

AFRICAN DEVELOPMENT FUND



UGANDA

AGRICULTURAL VALUE CHAIN DEVELOPMENT PROGRAMME (AVCP) – PROJECT 1

RDGE/AHAI DEPARTMENTS

November 2017

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Currency Equivalents

As of November, 2017

Currency Unit = Ugandan Shillings (UGX)

UA 1 = UGX 5,112.97

UA 1 = USD 1.40

USD 1 = UGX 3,640

Fiscal Year

July 1 – June 30

Weights and Measures

1 metric tonne = 2204 pounds (lbs)

1 kilogramme (kg) = 2.200 lbs

1 metre (m) = 3.28 feet (ft)

1 millimetre (mm) = 0.03937 inch (“)

1 kilometre (km) = 0.62 mile

1 hectare (ha) = 2.471 acres

ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
ADF	African Development Fund
ASDPG	Agriculture & Rural Development Donor Coordination Group
AVCP	Agricultural Value Chain Development Programme
CSP	Country Strategy Paper
EU	European Union
FAO	Food & Agriculture Organization
FIEFOC	Farm Income Enhancement and Forestry Conservation Project
GDP	Gross Domestic Product
GOU	Government of Uganda
IFAD	International Fund for Agricultural Development
JICA	Japanese International Cooperation Agency
MDB	Multilateral Development Banks
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
M&E	Monitoring and Evaluation
MFPED	Ministry of Finance, Planning and Economic Development
MGLSD	Ministry of Gender, Labour and Social Development
MoWE	Ministry of Water and Environment
NAADS	National Agricultural Advisory Services
NDF	Nordic Development Fund
NFA	National Forest Agency
NEMA	National Environment Management Authority
NGO	Non-Governmental Organization
O&M	Operation and Maintenance
PCN	Project Concept Note
PIU	Project Implementation Unit
PY	Project Year
RWHS	Rainwater Harvesting Structure
SSI	Small Scale Irrigation
SWAPs	Sector Wide Approaches
TA	Technical Assistance
UA	Unit of Account
UGFO	Uganda Field Office
UGX	Uganda Shillings
UNIDO	United Nations Industrial Development Organization
WAPs	Watershed Action Plans
WUA	Water Users' Associations

Loan and Grant Information

Client's information

BORROWER : Republic of Uganda

EXECUTING AGENCY : Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)

Financing plan

Source	Amount (UA Million)	Instrument
ADF	57.00	Loan
Government	7.41	Not applicable
TOTAL COST	64.41	

Key financing information

Loan currency	UA
Interest Type*	Note Applicable
Interest rate spread *	Note Applicable
Commitment Fee	0.5%
Other fees*	0.75% Service Charge
Tenor	600 months
Grace period	120 months
FIRR	20%
NPV (USD base case)	2.127 Million
EIRR (base case)	23%

**if applicable*

Timeframe - Main Milestones (expected)

Concept Note approval	22 January, 2017
Project approval	11 December 2017
Effectiveness	March , 2018
Completion	December ,2022
Closing Date	June, 2023
Last repayment	50 years; December, 2068

Project Summary

1. Project Overview:

1.1 The Agricultural Value Chain Development Programme (AVCP) – Project 1 is designed within the context of the National Development Plan II (NDP II) 2015/16-2019/20, which has been designated by Government of Uganda (GoU) as the second of a series of six 5-year NDPs to translate the country's Vision 2040 into action. The NDP's core objectives are to increase household income; generate employment; develop the infrastructure; increase access to quality social services; promote science and technology; and develop human capital taking gender equality as prerequisite for accelerating socioeconomic transformation which AVCP is consistent with. The Project's activities, notably, construction of irrigation infrastructure, value chains development, and export promotion to enhance household incomes, are also consistent with the Government's Agricultural Sector Strategic Plan (ASSP) 2015/16-2019/20, Gender Policy Brief for Uganda's Agriculture Sector (2012), the Local Government Sector Strategic Plan (LGSSP) (2013-2023), and, the Uganda Climate Change Policy 2015.

AVCP will be implemented along commodity value chain framework, with considerable attention to regulatory reforms. In agreement with Government, the project will focus on three commodity value chains, namely: Rice, Maize and Dairy/Beef value chains; and will comprise of three (3) operational and one (1) management components namely: i) Production and Productivity Enhancement, ii) Infrastructure Development, iii) Market Development and Trade Facilitation; and (iv) Project Management and Coordination.

1.2 According to Uganda National Household Survey 2013, about 19.7%, of the total population representing 6.7 million people, are unable to meet their basic needs and are living below absolute poverty line. The incidence of poverty is highest among food-crop growing category in the rural areas due to low income. The project seeks to increase farmer incomes through improvements in Production and Productivity Enhancement, Infrastructure Development and Market Development and Trade Facilitation.

1.3 The project will be implemented over a five-year period in various Districts across Uganda, according to the value chain selected, viz: Maize: Districts of Kyegegwa, Kamwenge, Masindi, Kiryandongo, Kasese, Buhweju, Mitooma, Nakaseke, Mukono, Luwero, Mityana, Kiboga, Buikwe, Wakiso, Buyende, Mayuge, Gulu, Oyam, Amolatar, Pader, Iganga, Kamuli, Mbale, Jinja, Kapchorwa; Rice: Locations where the Bank and Government have developed large irrigation schemes, Sironko-Acomai irrigation scheme, and the districts of Bulambuli, Bukedea, Kamuli, Gulu, Oyam, Amolatar and Pader. The soft components including training, input delivery, extension service delivery and capacity building would be extended to all irrigation schemes undertaken with support of the Bank under FIEFOC 1 & 2 (Nebbi, Oyam, Kween, Butaleja, Kasese, and Kitgum Districts); Dairy: This will mainly focus on the cattle corridor districts (from West to North corridors) with the livestock breeding centre in Mbarara district as the springboard. The target population in those districts is about 1,816,756 of which 51.7% are women and comprising 386,543.8 households. It is envisaged that the Project would lead to increase in yields of major crops by 50% and incomes of the target population specifically women by an average of 10%. In particular a greater percentage (50%) of the start-up enterprises and income generating activities from natural resources, capacity building and service delivery of the project would specifically target women and youth whose incomes are expected to increase by an average of 30%; thus enhancing their socio economic status through improved yields and incomes. Moreover, the project is expected to provide technical skills in conservation and other farming practices through targeted training that promote environmental management and thus increasing agricultural productivity in the proposed project area. It will also assist in the formulation and implementation of measures that reduce deforestation and promote agro-forestry through introduction of economic trees which will lead to emission reductions and the protection of carbon reservoirs as part of the Reduction of Emissions from

Deforestation and Degradation (REDD+) agenda. The carbon dioxide (CO₂) sequestered as a result of tree planting by the project is estimated at 245, 000 tons of over 20 years. Training under the project will provide an opportunity for special attention to be given to intensification of climate-smart farming operations.

2. Needs Assessment:

2.1 AVCP has been identified as a flagship project under NDPII that will contribute to achievement of Uganda's national objectives to increase household income; generate employment; develop the infrastructure; and increase access to quality social services. This Appraisal Report is in response to a request from the Government of Uganda to provide assistance for the transformation of agriculture in Uganda from subsistence to a more commercially oriented one. The Bank had initially fielded a Country Dialogue, Identification and Preparation Missions to Uganda in March, July and September, 2016 respectively. The missions were to understand the extent of implementation of the ASSP and the general context of agriculture in the country with a view to designing a support package from the Bank to achieve the goal of agricultural transformation; and supporting processing and marketing activities in this sector. The feasibility study and preliminary designs of the Achomai irrigation scheme in Bukedea/Bulambuli Districts was developed by JICA. In the course of the development of this project, the project team also held several consultation meetings with various stakeholders of the project; including civil society and development partners.

2.2 Hence the project is demand driven by farmers, local governments, various stakeholders and the GoU to address requirements of increased agricultural production and enhancement of household incomes. The project will build on Uganda's relatively strong record in improving gender equity through deliberate inclusion and promotion of project activities with farms and agribusiness activities owned, operated, and managed by women. The project will aim to empower more women and youth to make decisions, invest in agriculture, and improve their social and economic status for the family's overall wellbeing.

2.3 In keeping with the Bank's new strategy on addressing fragility and building resilience, the project has also been developed with the goal of building resilience in mind. Food security is critical to community resilience, and agribusiness provides value addition, creating agro-industries, and export promotion. By helping the development of agribusiness and cottage industries, the Bank will contribute to more stable sources of income, greater food security, boosts youth employment, and expand economic opportunities for the communities.

3. Bank's Added Value:

3.1 The proposed project is anchored on the Country Strategy for Uganda (2017-2021) which is articulated around two strategic pillars, namely: (i) Infrastructure development for value addition and industrialization, and (ii) Skills and Capacity Development for poverty reduction. This is in line with the Bank's Ten-Year Strategy (2013-2022) and the High Five (h5s) Initiatives which prioritizes agriculture and food security as one of the key areas for the Bank's future assistance. The Bank has considerable experience in implementing agriculture and infrastructure projects in Uganda, including the Area-based Agricultural Modernization Programme (AAMP), the Northwest Smallholder Agricultural Development Project (NSADP), the Community Agricultural Infrastructure Improvement Programme – Project 1, 2 and 3 (CAIIP-1, 2, 3) - that won the 2013 USA Department of the Treasury MDB Awards, the Market and Agriculture Trade Improvement Project, and Farm Income Enhancement and Forestry Conservation Project (FIEFOC). The proposed project draws extensively from lessons learned from the Completion Reports and Impact Studies of the completed Projects. The most pertinent lessons include (i) the enhancement of agricultural commodity trade, including establishment of linkages between Bank financed projects; (ii) integration of the value addition activities involving the private sector; (iii) Adopting integrated watershed development and alternative livelihood; and (iv) Building the

capacity of Water Users' Associations (WUAs) to ensure maintenance of the infrastructure and project sustainability. These lessons have been taken into consideration in the design of this project

4. Knowledge Management:

4.1 Knowledge gained from implementation of the above projects, particularly on the need to build country capacity for project implementation, has been duly applied in designing this project. In the same pattern, the knowledge that will be generated by the project will be instrumental in designing and managing similar Bank-financed projects in the future. Provisions made for knowledge and information management include on web-based technology for natural resources data collection, ICT platform to network value chain actors, compilation and presentation, the market Information System (MIS) that will generate data pertaining to prices, sources and volumes of commodities to be shared with all stakeholders and the gender sensitive value chain analysis and development that allow women and youth to design and manage sustainable SMEs.

AVCP RESULTS-BASED LOGICAL FRAMEWORK

Country and project name:	UGANDA: Agricultural Value Chain Development Programme
Purpose of the project :	To improve farm incomes, rural livelihoods, food security and contribute to poverty reduction through irrigated agriculture, sustainable natural resources management and agricultural enterprise development.

	RESULTS CHAIN	INDICATOR	BASELINE	TARGET	MEANS OF VERIFICATION	RISK/MITIGATION MEASURES
IMPACT	1.1 Farm incomes increased, food security improved and poverty reduced	1.1: Average household farm income (USD per year) 1.2: Reduction in Poverty Level (%)	<u>2017</u> 1.1: 672 (2016) 1.2: 26	<u>2022</u> 1.1 730 1.2: 14.2	Household survey, Bureau of Statistics (UBOS) reports,	
OUTCOMES	2.1. Improved rice and maize production, and livestock genetic breed 2.2 Improved integrated natural resources management 2.3 Improved rural employment (30% youth and women)	2.1.1 Number of hectares under improve rice production 2.1.2 Number of hectares under improve maize production 2.1.3 Number of farmers accessing improved livestock genetic breeds by dairy and beef farmers 2.2: % change in tree cover (ha) in selected catchments 2.3: Number of skilled/semi-skilled jobs created (of which women and youth)	<u>2017</u> 2.1: 0 2.2: 0 2.3: 0	<u>2022</u> 2.1.1: 7,750; 2.1.2 6700; 2.1.3 500,000 2.2: 30% 2.3: 40,000	Crop forecasting survey. Market surveys. .	Risk 1: Private sector may not be motivated to participate in value addition activities. Mitigation 1: Provision of Business Development Support Services to potential SMEs actors will motivate them to participate in the project
OUTPUTS	3.0 Components 3.1 Irrigation infrastructure developed 3.2 Access road construction 3.3 Support ongoing consolidation of a central database for Ugandan farmers 3.4 Establishment of an efficient input distribution system based upon the e-wallet platform, 3.5. Selection of best varieties of maize, rice, and dairy cattle for dissemination to farmers 3.6 Improved breeds of dairy and beef cattle developed 3.7 Farmer organization of the irrigation scheme established and trained	3.1: Acreage of new irrigated area (Ha) 3.2: Number of kms of access road constructed 3.3 Number of farmers profiled in the central database for Ugandan farmers 3.4. Number of farmers purchasing quality controlled maize seed Number of farmers purchasing quality controlled rice seed 3.5.1: Yield per hectare for maize, (MT) 3.5.2: Yield per Hectare for Rice (MT) 3.6.1 Change in productivity of livestock developed through AI 3.6.2 Change in litres of milk produced in the project area. 3.7: Formation and registration of farmer organizations in the project areas. Number of farmers utilizing the services of the farmer organization	<u>2017</u> 3.1: 0 3.2: 0 3.3: 0 3.4: 0 3.5.1: 0 3.5.2: 0 3.6.1: 0 3.6.2: 0 3.7: 0	<u>2020</u> 3.1: 1608 3.2: 20 3.3 700,000 3.4 450,000 200,000 3.5.1: 5 3.5.2: 4 3.6.1: 20% 3.6.2: 30% 3.7 +35%	Quarterly and Annual Project reports Crop surveys records Bureau of Statistics (UBOS) reports Quarterly reports;	Risk 2: Poor sustainability of infrastructure. Mitigation 2: Establish and support management entity for O&M. Risk 3: Private sector may not be motivated to participate in value addition activities. Mitigation 3: Provision of Business Development Support Services Risk 4: political willingness Mitigation 4: The design will be

RESULTS CHAIN		INDICATOR	BASELINE	TARGET	MEANS OF VERIFICATION	RISK/MITIGATION MEASURES
	3.8 Watershed management activities implemented	3.8: Number of tree seedlings planted in the water-shed managed	3.8	3.8: 18,500	Credit Surveys by intermediaries	participatory and stakeholder consultations
	3.9 Volume of value added commodities traded	3.9.1 Volume of Maize exported (MT) 3.9.2 Volume of Rice exported (MT)	3.9.1: 3.9.2:	3.9.1: 4,000,000 3.9.2: 404,000		
	4. Project Management and Coordination 4.1: National Project Coordination Unit fully constituted 4.2 Disbursement of ADF loan	4.1: Establishment of NPCU 4.2: Percentage of ADF Loan disbursed	<u>2017</u> 4.1: 2 (40%) 4.2: 0%	<u>2022</u> 4.1: 5 (100%) 4.2: 100%	Progress reports, M&E reports, Audit reports, Supervision Mission reports	Risk 7: Delayed fulfillment of loan conditions. Mitigation 7: UGFO will work and follow up closely with Government
KEY ACTIVITIES	Components				Inputs	
	<u>Component 1:</u> Production and Productivity Enhancement: <u>Component 2:</u> Infrastructure Development: <u>Component 3:</u> Market Development and Trade Facilitation: <u>Component 4:</u> Programme Coordination and Management.				Total Project Cost: UA 64.41 ADF Loan: UA 57.00 million Government: UA 7.41 million	

Project Timeframe

Year	2017				2018				2019				2020				2021				2022				2023	
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2
Initial Activities																										
Internal Processing of Appraisal																										
Loan negotiations																										
Signature of loan agreement and Disbursement effectiveness																										
Recruitment of project staff																										
Project Launching																										
Component 1: Production and Productivity Enhancement																										
Award of contract to ICT companies																										
Genetic improvement of of Dairy/Beef cows																										
Production of required quality/quantity of seeds																										
Development of a central data base for farmers																										
Component 2: Infrastructure Development																										
Award of contracts for the project supervision																										
Bidding documents (BDs) preparation and award of contracts for the construction of the scheme																										
Construction of the irrigation infrastructure																										
Establishment of WUA and capacity building																										
Implementation of watershed management activities																										
Construction of a bridge and access road																										
Market Development and Trade Facilitation																										
Provide postharvest facilities and services																										
Develop database of village agents, processors, large offtakers of maize, rice, and dairy																										
Develop Market Information System (MIS)																										
Strengthening Sanitary and Phytosanitary (SPS) and quality infrastructure																										
Establishment of food safety laboratory building																										
Project Mangement And Capacity Building																										
Stakeholders sensitization and mobilization																										
Establishment of the baseline situation																										
Project Management, monitoring and evaluation and communication activities																										
Capcity building interventions																										
Coordinate Financial Management and Annual financial auditing																										
Procurement of Goods																										
Environmental monitoring																										
Mid Term Review																										
Project Completion report																										

REPORT AND RECOMMENDATION OF MANAGEMENT TO THE BOARD OF DIRECTORS ON A PROPOSED ADF LOAN TO THE REPUBLIC OF UGANDA FOR THE AGRICULTURAL VALUE CHAIN DEVELOPMENT PROGRAMME (AVCP)

Management hereby submits this Report and Recommendation for an ADF loan of UA 57 million, under ADF terms to finance the Agricultural Value Chain Development Programme activities in Uganda.

I. STRATEGIC THRUST & RATIONALE

1.1. Project linkages with country strategy and objectives

1.1.1 The Agricultural Value Chain Development Programme (AVCP) – Project 1 is designed within the context of the National Development Plan II (NDP II) 2015/16-2019/20, which has been designated by Government of Uganda (GoU) as the second of a series of six 5-year NDPs to translate the country's Vision 2040 into action. The NDP's core objectives are to increase household income; generate employment; develop the infrastructure; increase access to quality social services; promote science and technology; and develop human capital taking gender equality as prerequisite for accelerating socioeconomic transformation which AVCP is consistent with. The Project's activities, notably, construction of irrigation infrastructure, value chains development, and export promotion to enhance household incomes, are also consistent with the Government's Agricultural Sector Strategic Plan (ASSP) 2015/16-2019/2020, Gender Policy Brief for Uganda's Agriculture Sector (2012), the Local Government Sector Strategic Plan (LGSSP) and, the Uganda Climate Change Policy 2015.

1.1.2 AVCP has been identified as a flagship project under NDPII that will contribute to achievement of Uganda's national objectives to increase household income; generate employment; develop the infrastructure; and increase access to quality social services. This Appraisal Report is in response to a request from the Government of Uganda, to provide assistance for the transformation of agriculture in Uganda from subsistence to a more commercially oriented one. The Bank had initially fielded a Country Dialogue, Identification and Preparation Missions to Uganda in March, July and September, 2016 respectively. The missions were to understand the extent of implementation of the Agriculture Sector Strategic Plan (ASSP) and the general context of agriculture in the country with a view to designing a support package from the Bank to assist the Government in achieving the goal of agricultural transformation; and supporting the development of financing arrangements that can support commercial production, value addition and marketing activities in this sector.

1.1.3 The Project's key outputs, notably, development of irrigation infrastructure, promotion and development of agribusiness, and trade facilitation to enhance household incomes are consistent with the country's ASSP which operationalizes agricultural priority investments programme under the NDPII. The ASSP prioritizes investment in water for production, value addition and value chains development, and, promotes investment in sustainable natural resource use. The Project is also consistent with the National Agriculture Policy (2013) of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), and the Irrigation Master Plan of the Ministry of Water and Environment (MoWE). Further, the project activities are also in line with the Gender Policy Brief for Uganda's Agriculture Sector (2012), the Uganda Forestry Policy, the Uganda Climate Change Policy and Uganda's Ministry of Gender's revised Gender Policy 2007.

1.1.4 The sector and the project area face varying degrees of fragility. Food insecurity, lack of rural infrastructure, lack of economic opportunities for women and youth etc. are key elements of fragility. The project is designed to address these challenges and build resilient institutions and societies.

1.1.5 Regionally, the project is consistent with Pillar 2 of the NEPAD's Comprehensive African Agricultural Development Programme (CAADP), which focuses on improvement of agricultural infrastructure and related capacities for enhanced food security; and with the Sustainable Development Goals.

1.1.6 The Project was programmed to be financed under the ADF 14 window and the new CSP for Uganda (2017-2021). The Government of Uganda is committed to operationalizing its National Development Plan (NDP) but remains with the challenges of fully financing all activities using the limited budgetary resources available.

1.2. Rationale for Bank's involvement

1.2.1 The proposed project is anchored on the Country Strategy for Uganda (2017-2021) which is articulated around two strategic pillars, namely: (i) Infrastructure development for value addition and industrialization, and (ii) Skills and Capacity Development for poverty reduction. This is in line with the Bank's Ten-Year Strategy (2013-2022) and the High Five (h5s) Initiatives which prioritizes agriculture and food security as one of the key areas for the Bank's future assistance. The Bank has considerable experience in implementing agriculture and infrastructure projects in Uganda, including the Area-based Agricultural Modernization Programme (AAMP), the Northwest Smallholder Agricultural Development Project (NSADP), the Community Agricultural Infrastructure Improvement Programme – Project 1, 2 and 3 (CAIIP-1, 2, 3) - that won the 2013 USA Department of the Treasury MDB Awards the Market and Agriculture Trade Improvement Project, and Farm Income Enhancement and Forestry Conservation Project (FIEFOC). The proposed project draws extensively from lessons learned from the Completion Reports and Impact Studies of completed Projects and from other small scale irrigation, natural resources, watershed management, and community driven development projects in Uganda and other countries. The most pertinent lessons include (i) the enhancement of agricultural commodity trade, including establishment of linkages between Bank financed projects ; (ii) integration of the value addition activities involving the private sector; (iii) Adopting integrated watershed development and alternative livelihood; and (iv) Building the capacity of Water Users' Associations (WUAs) to ensure maintenance of the infrastructure and project sustainability. These lessons have been taken into consideration in the design of this project.

1.2.2. With effects of climate change and the increasingly unreliable rainfall pattern, the need for investment in irrigation has become of paramount importance. Only about 5% of the irrigation potential of Uganda has been exploited so far and the GoU requested the Bank to support its renewed efforts to expand its irrigation investments. The GoU has developed an Irrigation Master Plan for the period 2010-2035 which targets to expand irrigation infrastructure to cover at least 70% of surface water irrigation potential by 2035. This will increase the total agricultural land under irrigation from the current 14,418ha to about 420,000ha by 2035. As a result, the GoU has ranked irrigation as the third most important infrastructural investment that will facilitate economic transformation of the country as envisaged under Vision 2040.

1.2.3 The Project is in line with the Bank's Ten Year Strategy (TYS) as it relates to inclusive growth and food security through the involvement of youth and women in skills development and entrepreneurship. Further, the Project is consistent with Bank's High 5s for transforming Africa and the recently approved Bank Strategy for Agricultural Transformation in Africa 2016-2025. The Project is also consistent with the Bank's CSP (2017-2021) which aligns with the High 5s mainly in agricultural and industrial development. Bank interventions under this pillar will focus on the following three critical infrastructure sub-sectors: (i) Transport infrastructure to foster trade and market integration; (ii) Agricultural infrastructure to promote transformation of the agriculture sector in respect of improved production and productivity, value addition, and trade; (iii) Water and Sanitation to widen access to water and sanitation services, improve livelihoods as well as boost

value-adding and manufacturing activities, especially in small underserved towns all of which are well aligned to the NDPII. This Project is identified by the new CSP as one of the key investment projects to be supported by the Bank under its pillar mentioned above. In addition, the Project is aligned with the Bank's Gender Strategy (2014-2018) by enhancing the regulatory framework to create enabling environment for women's participation in the agriculture sector and supporting women's economic empowerment along the agriculture value chains.

1.2.4 The Bank Group is financing a number of on-going agriculture sector projects in Uganda. The Bank has gained good experiences under FIEFOC-1 in implementation of irrigated agriculture and has also accumulated vast experience through the implementation of other agricultural infrastructure projects. The first phase of FIEFOC has rehabilitated three irrigation schemes Mubuku, Doho, and Agoro irrigation scheme with a total area of about 3000ha now benefiting more than 6,800 farm families. It has also supported communities and households to work together to manage watersheds, enabled households to participate in tree planting and beekeeping activities. The Second FIEFOC project approved by the Board in January 2016 will further increase the coverage of irrigable area in Uganda and also increase productivity for rice and maize whose value chains will be developed under this proposed project. Further, the Bank has experience in primary value addition activities under the completed and ongoing CAIP projects.

With interventions indicated above and the bottom-up approach that Bank projects are being implemented there are clear indication that in these areas poverty rates have dropped significantly, from 31.1% in 2006 to 19.7% in 2013, to which the Banks' projects contributed in this reduction. During implementation of AVCP, linkage and synergies with these agricultural infrastructure projects and others will be ensured to avoid duplication and maximize synergies among projects implemented by the Bank.

1.3. Donors coordination

	Sector or subsector*	Size		
		GDP	Exports	Labor Force
	Agricultural Sector	23.7%	57.2%	85%
Players - Public Annual Expenditure (average 2010/2011 to 2014/2015)**				
	Government	Donors		
UA m	UA 33.7 m	UA 48.9 m	AfDB	21.5%
%	40.8%	59.2%	IDA	21.6%
			EC	15.2%
			IFAD	12.9%
			USAID	9.4%
			Danida	5.8%
			DfID	5.3%
			JICA	1.5%
			Netherlands	3.6%
			Italy	1.4%
			FAO	1.8%
Level of Donor Coordination				
Existence of Thematic Working Groups				Y
Existence of SWAPs or Integrated Sector Approaches				Y
ADB's Involvement in donors coordination***				M****

* as most appropriate; ** Years [yy1 to yy2]; *** for this sector or subsector
**** L: leader, M: member but not leader, none: no involvement

1.3.1 The Bank is one of the major Development Partners (DPs) in Uganda, providing about 21.5% of development assistance in the agriculture and rural development sector. The Bank collaborates closely with the other Development Partners, especially the World Bank, IFAD, USAID, JICA, and the European Commission for agricultural related projects, within the framework of the Agriculture and Rural Development Donor Coordination Group. The Group has been greatly invigorated through the Bank's field presence. In an effort to harmonize Development Partner intervention, the Bank has partnered with the other DPs under the umbrella of the Agricultural Sector Development Partners Group (ASDPG) to undertake development interventions in the choice of sub-sectors and activities where it has a comparative advantage. In regard to this Project, the Bank will work closely with JICA who are preparing an irrigation programme, but in particular to tap on their experiences with farmer groups development in irrigation activities; the IDA and USAID who are engaged in activities that promote agricultural input distribution using advanced ICT methodologies that link the farmer to input dealers; the Netherlands Embassy on crop intensification and marketing; the EU on market oriented beef meet subsector development; etc.

1.3.2 The ASDPG is currently chaired by the JICA. The Group is well informed about the project through consultations with Bank Teams at preparation/appraisal missions and also continually by Uganda Country Office (COUG) through monthly meetings. The Uganda Country Office is an active member of this group, which relates with the overall Heads of Missions' Local Development Partners Group (LDPG), currently chaired and coordinated by the World Bank.

II. PROJECT DESCRIPTION

Project development goal: The overall goal of the Project is to contribute to poverty reduction and economic growth in Uganda through enhanced productivity and commercialization of agriculture.

Specific Project objective: The project objective is to improve household incomes, food security, and climate resilience through commercial agricultural practices, sustainable natural resources management and agricultural enterprise development.

Project Implementation Modality: (i) The project will be implemented using a Business Service Provider, ICT based platform, which will be procured competitively. This model has been tried and tested by the Feed the Future project of the United States Agency for International Development (USAID). The model will be replicated and expanded to reach our target Districts in Uganda. The platform has already demonstrated a private sector-led input distribution and extension ICT platform, that is integrated with the buyers and has successfully delivered to 301,000 farmers certified seeds, fertilizer, extension, and other services including mechanization, crop insurance, market, and soil testing services. The ICT platform will be scaled up to reach millions of small holder farmers to raise their productivity while linking them to agro processors and other off-takers. (ii) The GoU will nominate a Project Coordinator who will lead the National Project Coordination Unit (NPCU) based at MAAIF. The NPCU is charged with securing project implementation according to the relevant work- and procurement plans. The NPCU will consist of at least 4 other members (a Senior Procurement Officer, a Senior Financial Management Officer, a Senior Monitoring and Evaluation Officer, a Senior Value Chains Development Officer, and a Senior Engineer), details are stipulated under 4.1 and 5.3 of this report.

2.1. Project components

AVCP will be implemented along a commodity value chain framework, with considerable attention to regulatory reforms. In agreement with government, the project will comprise of three (3) operational and one (1) management components namely: i) Production and Productivity

Enhancement, ii) Infrastructure Development, iii) Market Development and Trade Facilitation; and iv) Project Management and Coordination. The following key provisions under these components have been agreed for implementation under AVCP.

Table 2.1: project components

No.	Component name	Est. cost (UA M)	Component description
1	Production and Productivity Enhancement	14.96	<ul style="list-style-type: none"> • Expression of Interest (EOI) for ICT companies interested in developing and operating an ICT platform that integrates farmers, village buyer agents, off-takers, seed and fertilizer suppliers, extension services and other service providers on a single efficient platform. • Supporting genetic improvement in Dairy and Beef cows through a robust multiplication program of using Artificial Insemination • The project will also support the purchase of Liquid Nitrogen containers to help preserve Siemen • Strengthening Ag Verify and the Uganda Seed Traders Association to increase the quantity of certified seeds required to reach millions of farmers • Support to research to increase production of breeder and foundation seeds in consultation with framers • Support the formation of Local Seed Businesses among the farmer groups that will partner with research institutes to increase the availability of quality controlled seed • Build the capacity of farmers and farmer groups in sustainable enterprise development • Support farmers and farmer groups to prepare seasonal action plans and Group Action plans • Link AVCP to the Technology for African Agricultural Transformation (TAAT) for the acquisition of improved technologies • Effective regulation of the quality of seeds and other inputs • Strengthen the National Seed Service, technical capacity development and provision of essential equipment • Strengthen the National Fertilizer Board and Bureau of Standards (UNBS) with the necessary support facilities, • Synchronization of the National policy on seed and fertilizer with that of Regional Economic Communities (RECs) • Development of leadership skills and capacity building of farmer organization • Support the ongoing consolidation of a database for Ugandan farmers • Deepening of efficient input distribution system based upon the ICT platform • Increase women's participation: design strategy to integrate gender in all the activities under this component
2	Infrastructure Development	30.96	<ul style="list-style-type: none"> • Irrigation Infrastructure Development: of Sironko gravity fed irrigation scheme with a gross command area of 1608ha. The works will include construction of head works, main canal, secondary and tertiary canals, drainage system, dykes, and on farm roads. • Access Road: construction of a bridge over Sironko River at the intake site to connect Bukedea and Bulambuli Districts. In addition, 10 Km access road will be provided to link the irrigation schemes with the nearest existing road network on both sides of the Districts; • Support Infrastructure: support infrastructures required within the project site for the operation of the scheme such as warehouse (500m²), grain storage (1000m²), offices buildings (800m²), workshop (400m²), rice drying yard (1320m²), essential O&M equipment will be provided • Consultancy services: The project will engage a consulting firm; (i) to review and update the designs, and supervise the construction of the irrigation infrastructure during implementation • Establishment of Water Users Association: formation of water Users' Association (WUAs) with 40% women and youth representation.

No.	Component name	Est. cost (UA M)	Component description
			<ul style="list-style-type: none"> • Capacity Building: provision of capacity development for farmers, extension agents, and relevant government officials. • Watershed management: (i) Institutional strengthening through mobilization of local structures; (ii) Sustainable development and management of forest and tree resources in Mbale, Bududa, Bukedia, Bulambuli; and (iii) Integrated soil and water conservation technologies and measures.
3	Market Development and Trade Facilitation	13.09	<ul style="list-style-type: none"> • Provide postharvest facilities and services and agri infrastructure to farmers • Build the capacity of farmers and farmer groups on post-harvest handling, storage and bulking of their produce • Network and link farmers to agro-processors and large traders, markets for farmers using innovative and enduring ICT platforms, that includes digital payment (see ICT platform in Component 1a) • Develop a database of processors, large off-takers of maize, rice, and dairy, their village agents and associated farmers for integration onto the ICT platform • Build capacity of the network of community based village buyer agents to provide additional services such as SPS standards, inputs, mechanization, crop insurance, market information requirements to farmers using existing country extension services • Develop a robust market information system to inform vendors and farmers on commodity prices • Link medium to large scale processors and traders to financial institutions and AfDB private sector financing windows • Trade Facilitation and Quality Infrastructure: Build capacity of stakeholders to comply and conform to quality related issues with its exportable commodities • Strengthen the Sanitary, Phytosanitary (SPS) and Quality Infrastructure to meet the export requirements • Support Uganda National Bureau of Standards (UNBS) in ensuring standardization of quality across commodities • Establishment of an appropriate food safety laboratory for conformity assessment
4	Project Management	5.40	<ul style="list-style-type: none"> • Coordinate activities of MAAIF and other Agencies through an appropriate Steering Committee. • Coordinate Monitoring, Evaluation and Reporting activities. • Coordinate Financial Management processes and also ensure preparations for External Audits. • Facilitate Procurement processes. • Mainstream Gender and also facilitate HIV/AIDS Awareness raising.

2.2. Technical solutions retained and other alternatives explored

Table 2.2: project alternatives considered and reasons for rejection

Alternative	Brief description	Reasons for rejection
Alternative 1	Invest in rain water harvesting infrastructure such as small water holding structures scattered all over the selected districts for agriculture, livestock and domestic use	Rain water harvesting structures cannot sustain the impacts of climate change and their socio-economic impact will be spread out thinly. In addition, it cannot provide food and cash crops two to three times a year.
Alternative 2	Invest in pumped irrigation development by lifting water mechanically to higher ground for crop production	Pumped irrigation schemes were dropped on account of the complex nature of their operation and maintenance, costs are high and the capacity to maintain at small farm level does not exist. Further it contributes to carbon emission.
Alternative 3	Introduce spate irrigation system	Not sustainable due to variability of rainfall; non-efficiency and drudgery.
Alternative 4	Using government institutions to drive the extension service and input delivery	Government will do better supervising a Business Service Provider recruited to play this role based on realities on the ground

2.3. Project type

AVCP is a public sector investment project that builds on successful Bank's investments in Uganda. It is designed in the form of a stand-alone Investment Project with the main aim of scaling up production and productivity in rice, maize and dairy/beef value chain development, agribusiness development, risk sharing facility and capacity building activities funded by ADF 14 Loan resources.

2.4. Project Cost and financing arrangements

2.4.1 Project Costs: The total cost of the project is estimated at UA 64.41 Million, net of taxes, comprising UA 18.59 million or 34% in local costs and UA 45.82 million or 66% of the total cost in foreign cost. This cost is inclusive of physical and price contingencies estimated at 9%. All project costs are exclusive of taxes, and therefore Government should provide budget allocation for VAT in each quarter of the financial year in addition to the 12% Government contribution. A summary of project cost estimates by components, expenditure categories, and schedule are presented in Tables 2.3, 2.4 and 2.5 below, while details are provided in the Technical Annexes B2 Volume II of the appraisal report.

Table 2.3: Summary Project Cost by Component

Components	(US\$ '000)			(UA '000)			% F.E	% Base costs
	F. E	local currency	Total	F. E	local currency	Total		
Component 1: Production and Productivity Enhancement:	14 391	4 059	18 450	10 659	3 006	13 665	78	23
Component 2: Infrastructure Development	29 020	9 164	38 184	21 496	6 788	28 284	76	48
Component 3: Market Development and Trade Facilitation	11 788	4 360	16 148	8 731	3 230	11 961	73	20
Component 4: Project Management and capacity building	2 066	4 599	6 665	1 531	3 406	4 937	31	9
Total BASELINE COSTS	57 265	22 182	79 447	42 417	16 430	58 847	72	100
Physical Contingencies	3 169	1 113	4 282	2 347	825	3 172	74	5
Price Contingencies	1 418	1 806	3 224	1 052	1 336	2 388	44	4
Total PROJECT COSTS	61 852	25 101	86 953	45 816	18 591	64 407	71	109

Table 2.4: Summary Project Cost by Expenditure Categories (UA '000')

Categories of expenditures	ADF			Government			Total
	F.E	L.C	Total	F.E	L.C	Total	
Works	24 010	6 960	30 970				30 970
Goods	10 509	1 078	11 587	879	2 152	3 031	14 618
Services	7 828	3 875	11 703	2 163	729	2 892	14 595
Operating costs	145	1 528	1 673	128	1 356	1 484	3 157
Personnel	154	913	1 067		-		1 067
Total	42 646	14 354	57 000	3 170	4 237	7 407	64 407

Table 2.5: Summary Project Cost Schedule by Components (UA '000')

Components	Y1	Y2	Y3	Y4	Y5
Component 1: Production and Productivity Enhancement:	10 232	1 763	1 481	173	16
Component 2: Infrastructure Development	8 115	17 059	2 773	180	157
Component 3: Market Development and Trade Facilitation	2 050	3 597	3 306	1 521	1 486
Component 4: Project management and capacity building	1 545	888	877	799	829
Total base costs	21 942	23 307	8 438	2 673	2 488
Contingencies	1 892	2 187	820	375	286
Project total costs	23 834	25 494	9 258	3 048	2 774

2.4.2 Project Financing Arrangement: ADF loan will finance 100% of the agricultural infrastructure development component, production and productivity component and non-training based component of Market Development and Trade Facilitation, and part of project management activities. The Government will mainly finance capacity building activities, salaries of Government staff assigned to the Project both at national and local government levels, compliance certification by NEMA, and part of component 3 activities (conservation farming and agro-forestry, forest plantation and woodlots, forest resources inventory, training in use of weather information, and expand community radios coverage). The Government of Uganda will also finance some recurrent

costs of the National Project Coordination Unit. The beneficiaries will be responsible for the operation and maintenance (O&M) of the irrigation infrastructure, and the agricultural enterprises will operate with the principles of private sector. The breakdown of financing for the project is presented in the Table 2.6

Table 2.6: Financing Plan of the project (UA ‘000)

Sources of funding	Amount			%
	F.E	L.C	Total	
ADF	41 490	15 510	57 000	88
Government	3 973	3 434	7 407	12
Total	45 463	18 944	64 407	

2.4.3 Counterpart Funds: The Government of Uganda counterpart contribution to the project will be 12% of the total project cost (equivalent to USD 10.0 million); in addition to 18% VAT contribution on all works, goods and services.

2.5. Project’s target area and population

2.5.1 The project will be implemented over a five-year period in various District across Uganda, according to the value chain selected, viz: Maize: Locations where the Bank has developed irrigation schemes, and the Districts of Kyegegwa, Kamwenge, Masindi, Kiryandongo, Kasese, Buhweju, Mitooma, Nakaseke, Mukono, Luwero, Mityana, Kiboga, Buikwe, Wakiso, Buyende, Mayuge, Gulu, Oyam, Amolatar, Pader, Iganga, Kamuli, Mbale, Jinja, Kapchorwa; Rice: Sironko-Acomai irrigation scheme, and the districts of Bulambuli, Bukedea, Kamuli, Gulu, Oyam, Amolatar and Pader. The soft components including training, input delivery, extension service delivery and capacity building would be extended to all irrigation schemes of the Bank in FIEFOC 1 & 2 (Nebbi, Oyam, Kween, Butaleja, Kasese, and Kitgum Districts); Dairy: This will mainly focus on the cattle corridor districts (from West to North corridors) with the livestock breeding centre in Mbarara district as the springboard.

2.5.2 The population in those districts is about 14,227,201 of which 50.1% are women and comprising 3,078,673 households. It is envisaged that the Project would lead to increase in yields of major crops by 50% and incomes of the target population specifically women by an average of 10%. In particular a greater percentage (50%) of the start-up enterprises and income generating activities from natural resources, capacity building and service delivery of the project would specifically target women and youth whose incomes are expected to increase by an average of 30%; thus enhancing their socio economic status through improved standard of living. The project will benefit further 300,000 households of which 20% are female headed outside of irrigation command areas, by introducing or improving soil conservation measures in the catchments feeding the irrigation schemes. Moreover, the project is expected to provide technical skills in conservation and other farming practices that promote environmental management and thus increasing agricultural productivity in the proposed project area.

2.6 Participatory Process/Public Consultations: Key stakeholders in the AVCP Project include; Government, NGOs; Civil Society,; Farmer cooperatives including women and youth groups; Private sector companies; All these stakeholders were consulted in the project design, etc. Furthermore, a stakeholder workshop was organized on September, 2016 which was attended by more than 45 representatives of stakeholder organizations from national to community levels. During the sessions the participants provided valuable input to inform the shaping of the AVCP. A wide range of issues were noted for follow-up including among others: access to inputs and microfinance, market linkages, mechanization and post-harvest handling, the need for inclusion of value addition to the

produce, operations and maintenance of irrigation facilities, strong farmers' capacity development programme, establishment of demonstration centers, consideration to multi-purpose use of water, use of existing government structures and the need to complement community initiatives. Stakeholder consultation activities will continue during project implementation to ensure their maximum participation and ownership of Project activities.

2.7. Bank Group experience, lessons reflected in project design

2.7.1 The Country Portfolio Performance Review (CPPR) highlighted some lessons, including: (i) role played by project implementation unit in expediting project execution after delay in start-up when implementation was entrusted to Ministries; (ii) lack of project designs and drawings at project start-up results in implementation delay; (iii) inadequate consultation with stakeholders in selection of sites results in poor utilization of funds and lack of ownership; (iv) weak M&E system results in poor project monitoring; and (v) lack of irrigation scheme management entities compromises sustainability. Based on said lessons, (i) AVCP will have a PIU due to inadequate technical staff within MAAIF, (ii) participatory M&E system will be established in PY1 which will be linked to MAAIF M&E system, and (iii) detail designs of the irrigation schemes will be made available before the end of 2017 whilst the supervision consulting firm will be brought on board in PY1 through advance procurement arrangement to offset the time spent in the parliamentary approval process.

2.7.2 The Bank Group is financing a number of on-going agriculture sector projects in Uganda. The Bank has gained good experiences under AAMP, CAIP 1, 2 and 3; MATIP 1 and 2, FIEFOC-1 and 2 in project implementation and in irrigated agriculture and has also accumulated vast experience through the implementation of other agricultural infrastructure projects. The first phase of FIEFOC has rehabilitated three irrigation schemes Mubuku, Doho, and Agoro irrigation scheme with a total area of about 3000ha now benefiting more than 6,800 farm families. The Schemes have supported communities and households to work together to manage watersheds, enabled households to participate in tree planting and beekeeping activities. The Second FIEFOC project approved by the Board in January 2016 will further increase the coverage of irrigable area in Uganda and also increase productivity for rice and maize whose value chains will developed under this proposed project. Further, the Bank has experience in primary value addition activities under the completed and ongoing CAIP and MATIP projects.

2.7.3 With interventions indicated above and the bottom-up approach that Bank projects are being implemented there are clear indication that in these areas poverty rates have dropped significantly. During implementation of AVCP, linkage and synergies with these agricultural infrastructure projects and others will be ensured to avoid duplication and maximize the benefits and gainful employment.

2.8. Key performance indicators

2.8.1 The Results Based Logical Framework contains indicators pertaining to the impact, outcomes and outputs of the project. It includes the Bank's Core Sector Indicators (CSI) and other institutional indicators that will be used to gauge the effectiveness of project management. Monitoring and evaluation of the project activities and results based logical framework indicators will be conducted by the Monitoring and Evaluation Expert of the National Project Coordination Unit (NPCU), in close collaboration with all the partners involved. Special emphasis will be on disaggregation of data to capture benefits from the project to gender and the youth. Baseline data will be collected at the beginning of project implementation in addition to the baseline information collected during the feasibility study to improve measurement of indicators of the project. An experienced M&E expert will be put in place from the start of the project.

2.8.2 The impact and outcome indicators include: (i) income level among farmers, (ii) reduction in people living below poverty line, (iii) increase in yield of selected commodity value chains, and (iv) number of livelihood activities and businesses developed,

Key output indicators are: (i) area developed under irrigation; (ii) number of farmers adopting conservation farming practices and land area protected against erosion; (iii) involvement of women and youth in decision-making bodies; (iv) volume of maize, rice and dairy/beef products traded.

2.8.3 **Baseline data:** Baseline data was collected as part of the socio-economic study and used in the RBLF. The baseline data will be further strengthened and gaps filled including collection of gender disaggregated data in PY1. Indicators will be used to compare project performance against the baseline situations. Various supervision missions and periodic progress reports will reflect the level of achievement under each of these indicators.

III. PROJECT FEASIBILITY

3.1. Economic and financial performance

3.1.1 The main economic benefits of the project are increase in rice and maize productivity and production, improvement in livestock parameters, increase in beneficiary incomes and strengthening of food security and climate resilience. Other project benefits include jobs generated by business developed, reduction in sediment load of rivers resulting from degraded forest rehabilitation and soil conservation measures and, improved balance trade of agricultural products as the country exports more and import less rice. At farm level, the project will reach out to at least 450,000 maize growers, 205,000 rice farmers and more than 2 million herders. The project is expected to annually generate an additional production of 450,000 MT of maize and 328,000 MT of rice. Support to the development of value addition will enhance export of rice and maize milled products. On the average, it is estimated that about 200 000 MT of maize and 200 000 MT of rice will be exported annually.

3.1.2 The economic and financial analysis was based on the incremental net benefit arising from the project investment. The main assumption underlying the economic and financial analysis is an anticipated increase in the productivity of the main crops (maize and rice) and livestock as a result of the development of irrigation, increased improved seeds and fertilizer use, and capacity building. It is estimated that the production of the basic crops will increase by 50% on the average and 20% for the livestock parameters. The production costs including milling processing costs are derived from the results of the similar projects implemented in the country and computed field data from Uganda. Prevailing 2016 market prices are used for input and output valuation. Infrastructure operating and maintenance costs are estimated at 15% of investment costs. Prevailing 2016 market prices were used for input and output valuation. Because no government interventions in terms of input subsidies or import restrictions are recorded and, no duty or taxes are leveraged on all agricultural inputs, such as fertilizers, semen and agro-chemicals, the market prices are used as the shadow prices for tradable goods used in domestic rice and maize production. For economic analysis, maize and rice market prices are adjusted to reflect their economic values.

3.1.3 The FIRR is 20% with a NPV of US\$ 2.127 million at a capital opportunity cost of 12%. The EIRR is 23% for a NPV of USD 3, 2 million at a capital opportunity cost of 12%. The summary result is tabulated below:

FIRR, NPV (base case)	20%, NPV (12%): US\$ 2.127 million
EIRR, NPV (base case)	23%, NPV (12%): US\$ 3.2 million

3.1.4 The economic rate of return (EIRR) and the internal rate of return (FIRR) are sensitive to changes in prices and costs. A 10% increase in the prices of agricultural products generates an EIRR

of 25% and a FIRR of 22%. Similarly, a 10% increase in production costs decreases the EIRR and the FIRR to 21% and 19% respectively. Details of financial and economic analyses are shown in in Appendix VI.

3.2. Environmental and Social impacts

3.2.1 **Environment:** The project is classified as Environment Category 2 according to the Bank's Environmental and Social Assessment Procedures (ESAP), which implies that the potential negative environmental and social impacts are not major and can be mitigated with the application of measures specified in ESMFs. An ESMF, with a budgetary allocation of USD 500,000, was prepared and its Summary posted on Bank's on 21st March 2017 to provide guidelines for the management of potential environmental and social aspects at all possible project sites.

3.2.2 AVCP will have significant *positive environmental impacts* including (i) contribution to the restoration of forest cover that will lead to reduced soil erosion, flooding, and water pollution. The carbon dioxide (CO₂) removed from the atmosphere is estimated at 245, 000 tons over 20 years as a result of tree planting by the project as shown in the details under Technical Annex C.3.1 (b) of the Technical Annex; (ii) restoration and enhancement of the ecosystems through re-vegetation and tree planting activities planned as part of the project - this will have significant impacts on combating deforestation and desertification as well as mitigating the impacts of climate change; (iii) rehabilitation of degraded watersheds to sustain and enhance water catchment ; and (iv) improved farm productivity, soil fertility management and increased uptake of proper crop husbandry practices that will improve agricultural production and marketing, thus contributing to food security and improved farm incomes.

3.2.3 Most of the *negative impacts* to the environment will be attributed to construction activities with minimal operation and post operation effects. Some of these impacts will pertain to (i) loss of vegetation due to land clearing for irrigation schemes and farm/forest roads construction that can be minimized by refilling of burrow pits and re-vegetation, (ii) increase in water abstraction arising from small-scale irrigation schemes requirement, that could upset the existing flow patterns of the rivers, but will be minimized through established water management systems and environmental flow requirements to allow sufficient water for downstream users, and (iii) soil erosion due to loose top soil.

3.2.4 **Climate Change:** Climate change models for Uganda suggest a projected increase in temperature of 0.7o C to 1.5o C by 2020. These models also predict a likely increase in the variability of rainfall with most areas projected to experience higher rainfall. Uganda is already experiencing extreme weather events including droughts, floods and landslides. Floods and landslides have been linked to drained wetlands, deforestation, and compacted soil that no longer have any water-retention capacity. The Uganda Vision 2040- the long term development blue print for the country-recognizes the impacts of climate change on all sectors of Uganda's economy, and has committed to the need for preparedness through adaptation and mitigation strategies to ensure the resilience of the country to climate change impacts. The Bank categorized the project as Category 2 in terms of Climate Risk, requiring the application of the Climate Adaptation Review and Evaluation Procedures (AREP). The project carried out Climate Screening Score (CSS) as shown in Appendix VII. The project design reflects the projected climate change risks in Uganda and has embedded adaption measures based on the Bank's AREP and aligned with the country's National Adaptation Programme of Action (NAPA) priority projects including community tree planting, land degradation and water for production projects.

3.2.5 The AVCP programme is by design part of a strategic response to the impact of climate change evidenced by environmental degradation, dry spells and floods in the vulnerable districts of Uganda. The planned interventions of AVCP project will help reduce impacts of extreme weather events through the development of irrigation systems and promotion of alternative livelihoods that will help

smoothen the cyclical impacts of droughts and ensure all-year income generating activities. Specifically, the catchment management activities under component 1 of the project will facilitate the reduction of land degradation and related flood impacts; thus increasing the resilience of the community. The irrigation infrastructure will also be designed to be climate resilient in order to prolong the life span of the infrastructures. The project's ESMP further elaborates the challenges posed by climate risks on the project outcomes as well as proposed adaptation and mitigation measures.

3.2.6 Involuntary resettlement: The proposed new irrigation structures will be located on Governments owned land and communally owned land tenure systems. It is anticipated that all Project activities will not lead to land acquisition as project activities will be carried out on land that already belongs to the Government or the beneficiary groups, therefore no land disputes are anticipated. Extensive consultations on access were held with beneficiary groups, district officers, and other government counterparts including the Uganda National Environmental Management Agency. There is a strong commitment from all stakeholders and Government will provide the Bank with a Letter of Comfort stating that the land where the project infrastructure is to be constructed are free of encumbrances and belongs to the communities and/or government agencies who have consented to project activities.

3.2.7 Green Growth: AVCP has been designed in accordance with the Green Growth principle of “quality and inclusiveness of growth”. The Program design is flexible enough to address existing and emerging development challenges (equitable rural development, youth unemployment, equitable access to food, water and clean environment) without locking resources into activities that may deplete the country's natural resource capital. AVCP has been designed in a holistic manner that has integrated economic, social and environmental concerns for overall improvement of the well-being of the communities.

3.2.8 Gender and Social: In 2014, 19.79 million females accounted for 51.5% of the total population, while an estimated 31% of rural households were female headed. The significance of women's role in community is underscored by the fact that females are normally charged with the responsibility of food production at household level. The low access to water for production, especially in rural areas, undermines agricultural productivity. While the GoU has made substantial efforts in adopting gender-related laws and with the amendment of the Land Act (2010), and the launch of Uganda National land Policy (2015), significant progress has been registered in increasing female land ownership, from a low 16% in 2010 to 39% in 2012. Despite this, issues of limited ownership, access to land owing to cultural barriers and lack of access to credit continue to affect women's agricultural production. Other hindrances include, lack of extension service, inadequate access to information technology and poor linkages to markets, post-harvest losses, and degradation of the environment which mostly affects women. Consequently, AVCP has been designed to address gaps in sustainable agricultural water management and low agricultural productivity. The project will support a minimum of 30% representation of women in the leadership role in water user associations, and emphasize 50% of the target group training on agribusiness skills in crop value chain preferred by women and youth. The project will support a minimum of 30% women, and 30% youth employment in the labour intensive infrastructure development activities on the scheme.

3.2.9 The project will support gender capacity building activities for AVCP as detailed in Annex B8 of the Technical Annex. Furthermore, the project will adopt a gender sensitive approach to support implementation, to ensure capacity is built for effective gender responsiveness in all project components. As such, gender mainstreaming guidelines will be developed in project Y1 to prepare women to participate in different community committees dealing with financing (Tier 4 Microfinance institutions), agriculture and natural resources. The project will also promote strong institutional involvement of women as beneficiaries in farmer cooperatives group trainings, specifically with

regards to extension service in agronomic practices, access of financial resources, post-harvest handling, collective commodity bulking and marketing and the establishment to sustainable market linkages. A Social Development Specialist/Gender expert will be assigned from MAAIF to focus on implementation of these activities. The gender mainstreaming in this project is estimated at UGX 548,900,000 for capacity building as shown in the Technical Annex page B8.9 (ii).

3.2.10 Youth unemployment: The challenges facing the youth include limited job opportunities, inadequate employable skills and skills mis-match, limited access to productive assets, and early marriages hence forcing the youth into informal agricultural practices. According to the Uganda statistical abstract 2014, the overall national unemployment rate increased to 9.4% (2012/13) from 3.6% (2009/2010) and 1.9% in 2005/06. Similarly youth unemployment remains high at 78% (NDPII). Majority (79%) of the youth live in rural areas engaging in agriculture. The AVCP project will ensure the participation of youth on the irrigation scheme management and engage youth farmer groups in agribusiness skills trainings, value chain activities especially in income generating projects such as Apiary and fish farming. At least 10% youth will be employed in any labour intensive agricultural activities on the irrigation schemes by providing targeted training programme. The Empowering Novel Agri-Business-Led Employment for Youth in Uganda's Agriculture (ENABLE Youth Uganda) Program being piloted in Uganda by the African Development Bank (AfDB) under FIEFOC.2 Project.

3.2.11 HIV/AIDS: The project does not envisage the creation of farm worker camps. Notwithstanding this, the Project will support selected activities aimed at reduction of HIV/AIDS new infection especially among women and youth who present a higher rates of infection (8.3% women, 6.1% men and youth 3.7%). The National HIV prevalence increased from 6.4% in 2004 to 7.3% in 2011 among 15-49 year olds (Uganda Aids Indicator Survey). The core activities to be supported include awareness creation on HIV/Aids among farmer and agribusiness groups to enhance their protection from HIV/Aids infections and also improve the living conditions of those who are already persons Living with Aids. The schemes will designate an HIV-AIDS coordinator from farmer groups and collaborate with the existing national programmes to publicize the HIV/AIDs activities in the schemes. The project will collaborate with such organizations like the Uganda AIDS commission; and with local NGOs at the project levels (for execution purposes). It is mandatory that contractors to have an active HIV and AIDS workplace policy (with activities for (Staff) internal awareness raising, prevention, tackling issues like stigma and discrimination, treatment, focal point etc.). At implementation level, the partners will be mandated to enhance capacity of beneficiaries to address issues like awareness raising, prevention, treatment; the design should include community categories like the youth, farmers, mothers etc., incorporate HIV and AIDS module in the proposed entrepreneurial training, strengthen beneficiary referral systems with the already established structures like hospitals (for prevention and treatment purposes); strengthen/ create community support structures like e.g. treatment groups etc.

3.2.12 Addressing fragility and building resilience: The project will help build resilience in target communities by addressing the issues of food security and increasing economic opportunities through agribusiness.

IV. IMPLEMENTATION

4.1. Implementation arrangements

4.1.1 Executing and Implementing Agencies: The Project's Executing Agency will be the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) who will be responsible for the overall implementation and management of the Project. The Ministry of Water and Environment will be responsible for implementation of the watershed management related activities (in conjunction with relevant MAAIF departments) and also provide technical backup in the development and

implementation of irrigation related infrastructure. Further, MAAIF will coordinate implementation of activities being undertaken by other institutions, namely, the Uganda National Bureau of Standards (UNBS)/Ministry of Trade, Industry and Cooperatives (MTIC); Uganda Seed Trade Association (USTA), Farmer Cooperatives and Associations; National Agricultural Research Organisation (NARO); Dairy Development Authority (DDA); the National Animal Genetic Resources Centre and Data Bank (NAGRIC&DB); and, the Private Sector Foundation of Uganda (PSFU) and its related agribusiness associations.

4.1.2 A National Project Coordination Unit (NPCU) will be established to assist MAAIF in coordinating implementation of Project activities between the respective implementing agencies. MAAIF will designate a National Project Coordinator who will be the overall Project Manager. In addition, to the National Project Coordinator, a Senior Procurement Officer with engineering background, a Senior Financial Management Officer, a Senior Monitoring and Evaluation Officer, a Senior Value Chains Development Officer, and a Senior Engineer will be recruited competitively as core staff of the NPCU. The NPCU will also draw from the technical staff in the Ministries and agencies involved in the implementation of Project activities to complement its work. Each Ministry or Agency will assign a technical staff who will lead implementation of activities in such an institution and will be a member of the Project's Technical Committee to be chaired by the National Project Coordinator. The technical committee will ensure a collaborated implementation of project activities and provide technical support. A multi-sectoral Steering Committee will be established 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 will be chaired by the Permanent Secretary, MAAIF and will comprise Permanent Secretaries of MoWE, MoTIC, MoFPED, and technical heads of the three agencies responsible for implementation of Project activities (i.e. Dairy Development Authority, Uganda National Bureau of Standards, and the National Animal Genetics and Resources Data Bank. Other members will be selected from relevant private sector organizations, research institutions, and beneficiary organizations. The Steering Committee will meet at least twice every year.

4.1.3 Furthermore, the National Project Coordination Unit will be an integral part of the Executing Agency under the direction and supervision the Permanent Secretary, MAAIF. The National Project Coordinator will report directly to the Permanent Secretary, MAAIF. The NPCU will ensure that Project activities are initiated and are adequately budgeted for, consolidate project records, submit all procurement documents to the Bank for review and approval; compile and submit all disbursement applications and quarterly progress reports; coordinate annual audits of all Project accounts and facilitate submission of audit reports to the Bank. Each District will designate a Project Support Officer (PSO) among its staff, who will head the District Technical Support Team as detailed in the Technical Annex (B3.3) to support the implementation and technical supervision of the Project, including sensitization of farmers, training, and monitoring and evaluation in the respective local governments. The PSO will also coordinate the relevant stakeholders involved in the implementation of the project in the district.

Procurement Arrangements

4.1.4: "Procurement of goods (including non-consultancy services), works and the acquisition of consulting services, financed by the Bank for the project, will be carried out in accordance with the *"Procurement Policy for Bank Group Funded Operations"*, dated October 2015 and following the provisions stated in the Financing Agreement. Specifically, Procurement would be carried out following:

Borrower Procurement System (BPS): Specific Procurement Methods and Procedures (PMPs) under BPS comprising Public Procurement Disposal of Public Assets Act and Regulations, using the

national Standard Solicitation Documents (SSDs) for various group of transactions to be entailed under the project. Considerations shall be made to promote Government efforts on local content.

Bank Procurement Methods and Procedures (BPP): Bank standard PMPs, using the relevant Bank Standard or Model Solicitation Documents SDs, for contracts that are either: (i) above the thresholds, or (ii) in case BPS is not relied upon for any category of procurement;

Procurement Risks and Capacity Development: the assessment of procurement risks at the Country, Sector, and Project levels and of procurement capacity at the Executing Agency (EA), were undertaken for the project and the output have informed the decisions on the procurement regimes (BPS and Bank) being used for specific transactions or groups of similar transactions under the project. The appropriate mitigation measures and costs have been included in the procurement capacity development action plan (CDAP) under the project.

4.1.5 MAAIF has a Procurement and Disposal Unit (PDU) that is responsible for procurement of goods, works and services with technical support from the directorates. The PDU is headed by a Principal Procurement Officer and has a total of four procurement officers as well as four contract staff. A Contracts Committee that approves all procurement activities is in place and functional. The ministry has experience in managing procurements of Bank financed projects. The resources, capacity, expertise and experience of MAAIF are adequate to carry out the procurement activities financed under this project. However, in view of the work load, the capacity of the PDU will be further strengthened by the recruitment of a senior procurement specialist, who will fast track the procurement processes on the project (see appendix VI). A delegated contracts committee will also be established to facilitate the Project's procurement processes.

Financial Management Arrangements

4.1.6 The project will make use of the country's PFM systems and the Assistant Commissioner, Accounts of the Ministry of Agriculture, Animal Husbandry and Fisheries (MAIIF) will be responsible for the Financial Management (FM) of the project. With the Permanent Secretary MAIIF being the Accounting Officer.

The Ministry's Finance and Administration department led by a Principal Accountant who has appointed accountants to manage the day to day financial operations of all donor funded projects guided by the Government of Uganda (GoU) financial regulations and procedures and the PFM Act 2015. The project will use a manual accounting system for the funds received from the Bank with the GoU's counterpart funding managed through the Integrated Financial Management Information System (IFMIS). All project's financial transactions will be captured and reported based on the International public Sector Accounting Standards (IPSAS). The Finance Department of the Ministry has sixteen accountants who will assist the NPCU in normal Ministry financial documentation approvals.

4.1.7 Budgeting for the project will follow the GoU rules and procedures on budgeting. The total project budget will be included in the ministry's annual budget and included in the GoU's National budget. The project will follow the GoU financial year of 1st July to 30th June and its financial statements which will be prepared within three months of the end of the financial year, will be audited by the Office of the Auditor General or his appointee. The audit terms of reference will be agreed between GoU and the Bank by negotiations. The audit report, complete with a Management Letter and responses, will be submitted to the Bank within six months of the end of the financial year. The Ministry will also be required to submit quarterly Financial Reports together with the Projects Progress report to the Bank no later than 45 days after the end of each quarter. The format of the quarterly reporting will be agreed by negotiations.

The Government procedures regarding internal controls in place and also applied for the existing projects should be used by the new project. The following internal control procedures among others are in place: Approval of bank accounts opening, proper authorization and approval of bank reconciliations, segregation of duties in payments and cash management, monthly bank reconciliations and timely banking of receipts. To provide oversight and assist in strengthening the project internal control mechanism, the Ministry's internal audit section will include the project in its annual audit planning and the project's audit reports will be shared with the Bank as needed.

The results of the assessment indicate that the Financial Management overall risk rating is **Moderate** after mitigating measures. In conclusion, the proposed financial management arrangements put in place meet the Bank's minimum requirements for project financial management and therefore adequate to provide, with reasonable assurance, accurate and timely information on the status of the project required by the Bank.

Disbursement Arrangements

4.1.8. The Bank's special account and direct payment disbursement methods will be available to the project as prescribed in the bank's Disbursement Handbook. All Project expenditures incurred by the Ministry will be paid by the PIU either from the special account or using the direct payment method. All activities being done by other non-governmental entities will be paid for using the direct payment method with documents processing done by the PIU.

The project will open one foreign currency special account into which the proceeds of the loan will be deposited. A project account in UGX will also be opened. The accounts will be opened at the Bank of Uganda and their opening will be a condition precedent to first disbursement of the loan. An initial disbursement will be deposited in the project Special Account (SA) in foreign currency based on a six-month work program and an estimated budget of activities drawn from the agreed work plan approved by the Bank. The SA will be replenished through submission of Withdrawal Applications when the project meets the replenishment conditions as stipulated in the Disbursement Letter and Handbook. The direct payment method will be used for payments of contracts for equipment, supplies and services (including audit-where applicable and consultancy). The Bank's Disbursement Letter will be issued stipulating key disbursement procedures and requirements. To ensure adherence to agreed financial regulations, the special account will be monitored by AfDB supervision missions.

4.2. Monitoring

4.2.1 Monitoring will be an integral part of project management activities. The M&E Specialist at the NPCU will be responsible for the overall monitoring and evaluation of Project activities. In using the performance indicators and targets specified in the Results Based Logical Framework (RBLF), project implementers tracking progress towards project results are expected to take special note of changes that reflect advancement towards the translation of outputs into development outcomes. In developing monitoring and planning indicators, they will be disaggregated along gender lines. A gender sensitive baseline study will be undertaken in PY1 which will be followed up with annual gender sensitive surveys to assess performance and impact of project activities.

Table 4.1 – Implementation Monitoring Timeframe

<u>Timeframe</u>	<u>Milestone</u>	<u>Monitoring process / feedback loop</u>
Q2 – 2018	Project Launching	Supervision and Progress Report
Q2 – 2018	Procurement of Civil Works Completed	Procurement Plan/Progress Report
Q4 – 2020	Mid-Term review	Midterm Review & Progress Report
Q4 – 2022	Substantial completion of civil works	Supervision and Progress Report

<u>Timeframe</u>	<u>Milestone</u>	<u>Monitoring process / feedback loop</u>
Q2 – 2023	Project Completion	Project Completion Report

4.3. Governance

4.3.1 International assessments show that Uganda has progressed its accountability and transparency ratings and indicators of Governance including corruption control, rule of law, regulatory quality and Government effectiveness. The 2014 Ibrahim Index of African Governance (IIAG) ranked Uganda 19th out of 52 African countries. The 2013 IIAG provided Uganda's performance across four categories of governance namely (a) Safety & Rule of Law (25 out of 52), (b) National Security (74.5 out of 100), (c) Gender (6th out of 52), and (d) Human Development (19th out of 52). Uganda's average score was 56.1 out of 100 which was higher than the continental average of 51.5. The 2012 World Bank Institute's Worldwide Governance Indicators rated Uganda as follows (0=low and 1=high): (a) voice and accountability = 0.31; (b) political stability and absence of violence = 0.20; (c) Government effectiveness = 0.33; (d) regulatory quality = 0.45; (e) rule of law = 0.44; and (f) control of corruption = 0.14. The proposed measures in terms of project implementation include: (i) provision of financial management manual to guide Project staff; (ii) utilization of internal audit to identify pre-audit transaction challenges; and (iii) regular submission of progress reports.

4.4. Sustainability

4.4.1 The participatory approach adopted during the project design and envisioned to be extended during the implementation phase will enhance the ownership of project's activities and realizations by the main stakeholders ensuring its sustainability. The irrigation infrastructure will be operated and maintained by the Water Users Associations (WUA) whose capacities will be developed through training. The project will ensure that at least 30% of women and youth are represented in the irrigation management committees. Operation and Maintenance guidelines will be developed including tariff setting by the supervising consultant for the operation and maintenance of the schemes that takes into consideration past experiences in the management of irrigation schemes in the country. The WUAs are expected to cover the O&M costs from the contribution of farmers through water charges. The management of support infrastructures such as storage and essential O&M equipment could be outsourced to business service provider on agreed terms under the overall supervision of the WUA.

4.4.2 Capacity Building: Lack of qualified engineers and farmers' experience in irrigation development has been identified as a serious constraint in implementation of the project. The project will develop a proposal to train farmers, extension agents, relevant government technicians and agribusiness actors including in the use of the pilot demonstration site to enhance the capabilities of the operation and maintenance of the irrigation schemes. Further, the project through MAAIF will endeavor to partner with JICA, IsDB, WB, The Netherlands Embassy, DFID and others who have interest in the area of farmers' capacity development to ensure sustainability of the irrigation scheme.

4.5. Risk management:

4.5.1 The first risk is related to the effect that the private sector may not be willing to take advantage of the opportunities in developing the value chains. Provision of Business Development Support Services to potential SMEs actors will motivate them to participate in the project

4.5.2 The second risk is associated with difficulties of managing the infrastructure that the project will develop. The use of Business Service Provider (BDS) with requisite experience will do this before handing them over to farmer groups.

4.5.3 The third risk is that the beneficiaries may not attain the required level of Operation and Maintenance of the infrastructures. However, this will be mitigated by developing an Operations and Maintenance Manual for infrastructure facilities, which the farmers also participated in identifying.

4.5.4. The fifth risk would be delayed fulfillment of loan conditions. However, COUG will work and follow up closely with the Government

4.6. Knowledge building

4.6.1 A number of studies/surveys are planned to be undertaken through the project, with a view to generating information that will inform both the farmers, the local governments, Ministries as well as other stakeholders in the course of decision making. The analytical work will focus on beef value chain study, study on the potentials for agro-poles and Farmers' Cooperative Formation modalities. All knowledge attributes and lessons generated from the project will be shared with the respective Government and District authorities, the Bank, development partner agencies and civic society.

V. LEGAL INSTRUMENTS AND AUTHORITY

5.1. Legal instrument:

ADF Loan to the Republic of Uganda.

5.2. Conditions associated with Bank's intervention

- Conditions Precedent to Entry into Force: The entry into force of the Loan Agreement shall be subject to the fulfilment by the Borrower of the provisions of Section 12.01 of the General Conditions of the Bank.
- Conditions Precedent to First Disbursement: The obligations of the Bank to make the first disbursement shall be conditional upon the entry into force of the Loan Agreement in accordance with the immediately preceding paragraph and the fulfilment by the Borrower of the following conditions:
 - (i) Provide the Bank with a Letter of Comfort stating that the land where the project infrastructure is to be constructed are free of encumbrances and belongs to the communities and/or government agencies who have consented to project activities.

5.3. Other Conditions

The GoU shall,

- (i) Prior to a request for disbursement into the Special Account and local currency account, provide evidence of having opened one foreign currency Special Account (SA) and one local currency account at the Bank of Uganda for the deposit of part of the proceeds of the loan and for transfer of funds from the SA respectively; and
- (ii) Within 6 months of first disbursement, recruit a Senior Procurement Officer with engineering background, a Senior Financial Management Officer, a Senior Monitoring and Evaluation Officer, a Senior Value Chains Development Officer, and a Senior Engineer for the NPCU.

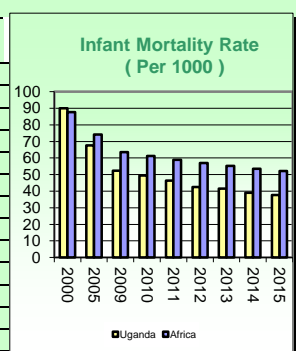
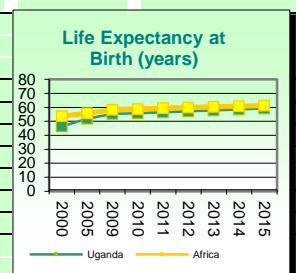
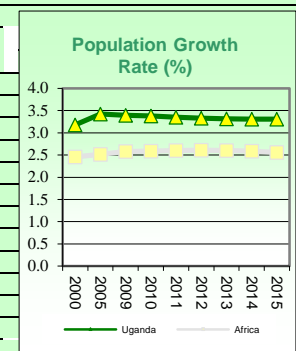
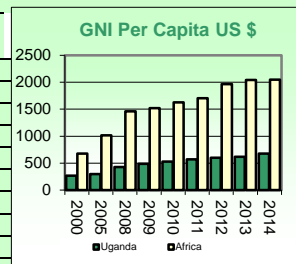
5.4. Compliance with Bank Policies: The project complies with all applicable Bank policies

VI. RECOMMENDATION

Management recommends that the Board of Directors approves the proposed ADF loan of UA57 million to the Republic of Uganda for the purposes of implementation of Agricultural Value Chains Development Programme (AVCP) – Project 1 and subject to the conditions stipulated in this report

APPENDIX I: COUNTRY'S COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Uganda	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km²)	2015	242	30,067	80,386	53,939
Total Population (millions)	2015	39.0	1,184.5	5,945.0	1,401.5
Urban Population (% of Total)	2015	16.6	39.7	47.0	80.7
Population Density (per Km²)	2015	195.3	40.3	78.5	25.4
GNI per Capita (US \$)	2014	680	2 045	4 226	38 317
Labor Force Participation * - Total (%)	2015	77.4	66.3	67.7	72.0
Labor Force Participation ** - Female (%)	2015	75.6	56.5	53.0	64.5
Gender -Related Development Index Value	2007-2013	0.896	0.801	0.506	0.792
Human Develop. Index (Rank among 188 countries)	2014	163
Popul. Living Below \$ 1.25 a Day (% of Population)	2008-2013	37.8	39.6	17.0	...
Demographic Indicators					
Population Growth Rate - Total (%)	2015	3.3	2.6	1.3	0.6
Population Growth Rate - Urban (%)	2015	5.5	3.6	2.6	0.8
Population < 15 years (%)	2015	48.1	41.0	28.3	17.3
Population >= 65 years (%)	2015	2.5	3.5	6.2	16.0
Dependency Ratio (%)	2015	102.3	80.1	54.6	50.5
Sex Ratio (per 100 female)	2015	99.9	100.1	102.8	97.4
Female Population 15-49 years (% of total population)	2015	22.3	24.0	25.8	23.0
Life Expectancy at Birth - Total (years)	2015	59.2	61.2	68.9	79.1
Life Expectancy at Birth - Female (years)	2015	61.1	62.6	70.8	82.1
Crude Birth Rate (per 1,000)	2015	42.5	34.8	21.0	11.6
Crude Death Rate (per 1,000)	2015	9.3	9.3	7.7	8.8
Infant Mortality Rate (per 1,000)	2015	37.7	52.2	35.2	5.8
Child Mortality Rate (per 1,000)	2015	54.6	75.5	47.3	6.8
Total Fertility Rate (per woman)	2015	5.7	4.6	2.6	1.7
Maternal Mortality Rate (per 100,000)	2013	360.0	411.3	230.0	22.0
Women Using Contraception (%)	2014	28.5	35.3	62.1	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2004-2012	11.7	46.9	118.1	308.0
Nurses (per 100,000 people)*	2004-2012	130.6	133.4	202.9	857.4
Births attended by Trained Health Personnel (%)	2009-2012	57.4	50.6	67.7	...
Access to Safe Water (% of Population)	2015	79.0	71.6	89.1	99.0
Healthy life expectancy at birth (years)	2012	49.0	51.3	57	69
Access to Sanitation (% of Population)	2015	19.1	39.4	60.8	96.3
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2013	7.4	3.8	1.2	...
Incidence of Tuberculosis (per 100,000)	2013	166.0	245.9	149.0	22.0
Child Immunization Against Tuberculosis (%)	2013	93.0	84.1	90.0	...
Child Immunization Against Measles (%)	2013	82.0	76.0	82.7	93.9
Underweight Children (% of children under 5 years)	2005-2013	14.1	20.8	17.0	0.9
Daily Calorie Supply per Capita	2011	2 279	2 621	2 335	3 503
Public Expenditure on Health (as % of GDP)	2013	4.3	2.7	3.1	7.3
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2011-2014	107.3	106.4	109.4	101.3
Primary School - Female	2011-2014	108.2	102.6	107.6	101.1
Secondary School - Total	2011-2014	26.9	54.6	69.0	100.2
Secondary School - Female	2011-2014	25.0	51.4	67.7	99.9
Primary School Female Teaching Staff (% of Total)	2012-2014	41.7	45.1	58.1	81.6
Adult literacy Rate - Total (%)	2006-2012	73.2	61.8	80.4	99.2
Adult literacy Rate - Male (%)	2006-2012	82.6	70.7	85.9	99.3
Adult literacy Rate - Female (%)	2006-2012	64.6	53.4	75.2	99.0
Percentage of GDP Spent on Education	2009-2012	3.3	5.3	4.3	5.5
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2013	34.4	8.6	11.9	9.4
Agricultural Land (as % of land area)	2013	71.9	43.2	43.4	30.0
Forest (As % of Land Area)	2013	11.7	23.3	28.0	34.5
Per Capita CO2 Emissions (metric tons)	2012	0.1	1.1	3.0	11.6



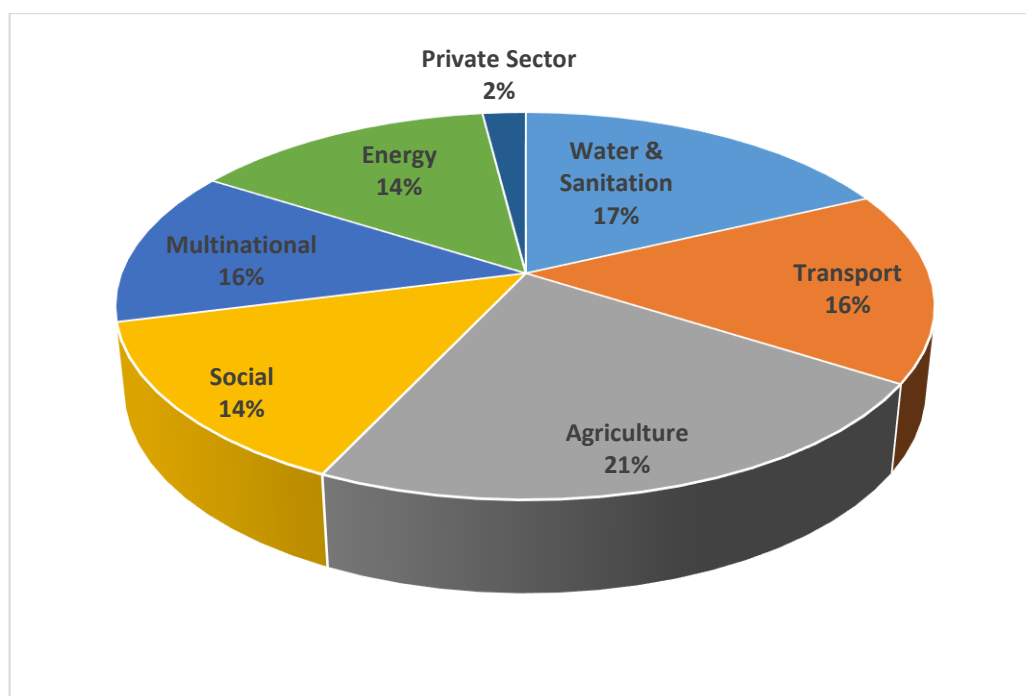
Sources : AfDB Statistics (2015)

APPENDIX II: STATUS OF BANK PORTFOLIO IN UGANDA

1. Update on Bank's Portfolio

The Bank Group's ongoing portfolio in Uganda comprises 14 national operations, 4 multinational and 3 private sector projects with a net commitment value of UA 843.73 million. The sectorial distribution is as shown in Figure 1 below.

Figure 1: COUG 2016 PORTFOLIO DISTRIBUTION BY SECTOR



Two Multinational operations – Lake Victoria Maritime Communication Transport Project and The Kapchorwa–Suam Road Project with a Net Commitment of UA 76.35 million were by the Board in March 2017 respectively and are expected to commence operation soon. If the projects become operational, Uganda will have a total portfolio value of UA 920.08 million.

Portfolio Snapshot: There are no problem projects and ageing projects. Nonetheless, disbursement slowed down during the first half of 2016 due to challenges of delay in startup of operations, obtaining right of way for energy and transport projects, payment of compensation to project affected persons, bidders of road contracts refusing to accept verdicts of the Uganda National Roads Authority (UNRA) - the implementing agency of road transport projects in awarding road contracts to contractors. However, measures were taken, including getting Government of Uganda at the highest level to intervene in the payment of outstanding compensations to project affected persons and finding solutions to contractors accepting the outcome of evaluations of the bid process on road contracts among others, to ensure smooth and continuous implementation of projects for improved disbursements. The portfolio has a potentially problematic project of 6.7% and commitment at risk of 8%. The average age of the portfolio stood at 3.31 years. The portfolio is rated as satisfactory with a score of 2.95 (on a SAP 0-4 and IPR 1-4 scale). The average size of the portfolio is UA 52 million. Key challenges facing the portfolio include the need to improve performance in areas such as quality at entry, delay in ratification of projects by the Parliament, capacity constraints of implementing agencies, contract management, and slow disbursement emanating from procurement challenges.

These challenges are being addressed by GOU and the Bank through the implementation of the Country Portfolio Improvement Plan (CPIP).

Portfolio Performance: The Country Portfolio Performance Reviews (CPPRs) has highlighted areas that needed improvement, and the following measures have been taken in this respect: (i) *To avoid project effectiveness, Start-up and implementation delays*, GoU has committed to address the issue of payment of compensation and obtaining land and right of way for implementation of Bank projects and the ratification of Projects by the Parliament that was largely responsible for the delay in projects becoming effective; (ii) With regard to *procurement delays which still hinder effective implementation of projects*, GoU has agreed to work through the Public Procurement and Disposal of Assets (PPDA) Authority established by Government to minimise the effects of the procurement challenges, such as the activities of whistle blowers and bidders who are dissatisfied with outcomes of contract award processes; (iii) Regarding *Financial Management issues*, GoU is expected to exempt Bank funded projects from VAT/Taxes or provide the VAT/Tax deductions made to Projects in good time to enable contractors continue their work without complaining of lack of funds; GoU has further committed to making budgetary provisions for counterpart funds and release them in time, whereas the Bank shall routinely monitor implementation of audit recommendations ahead of supervision missions, and; (iv) to address the *challenges relating to low disbursement*, the Bank's fast-tracking of effectiveness processes will mitigate low disbursement as a result of start-up and effectiveness delays.

2. Strategic Orientation of Bank Support to the Country

Alignment with H5s: A new CSP 2017-2021 is under preparation. It will have two pillars: a) Infrastructure Development for Industrialization, with a focus on three sub-sectors of agriculture, transport and logistics, and water and sanitation, b) Skills development and Capacity building. The three priority sectors of the new CSP are aligned to four out of the Hi-Five Priorities, including promoting: (i) Agricultural production; (ii) Trade and industrial development through improved transport infrastructure; (iii) Regional transport infrastructure connectivity, and; (iv) Improved social livelihood through provision of adequate water and sanitation infrastructure as well as skilling the youths of Uganda.

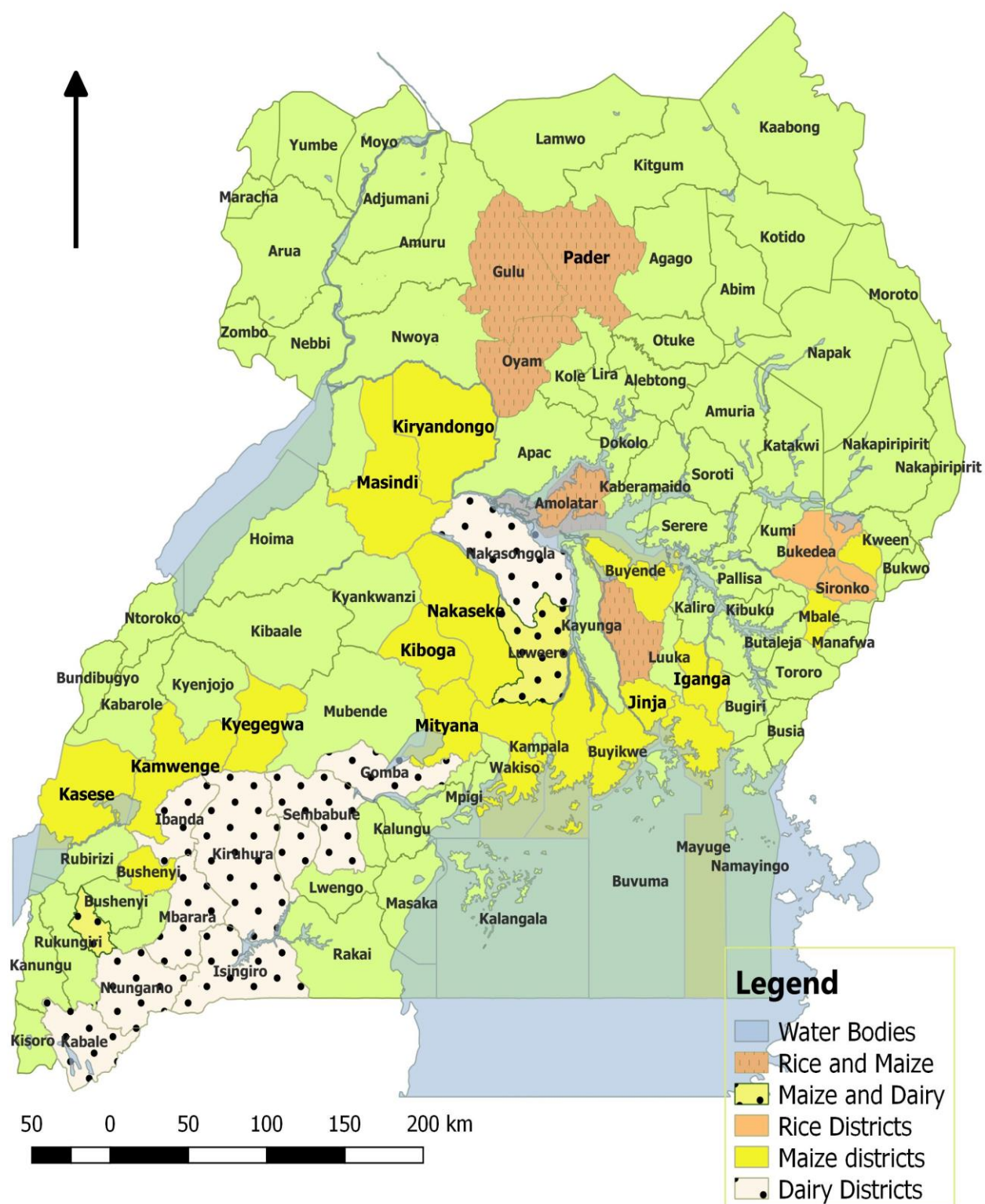
Pipeline and amount of forthcoming operations: The Indicative Operations Program (IOP) for Uganda during the period 2017-2021 include a total of 14 operations amounting to UA 915 million as shown in Appendix 2.

Issues to Note: These include the following: (i) Current portfolio challenges, particularly in the transport and energy sectors which may lead to the deterioration of the portfolio during the next CSP2017-2021 period; (ii) The uncertainty of the ADF-14 replenishment levels and country allocation that may constrain portfolio growth; (iii) Slow payment of compensation to Project Affected Persons; (iv) Delays in obtaining right of way for Bank projects (Transport and Energy); and (v) Entry of non-traditional borrowers in financing projects in Uganda.

Table 1: On-going Uganda Bank Portfolio

Serial No.	Project Description	Approval Date	Net Commitments (UA million)	Amount Disbursed (UA million)	Disbursed (%)	Deadline for Last Disbursement	Status (not effective & on-going/effective, etc)
A. AGRICULTURE							
1	Community Agricultural Infrastructure Improvement Programme III	03/05/2011	40.00	36.94	92.4%	31/12/2017	on going
2	Markets and Agricultural Trade Improvement II (MATIIP II)	10.12.2014	60.14	0.60	1.0%	30.06.2020	on going
3	Preparation for Strategic Plan for Climate Resilience	17.03.2016	1.11	0.20	18.0%	30.04.2018	on going
4	Farm Income Enhancement and Forestry Conservation Project II	20.01.2016	54.79	6.09	11.1%	30.06.2021	on going
Agriculture - Sub Total			156.04	43.83	28.1%		
B. TRANSPORT							
5	Road Sector Project 4 (Kigumbba Masindi Rd) 135 KM	13/03/2013	72.94	9.24	12.7%	30/06/2018	ongoing
6	Road Sector Project V	28/05/2014	70.00	4.28	6.1%	31/12/2020	ongoing
Transport - Sub Total			142.94	13.52	9.5%		
C. WATER							
7	Kampala Sanitation Project	16/12/2008	35.00	32.44	92.7%	31/12/2017	ongoing
8	Water Supply and sanitation program Phase 1	5/10/2011	43.59	42.59	97.7%	31/12/2017	ongoing
9	Water Supply and sanitation program Phase 2	3/2/2016	65.80	14.21	21.6%	30/06/2021	ongoing
10	Additional Funds to Water Supply and Sanitation Program	4/3/2015	8.37	4.77	57.0%	30/06/2018	ongoing
Water and Sanitation - Sub total			152.76	94.01	61.5%		
D. SOCIAL							
11	Rehabilitation of Mulago and KCC Clinics	06/07/2011	56.00	41.25	73.7%	30.09.2018	on going
12	Education V Project (HEST)	21/11/2012	67.00	26.86	40.1%	30.06.2018	On going
Social - Sub Total			123.00	68.11	55.4%		
E. ENERGY							
13	Rural Electricity Access	16.09.2015	70.92	0.53	0.7%	31.12.2020	on going
14	Mbarara-Nkenda/Tororo-Lira Transmission Lines Project	16/12/08	52.50	42.48	80.9%	28/02/2018	ongoing
Energy - Sub total			123.42	42.48	34.4%		
GRAND TOTAL FOR PUBLIC SECTOR OPERATIONS			698.16	261.95	37.5%		
F. MULTI NATIONAL PROJECT							
15	East Africa's Centre of Excellence for Skills	03/10/2014	22.50	1.67	7.4%	31/12/2019	on going
16	Lake Edward Integrated Fisheries & Water Resources Mgt Project	20.05.2016	5.00	0.73	14.6%	30.06.2021	on going
17	Lake Victoria Water Supply and Sanitation program phase II	17/12/2010	11.13	10.63	95.5%	31/12/2017	ongoing
18	Multinational Uganda/Rwanda-Busega -Mpigi Express Highway	22/06/2016	106.94	0.04	0.0%	31/12/2021	ongoing
Multi National Projects- Subtotal			145.57	13.07	9.0%		
GRAND TOTAL INCLUDING MULTI NATIONAL			843.73	275.03	32.60		

Appendix III: Map of the Project Area



Disclaimer: This map has been drawn by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) of Uganda exclusively for the use of readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members any judgement concerning the legal status of a territory nor any approval or acceptance of these borders.

APPENDIX IV: PROJECT BENEFICIARY DISTRICTS

No.	District	Population	% of women	Number of Households
1	Amolatar	147,166	49.9%	27,983
2	Buhweju	422,771	49.7%	97,933
3	Buikwe	323,067	50.8%	61,228
4	Bukedea	436,345	50.5%	86,924
5	Bulambuli	504,197	51.9%	102,672
6	Buyende	471,242	50.5%	105,463
7	Gomba	486,319	50.9%	93,998
8	Gulu	105,186	50.8%	21,512
9	Ibanda	694,992	51.2%	139,066
10	Iganga	148,218	47.9%	34,072
11	Isingiro	266,197	49.8%	52,158
12	Jinja	281,637	49.9%	60,161
13	Kabale	456,958	49.6%	105,346
14	Kamuli	291,113	48.3%	64,935
15	Kamwenge	488,960	51.8%	108,538
16	Kapchorwa	183,444	52.7%	39,816
17	Kasese	328,964	48.8%	80,087
18	Kiboga	596,804	50.2%	144,632
19	Kiruhura	197,369	45.5%	43,167
20	Kiryandongo	383,644	51.0%	76,493
21	Kyegegwa	178,004	51.2%	34,160
22	Luwero	1,997,418	51.8%	502,089
23	Lyantonde	203,600	51.3%	36,304
24	Masindi	174,508	50.4%	34,038
25	Mayuge	436,345	50.5%	86,924
26	Mbale	486,319	50.9%	93,998
27	Mbarara	383,644	51.0%	76,493
28	Mitooma	178,004	51.2%	34,160
29	Mityana	249,625	50.8%	55,006
30	Mukono	528,231	51.8%	117,854
31	Nakaseke	382,077	42.2%	67,224
32	Nakasongola	456,958	49.6%	105,346
33	Ntungamo	93,753	50.0%	20,639
34	Oyam	183,444	52.7%	39,816
35	Pader	181,799	48.0%	36,378
36	Sironko	252,597	49.7%	55,185
37	Ssembabule	159,922	48.3%	101,590
38	Wakiso	486,360	51.3%	35,285
	TOTAL	14,227,201	50.1%	3,078,673

MAIZE VALUE CHAIN				
No.	District	Population	% of women	Number of Households
1	Amolatar	147,166	49.9%	27,983
2	Buhweju	120,720	50.9%	24,845
3	Buikwe	422,771	49.7%	97,933
4	Buyende	323,067	50.8%	61,228
5	Gulu	436,345	50.5%	86,924
6	Iganga	504,197	51.9%	102,672
7	Jinja	471,242	50.5%	105,463
8	Kamuli	486,319	50.9%	93,998
9	Kamwenge	414,454	51.0%	88,686
10	Kapchorwa	105,186	50.8%	21,512
11	Kasese	694,992	51.2%	139,066
12	Kiboga	148,218	47.9%	34,072
13	Kiryandongo	266,197	49.8%	52,158
14	Kyegegwa	281,637	49.9%	60,161
15	Luwero	456,958	49.6%	105,346
16	Masindi	291,113	48.3%	64,935
17	Mayuge	473,239	51.4%	108,538
18	Mbale	488,960	51.8%	108,538
19	Mitooma	183,444	52.7%	39,816
20	Mityana	328,964	48.8%	80,087
21	Mukono	596,804	50.2%	144,632
22	Nakaseke	197,369	45.5%	43,167
23	Oyam	383,644	51.0%	76,493
24	Pader	178,004	51.2%	34,160
25	Wakiso	1,997,418	51.8%	502,089
	TOTAL	10,398,428	50.3%	2,304,502
RICE VALUE CHAIN				
No.	District	Population	% of women	Number of Households
1	Amolatar	147,166	49.9%	27,983
2	Bukedea	203,600	51.3%	36,304
3	Bulambuli	174,508	50.4%	34,038
4	Gulu	436,345	50.5%	86,924
5	Kamuli	486,319	50.9%	93,998
6	Oyam	383,644	51.0%	76,493
7	Pader	178,004	51.2%	34,160
8	Sironko	242,422	50.0%	55,026
	TOTAL	2,252,008	50.7%	444,926
DIARY VALUE CHAIN				
No.	District	Population	% of women	Number of Households
1	Ibanda	249,625	50.8%	55,006
2	Kabale	528,231	51.8%	117,854
3	Kiruhura	382,077	42.2%	67,224
4	Luwero	456,958	49.6%	105,346
5	Lyantonde	93,753	50.0%	20,639
6	Mbarara	472,629	50.6%	112,849
7	Mitooma	183,444	52.7%	39,816
8	Nakasongola	181,799	48.0%	36,378
9	Ntungamo	483,841	51.5%	101,796
10	Ssembabule	252,597	49.7%	55,185
11	Gomba	159,922	48.3%	101,590
12	Isingiro	486,360	51.3%	35,285
	TOTAL	3,931,236	49.7%	848,968

Appendix V: Key related projects financed by the Bank and other Development Partners in the Uganda

PROJECT NAME	COVERAGE	SOURCE of FUNDS	AMOUNT (millions)	STARTING	ENDING	PLANNED OUTPUTS
WATER FOR PRODUCTION						
Farm Income Enhancement and Forest Conservation Project (FIEFOC 1)	National	AfDB	UA 40.19	2006	2013	Irrigation and natural resource management
Irrigation Scheme Development in Eastern and Central Uganda	East and Central	JICA	US\$10	2014	2017	Design studies for irrigation schemes
Farm Income Enhancement and Forest Conservation Project (FIEFOC 2)	National	AfDB	UA 55	2016	2021	Irrigation, Agri-business Development, and NRM
Water for Production	Kamuli, Iira and Kiruhura district	AFD	Euro 50	2015	2018	Mainly livestock structures
Promotion of Rice Development project	National	JICA	US\$10	2011	2016	Research and Development
AGRO-PROCESSING/ VALUE ADDITION						
Danida U-Growth Programme	National	Danida	US\$110	2014	2018	Agri-business/ Private Sector support
Danida aBi Trust	National	Danida	US\$63	2013	2016	Value Chain approach
EU Small and medium Agribusiness Development Fund	National	EU	Euro 15	2013	2017	Agricultural business finance
USAID Livelihoods and Enterprises for Agric. Development	National	USAID	US\$35.9	2008	2014	Increased market access
Agricultural Technology and Agribusiness Advisory Services	National	IDA	US\$127	2011	2016	Value Chain Development
Agriculture Cluster Development Project	National	IDA	US\$108	2015	2019	Value addition and Market access
Developing a Market - Oriented and Environmentally Sustainable Beef Meat Industry in Uganda	National	EU	EUR 15.0	2017	2022	Meat Value Chain Development
Project for Restoration of Livelihoods in the Northern Region (PRELNOR)	Northern Uganda	IFAD	US\$ 70.7	2015	2022	Livelihoods Development
DISTRICT ROADS						
Area Based Agricultural Modernization Programme (AAMP)	Western Uganda	AfDB	US\$ 13.6	June 2004	March 2009	1100km Rehabilitated
North West Region Small Holder Agricultural Development Project (NSADP)	West Nile Region	AfDB	UA 17.6	2000	June 2009	205km Constructed
Community Agricultural Infrastructure Improvement Programme Project 1 (CAIIP-1)	26 District In Central and Eastern Uganda	AfDB	UA30	July 2007	2012	Rehabilitation of 390km and Maintenance of 587km of District roads
Community Agricultural Infrastructure Improvement Programme Project 2 (CAIIP-2)	15 Districts in Northern and Eastern Uganda	AfDB	UA45	Sept 2009	Dec 2015	225km of feeder roads to be rehabilitated
COMMUNITY ACCESS ROADS						
Area Based Modernization Programme (AAMP)	Western Uganda	IFAD	US\$2.3	June 2004	December 2010	1438km Routine Manual Maintenance / Rehabilitation
North West Region Small Holder Agricultural Development Project (NSADP)	West Nile	AfDB	UA 17.6	2000	June 2009	1600km Routine Manual Maintenance / Rehabilitation
Municipal Infrastructure Programme	All Municipal Councils	IDA	US\$150	2013	2017	Rehabilitation of Municipal roads
Community Agricultural Infrastructure Improvement Programme Project 1 (CAIIP-1)	26 District In Central and Eastern Uganda	AfDB/ IFAD	UA30	July 2007	2012	Rehabilitation of 3510km and agri-business development
Community Agricultural Infrastructure Improvement Programme Project 2 (CAIIP-2)	15 Districts in Northern and Eastern Uganda	AfDB	UA45	Sept 2009	Dec 2015	4,365km of access roads and agri-business development
District Livelihood Support Programme (DLSP)	13 Districts West, North and Eastern Uganda	IFAD	US\$27.4	2007	2014	2,400km to be rehabilitated and agri-business development
Community Agricultural Infrastructure Improvement Project 3 (CAIIP-3)	Western Uganda	AfDB	UA 40	2012	2016	4000 km roads to be rehabilitated and agribusiness Development

PROJECT NAME	COVERAGE	SOURCE of FUNDS	AMOUNT (millions)	STARTING	ENDING	PLANNED OUTPUTS
MARKETS						
North West Agricultural Sector Development Programme(NWASDP)	North West Uganda	AfDB	Part of B.3 above	May 2001	June 2009	22 Markets; 200km access road Rehabilitation;340km of Maintenance
Agricultural Marketing & Agro-processing Support Programme	All Uganda (10 districts covered)	IFAD	US\$30	2011	2015	Seeks to connect farmers to markets and enhance enabling environment
District Development Support Programme	5 Districts in Western Uganda	IFAD	US20.6	Dec. 2001	Dec. 2006	Agricultural extension services and physical infrastructure
Community Agricultural Infrastructure Improvement Project - 1 (CAIIP-1)	26 District In Central and Eastern Uganda	AfDB/IFAD	UA30	July 2007	2012	Construction of 78 functional markets in 78 sub-counties within 26 districts.
Markets and Agricultural Trade Improvement Project (MATIP-1)	Countrywide in Municipalities and Town councils	AfDB	UA38	Sept 2009	Sept 2014	7 urban markets
Markets and Agricultural Trade Improvement Project (MATIP-2)	Countrywide in Municipalities and Town councils	AfDB	UA55	Dec 2014	Sept 2020/19	11 urban markets
ENERGY						
Energy for Rural Transformation Project (ERT) (1&2)	All Uganda	IDA	US\$140	2007	2016	Facilitates investments in commercially oriented rural electrification projects

Appendix VI: Procurement Plan

Country/Organisation:	Uganda
Project/Programme Description	Agriculture Value Chain Development Project
Project/Programme SAP Identification #	P-UG-AAZ-003
Loan #:	
Executing Agency:	Ministry of Agriculture, Animal Industry and Fisheries
Approval Date of Procurement Plan:	18 May 2017
Date of General Procurement Notice:	
Advance Contracting	Yes
Period Covered by these Proc. Plans:	July 2017 to June 2022

1. GOODS

	Package/ lot description	Estimated Amount UA' 000	Procurement Method	Pre or Post Qualification	Dom/Reg. Preference (Y/N)	Prior or Post Review	SPN/IFP Publication Date	Start Date	Comments
1.1	Procurement of HPLC(150,000\$), CHAM-II immuno-assay equipment (100,000) /d	185.19	OCB National	Post	N	Prior	15-Aug-18	6-Jan-19	
1.2	Office equipment: laptops, computers, printers, hand cameras and projector	49.63	Shopping	Post	N	Post	15-Jul-18	24-Nov-18	
1.3	Production and multiplication of maize breeder seed	0.74	Direct Procurement	Post	N	Prior	15-Jan-18	15-Apr-18	Use of advance contracting
1.4	Production and multiplication of rice breeder seed	5.19	Direct Procurement	Post	N	Prior	15-Jan-18	15-Apr-18	Use of advance contracting
1.5	Production and multiplication of maize foundation seed	102.96	Direct Procurement	Post	N	Prior	12-Oct-18	10-Jan-19	
1.6	Production and multiplication of rice foundation seed	61.48	Direct Procurement	Post	N	Prior	12-Oct-18	10-Jan-19	
1.7	Purchase of certified rice seeds	1,481.48	OCB National	Post	N	Prior	15-Sep-18	25-Jan-19	

1.8	Purchase of certified maize seeds	1,481.48	OCB National	Post	N	Prior	15-Jan-19	6-Feb-19	
1.9	Purchase of motorcycles, pick-ups, station wagons, truck, backhoe, conveyor belt, rammer, tractor, forklift, cold chain	1,294.41	Shopping	Post	N	Prior/ Post	15-Sep-18	25-Jan-19	
1.10	Purchase of fertilizers	5,925.93	OCB International	Post	N	Prior	15-Sep-18	25-Jan-19	
1.11	Livestock watering	177.78	OCB National	Post	N	Prior	15-Oct-18	8-Mar-19	
1.12	Mobil laboratory for DDA	118.52	Shopping	Post	N	Prior	15-Oct-18	24-Feb-19	
1.13	Procurement of office computers and printers for the 5 DLGs	20.74	Shopping	Post	N	Post	15-Oct-18	24-Feb-19	
1.14	Upgrade and introduce improved packaging for small medium milk processors	22.22	Shopping	Post	N	Post	15-Nov-18	27-Mar-19	
1.15	IT Equipment (servers, laptops, printers, etc) for NSCS HQ at Kawanda	92.59	OCB National	Post	N	Prior	15-Jan-19	8-Jun-19	
1.16	Solar systems to support the semen cold chain	47.41	Shopping	Post	N	Post	15-Jan-19	27-May-19	
1.17	Laboratory consumables for one year	37.04	Shopping	Post	N	Post	15-Jan-19	27-May-19	
1.18	Conveyor belt and rammer	35.56	Shopping	Post	N	Post	15-Jan-19	27-May-19	
1.19	Procurement rapid testing kits for mycotoxin (25 kits x 5 years)	18.52	Shopping	Post	N	Post	15-Jan-19	27-May-19	
1.20	Laboratory equipment	259.26	OCB National	Post	N	Post	15-Jul-19	6-Dec-19	
1.21	Hand tools for operation and maintenance of the schemes	22.22	Shopping	Post	N	Post	15-Jul-19	24-Nov-19	
1.22	Ice boxes, assorted field disease surveillance equipment, freezers for vaccine cold chain	0.26	Shopping	Post	N	Post	15-Jul-19	24-Nov-19	
1.23	Office furniture and GPS machines	25.93	Shopping	Post	N	Post	15-Aug-19	25-Dec-19	
1.24	Equipment for two zonal animal disease control centres	303.70	OCB International	Post	N	Prior	15-Jan-20	7-Jun-20	
1.25	Restocking of high quality dairy and beef breeding animals and semen	555.56	OCB International	Post	N	Prior	15-Jan-20	7-Jun-20	
	Total Cost	12,325.78							

2. WORKS

No.	Package/ lot description	Estimated Amount UA' 000	Procurement Method	Pre-or Post Qualification	Dom/Reg. Preference (Y/N)	Prior or Post Review	SPN/IFP Publication Date	Start Date	Comments
2.1	Construction of Achomai Irrigation Scheme	14,467.41	OCB International	Post	N	Prior	15-Jul-18	6-Dec-18	Use of advance contracting
2.2	Construction of bridge	5,065.93	OCB International	Post	N	Prior	15-Jul-18	6-Dec-18	Use of advance contracting
2.3	Construction of access road	111.11	OCB International	Post	N	Prior	15-Jul-18	6-Dec-18	Use of advance contracting
2.4	Small scale demo irrigation technologies/infrastructure	555.56	OCB National	Post	N	Prior	15-Oct-18	8-Mar-19	
2.5	Land improvement for seed production	37.04	OCB National	Post	N	Prior	15-Oct-18	8-Mar-19	
2.6	Construction of UNBS Laboratory building	3,925.93	OCB International	Post	N	Prior	15-Jan-19	8-Jun-19	
2.7	Construction of administrative building (office, and training/ workshop facilities)	2,592.59	OCB National	Post	N	Prior	15-Jan-19	8-Jun-19	
2.8	Construction of storage facility (Dry yard, storage and grain store)	825.93	OCB National	Post	N	Prior	15-Jan-19	8-Jun-19	
2.9	Rehabilitation of mini irrigation system	21.48	OCB National	Post	N	Prior	15-Jan-19	8-Jun-19	
2.10	Rehabilitate and equip 2 existing milk collection centers with coolers and generators	118.52	OCB National	Post	N	Prior	15-Jan-19	8-Jun-19	
2.11	Rehabilitation of semen laboratory	144.44	OCB National	Post	N	Prior	15-Jan-19	8-Jun-19	
2.12	Construction of 2 zonal animal disease control centres	370.37	OCB National	Post	N	Prior	15-Mar-19	6-Aug-19	
2.13	Rehabilitation of NSCS HQ at Kawanda	81.48	OCB National	Post	N	Prior	15-Jul-19	6-Dec-19	
	Total Cost	28,317.78							

3. CONSULTANTS

No.	Description	Selection Method	Lump sum or Time-Based	Estimated Amount in UA' 000	Prior/Post Review	EOI Publication Date	Contract Start Date
3.1	Technical Assistance: Food safety, SPS and quality; project assistant; project coordinator; financial management; monitoring and evaluation; value chain development, procurement and accountant	CQS	Lumpsum	994.07	Prior	1-Sep-17	30-Jan-18
3.2	Digital Platform development	QCBS	Lumpsum	740.74	Prior	1-Mar-18	30-Sep-18
3.3	Technical studies (infrastructure design)	QCBS	Lumpsum	1,563.70	Prior	1-Jul-18	30-Jan-19
3.4	Integrated Soil and Water Conservation	QCBS	Lumpsum	203.70	Prior	1-Jul-18	30-Jan-19
3.5	M&E study	QCBS	Lumpsum	148.15	Prior	1-Jul-18	30-Jan-19
3.6	Management Information System (MIS)	QCBS	Lumpsum	20.74	Prior	1-Jul-18	30-Jan-19
3.7	Recruitment of chief technical advisor and environmental audit consultant	CQS	Lumpsum	200.00	Prior	1-Sep-18	2-Apr-19
3.8	Audit	LCS	Lumpsum	44.44	Prior	1-Sep-18	2-Apr-19
3.9	Conduct baseline survey	QCBS	Lumpsum	51.85	Prior	1-Sep-18	2-Apr-19
3.10	Design and or supervision of civil works fro various buildings, irrigation scheme and demos	QCBS	Lumpsum	2,215.19	Prior	1-Oct-18	2-May-19
3.11	Building seed certification data management capacity	QCBS	Lumpsum	92.59	Prior	1-Oct-18	2-May-19
3.12	Sustainable development and management of forests/ tree resources in the catchment areas	QCBS	Lumpsum	588.89	Prior	1-Oct-18	2-May-19
3.13	Development of protocols and training manuals for technical and financial procedures of seed certification	QCBS	Lumpsum	111.11	Prior	1-Oct-18	2-May-19
3.14	Breeding guidelines and artificial insemination regulation	QCBS	Lumpsum	51.85	Prior	1-Oct-18	2-May-19
3.15	Development of training manuals and protocols for TOTs	QCBS	Lumpsum	74.07	Prior	1-Oct-18	2-May-19
3.16	Development of manuals and training on SOP maize and rice processing	QCBS	Lumpsum	29.63	Prior	1-Oct-18	2-May-19

3.17	Review the existing regulation	QCBS	Lumpsum	25.19	Prior	1-Oct-18	2-May-19
3.18	Recruitment of a consultant for onsite training towards ISO 17025 accreditation	QCBS	Lumpsum	103.70	Prior	1-Jan-19	2-Aug-19
3.19	Capacity building: planning, work plan preparation, learning exchanges, etc	QCBS	Lumpsum	74.07	Prior	1-Jan-19	2-Aug-19
3.20	Capacity building for compliance along the value chain: farmers/ primary processors, SME-medium scale processors, traders	QCBS	Lumpsum	37.04	Prior	1-Jan-19	2-Aug-19
3.21	Technical studies/ surveys	QCBS	Lumpsum	44.44	Prior	1-Jan-19	2-Aug-19
3.22	Livestock value chain feasibility analysis and business concept development	QCBS	Lumpsum	111.11	Prior	1-Mar-19	30-Sep-19
3.23	Temporary inspectors	CQS	Lumpsum	74.07	Prior	1-Jul-19	30-Jan-20
3.24	ToT events on food safety for MCC	QCBS	Lumpsum	148.15	Prior	1-Jul-19	30-Jan-20
3.25	Livestock Value Chain Feasibility Analysis and Business Concept Development	QCBS	Lumpsum	111.11	Prior	1-Jul-19	30-Jan-20
3.26	Harmonization of labs protocol: international baseline study expert, coordination of labs workshops, develops manuals and onsite events	QCBS	Lumpsum	92.59	Prior	1-Jul-19	30-Jan-20
3.27	Recruitment of a food technologist (part-time)	CQS	Lumpsum	44.44	Prior	1-Sep-19	1-Apr-20
3.28	Provision for ESMP	QCBS	Lumpsum	195.56	Prior	1-Sep-19	1-Apr-20
3.29	Recruit and operate a value chain governance service platform (business service provider)	QCBS	Lumpsum	3,703.70	Prior	1-Sep-19	1-Apr-20
3.30	On-site training of staff for inspection and testing activities (DDA, UNBS, Animal Health)	QCBS	Lumpsum	41.48	Prior	1-Oct-19	1-May-20
3.31	Support UNBS to improve licensing of importers of agrochemicals and evaluation of agrochemicals	QCBS	Lumpsum	37.04	Prior	1-Oct-19	1-May-20
3.32	Support to tsetse control surveillance activities	QCBS	Lumpsum	3.70	Prior	1-Oct-19	1-May-20

3.33	SME grading and packaging training on post-harvest handling, storing	QCBS	Lumpsum	29.63	Prior	1-Jan-20	1-Aug-20
3.34	UNBS Q mark for qualified cottage/ micro - scale dairy processors	QCBS	Lumpsum	37.04	Prior	1-Jan-20	1-Aug-20
3.35	Mid Term Review	QCBS	Lumpsum	51.85	Prior	3-Jan-20	3-Aug-20
3.36	Quick assessment of SPS management and control in maize and rice sectors	QCBS	Lumpsum	18.52	Prior	1-Mar-20	30-Sep-20
3.37	Feasibility study and preparation of a master plan and business case for an agro industrial zone (Agro Pole) in Mbale area	QCBS	Lumpsum	181.48	Prior	1-Oct-20	2-May-21
3.38	Preparation of the Project Completion Report	QCBS	Lumpsum	29.63	Prior	1-Jul-22	30-Jan-23
	Total Cost			12,326.30			