



The World Bank

Strengthening Productive Capacity and Resilience of Smallholder Sweet Potato Producer Organizations in Uganda

Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 20-Jun-2023 | Report No: PIDC268781

**BASIC INFORMATION****A. Basic Project Data**

Project ID P179537	Parent Project ID (if any)	Environmental and Social Risk Classification Moderate	Project Name Strengthening Productive Capacity and Resilience of Smallholder Sweet Potato Producer Organizations in Uganda
Region EASTERN AND SOUTHERN AFRICA	Country Uganda	Date PID Prepared 20-Jun-2023	Estimated Date of Approval
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Soroti Sweet potato Producer and Processors Association (SOSPPA)	Soroti Sweet potato Producer and Processors Association (SOSPPA)	

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PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	106.25
Total Financing	100.00
Financing Gap	6.25

DETAILS**Non-World Bank Group Financing**

Trust Funds	2.33
Global Agriculture and Food Security Program	2.33

B. Introduction and Context

Country Context

The Teso sub-region of Uganda has a population of about 2.5 million people, with 70% being youth (35 years or younger) (Akampumuza et al., 2020). The region has one of the highest poverty levels in the country with



at least 53% living in abject poverty. More than 50% of agricultural households experience food shortages. This region is the highest producer of sweet potato, the main food staple (UBOS, 2019). COVID-19 has created unprecedented challenges to smallholder farm households and communities across the rural and urban food systems in Uganda. The inter- and intra-community movement restrictions through lockdowns and curfews imposed by governments have caused significant disruptions to the economic connectedness that drive and sustain local, regional, and national supply and demand in output and input markets. Access to inputs (foundation/certified seed, credit, crop insurance) have been affected by transport restrictions and market closures. These outcomes further compound pre-COVID challenges for smallholder-based agricultural value chains in Uganda stemming from high input and transaction costs in addition to limited investments in infrastructure and services. There is, therefore, urgent need to target technical and business development support to strengthen the capacity of key stakeholders to pursue new and promising market opportunities in their value chains. The proposed project will respond to the threat of COVID-19 to food, nutrition, and income security by supporting the Soroti Sweet potato Producers and Processors Association (SOSPPA) to increase its investment in production, processing, and value addition of biofortified orange-fleshed sweet potato (OFSP) products.

This project is aligned with the Government of Uganda's National Development Plan III on agro-industrialization which seeks to promote value addition. It is also in line with the National Resistance Movement 2021-2026 manifesto and the Uganda Food and Nutrition Strategy - both of which emphasize the role of value addition for improving food, nutrition, and income security. At project level, it is aligned and will build on the Uganda Multi-Sectoral Food Security and Nutrition Project (UMFSNP) funded by GAFSP. Additionally, this project aligns with the Government's strategy of value chain development targeting key staple commodities. It will complement the cassava value chain development currently being implemented by SOSPPA with funding from the World Bank through MAAIF as part of the Agriculture Cluster Development Project (ACDP).

Sectoral and Institutional Context

Sweet potato production in the Teso sub-region, as in the rest of Uganda, is rainfed. During main harvest months, the supply of sweet potato often far exceeds what the markets can absorb. Penetration of fresh roots into the middle- and high-income consumers is low mainly because of the perception that sweet potato is "a poor man's food". Value addition into high-end products with extended shelf life (such as spaghetti) presents a potential solution for this. Sweet potato production also suffers from the classic imperfect market information problem with the middlemen having more information about the price, supply conditions in distant markets, and quality preferences of consumers in retail markets than farmers. They use this information to take advantage of the farmers. At the processing and value addition end, producer organizations such as SOSPPA find it difficult to attain and maintain compliance with industry food safety standards, and if they do, to pay the yearly certification costs. They therefore get trapped in a "low-level



equilibrium” state in which they can’t break out of the cottage-level business status into more lucrative and vibrant commercial ventures beyond their communities.

Producer Organizations provide farmers with reliable input and output markets and mitigate market failures which constrain their associated ability to do business. They can use collective bargaining to get discounted input prices and higher output prices for members. They can also facilitate farmers’ access to distant markets through joint marketing. POs therefore play a critical role in building the resilience of rural communities in the presence of systemic shocks such as pandemics and droughts. However, in countries like Uganda, weak technical competence and management capacity and poor governance often severely limit the performance of POs and prevent them from harnessing collective action amongst their members to thrive and grow. These limitations must and can be overcome through targeted capacity strengthening of POs such as SOSPPA. In this case, there are strong market opportunities for expanding and diversifying production and value addition of sweet potato and other crops grown by its members. In particular, for sweet potato, SOSPPA can utilize technologies and management practices developed by its partners, including the International Potato Center (CIP), to accelerate product development and marketing on the basis of a solid understanding of market demand.

Relationship to CPF

Ending extreme poverty and promoting shared prosperity in Uganda through boosting agricultural productivity and making non-farm sector growth more productive and pro-poor is a key consideration of WB's Country Partnership Framework (CPF). For continued poverty reduction, there is need to raise agricultural productivity and move up the value chain into agro-processing and marketing. This requires use of modern production technologies and sustainable land and water management practices. It also requires enhancing the capacity of farmers' organizations and their apexes as well as investment and more direct involvement of the formal sector. Despite years of support for extension services, in part due to the prevalence of low quality or counterfeit inputs, farmers use improved inputs and modern equipment on only 20-25 percent of cultivated land, levels of post-harvest losses are high (estimated at 40 percent). Only a small share of total production (<20 percent) is value added and fetches good market price and income.

Ugandan farmers can increase their earnings through commercialization and crop and market diversification. Commercialization will require farmers to transition from subsistence farming through improvements in productivity with the use of modern equipment and improved quality inputs (fertilizers and seeds). Better access to finance and sustainable land and water management will be essential. Progress on the farm, however, will not be sufficient as linkages with markets need to be strengthened through better storage infrastructure and transport, and transparent and competitive value chains.

C. Project Development Objective(s)



Proposed Development Objective(s)

The Project Development Objective is to increase production and consumption of sweet potato and build the resilience of the smallholder producers and processors for economic value addition in project areas.

Key Results

The project's key results will include:

1. Improved market access and farm incomes through processing, value addition and marketing
2. Increased productivity and production of orange fleshes sweet potato (OFSP) tubers and vines, and other nutritious products
3. Promote diversified utilization and consumption of OFSP
4. Strengthen the Producer Organization's (FO's) governance and management capacity to deliver services to its members

D. Preliminary Description

Activities/Components

Component 1: Improve market access and farm incomes for SOSPPA farmers through OFSP marketing, processing, and value addition supported by effectively managed facilities and trainings. Activities include:

- *Upgrading OFSP value addition and processing into nutritious products for low, middle, and high-end markets*
- *Expanding market for fresh roots and quality vines*
- *Converting by-products of sweet potato processing into animal feeds*

Component 2: Increase productivity and production of sweet potato roots and vines, and other nutritious crops, amongst SOSPPA farmers with yield-enhancing inputs, improved and climate smart agricultural practices.

- *Strengthen the capacity of vine multipliers to provide quality seeds/vines to farmers*
- *Establish digital interlinked gender-responsive credit scheme to strengthen SOSOOA's capacity to better serve farmers*
- *Redesign and strengthen the crop-insurance scheme*
- *Strengthen program for provision of advisory/extension services*
- *Promote crop rotation to sustain soil/plant health and cropping systems*
- *Promotion of high-yielding drought-tolerant, early maturing, disease-resistant dual purpose processing varieties.*



Component 3: Promote diversified utilization and consumption of OFSP products amongst SOSPPA members and in current and new markets.

- *Develop and promote community-based nutrition initiatives focusing on maternal and young (6 - 23 months) child feeding practices, hygiene and sanitation, and childcare*
- *Design and implement promotional campaign to create and/or grow and deepen new (and existing) markets for OFSP processed consumer products and silage*
- *Leveraging linkages with markets*

Component 4: Strengthen SOSPPA's governance and management capacities to deliver services to its members.

- *Improve the governance capacity of SOSSPA through targeted training*
- *Improve the managerial capacity SOSPPA through targeted training*
- *Improve the technical capacity of SOSSPA to deliver services to its members better*

Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards	Relevance
ESS 1 Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10 Stakeholder Engagement and Information Disclosure	Relevant
ESS 2 Labor and Working Conditions	Relevant
ESS 3 Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4 Community Health and Safety	Relevant
ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8 Cultural Heritage	Relevant
ESS 9 Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies

Triggered

Explanation (Optional)



Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

Environmental and social risks identified at project concept include: restrictions on land use and access resulting from the planned construction of a new processing facility focused on OFSP-based commercial consumer products and managed by SOSPPA. The facility will be constructed on land allocated to the PO by the county government with estimated area of 199ft by 100 feet and therefore no physical displacement is envisioned. The project will also set up one silage processing hub in each of the six project districts to provide market for vines and waste roots generated by SOSPPA groups in the district, by converting by-products of sweet potato processing into animal feed which will improve the livelihoods of the farmers. Labor influx risks (including GBV, SEA/SH and increase in HIV/AIDS) usually associated with civil works with the use of construction workers will be mitigated by implementing a LMP and adhering to a signed CoC including a functional GRM; (iii) VAC particularly the use of child labor during the civil works and there will be zero tolerance to child labor; (iv) GBV risks associated with increased incomes and economic empowerment of women; (v) inadequate engagement of the multiple stakeholders have been identified as potential social risks. Under Component 2, the project will provide vine multipliers with access to a credit line which will encourage investment in foundation seed, irrigation, and other complementary inputs (fertilizer and pesticides). Some of the associated adverse EHS impacts include noise, dust and GHG emission, solid waste accumulation, occupational health and safety risks (OHS), community health, and safety risks (CHS) and the risks of communicable diseases including COVID-19 and HIV/AIDS during implementation of civil works. Other activities under component 2 include establishing digital interlinked gender-responsive credit scheme by strengthening the capacity of SOSPPA's existing Savings and Credit Cooperative Society (SACCO) to better serve farmers, particularly women and youth-led enterprises. Access to these services may expose the target groups to SEA/ SH and GBV risks and exclusion risks. The project will prepare an Environment and Social Management Framework (ESMF) (including Labor Management Procedures (LMP), Waste management and disposal procedures, chance find procedures and GBV Risk mitigation measures among others) to provide guidance on screening for potential environmental and social risks and preparation of site-specific Environmental and Social Management Plans (ESMPs) during implementation and prior to start of any physical works. The ESMF will incorporate relevant guidance from the World Bank's Environmental, Health and Safety Guidelines (EHSG), i.e., general and industry sector specific guidelines for Agribusiness and Food Production. A Resettlement Policy Framework (RPF) will also be prepared to provide procedures and guidance to address potential risks related to economic loss and restrictions to access.

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Implementing Agencies

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