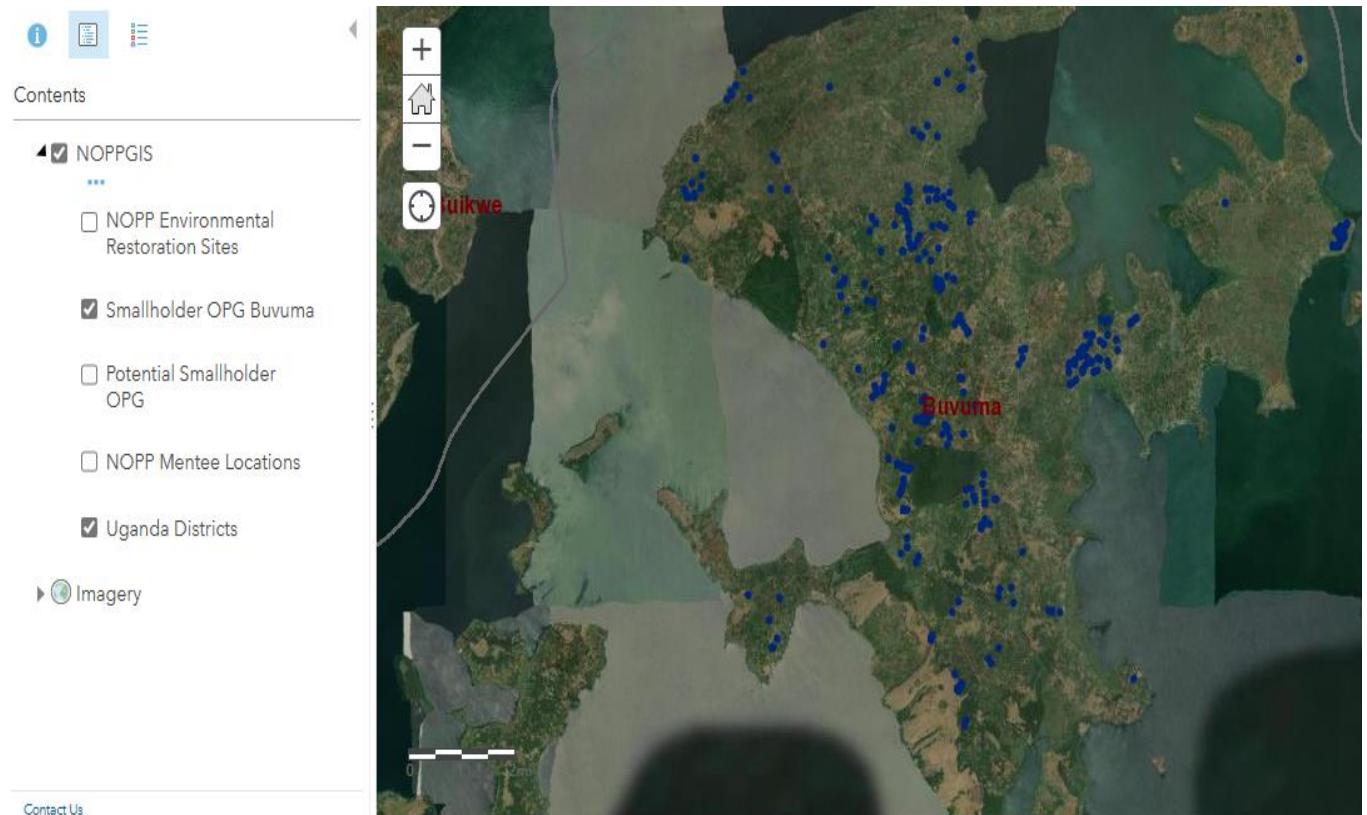


Figure 5: GoU Portal map of smallholders in Buvuma district

132. Project Reporting. The project also prepared on-demand special reports to IFAD, Parliament of Uganda, Cabinet Ministers, Ministry of Finance, Planning and Economic Development, Office of the Prime Minister and other stakeholders, reporting progress on the implementation of different project activities. Highlights of the other progress under M&E are below:

- The Results Based Logical Framework, **Annex 5**, has been revised and updated to ensure all the indicators are well defined, baselines are clear, targets over the project lifetime are set.

v. Communication and Knowledge Management

133. **Knowledge Management.** The purpose of KM in the NOPP context is to facilitate and enable the capture, exchange and uptake of knowledge within and beyond with two key objectives: to inform stakeholders on options and approaches to; and to improve the impact of NOPP. The key steps, products and activities that have strengthened KM included information management and sharing, and collaboration and learning across the stakeholders.

134. The CKMO organized and/or contributed to knowledge and learning events at exhibitions and produced and disseminated a number of knowledge products, including project IEC materials. In the first half of FY23/24, this included participation in the Ninja Agriculture show and World Food Day.

135. **Knowledge Products**

- a. The fourth edition of the Oil Palm newsletter was published online via www.gcic.go.ug;
- b. Developed the framework of a dedicated information portal for oil palm and input the information;
- c. Participated in photo mission in Kalangala and Curation of field activity pictures;
- d. Updated Project FAQs and Smallholder fact sheets.

Community of Practice (CoP). Membership to the d4ag@dgroups.io, where topical issues are discussed online. This is a CoP with over 2,000 members across the world.

Lessons learnt. This is a continuous process, lessons learnt from the implementation of the project activities were carried out. A compilation of the lessons from the MOU between Oil palm Buvuma Limited and Buvuma Oil Palm Growers Cooperative was undertaken.

Knowledge Sharing: Carried out radio talk shows covering Buvuma Hub geared at mobilizing small holder farmers to participate in oil palm growing. This was also done in Bugiri district under the Mayuge Hub to educate and mobilize potential small holder farmers to participate in the survey process. Use of the local FM radio stations and local bizindalo in the residential communities was very effective.

E. CHALLENGES

136. Failure to avail all the land required by the Private Sector Investor. Whilst the verification process has been rather slow, neither have the GoU allocations to the project for land purchase, compensation of tenants and other associated costs been sufficient for the requirements in Buvuma and now Sango Bay in Kyotera district. This has the effect of slowing down the investments by the Private Sector and consequently benefits to the out-growers and the economy at large.

137. Failure to access the project reflows from Kalangala repayments by farmers, as stipulated in the Financing Agreement. Ministry of Finance, Planning and Economic Development has not responded to MAAIF's repeated requested pertaining to the aforementioned, yet this is clearly stated in the Financing Agreement signed between IFAD and the Minister of Finance, Planning and Economic Development. These funds would go a long way in establishment of smallholder oil palm in other areas across the country.

138. Relatedly, the low budgetary allocation has also affected maintenance of roads in Kalangala district, and this is affecting transportation of the FFBs to the factory.

139. The project is not designed to finance commercial oil palm growing. As such, farmers with more than 2 ha have to source alternative funding. This constraint has negatively impacted the rate of oil palm establishment as the process of getting alternative financing has been lengthy, and only recently achieved with Uganda Development Bank Limited.

ANNEXES

ANNEX 1: Detailed Sub-component reports

Annex 1A: Subcomponent 1.1 Development of smallholder oil palm plantations

a. Overview

140. The National Oil Palm Project (NOPP) is a 10-year project with the goal of scaling up investment in smallholder oil palm development. This means the establishment of sustainable commercial partnerships between smallholder oil palm growers and private processors. In total, it will involve about 11,000 growers with 17,147 ha under oil palm, in four new hubs, namely, Mayuge, Masaka, Buvuma and Mukono, where the crop will be planted for the first time, and in Kalangala where production and value addition is already consolidated and 500ha are targeted as commercial propagation.

141. In June 2020, the NOPP Project Management Unit (PMU) revised the targeting strategy for oil palm establishment as indicated in Table 1 below. This was done to sync implementation targeting to the delayed project commencement.

Table 22: Revised targeting strategy for Oil Palm establishment.

Hub/Loans	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	Total (Ha)	OPGs
Kalangala development										11,348	2,063
KOPGT										6,370	
Kalangala commercial /own-financing			500							500	200
Buvuma development		500	500	750	750					2500	2023
Buvuma commercial /own-financing			100	100						200	40
Mayuge- development		500	1,250	1,000	750					3500	2692
Mayuge- commercial /own-financing				450	450	600				1500	538
Masaka - development				1500	1500					3000	2308
Masaka- commercial /own-financing					474	473				947	500
Mukono - development					1500	1500				3000	2308
Mukono - commercial /own financing						500	1000	500		2000	470
Total³		1,000	2,250	3,700	5,424	3,073	1,000	500	0	17,147	11,342

b. Buvuma Hub

142. **Mobilization and Registration of farmers.** The project, in conjunction with Buvuma District Local Government technical and political leadership, initially mobilized and registered 1,650 farmers (31% female) across the main island towards meeting the planting target of 2,500 hectares. To date, over 2,550 farmers have been identified and sensitized on their roles and responsibilities, including understanding the benefits of oil palm growing.

143. **Formalization of partnership with private sector.** Under the tripartite agreement (MoU) between MAAIF-NOPP and OPBL, for the establishment of smallholder oil palm plantations in Buvuma which was signed on June 20, 2022. The Contract Management Team (CMT) continued providing oversight, responsibility, quality assurance and harmonization of services delivery to the farmers by OPBL. Monthly and quarterly CMT meetings were held with private sector and farmer cooperative executive to review implementation including pricing of inputs, and improving modalities for provision of technical services to the cooperative.

144. **Survey and Mapping of farmland for oil palm planting.** During the period July-December 2023, a total of 3,936.297 ha belonging to 3,464 farmers have been surveyed and mapped in the three hubs of Buvuma, Mayuge and Masaka; the cumulative hectares surveyed and mapped by the Project Surveyor is now. In Buvuma, there was a shortfall in hectares surveyed caused by delayed demarcation of boundaries of National Forest Reserves by NFA to clear farmers who had expressed interest in planting oil palm. This shortcoming and others negatively impacted the pace of smallholders planting in Buvuma.

Table 23: Hectares surveyed and mapped, across the Hubs

Hub	Districts	July - December 2023		Cumulative	
		No. of Farmers	Area (Ha)	No. of Farmers	Area (Ha)
MAYUGE	Mayuge	1621	1285.426	1621	1,285.43
	Bugiri	405	323.497	405	323.497
	Namayingo	199	185.068	199	185.068
	Sub total	2,225	1,793.99	2,225	1,793.99
BUVUMA	Buvuma	341	150.103	1442	1706.233
	Sub total	341	150.103	1442	1,706.23
MASAKA	Kalungu	100	160.302	100	160.302
	Kyotera	566	1,382.03	566	1,382.03
	Masaka	232	449.871	232	449.871
	Sub total	898	1,992.20	898	1,992.20
Grand Total		3,464	3,936.30	4,565	5,492.43

Source: Project Surveyor field reports.

145. In Buvuma hub the project has supported 665 smallholders since the commencement of planting so far, a cumulative total of 1,526.65 hectares. During the first half of FY July -December 2023 only 214 .02 hectares had been planted leaving a planting backlog of 585.26ha out of the annual target of 1000ha. This was largely attributed to delayed reimbursements of maintenance to farmers and the planting ban on Buwooya sub county to ensure NFA demarcates Central Forest Reserve boundaries and MWE to check proposed farm land located in wetlands in addition to observance of the 200M buffer zone.

Table 24: Progress of smallholders oil palm planting in Buvuma, as at 31st Dec 2023

Plantation	Project Target	Planting Jan-Dec 2021		Planting Jan-Dec 2022		Planting Jan-Dec 2023		All cum.	<=2 ha cum.	=>2 ha cum.	Balance to 2 ha Project Target
		Target	Achieved	Target	Achieved	Target	Achieved				
Hectares	2,500	500.00	510.9	1,000.00	518.38	1,000.00	426.062	1,526.65	436.211	1,090.	1,631.79
Oil Palm Growers								665	449	216	

146. **The use of inputs such as fertilizers and crop protection products.** The quantities of inputs, namely, seedlings, assorted fertilisers (Rock phosphate, NPK, NK3, Urea, Kieserite and Dolomite.) and pesticides (Chlorpyrifos) supplied for smallholders' plantations establishment over the reporting period is summarised below:

Table 25: Summary of inputs (Fertilizers & Pesticides) usage report, July-December 2023

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

147. Summary of Oil palm planting in Buvuma hub Jul -Dec -2023

Table 26: Oil palm establishment in Buvuma hub, July - December 2023

Block	Jul. – Sept.	Oct. – Dec.	Total
Busamuzi	42.76	50.02	92.78
Nairambi	22.67	44.76	67.43
Buvuma TC	18.58	35.23	53.81
Buwooya	0.00	0.00	0.00
Total	84.01	130.01	214.02

Table 27: Oil palm agronomy training participation, July - December 2023

Description	Jul - Sept		Oct – Dec.		Total		
Block	Male	Female	Male	Female	Male	Female	Trained
Busamuzi	45	23	47	26	92	49	141
Nairambi	39	18	41	16	80	34	114

Buvuma TC	32	21	29	27	61	48	109
Buwooya	21	13	23	15	44	28	72
Total					277	159	436

148. NOPP-Hub extension team in conjunction with OPBL Out growers liaison section, trained 436 OPGs on key topics concerning appropriate oil palm agronomic practices for proper management of young palms including, Circle weeding/ minimum tillage practices , ablation, sanitary pruning, platforming for palms planted on steep terrain, cover crop establishment Trainings were conducted using field handbooks, manual and Standard Operating Procedural guide.

149. **Logistics.** To access inputs, the out-growers are issued with loading permits by the Logistics Officer and the Hub Manager, upon meeting minimum requirements. The permits are presented at OPBL for release of the permitted inputs, which the farmer then transports seedlings to his garden, by means of post-paid or cash-paid transportation. During the period July-December. The Logistics and Inventory Management Officer working closely with Agronomist and Hub Manager prepared Calendar of oil palm establishment and maintenance to guide and plan field operations with Hub Extension workers and unit leaders in their respective blocks as they carry out oil palm management on daily basis.

150. A fertilizer application schedule has been prepared to organize logistics of transportation, handling and application of fertilizers in farmers' fields.

Table 28: Fertilizer application schedule, July – September 2023

Block	FERTILIZER TYPE (Kg)				
	Dolomite	NPK Blue	NPK Compound	NPK Yellow	Kieserite
Town Council	13,683	13,683	13,683	13,683	6,842
Nairambi	4,997	4,997	4,997	4,997	2,499
Buwooya	3,544	3,544	3,544	3,544	1,772
Busamuzi	13,424	13,424	13,424	13,424	6,712
Sub Total	35,648	35,648	35,648	35,648	17,824
Grand Total			160,416		

Table 29: Fertilizer application schedule, October – December 2023

Block	Fertilizer Type (KG)					
	Dolomite	NPK Blue	NPK Compound	NPK Yellow	Kiesrite	UREA
Town Council	4,873	4,873	4,873	4,873	2,437	4,873
Nairambi	7,999	7,999	7,999	7,999	4,000	7,999
Buwoya	83	83	83	83	42	83
Busamuzi	6,728	6,728	6,728	6,728	3,364	6,728
Grand Total	19,683	19,683	19,683	19,683	9,842	108,257

151. **Tree census.** In August 2023, the PMU conducted the first oil palm tree census in Buvuma district. The preliminary results captured 178,393 palms planted, with 166,329 palms surviving, in 702 gardens. The most common cause for the lost palms was termite attack. A key challenge encountered during the exercise was the reluctance of some farmers to participate in the census.

Table 30: Summary of Buvuma Tree Census results

Sub County	Number of Units	Number of gardens	Normal palms	Vacant points	Total palms
Buvuma TC	5	207	61,968	3,555	65,523
Busamuzi	10	223	45,714	2,028	48,234
Nairambi	8	207	50,075	52,588	55,663
Buwooya	3	65	8,572	893	9,465
Total	26	702	166,329	12,064	178,393

c. Mayuge Hub

152. **Overview.** During this reporting period July -December 2023 , a total of 970 farmers were surveyed and mapped in the districts of 1,017 farmers in Mayuge 405 in Bugiri and 199 in Namayingo bringing the total to 1,621 farmers respectively So far the cumulative total of farmers (Female = 21%) surveyed in Mayuge hub stands at 2,225 out of the 3,435 farmers mobilized.

153. In Mayuge District, 970 farmers are ready to start lining and planting to start the first rains of 2024.

154. In Namayingo district, a total of 60 district stakeholder leadership were mobilized and sensitized about oil palm growing and the district has wholly endorsed the project. Farmers in the district are ready to start planting with support of NOPP team and OPBL/BIDCO.

d. Masaka Hub

155. **Overview.** Masaka hub comprises of the districts of Masaka, Kalungu and Kyotera.

156. In Masaka hub, a total of 898 farmers have had their farm land surveyed (Masaka = 232, Kyotera = 566 and Kalungu – 100) respectively and so far totalling to 1,992.2 hectares.

157. Memorandum of Understanding (MoUs) between the district Local Governments and the District Local Governments of the three districts that make up Masaka hub have been finalized and submitted for clearance by Solicitor General. In Kyotera district, the district has passed resolution to embrace oil palm growing.

e. Mukono Hub

158. Mukono hub comprises of Mukono and Buikwe districts.

159. In FY2021/22, an entry meeting was held in Buikwe district, where 61 District Leaders were introduced to the project implementation modalities. Plans are underway to start the survey and mapping activities once the ESIA assessment studies are finalized.

160. **Development of the young palms, mortality, culling replanting.** In Buvuma the main problem with management of young palms was termites which got worse during the dry spell. The recent tree census report revealed that sixty percent (60%) of the vacant holes was attributed to termite destruction. In addition, the farmers who received seedlings for replacement of missing holes was largely due to termite problem.

In Kalangala, the replanting exercise commenced with establishment of plantations and so far during July to December 2023, an additional 1,076 hectares were planted bringing the total planted area to 6,239, by 2,554 farmers.

161. **Field husbandry.** During this reporting period July to December 2023, farmers were trained and encouraged to keep the palm circles clean, carry out strip weeding/slashing in the palm rows to ease access in their oil palm plantations especially during fertilizer application, field inspections for pest and disease surveillance, training of farmers to continue doing ablation where 60% of palms reach flower bearing stage for those that planted in 2021 and those planted in the first half of 2022 respectively.

f. Kalangala Hub

162. **Overview.** In Kalangala hub by the end of 2019, there were 4,848 ha planted by 2,063 out-growers and this was during VODP2. The NOPP planting target for Kalangala is 500 ha, commercially or privately financed.

163. **Planting progress.** In the reporting period, 1,076 ha have been established under individual farmer's effort, bringing the total hectares since 2019, to 6,239, by 2,554 OPGs. Of these, 1,474 OPGs are harvesting from 4,030 ha. The Nucleus estate remains at 6,500 hectares.

Table 31: Oil Palm Growers in Kalangala hub, by end of December 2023

#	Subcounty	Male	Female	Institutions	Total
1	Bujumba	466	282	27	775
2	Kalangala Town Council	76	32	7	115
3	Mugoye	974	638	52	1,664
	Total	1,516	952	86	2,554

164. **Production of Fresh Fruit Bunches (FFBs).** Cumulatively, the farmer members of Kalangala Oil Palm Growers Trust (KOPGT) have harvested 420,237 MT of FFB valued at UGX 292.2 bn, between January 2010 and December 2023. The increase in production is largely attributed to an increase in area of maturing trees for harvesting, age of the trees and an increase in yield due to more farmers adherence to the recommended agronomic practices and fertilizer application.

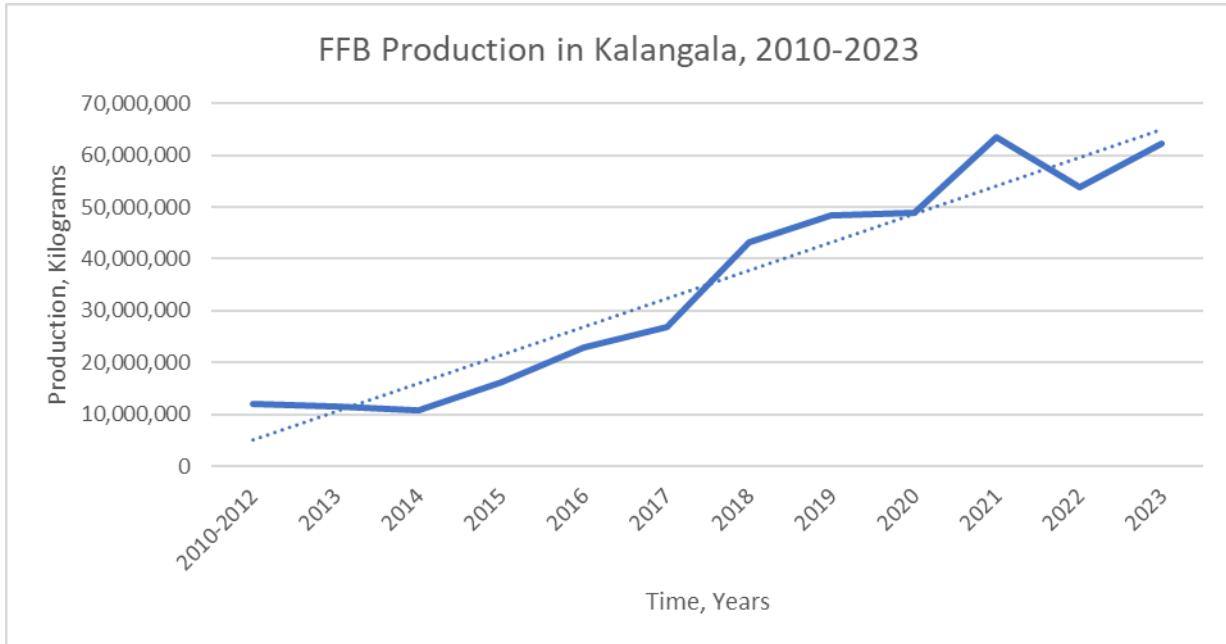


Figure 6: Fresh fruit bunch production trend in Kalangala, December 2023

165. **Further outcomes.** The average price of FFBs has been on an upward trend since production commenced in 2010. In 2022 however, there was a significantly marked price spike, arising from a combination of factors on the international scene – reduced exports of Crude Palm Oil (CPO) from Malaysia and Indonesia, and the outbreak of the Russia-Ukraine war.

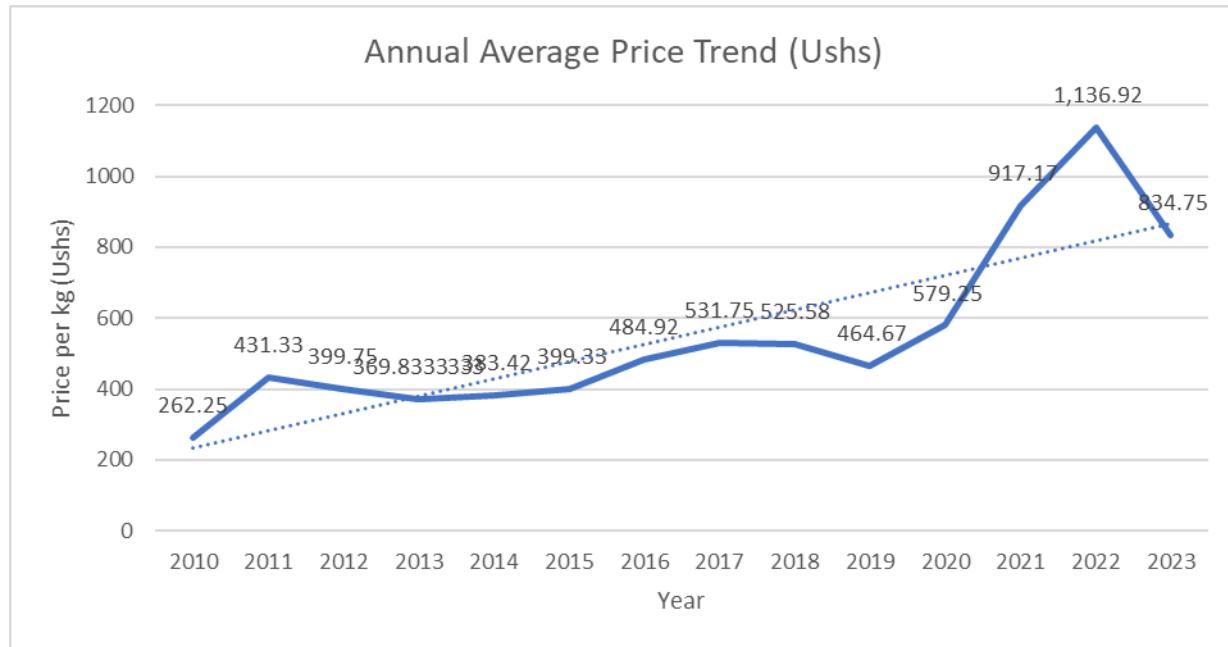


Figure 7: Average annual price trend for FFBs in Kalangala

166. Relatedly, arising from the 10% shareholding in OPUL, the farmers have so far earned Ush. 50.2 bn in dividends. Following the directive of H. E. The President in May 2023, these dividends will be used for oil palm establishment in Kyamuswa subcounty, an island of Kalangala district.

PHOTO GALLERY



Figure 8 Mounding of young palms in low lying areas



Figure 9 Training farmers on circle weeding in Bukinarwa unit



Figure 11 Mounding of young palms in areas affected by torrential rains in Busamuzi





Figure 12 Farmer illustrating palm before fertiliser



Figure 13 Farmer illustrating fertiliser response after application Figure 14 Reclaiming palms affected by torrential rains
Figure 15 Expansion of circle weeding to apply fertilizer near root zone

Annex 1B: Sub-component 1.3 Establishment of support infrastructures

1.1 OVERALL PROJECT TARGET

The following support infrastructure will be established: 300 km of access roads and 910 km of farm roads; Fertilizer storage capacity of 1,500 metric tons in each hub; and a new ferry for Buvuma Island.

1.2 PROGRESS SUMMARY

The progress under the infrastructural interventions is summarised in the table below.

Table 1: Summary of Progress of infrastructural interventions

Deliverable	Project Target	Half Annual Achievement (Jul-Dec 2023)	Cumulative Achievement to Dec 2023	Remarks
Survey, Design, and Demarcation of Access Roads in Buvuma	50 km	13 km	63 km	Cumulative achievement is more than the target as some roads were dropped after the exercise
Survey, Design, and Demarcation of Farm Roads in Buvuma	150	40 km	100 km	Target not yet achieved as the exercise progresses hand in hand with planting of palms
Construction of Access roads in Buvuma	50 km	2 km	16.5 km	Construction of another package of 25km is under procurement
Construction of Farm roads in Buvuma	150 km	3.2 km	32 km	
Design and build of Ferry for Buvuma	1		1	The 604 MT ferry was commissioned on the 27 th May, 2023.
Construction of Hub Office block for Buvuma	1		1	Completed
Construction of Fertilizer Store for Buvuma	1 (1,000 MT)	Ongoing procurement of a contractor		

2.1 CONSTRUCTION OF 16.5KM OF ACCESS ROADS

2.1.1 CONTRACT INFORMATION

The Ministry of Agriculture, Animal Industry and Fisheries signed a contract with M/S HEAAT General Engineers and Contractors Ltd on 27th December 2022 for construction of 16.5km of access roads in Buvuma at a price of UGX 992,592,135. The works commenced on 24th January 2023 for a contract duration of 12 months.

2.1.2 SCOPE OF WORKS

The scope of works involved construction of 16.5km of access roads to MOWT class III standard of district roads. The detailed scope of works as tendered consisted of site preparatory works, setting out/road alignment, bush clearing works, earth works, installation of culverts and provision of adequate drainage channels, embankment works and gravelling the entire length of the roads.

The roads constructed are:

SN	ROAD NAME	LENGTH (KM)
1	Nkoka- Bukaibale Forest Border	2.2
	Nkoka Butende	1.9
	Kulwe-Kekeje	2.4
	Kanyerera- Bwaka	1.5
	Buwangwe-Butende	1.7
	Main Road-Buwanga Forest Border	3.8
	Kirongo-Galamu	3.0
	Total	16.5

2.1.3 PERIOD OF EXECUTION OF WORKS

The contract duration was 12 months. The contractor commenced works on the 24th January 2023 and achieved practical/substantial completion on 21st December 2023 which was within the original contract period. The defects liability period of 6 months is scheduled to end on 21st June 2024.

2.1.4 PHYSICAL WORKS EXECUTED

The works executed consist of:

- Road formation done for 16.5km,
- Swamp filling done for 0.41km,
- Gravelling done for 16.5km and,
- 412 linear meters of culverts installed.

Overall physical progress is 100%.

1.8 PAYMENT FOR THE WORKS

Payment for the works was effected in four instalments as follows

SN	DESCRIPTION	AMOUNT (UGX)
1	Advance Payment	99,259,214
2	Interim Payment Certificate No. 1	574,744,923
3	Interim Payment Certificate No. 2	110,462,962

4	Substantial Completion Payment Certificate No.3	154,541,335
	TOTAL	939,008,434

The retention money equivalent to 5% of the contract sum will be paid at the end of the defects liability period

2.2 CONSTRUCTION OF 32KM OF FARM ROADS

2.2.1 GENERAL INFORMATION

The project constructed the first package of 32km of farm roads using force account mechanism at a cost of UGX 873,433,200/. The works commenced on 28th February 2023 and were completed on 30th November 2023.

2.2.2 WORKS EXECUTED

The works executed consist of:

- Bush clearing, shaping and compaction of 32km,
- Graveling of 13.7km and,
- Installation of 167 linear meters of culverts

Mitre drains were constructed at appropriate intervals and soak pits dug at their end points to collect water for the benefit of the oil palm plantations especially those near the road way.

Details of road sections that have been constructed are given in the table below:

Table: Farm Roads Bush Cleared, Levelled, shaped, compacted and gravelled

S/n	Road Name	Block	Unit	Length			Culvert Size & number	
					Section Formed	Section Graveled	900mm dia	600mm dia
1	Mutebi,Ssuubi bra, Mbabali Hassan, Nandutu Eva, Isima Kasadha, Lutakome Nelson	Buvuma Town Council	Kabugombe-Tome	1.9	1.9			10
2	Mubiru Edward, Mayega Jasper, Katongole Ronald	Buvuma Town Council	Kabugombe-Tome	1.01	1.01			
3	Kasajja Francis Katamba, Kato John B, Ilukor John	Buvuma Town Council	Kabugombe-Tome	2.1	2.1			
4	Kabamba cell road, Kirabira Patience, Kadisi	Buvuma Town	Kabugombe-Tome	0.7	00			

	Suzan	Council					
5	Kirabira Patience, Xavier	Buvuma Town Council	Kabugombe-Tome	0.25	00		
6	Mayega Jasper, Lwembawo William Ssemakula, Magara	Buvuma Town Council	Kabugombe-Tome	0.55	00		
7	Mbabali Hassan, Kasadha Ismael road	Buvuma Town Council	Kabugombe-Tome	1	1		
8	Kawunye Resty, Bonny, Nakalembe Doreen and Mulangila road	Buvuma Town Council	Kabugombe-Tome	1.48	1.48		54
9	Bubere road- Kibondwe Letiticia, Nalwanga Sydney V, Ssemakula Grace, Kibondwe Jude, Kizito John, Nakibondwe Agnes, Nakibondwe Justine	Buvuma Town Council	Bubere	4.14	3.42	5	45
10	Chuna Moses K, Nekesa Assey, to Ddungu Adrian, Kizito Grace road	Buvuma Town Council	Bubere	5.6	0		13
11	Bukwaya-discipleship- Bukwaya centre Ssebugulu road, Lakeside Col	Buvuma Town Council	Bubere	2.9	2.45	5	
12	Bukwaya-Mpanga road	Buvuma Town Council	Bubere	2.73	00		
13	Epai, Nsiiro Abu, and road	Buvuma Town Council	Lunyanja-Buliba	3.23	0		35
14	Migadde Robert, Kasirye David, Mbowa, Kagwa Andrew road to Buwanga	Buvuma Town Council	Buwanga-Bukambe-Mpolwe	2	00		
15	Palm Resort, Migadde Robert N, Ssimbwa Hillary M, Kawunye	Buvuma Town Council	Buwanga-Bukambe-Mpolwe	1.05	00		
16	Buwanga road, Kabale Dennis, Epai, Nanzerena Abenakyo, to Forest border main	Buvuma Town Council	Buwanga-Bukambe-Mpolwe	0.635	00		
17	Town council road- Senfuma	Buvuma Town	Lunyanja-buliba	0.37	0.37		

		Council					
18	Mugenyi Timothy, Mugenyi Colline, Nakambwe Fatuma, and Suuna, Josephine	Buvuma Town Council	Lunyanja- Buliba	0.55	00		
	Total			32.195	13.73	10	157

PICTORIAL OF PROGRESS FOR ACCESS ROADS

	
Completed road section	Completed road section
	
Completed road section	Installed culvert line
	
Installed culvert line	Installed culvert line



Installed culvert line



Installed culvert line

PICTORIAL OF PROGRESS FOR FARM ROADS



Mr Chin & Swardi from OPBL paying us a visit and share experiences at the start of bush clearing activites



Our operations at the borrow pit during gravelling works



Watering of the road surface during gravel application



The heavy rains did not spare a four wheel drive which had to spend a night in one of the roads being constructed

1.0 INTRODUCTION

This report represents the progress made in implementing environment, health and safety activities during the period of July to December, 2023.

2.0 PLANNED ACTIVITIES

The following activities were planned during the reporting period:

- (i) Complete the review of the Environmental and Social Impact Assessment (ESIA) Reports to integrate IFAD comments and submitting to National Environment Management Authority (NEMA);
- (ii) Translate the respective ESIA reports for Mayuge and Masaka Hubs and disclose them in the respective areas where the project is to be rolled out;
- (iii) Integrate recommendations of the environmental audit for smallholders in Kalangala into the environmental and social monitoring matrix to guide future monitoring efforts;
- (iv) Clarify the boundaries of the remaining central forest reserves in Buwooya Sub county, Buvuma District to enable the delivery of inputs to farmers by Oil Palm Buvuma Limited (OPBL);
- (v) Initiate activities of the International Non-Governmental Organisation (INGO) geared towards building the capacity of key stakeholders in environmental and social sustainability and Roundtable on Sustainable Palm Oil (RSPO);
- (vi) Establish Local Environment Committees (LECs) in Buvuma and Kalangala;
- (vii) Restore degraded sites in Kalangala Hub;
- (viii) Effectively manage the consultancy for undertaking the Strategic Environmental Assessment for NOPP;
- (ix) Kick-start the process of procuring consultants to undertake:
 - (a) Environmental and Social Impact Assessment for establishment of oil palm plantations in Mukono-Buikwe Hub;
 - (b) Environmental and Social Impact Assessment for establishment of fertiliser store in Mayuge Hub.
- (x) Carry out environmental, health and safety monitoring in the respective hubs of the NOPP interventions.

3.0 IMPLEMENTATION PROGRESS

3.1 Environmental and Social Impact Assessment

3.1.1 Approval of environmental and social impact assessment

The ESIA for establishment of oil palm plantations in Mayuge Hub of the National Oil Palm Project was completed and approved by NEMA in the 2nd quarter of FY23/24.

3.1.2 Verification of farmers by Wetlands Management Department

A total of 566 additional farmers were verified by the Wetlands Management Department, as part of the environmental and social impact assessment for establishment of oil palm plantations in Kyotera District of Masaka Hub.

Two hundred forty-two (242) farmers have been mapped in Masaka and 100 in Kalungu, and these are yet to be verified by the Wetlands Management Department as part of the ESIA for establishment of oil palm plantations in the respective districts.

3.1.3 Disclosure of respective environmental and social impact assessment reports for Mayuge and Masaka Hubs into local languages

The respective ESIA for Mayuge and Masaka Hubs have since been translated into local languages – Lusoga and Lusamya for Mayuge and Luganda for Masaka Hub - and these are due to be disclosed at district, sub county and parish levels in the constituent districts of the respective hubs.

3.2 Environmental Audit

Based on the environmental audit, the environment and social monitoring plan for Kalangala out-growers has been updated to guide monitoring efforts.

The NEMA conditions of approval for the Environmental and Social Impact Assessment for establishment of oil palm plantations in Buvuma were reviewed and updated by Oil Palm Buvuma Limited and these were subsequently disclosed at village and district levels.

Environmental audit for the nucleus plantation in Kalangala was carried out by Oil Palm Uganda Limited (OPUL).

3.3 Survey and demarcation of Central Forest Reserves

The NOPP in conjunction with NFA, surveyed and demarcated 2 CFRs (Buwanzi and Olamuswa) in Buwooya Sub County, Buvuma District, to pave way for continued oil palm growing in the area. Olamuswa CFR is approximately 391 ha with a boundary length of 6.5 km, while Buwanzi CFR is 458 ha with a boundary length of 11.45 km.

3.4 Capacity building of key stakeholders on Roundtable for Sustainable Palm Oil

Three (3) trainings have been held as part of capacity building on RSPO for relevant district technical staff and farmers, through Solidaridad, the international NGO that was contracted to build the capacity of key stakeholders on environmental and social sustainability and RSPO. A total of 111 people were trained on aspects of RSPO (including good agricultural practices, the RSPO principles and criteria and certification process) and cultural heritage management planning. The table below shows the details of the trainings conducted:

Table 32: INGO RSPO Training Participation

No.	Activity	Total no. of participants	No. of men	No. of women
1.	Training on RSPO	16	8	8
2.	Stakeholders' inception meeting for INGO activities	72	43	29
3.	Training on Best Management Practices	30	25	5
4.	Training on identifying important cultural heritage sites	35	22	13

3.5 Establishment and training of Local Environmental Committees

3.5.1 Establishment and training of Local Environment Committees in Kalangala

Six (6) local environment committees (LECs) were formulated in Njoga, Kanyogoga, Kizi, Buswa, Mulabana and Dajje and trained in environment, health and safety, while 24 LECs were trained in environmental management, monitoring, reporting and action planning.

3.5.2 Establishment and training of Local Environment Committees in Buvuma

The process of establishing and strengthening the LECs was carried out starting at the unit level and then at block level for the four blocks namely; Busamuzi Block, Buvuma Town council Block, Buwooya Block and Nairambi Block.

3.5.2.1 Activity Objectives

- To identify, appoint and formulate the unit and block level local environment committees;
- To backstop the committees on their roles and responsibilities;
- To sensitize the local environment committees on sustainable utilization of environment and natural resources and integration of the environment issues in oil palm growing.

3.5.2.2 Planned Outputs

- Roles and responsibilities disseminated;
- Environment policy and laws disseminated;
- 4 block level Local environment committees formulated;
- 3 local environment committee members elected and trained in each unit.

3.5.2.3 Methodology/Approach

At Unit Level

The activity was organized at unit level, in the respective parishes. The meetings started with categorizing and identifying the participants that belong to the out-growers and the general community.

A general discussion was held on the roles and responsibilities of the Local Environment Committee at unit level, with emphasis on the monitoring function in the context of oil palm growing.

The gathered smallholder oil palm growers would then elect three leaders amongst themselves. These included:

- a. Unit Chairperson
- b. Unit Secretary
- c. Unit Mobilizer

The elected leaders were officially appointed and then trained on their roles and the feed-back mechanism that would be followed. These leaders would represent all the Oil Palm Out growers from their respective Oil Palm Units at the Block level.

At Block Level

The stakeholders were gathered at the sub-county headquarters for the training. These comprised of the 3 representatives from each unit in the block, the Sub-County Community Development Officer (CDO), 1 Agriculture officer and Sub-County Health Assistant.

At Block level a 3-member environment executive committee was officially elected from the Unit representatives. Two ex-officials were added, the Sub-County Community Development Officer and Agriculture officer. These were officially appointed and then trained on their roles and the feed-back mechanism that would be followed.

The relevant policy, regulations and guidelines on environment management were also discussed. Environment management being a decentralized function was clearly elaborated and therefore the need for having local environment committees.

3.5.2.4 Challenge faced during the Environment and Natural Resources sensitization

Some community members are so hostile about being screened out of central forest reserve land through the surveys undertaken by National Forestry Authority, as they consider it as their land. This was signified by the refusal of some people to register their names on attendance lists during the sensitization sessions, as they thought they were being tricked into getting their consent to evacuate them. This particularly happened in Kabakungu Unit.

3.5.2.5 Recommendation for the Sustainable Oil Palm agronomy in the Buvuma

- (i) The formulated committees should be facilitated to enable them work on the environmental issues independently;
- (ii) There is a need for continuous sensitization and capacity building of the LECs, especially to familiarize them with the Environment, Health and Safety checklist so as to guide future farm-level monitoring efforts;
- (iii) Empower the LECs at both Unit and Block level to ably monitor and advise individual farmers, and report any environment mishap.

3.6 Restoration of degraded areas

3.6.2 Restoration planting of degraded areas with indigenous tree species

In Kalangala, 19.8 ha of degraded lakeshore buffer zone was restored with indigenous tree species on Bunyama Island. This brings the cumulative area restored in Kalangala to 40.4 ha.

3.6.3 Demarcation of lakeshores in Kalangala

Fifteen (15) km of lakeshore buffer zone was demarcated using live markers of bamboo; along Kivunza, Kagonya on Bunyama Island and Kasisa, Lwabaswa on Bubembe Island. This represents a total area of 300ha.

3.7 Environmental Monitoring and Compliance inspection

3.7.2 Checklist for environmental monitoring and compliance at farm level

A checklist (Annex 1) was developed to guide environmental monitoring at farm level with the help of the local environmental committees that have been established. Initial trainings of the LECs have been held in Kalangala and Buvuma Hubs on the use of these checklists. The data obtained from these monitoring efforts will be processed and reports compiled by the respective District Environmental Offices to guide decision making on required interventions to plug identified gaps.

3.7.3 Environmental compliance monitoring in Kalangala

Environmental compliance monitoring was conducted in Kalangala Town Council, Mugoye, Bujjumba, Bufumira, Kyamuswa and mazinga Sub Counties.

Findings

- Inadequate and inappropriate use of PPEs by workers in the palm oil production operations;
- Illegal tree harvesting in the buffer zones;
- Destruction of water catchment areas (streams and springs);
- Poorly disposed of polythene and plastic material a threat to the environment;
- Settlements in the buffer zone;
- Foul smell within the community from the mill processing of FFB at both mills (Bwendero and Bbeta);
- Encroachment of the buffer zone & wetlands by oil palm plantations.

Proposed Mitigation measures

- Sensitizing the communities on environment management and sustainable utilization of the ecosystems;
- Restoration of degraded ecosystems;
- Promoting appropriate use of PPEs in and throughout the production processes of oil palm production;
- Removal of the newly planted oil palms from buffer zone and wetlands;
- Promote the planting of cover crop to control soil erosion and sedimentation of the lake.

3.8 Progress on implementation of consultancies

3.8.2 Strategic Environmental Assessment for NOPP

The contract to undertake the strategic impact assessment was signed between Atacama Consulting and MAAIF on 24th July, 2023 and this was followed by a kick-off meeting on 24th August, 2023 at which the inception report was presented. Subsequently, the Consultant submitted a Stakeholder Engagement Plan (SEP) 26th September 2023, followed

by a screening Report on 2nd October 2023. In accordance with guidance provided in the National Environment (Strategic Environmental Assessment) Regulations, 2020, the screening report is supposed to be reviewed by a Multi-Stakeholder Technical Committee (MSTC) comprising of representatives of selected Ministries, Departments and Agencies (MDAs) and set up by MAAIF. A communication was made to the respective MDAs on 27th September, 2024, however, by 31st December, 2024, out of the 19 members proposed only 9 had been appointed to the MSTC. This has caused a significant delay in the progress of the assignment given that it is a requirement for the MSTC to approve the screening report before it progressing to the scoping report stage. In light of the foregone, given that the assignment completion date is 14th March, 2024, and that the MSTC has been slow to constitute, it is necessary for a no cost extension of contract to be granted.

3.8.3 Environmental and Social Impact Assessment for establishment of oil palm plantations in Mukono-Buikwe Hub

Expressions of interest were received from 12 firms in respect of the consultancy to undertake environmental and social impact assessment for establishment of oil palm plantations in Mukono-Buikwe Hub. Out of the 12 firms that submitted EOIs, 5 were shortlisted. The evaluation report of expression of interest was prepared and sent to IFAD for a no objection. This is to be followed by issuance of the request for proposal.

3.8.4 Environmental and Social Impact Assessment for establishment of fertiliser store in Mayuge Hub

Two bids were received (out of the 5 firms that were issued with request for proposal) for the consultancy to undertake environmental and social impact assessment for establishment of a fertiliser store in Mayuge Hub. The evaluation is to be undertaken, subject to a no objection being granted by IFAD to open the bids, since the number falls below the minimum threshold of 3.

Annex 1: Key Performance Indicator progress for Environment, Health and Safety

KPI: Hectares of land brought under climate-resilient practices

Project Target	Annual Target	Annual achievement	Cumulative achievement
5,751 ha Buvuma: 500ha;	955 ha	<ul style="list-style-type: none"> • 42 ha restored; • 300 ha of 600ha demarcated. 	<ul style="list-style-type: none"> • 92.4 ha • Buvuma: 52 ha • Kalangala: 40.4 ha
Mayuge: 2,751ha;			<ul style="list-style-type: none"> • 300 ha demarcated • Kalangala: 300ha
Masaka: 1,250ha;			<ul style="list-style-type: none"> • Annual score: 41.1%
Mukono:			

Annex 2: Checklist to guide farm-level Environment, Health and Safety monitoring

**MINISTRY OF AGRICULTIURE, ANIMAL INDUSTRY AND
FISHERIES**
NATIONAL OIL PALM PROJECT

**SITE-SPECIFIC ENVIRONMENTAL AND SOCIAL MONITORING CHECKLIST FOR
MITIGATION OF SITE-SPECIFIC IMPACTS ON SMALLHOLDER FARMER PLOTS AND
ALTERNATIVE LIVELIHOOD SUB-PROJECTS**

A. General description of the site **(Tick what is appropriate)**

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Flat ground
2. Steep slope (>15 degrees)
3. Gentle slope
4. Low land
5. Provide any additional description:.....
.....
.....
..... | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|

B. Specific site assessment

No.	Issue	Status (C/PC/NC/NA)*	Recommended action
1	<i>Environmental</i>		
1.1	Soil erosion control		
1.1.1	Planting cover crop		
1.1.2	Collection of waste polyethylene bags that originally carried the seedlings		
1.1.3	Triangular planting during oil palm plantation establishment (on steep slopes)		
1.1.4	Contour mulching using oil palm fronds on sloppy ground		
1.1.5	Terracing on steep slopes		
1.1.6	200-meter lakeshore buffer zone respected		
1.1.7	30-meter stream buffer zone respected		
1.1.8	Central/Local Forest Reserve boundary respected		
1.2	Slash and burn – leave cut vegetation to rot and form manure for the oil palm garden		
1.3	Health and Safety		
1.3.1	Use of appropriate personal protective gear		
1.3.2	Availability of basic first aid materials e.g., plaster, spirit, gauze, surgical blade, pain killer		
1.4	Fertilizer application – farmer knowledgeable about manufacturer's fertilizer application regimes		
1.5	Food security – farmer has reserved land for food production besides the oil palm garden		
1.6	Labour issues (<i>including worker's welfare</i>)		
1.6.1	Employment contracts signed with workers		
1.6.2	Safety training undertaken for workers		

**C – Fully Compliant
Applicable”*

PC- Partially Compliant

NC – Non Compliant

NA – “Not

Annex 3: Pictorials



Figure 16: Formulation and training of Local Environment Committees in Buwooya Sub County, Buvuma District, date?



Figure 17: Demarcation of the lakeshore buffer zone in Kalangala.

Annex 1C: Sub-component 3.2 Strengthening of national capacity for oil palm research

Executive summary

The National Oil Palm Project (NOPP) is mandated to identify and expand commercial oil palm production in Uganda. Evaluation of locations is ongoing to determine their suitability for oil palm production. The NARO research team has identified and planted oil palm adaptive trials in West Nile, in the districts of Arua, Zombo, Moyo and Adjumani and in the districts of Dokolo, Apac and Nwoya of Mid Northern Uganda. A total of 5 varieties obtained from CIRAD-Benin, are under evaluation for attributes including high yields, resistance to Fusarium wilt of oil palm, Ganoderma trunk rot tolerance, short stature and drought tolerance under different agro ecologies.

Assessment of the mature trials on-station and on-farm is continually carried out taking records on growth and yield. Data collection is yet to begin in the newly established trials. On station trials exist at NaCORI Kituza and at NaCRRI – Namulonge. The trials provide data for benchmarking Uganda's oil palm industry with the rest of the oil palm producing countries. The old trial at NaCORI yielded 14.6 ton of fresh fruit bunches per hectare while the young trial at NaCRRI yielded 1,450 bunches and 10.6 ton/ha. The growth parameters have increased with age to a canopy of 8.3 m, height of 2.2m, girth 2.7m.

Arachis pintoi has been earmarked as a potential cover crop for oil palm. Its short stature, ability to cover the ground and potential to fix nitrogen make it an appropriate cover crop. Seedlings have been prepared and circulated to increase its distribution and enhance adoption among farmers. Studies are underway to determine the appropriate propagation methods for easy multiplication of the cover crop for large scale planting.

The study on maturity on the trial in Kalangala indicates that oil palm takes an average of 6.3 months to mature from the time of flowering. A confirmation study is ongoing. This information will be important in developing the harvesting index for Kalangala hub.

Rhynchophorus phoenicis (African oil palm weevil) remains an important pest affecting oil palm fields. A study on pheromone traps is underway to assess their effectiveness in controlling the pest. Surveillances also focus on any other pests that may exist in the fields and trial sites.

Training was conducted with the extension officers in Buvuma hub. The training was aimed at skilling the oil palm extension officers in site selection, establishment, and management of young oil palm fields.

Three 3 acres of land have been proposed for research to establish a research plot in Buvuma. The research plot will serve as a testing area of research materials and also as a demonstration field.

In devising sustainable measures for the management of Fusarium wilt of oil palm, 250 oil palm seedlings imported from CIRAD-Benin were planted in fields infested with Fusarium wilt of oil palm and Ganoderma trunk rot in Kalangala. These seedlings are being evaluated for performance against the major disease over mid and long term.

In the BMPs, measures for improvement of soil characteristics through use of cover crops and management of Fusarium wilt of oil palm and Ganoderma trunk rot are being demonstrated in Kalangala.

To furthermore improve on the achieved results, a number of activities have been planned.

1. Maintain the established new oil adaptive trials in mid north and West Nile region.
2. Evaluate Fusarium wilt under field condition for resistant oil palm varieties
3. Manage BMPs in Kalangala and established BMPs in Buvuma
4. Finalize evaluation of diversity of pollinators in Kalangala during wet and dry season.
5. Continue surveillance, identification and management of both major and currently minor diseases of oil palm in Uganda.
6. Continue with surveillance of oil palm pests in Kalangala and develop integrated oil palm weevil management strategies through use of different traps and suitable cultural practices.
7. Demonstrate appropriate oil palm technologies and products to the public through field demonstration plots and agricultural exhibitions.

Challenges in conducting the research activities

1. Limited human resource capacity. The oil palm research team is small despite the increasing areas of focus across the country and demand for research interventions.
2. Research lacks a reliable vehicle. This has made it difficult for the research team to effectively conduct surveillances, monitoring, management and data collection in trials, etc.
3. Delay of funds has severely affected coordination of research activities, their timely implementation and expected output vis-a vis planned annual targets.

INTRODUCTION

In Uganda, edible oil demands of over 450,000 metric tons immensely exceed the production capacity of about 80,000 metric tons annually. Increased vegetable oil production capacity per unit areas is one of the measures identified by the government to bridge this gap in Uganda. Oil palm is the most productive vegetable oil crop in the world yielding up to 9 tons of oil per hectare yearly. In Uganda, the government is supporting oil palm production in order to reduce dependency on vegetable oil imports.

Indeed, oil palm has spurred the socio-economic transformation of the poor communities after two decades of its introduction in Kalangala islands in Uganda. The government is expanding oil palm production to other suitable areas across the country. With the success registered in Kalangala, oil palm has proved to be a potential crop that can improve livelihoods of the farming communities involved in production.

Despite the success in Kalangala, expansion to other areas is preceded by trials to determine the suitability of such areas for oil palm production. New areas have been identified and trials established in Mid North (Dokolo, Apac, Nwoya districts), North (Gulu, Amuru, Omoro districts) and West Nile (Adjumani, Moyo, Arua and Zombo districts) to assess the performance of oil palm and also test the new materials with characteristics of Fusarium resistance, drought tolerance, short stature (slow growth) and high yields.

In the active production areas and trials, various challenges threatening oil palm production in the country have been identified. These include but are not limited to; poor agronomic practices, physiological disorders, diseases outbreaks, pest infestations, and uncertain climatic conditions. Currently, majority of challenges are tethered to non-adherence to recommended practices such as weed management, proper pruning and fertilizer application routines.

Physiological disorders and disease out breaks are a major threat to oil palm production in Uganda. Preliminary surveys indicated the presence of bunch rot, bunch failure, uneven ripening, Fusarium wilt (*Fusarium oxysporum* f. sp. *elaeidis*), and *Ganoderma* stem rot (*Ganoderma* spp.).

In order to devise appropriate management strategies for the current outbreak of Fusarium wilt of oil palm, novel oil palm materials are being evaluated for resistance to Fusarium wilt of oil palm.

Similarly, pests especially *Rhynchophorus phoenicis* (African palm or red strip weevil) and giant beetles have devastated oil palms in Kalangala. These bore into the crown or root bulb of a young palm causing frond chlorosis. Currently, the African palm weevil is the most significant oil palm

pest in Kalangala district. A study on pheromone traps has been initiated to assess effectiveness in controlling the pest in Uganda.

Despite these interventions, oil palm research is facing challenges that limit its impact to improve productivity. The challenges include limited human resource, a vehicle to conduct research work and irregular release of funds.

Objectives

1. Develop agronomic practices aimed at increasing oil palm yields of small-holder farmers.
2. Conduct physiological studies on oil palm growth, yield and maturity to inform optimum harvesting conditions.
3. Conduct oil palm disease surveillance and design sustainable integrated control measures.
4. Conduct oil palm pest surveillance and design integrated control measures.
5. Capacity building and dissemination of developed technologies through appropriate pathways.

ANNUAL PROJECT ACHIEVEMENTS

OUTPUT 1: Develop agronomic practices aimed at increasing oil palm yields of small-holder farmers

Establishment and Maintenance of New oil palm trials

The National Oil Palm Project (NOPP) is responsible for expanding commercial oil palm production to suitable agro-ecologies across Uganda. The National Agricultural Research Organisation (NARO) is tasked with identifying suitable areas and varieties for commercial oil palm growing in Uganda's agro-ecologies. NARO established 23 acres of oil palm adaptability trials with 5 Tenera hybrids under evaluation for yield, drought and disease tolerance. The trials are in Apac, Dokolo, Nwoya, Adjumani, Moyo, Arua and Zombo districts.

The established trials are under maintenance and proper agronomic management to facilitate good growth and eventual yields of the varieties under test. Maintenance activities including slashing, ring weeding and creation of the fire bands etc. are ongoing in the 23 acres of the oil palm trials. The fields have been prepared ready for the fertilizer application.

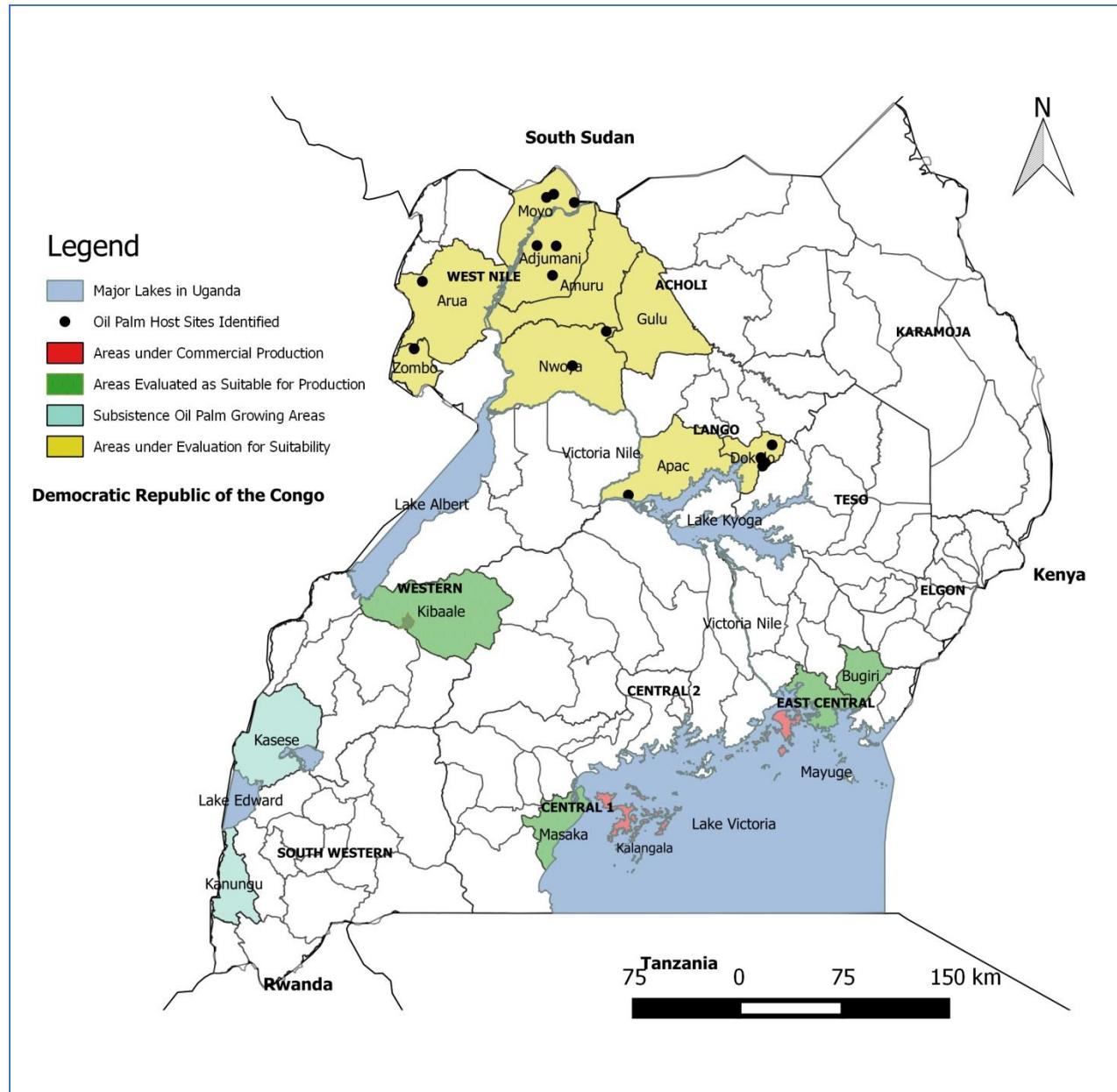


Figure 18: Map of Uganda showing oil palm production and study sites.



Figure 19: A maintained oil palm trial in Ukisjoni Subcounty, Adjumani district



Figure 20: A maintained oil palm field planted at the District Farm Institute in Moyo district

On-station establishment of the oil palm trial

The lack of enough on-station oil palm research fields limits the work that can be carried out on-station leaving much of the research activities to be done off station. Twenty acres of oil palm trial have been established at NaCRRI to ease access to research fields. All disciplines will have access and use these materials for their respective study purposes.



Figure 21: Palms in the newly established field at NaCRRI Namulonge

Existing oil palm adaptive trial growth and yield performance:

The old trial at NaCORI Kituza yielded 14.6 ton of fresh fruit bunches per hectare while the young trial at NaCRRI yielded 10.6 ton/ha and 1,450 bunches. The bunch weight has increased from the previous 7.2kg to the current 7.3kg. The growth parameters have increased with age to a canopy of 8.3 m, height of 2.2m, girth 2.7m.

Yields obtained from the old trial in Kituza slightly increased but are still lower than the expected. The difference from the expected could have been caused by the lapse in fertilizer application. The yields of the trial in Namulonge are showing steady increase overtime. This is expected and the trial is growing towards the peak period of production in the oil palm production cycle (Corley and Tinker, 2016).

Table 33: Growth parameters for oil palm trees at Namulonge for October, 2023

Location	Canopy size (M)	Plant Height (M)	Girth (M)	Number of fronds	Number of spears	Frond length	Frond width
Namulonge A	8.3	2.2	2.7	38.6	3.8	3.6	1.3
Namulonge B	7.9	2.08	2.4	36.3	3.6	3.3	1.1

Table 34: Yield data for the new oil palm research trial at NaCRRI for the year ending in December, 2023

Bunch number	Bunch weight (Tons)	Average bunch weight (kg)
1,450	10.6	7.3

Table 35: Oil palm Yields parameters for Kituza for the year ending in December, 2023

Bunch number	Bunch weight (Tons)	Average bunch weight (kg)
700	14.7	21

Cover crop management trials:

Arachis pintoi has been earmarked as a potential cover crop for oil palm. Its short stature, ability to cover the ground and potential to fix nitrogen into the soil make it an appropriate cover crop in oil palm.

Multiplication of the cover crop and distribution to farmers has been approved by the oil palm consultant. However, preparation of planting materials from sods leaves the source bare and requires a large area of established cover crop. Using the research plot at Namulonge as the source of material, studies are underway to determine the appropriate propagation methods for easy

multiplication of the cover crop using various soil amendments for large scale planting of the cover crop.

Meanwhile, seedlings have been prepared and circulated to some oil palm farmers to BMP demonstration plots to increase the distribution of the cover crop and enhance adoption among farmers.



Figure 22: Some of the *Arachis pintoi* seedlings raised at Namulonge



Figure 23: Pinto nut (*Arachis pintoi*) growing in the oil palm farmer's field

Cover crops fix nitrogen in the soil, control soil erosion and control weeds among other functions. *Arachis pintoi* can fix about 146kg N ha⁻¹ year⁻¹ (Rose *et al.*, 2019) relieving the farmers of costs of fertilizers, minimizing the risks of pollution of water bodies with fertilizers and also by control erosion. It also reduces the costs of weed management by controlling weeds and the frequency of weed control. *Mucuna bracteata* is the only cover crop available for oil palm farmers in Kalangala but farmers have not adopted it citing its vigorous growth and regular management and very thick ground cover among others. *Arachis pintoi* which is low growing and not vigorous is presented as an alternative.

OUTPUT 2: Physiological studies on oil palm growth yield and maturity to inform optimum harvesting conditions conducted

Determination of variation in oil palm pollinator weevils in Uganda

Survey experiments have been initiated in mature oil palm plantations that are at least five years old in out-grower fields in Kalangala, and adaptive trials in Bugiri, Mayuge, Buvuma, Masaka, Kibaale, Kagadi, and Bundibugyo to determine abundance and sexual variation of pollinator weevils on blooming male inflorescence. The male inflorescence is safely removed from the plant. Three spikelets are taken out of the male inflorescence's lower section on each side of the flower, then three more are taken out of the middle section on each side of the flower, and three more are taken out of the top section on each side of the flower. The three spikelets from the various portions are

safely packed in three distinct sealable packs and delivered to the NaCRRI entomology lab, where counting is done.

Physiological challenges including bunch failure and bunch rot in some locations were reported Masika. Poor pollination is one of the reasons for challenges including bunch failure and uneven ripening. The pollinator weevil population in Kalangala and other oil palm growing regions of Uganda is to be determined in order to assess how they affect oil palm bunch development, bunch rot so that assisted pollination can be implemented in areas of need. Preliminary results show that most of the study areas have sufficient number of oil palm weevils. A final report is being, drafted while further studies to determine weevil population needs to be carried out to determine the causes of parthenocarpy

Determination of maturity rates from anthesis to bunch ripening

The time span from flowering and pollination to fruit ripening in Ugandan conditions must be carefully examined in order to ascertain the oil palm maturity period. By using this knowledge, the proper harvesting standards that are appropriate for the environmental circumstances in Uganda may be developed, minimizing any losses caused by the present harvesting standards that might not be suitable for the local conditions.

Preliminary trials have been running continuously in Kituza, Mukono District, Bugiri and now Kalangala to determine these time frames. Before anthesis, the fields are inspected to identify female inflorescences. Selected palms were tagged and their flowers were then isolated before being treated with a 40% formalin solution to destroy any foreign pollen and broad-spectrum insecticides to prevent insect pollination. Preliminary results have shown that oil palm in Uganda take a period of six months to six and half months to mature the final data is to be collected at the beginning of October and a final report will be written. This will give a clear indication of the true time from anthesis to maturity that will help to set standards for harvesting hence increasing quality of the harvested fresh fruit bunches and maximize profits.

OUTPUT 3: Major diseases of oil palm identified and their management options developed

Disease outbreaks are part of the biggest challenges facing the oil palm industry in Uganda. Identification and development of sustainable management measures to oil palm diseases is one of the tasks assigned to oil palm research. As a result, both major and minor nursery and main field disease of oil palm have been identified in the country, including; Leaf spots of oil palm,

anthracnose, rust, blast, Fusarium wilt of oil palm and Ganoderma trunk rot. The occurrence of these diseases, especially Fusarium wilt of oil palm is threatening the development of the oil palm industry in Uganda.

Management of Oil Palm Disease

Fusarium wilts of oil palm

Surveillance in Kalangala

Trend studies were initiated in Kalangala to monitor periodic disease incidence and severity in infested fields. Data is collected quarterly from these areas with the aim of understanding spread of Fusarium wilt in the district and devising sustainable management strategies. This is part of an early warning strategy to curb infection and improves farmer awareness on identification and management of Fusarium wilt of oil palm.

Methods

At least 14 oil palm plots in 5 blocks have been identified and marked for data collection. Fusarium wilt occurrence, average severity and percentage incidence data are collected quarterly. Average severity is assessed using a 1–5 scale on at least 20 oil palms in a marked 100x100m area. The scale is represented by; 1= no visible symptoms, 2= symptoms on less than 25% of the leaf area, 3= symptoms cover 50% leaf area, 4= symptoms on entire leaf area, 5= stunting, deformation, and death of the plant. Incidence is calculated as a percentage of symptomatic palms observed in a given period.

Results

The incidence and severity of Fusarium wilt of oil palm is still relatively higher in localized fields in Kagulube block (Fig. 10). However, palm nutrition and management is poor in the severely affected fields in the block'

Percentage Incidence of Fussarium wilt of Oil Palm in Kalangala Over Time

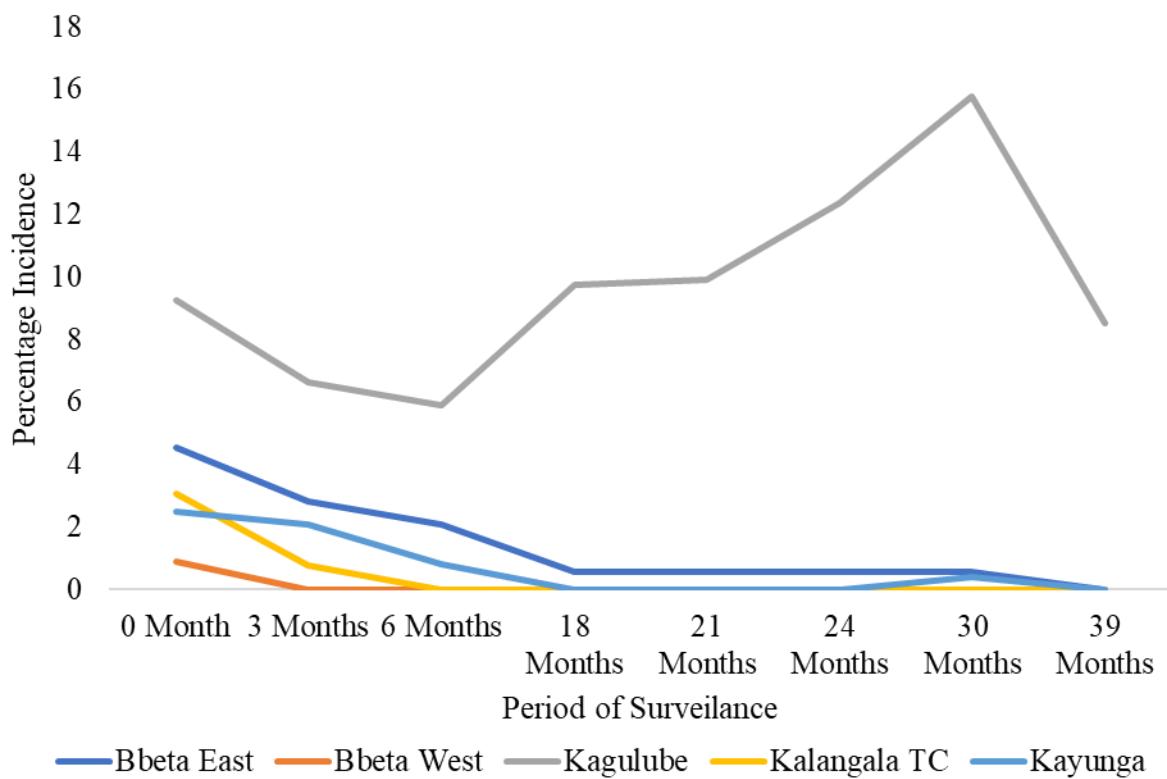


Figure 24: Percentage incidence of Fusarium of oil palm at 0, 3, 6, 18, 21, 24, 30 and 39 months.

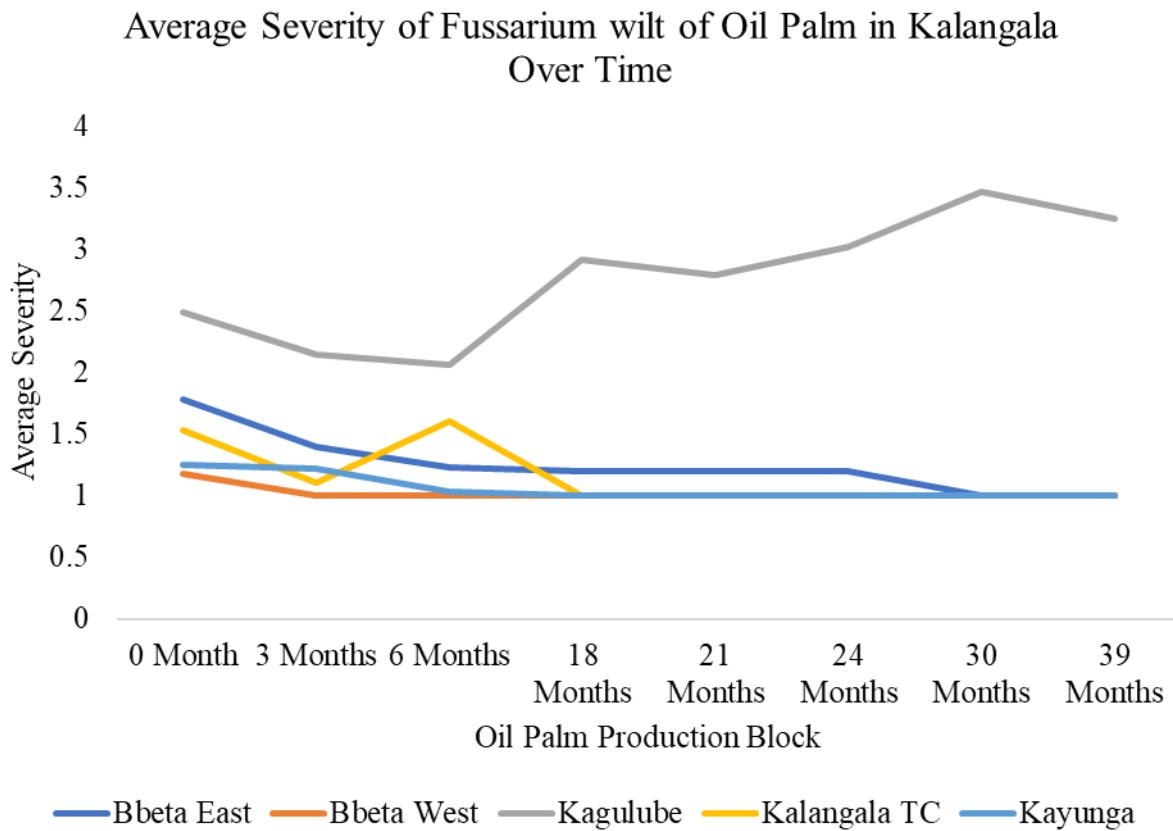


Figure 25: Average severity of Fusarium wilt of oil palm at 0, 3, 6, 18, 21, 24, 30 and 39 months.

Surveillance in Buvuma

Following reports of wilt symptoms in Buvuma, a team from research and PMU visited the affected areas. The symptoms observed included moderate foliar chlorosis and necrosis along the fronds. Older fronds were more affected. The areas visited included Tome, Bukabale and OPBL production blocks. Internal discoloration was not observed in sampled palms. The symptoms observed were not typical of Fusarium wilt of oil palm. However, samples were collected for further laboratory analysis.

In the laboratory, analysis of processed sample cultures for structure, colour and arrangement of hypha and spores showed that the necrosis and chlorosis was caused by fungal infection typical of anthracnose and leaf spots.

Affected farmers were advised to use fungicides such as mancozeb, copper, Dithane M-45 based fungicides etc. at intervals of two weeks for a period of 4 months.



Figure 26: An affected palm with necrotic symptoms on the older fronds observed in Buvuma



Figure 27: Internally, no discolouration was observed in the affected fronds in Buvuma.

Evaluation of Oil Palm Materials for resistance to Fusarium wilt of oil palm and Ganoderma Trunk rot

Five oil palm varieties, imported from CIRAD-Benin, were evaluated under screen house conditions for resistance to local strains of Fusarium wilt of oil palm over a period of 6 months.

Phenotypically, all varieties showed resistance to the local strain of Fusarium wilt of oil palm. Mild Fusarium wilt symptoms were observed externally (Figure 5) and internally (Figure 6) after 6

months of the experiment. However, for conclusive results, the experiment needs to be repeated with susceptible varieties.



Figure 28: An inoculated seedling with dry older leaves after 6 months (a) and an experimental seedling after dissection to reveal internal discoloration

To evaluate for resistance under fields conditions, similarly, 150 seedlings were planted in a Fusarium wilt of oil palm hotspot field in Kagulube production block (Fig. 3). The seedlings were planted as a replacement of suspected Fusarium wilt diseased palms in a severely infested and poorly nourished fields in Kagulube. Baseline data collection and observations do not show any Fusarium wilt of oil palm related symptoms in the young palms. Data (occurrence, average severity and percentage incidence) will be collected bi-annually over a period of 5 years (short term) and over 10 years (long term).



Figure 29: A seedling being planted in a Fusarium wilt of oil palm hot spot field in Kagulube

Best Management Plots for Fusarium wilt of oil palm and Ganoderma trunk rot:

To demonstrate best management practices to farmers in the management of Fusarium wilt of oil palm and Ganoderma trunk rot, *Arachis pintoi* (pinto nut) was planted in the best management practice, BMPs plots in Kayunga for Ganoderma trunk rot and Fusarium wilt of oil palm in Kagulube block as a cover crop. Pinto nut is intended to replace the more vigorous and harder to manage Mucuna that had been ignored by small scale farmers in Kalangala.

The pinto nut is expected to minimise soil erosion, improve soil biomass and thus the soil structure and nutrient content while effectively reducing spread of both Fusarium wilt and Ganoderma trunk rot in the affected field through improved palm nourishment and reduced soil movement.



Figure 30: Surveillance and extension of awareness for Ganoderma trunk rot in Kalangala

OUTPUT 6: Conduct oil palm pest surveillance and design their control methods

Oil palm weevil, *Rhynchophorus phoenicis* (Coleoptera: Curculionidae) is a key pest of palms in Kalangala. The research team at NaCRRI does surveillance of oil palm pests, including oil palm weevils. Environmentally sustainable management options have been designed to control oil palm weevil, including use of sex pheromone traps, bio-insecticides and improved agronomic practices.

Oil Palm weevil infected trees per acre:

A higher number of fields assessed in Bbeta West and Bbeta East showed 8.2% and 6.8% infected trees per acre compared to Bubembe and Bbeta East. The growers whose fields were assessed noted that oil palm weevil infected trees range from 1-14 trees per acre (Fig. 10). It was also noted that a higher number of oil palm weevil infested trees were in lowland oil palm plantations when compared to infected trees in the upland plantations (Fig. 11)

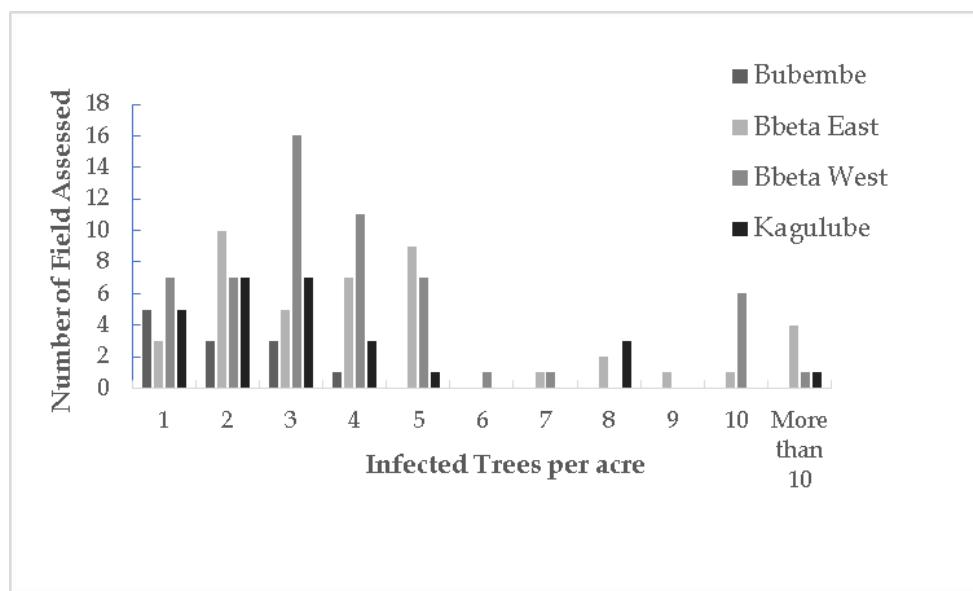


Figure 31: Estimated trees infested trees/acre by the oil palm weevils of the four blocks

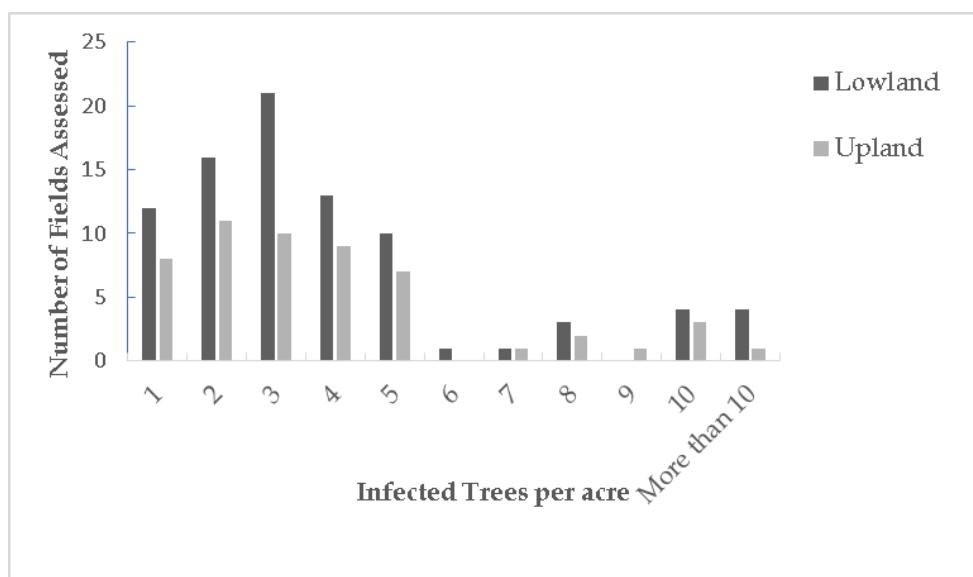


Figure 32: Estimated infested and damaged trees/acre in low land and upland plantations



(a)



(b)

Figure 33: Assessment of oil palm farms for oil palm weevil infestation and damage in the trunk (a) and in the canopies (b), Kalangala



Figure 34: A collapsed weevil infested oil palm in Kalangala

CONTROL

Two pheromone traps are being evaluated for the control of the Rhynchophorus (African oil palm) weevil and Rhinocerous weevil in Kalangala, Namulonge and Kituza. Data is currently being collected to determine the most effective trap for the control of the weevil

OUTPUT 5: Capacity building and dissemination of developed technologies through appropriate pathways

Training of the Hub extension officers

The Oil Palm Research participated in a training organized by NOPP agronomist for Buvuma hub extension officers. The training was aimed at skilling the oil palm extension officers in site selection, establishment, and management of young oil palm fields. The extension staff were given knowledge that would help them in field situations related to oil palm in the early stages of the plant establishment and care including ideal site selection, lining, holing, planting, nutrient deficiency identification, fertilizer application, pest and disease control.



Figure 35: Demonstration on management of a palm in a waterlogged area

Research Plot in Buvuma

The project aims at transferring oil palm production knowledge through practical participation and observation. Three (3) acres of land have been earmarked for research to establish best management plots in Buvuma. These will be planted with three oil palm varieties under testing in Uganda's conditions that have characteristics of Fusarium resistance, Ganoderma tolerance and drought tolerance. Establishment of these sites will take place in the 3rd quarter 2023/2024 financial year when the plot is allocated.

IFAD Supervisory and Advisory Mission

Research took part in the IFAD advisory and supervision mission that was held from 4th -15th September 2023. The advisory mission always presents an opportunity for interacting with the oil palm expert in tackling challenges in production and to get advice on research activities. During the breakout sessions, research activities are discussed at length resulting into recommendations which guide implementation of activities.



Figure 36: A field visit to one of the smallholder farmers' oil palm field in Buvuma with the oil palm consultant, extension officers, research and NOPP PMU teams.

To furthermore improve on the achieved results, a number of activities have been planned.

1. Maintain the established new oil adaptive trials in mid north and West Nile region.
2. To fast-track importation of some leguminous plants for assessment and increase the options of cover crops.
3. Establish and manage fertilizer trials in Kalangala district.
4. Evaluate Fusarium wilt under field condition for resistant oil palm varieties
5. Efficiently manage BMPs at Kalangala and established BMPs in Buvuma
6. Finalize evaluation of diversity of pollinators in Kalangala during wet and dry season.
7. Continue surveillance, identification and management of both major and currently minor diseases of oil palm in Uganda.

8. Continue with surveillance of oil palm pests in Kalangala and develop integrated oil palm weevil management strategies through use of different traps and suitable cultural practices.

Challenges in conducting the research activities

1. Limited human resource capacity - the project lacks a fulltime entomologist and as the project spreads out the scope of work has increased
2. Research lacks a reliable vehicle. The two old vehicles often break down and are not fit for long distances.
3. Delay of funds delays implementation and limited funding of the oil palm research activities compared to the planned annual targets.

Conclusion

The research activities reported are additive and continuous and results will continuously be generated. Periodically, journal publications, and information materials are published to communicate the research achievements and best management practices. Adaptability trials will be continuously managed to generate data needed to design appropriate management practices for commercial oil palm production. All the research activities in pathology, physiology, entomology and agronomy go a long way to develop the appropriate production practices to improve production of oil palm based on the current trends.

References

Rose, T.J., Lee J. Kearney, L. J., Morris, S., Zwieten, L.V., Erler, D.V., 2019. Pinto peanut cover crop nitrogen contributions and potential to mitigate nitrous oxide emissions in subtropical coffee plantations. *Science of the Total Environment*, 656: 108-117.

Corley, R.H.V., and Tinker, P.B., 2016. *The Oil Palm*. 5th Edition. ©Blackwell Science Ltd.

Annex 2: Contract Register as at December 2023

S>No.	Subject of Procurement	Procurement Category	FIRM/ COMPANY	CONTRACT VALUE	Date of Contract Expiry	General status
1	Procurement of a Fund Manager	Consultancy service	Equity Bank Ltd	\$ 36m	3 rd August 2033	On schedule and disbursements are being made
2	Procurement of Consultancy Services of an Implementing Partner (International NGO) to build capacity of key stakeholders in environmental, Social Sustainability and RSPO	Consultancy service	Solidaridad ECA Ltd	\$1,197,713	3 rd August 2025	On schedule and implementation is on-going
3	Procurement of Consultancy services to conduct a Strategic Environmental (SEA) study for proposed establishment of oil palm plantations for the National Oil Palm Project-NOPP.	Consultancy service	Atacama Consults Ltd	Ugx 634,269,938	10 th March 2024	On schedule and implementation is on-going
4	Provision of business development services to promote self-employment, small scale entrepreneurship and rural finance in the districts of Kalangala, and Buvuma	Consultancy service	Acholi Private Sector Development Company Ltd	Ugx 948,698,750	1 st August 2025	On schedule and implementation is on-going
5	Procurement of a contractor for the Construction of Fertilizer Store and at Buvuma	Works	WAO (U) Ltd	Ugx 1,387,438,950	N/A	Procurement on schedule. Notification of award and draft contract sent to IFAD for a No Objection
6	Procurement of Medical Insurance services to NOPP PMU staff and their dependants	Non consultancy service	Sanlam Life Insurance Ltd	UGX 168,376,171	19 th June 2024	Contract implementation is ongoing, a process to renew the contract has started.
7	Procurement of Buvuma Hub staff medical insurance service	Non consultancy service	Prudential Life Insurance Ltd	UGX 90,000,000	20 th February 2024	Contract implementation is ongoing, a process to renew the contract has started.
8	Procurement of assorted office stationery	Supplies	Remacy Investment Ltd	UGX 39,799,000	31 st October 2023	The goods were delivered and Contract completed

9	Procurement of Consultancy services to undertake an ESIA Mukono Buikwe Hub	Consultancy service		N/A	N/A	Procurement on schedule. Shortlisting report and RFP document before IFAD for approval
10	Supply and delivery of assorted Agro inputs for Crisis Response Initiative beneficiaries	Supplies		N/A	N/A	Procurement on schedule. Evaluation report before IFAD for approval
11	Procurement of bee hives and accessories for Buvuma and Kalangala landless, women and youths	Supplies	Achievable Options Ltd	187,000,000	N/A	Procurement on schedule. NOITA sent to the bidders
12	Procurement of Hotel services for Annual & Quarterly Planning, Review and Reporting workshop by PMU	Non consultancy service	Fairway Hotel Ltd	16,800,000	N/A	Contract ready for signature.
13	Procurement of Consultancy services for Oil Palm Policy Development	Consultancy service		N/A	N/A	Procurement suffered a delay of difficult in developing a shortlist after consultations and inquiries from several Govt agencies. Shortlist has been developed and request for approval of shortlist and tender document before IFAD
14	Printing of policy documents	Non consultancy service		N/A	N/A	Awaiting the completion of Oil Palm Policy procurement
15	Procurement of Group Personal accident insurance services for PMU staff	Non consultancy service		N/A	N/A	Procurement on schedule. Evaluation of bids completed
16	Procurement of Cleaning and sanitation services to NOPP PMU Offices	Non consultancy service		N/A	N/A	Procurement on schedule. Bidding process on going
17	Procurement of bee hives and accessories for Buvuma and Kalangala landless, women and youths	Supplies		N/A	N/A	Procurement on schedule. Evaluation of bid completed and awaiting CC approval
18	Procurement of Hotel services for Annual & Quarterly Planning, Review and Reporting workshop by PMU	Non consultancy service		N/A	N/A	Suffered a delay due to approvals of specifications with MOWT and IFAD. IFAD has provided a No Objection. Procurement to be advertised

19	Procurement of Consultancy services for Oil Palm Policy Development	Consultancy service		N/A	N/A	Awaiting ToRs from User Department to start the procurement process
20	Printing of policy documents	Non consultancy service		N/A	N/A	Procurement on schedule. Contract extension sought and before IFAD for approval
21	Procurement of Group Personal accident insurance services for PMU staff	Non consultancy service		N/A	N/A	Procurement on schedule. No Objection sought from IFAD to open the 2 bids received
22	Procurement of a contractor for the Construction of Access Roads in Buvuma	Works		N/A	N/A	Procurement on schedule. This was advertised and bidding closed on 5 th Jan. 2024
23	Design and Printing of oil palm training Factsheets, transaction books, Farmer Diaries, Illustrated	Non consultancy service		N/A	N/A	This procurement has not started.
24	Procurement of assorted Agro-Inputs for Crisis Response Initiative (CRI)	Supplies	Grain Pulse Ltd	Ugx 19,062,900,000	Not yet	Single Source Procurement on schedule. Combined Evaluation Report before IFAD for approval

Annex 3: Project Outreach

Year	2020						2021						2022						2023						Total Beneficiaries	Outreach (Unique HHs)	
	Male	Female	Youth	Joint	Institution	Total	Male	Female	Youth	Joint	Institution	Total	Male	Female	Youth	Joint	Institution	Total	Male	Female	Youth	Joint	Institution	Total			
Oil Palm Beneficiaries																											
Kalangala	12 10	816			37	20 63													95	23			32	15 0	2213	2,144	
Buvuma							15 5	62	22	4	3	22 4	14 9	73	39	13	0	23 5	13 6	63	34	6	1	20 6	665	661	
Grand Total for Oil Palm Beneficiary Households																								2,878	2,805		
Non – Oil Palm Beneficiaries																											
Sub-component 2.1																											
Kalangala																											
Agricultural Intensification							15 9	275	141			43 4							26 3	668	411			93 1		1365	
Labor Gangs							73	17	40			90													90		
Vocational skilling							59	63	122			12 2													122		
Total							29 1	355	303			64 6							26 3	668	411			93 1		1,577	
Buvuma																											
Tree Planting (Env.Conserv)													0	102	42			10 2								102	
Labor gangs													32	8	40			40								40	
Vegetable production													81	80	43			16 1								161	
Apiary value chain													13 2	46	23			17 8	27 4	217	44				49 1		669

Year	2020						2021						2022						2023						Total Beneficiaries	Outreach (Unique HHs)	
	Male	Female	Youth	Joint	Institution	Total	Male	Female	Youth	Joint	Institution	Total	Male	Female	Youth	Joint	Institution	Total	Male	Female	Youth	Joint	Institution	Total			
Agricultural Intensification																				83	167	64			250		250
Total													24	236	144			48	83	167	64			74	1	1,222	
Grand Total for Sub-component 2.1																									2,799		
Sub-component 2.2																											
Household mentees																											
Kalangala	198	111	1			309							10	0	0			10								319	
Buvuma													217	178	0			395								395	
Mayuge													237	163	66			400								400	
Total																										1,114	
Household mentors																											
Kalangala	27	22	0			49							1	0				1								50	
Buvuma													28	12				40								40	
Mayuge													23	17				40								40	
Total																										130	
Grand Total for Sub-component 2.2																									1,244		
Total Project Outreach																											
																										6,848	

Summary of Outreach	
Male	3,642
Female	3,206
Institutions	73
Youth (incl. Male &Female)	1,103
Total	6,921⁴

⁴ This sum includes institutions.

Annex 4: Project Log Frame

Results Hierarchy	Indicators							Means of Verification		
	Name	Baseline (2019/20)	Mid Term (2023/24)	End Target (2027/28)	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result (%)	Source	Frequency	Responsible
Outreach	1. Estimated corresponding total number of households							Project records	Quarterly	Operations, MEL
	Household members	10,310		193,643	24,150	33,730	17.4	Project records	Quarterly	Operations, MEL
	2. a Corresponding number of households reached									
	Women – headed households	608		11,619				Project records	Quarterly	Operations, MEL
	Non-women – headed households	1,418						Project records	Quarterly	Operations, MEL
	Households	2,026		38,728	4,830	6,746	17.4	Project records	Quarterly	Operations, MEL
	Persons receiving services promoted or supported by the project									
	Males	1,210	0	107,929	2,803	3,577	3.3	Project records	Quarterly	Operations, MEL
	Females	816	0	46,255	2,027	3,169	6.7	Project records	Quarterly	Operations, MEL
	Young	0	0	30,255	528	1,103	4.5	Project records	Quarterly	Operations, MEL
	Indigenous people	0	0	0				Project records	Quarterly	Operations, MEL
	Total number of persons receiving services	2,063	24,490	154,185	4830	6,746	3	Project records	Quarterly	Operations, MEL
	Male	56		70	60	60		Project records	Quarterly	Operations, MEL

Results Hierarchy	Indicators							Means of Verification		
	Name	Baseline (2019/20)	Mid Term (2023/24)	End Target (2027/28)	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result (%)	Source	Frequency	Responsible
	Female	44		30	40	40		Project records	Quarterly	Operations, MEL
	Young	20		20	20	8		Project records	Quarterly	Operations, MEL
Project Goal Inclusive rural transformation through oil palm investments	District/ sub-county level poverty rates							UBOS, Household Surveys	Annual	MEL
	Central II	15.6								
	Busoga	11								
	Central 1	37.5								
Development Objective Sustainably increase rural incomes through opportunities generated by the establishment of an efficient oil palm industry that complies with modern environmental and social standards	Household gross income for oil palm farmers in targeted areas (in UGX, nominal)							Outcome Surveys	Annual after plantation establishment	MEL
	Central I	569,000								

Results Hierarchy	Indicators							Means of Verification		
	Name	Baseline (2019/20)	Mid Term (2023/24)	End Target (2027/28)	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result (%)	Source	Frequency	Responsible
Outcome 1: Sustainable supply chains for oil palm growers established	Central II	463,000								
	Busoga	222,000								
	Number of households receiving programme services							Project records	Quarterly	Operations, MEL
	Number of households	2,063	24,490	30,800						
	% of Environmental and Social Standards (ESS) standard being complied with (Disaggregated by Hub)							Environmental audit	Annual	EHSO, MEL
	%Environmental and Social Standards (ESS)	30	75	100						
Outcome 2: Smallholder OP growers selling FFBs to processors established	Number of smallholder OP growers selling FFBs to the processors							Project records, Farmer organization records	Quarterly	Operations, MEL
	Number of smallholder OP growers selling FFBs to processors	1,240	1,959	9,887	670	3129				
		(38% W)	(37% W)	(30% W; 20% Y)						
	Number of hectares planted and grown by smallholder OP growers (Disaggregated by financing source development loan – DL and self-finance – SF)									Operations, MEL

Results Hierarchy	Indicators							Means of Verification		
	Name	Baseline (2019/20)	Mid Term (2023/24)	End Target (2027/28)	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result (%)	Source	Frequency	Responsible
Output										
1.1. Smallholder oil palm plantations established	Number of hectares planted and grown by smallholder OP growers	4,848	10,900	19,700	1,905.65	7,765.65	39%	Project records, Farmer Organisation records	Quarterly	
	Percentage of Development Finance Portfolio at Risk							Project records, Farmer Organisation records	Quarterly	IEFO, MEL
	Percentage of Development Finance Portfolio at Risk		5	5						
1.2 Smallholder OP growers (TSS)	% of farmers organizations costs covered by own income (by hub)		20	90						
1.3 Support infrastructures established	Km of access roads constructed/rehabilitated (*)	410	1,010	300	16.5	16.5	6%			
	Km of farm roads constructed/rehabilitated (*)			910	32	32	4%			

Results Hierarchy	Indicators							Means of Verification		
	Name	Baseline (2019/20)	Mid Term (2023/24)	End Target (2027/28)	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result (%)	Source	Frequency	Responsible
1.4 Complementary processing capacity by private sector installed, by Hub.	Total CPO milling capacity installed in Uganda (Mt/hr) differentiated by mill	40	40	100	0	40	40	Private sector player (s)	Annual	PM
Outcome 2: Household livelihoods diversified and resilience increased.	Number of households reporting an increase in food production or increase in new income-generating activities (*) /h	0	4,748	15,310				Outcome surveys	Annual	MEL
Outputs:	Number of persons trained in income-generating activities or production practices and/or technologies (*) /i	0	13,922	23,922	1,672	4,043	15.40%	Project records	Quarterly	IEFO, SDO, MEL
			(50% W; 50% Y)	(50% W; 50% Y)						
2.2 Social risks mitigated.	Number of households graduating from household methodologies programme	0	4,892	8,066	751	751	9.31%	Project records	Quarterly	SDO, MEL

Results Hierarchy	Indicators							Means of Verification		
	Name	Baseline (2019/20)	Mid Term (2023/24)	End Target (2027/28)	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result (%)	Source	Frequency	Responsible
2.3 Natural resources and environment in targeted project areas maintained or enhanced.	Number of hectares of land brought under climate resilient practices			5751	642	672	11.68%	Quarterly/ Annual	EHSO, MEL	EHSO, MEL
Outcome 3: Enabling environment created for sustainable scaling-up of oil palm investment	Number of hectares of plantations established by private sector companies (ha) [inc BIDCO]	6,500	11,500	15,000	1246	2,310	15.40%	Private sector player	Seasonally	Agronomist, MEL
Outputs:										
3.1 Policy and institutional arrangements for OP sector development established	Number of policies, strategy and bill for oil palm development prepared and proposed to policy makers for approval (*)	0	2	3	0	0	0	Project records	Quarterly	MEL

Results Hierarchy	Indicators							Means of Verification		
	Name	Baseline (2019/20)	Mid Term (2023/24)	End Target (2027/28)	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result (%)	Source	Frequency	Responsible
3.2 National OP research capacity strengthened	Number of publications (policy briefs, strategic technical papers, research publications and BMP manuals)	0	15	30	1	3	10%	Project records, journal	NARO, MEL	NARO, MEL

