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Ouvrer pour que les
populations rurales pauvres
se libèrent de la pauvreté

République de l'Ouganda

Programme d'options stratégiques pour le pays

Note pour les représentants au Conseil d'administration

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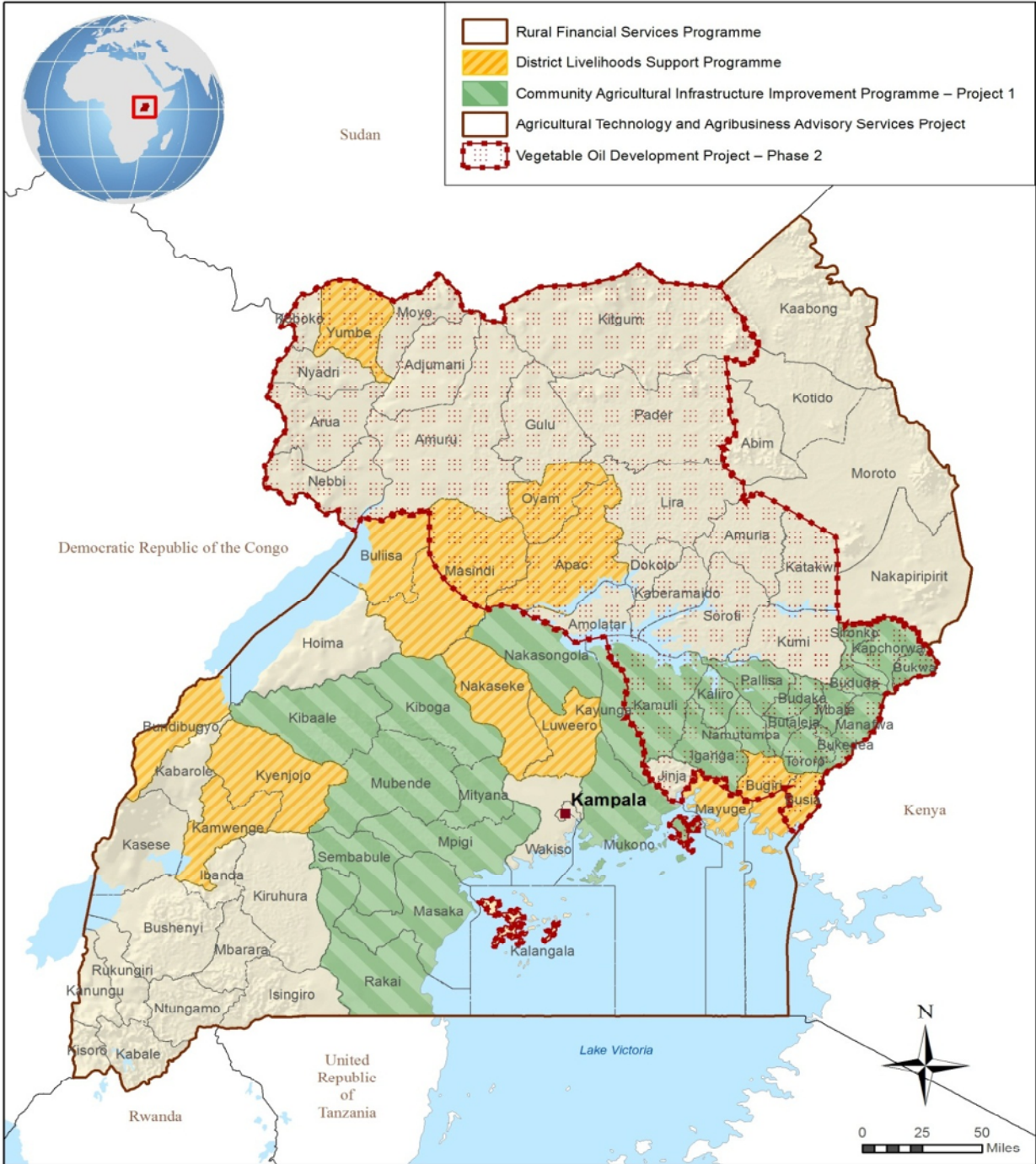
Sigles et acronymes

COSOP	Programme d'options stratégiques pour le pays
EPP	Évaluation du programme de pays
PIB	Produit intérieur brut
SAFP	Système d'allocation fondé sur la performance
ONRA	Organisation nationale de recherche agricole
PDN	Plan de développement national
SNCA	Services nationaux de conseil agricole

Carte indiquant les zones d'intervention du FIDA

Uganda

Ongoing IFAD-funded operations



Source: FIDA, 30/11/2012.
Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.



Résumé de la stratégie pour le pays

1. Le présent programme d'options stratégiques pour le pays (COSOP) est aligné sur les documents politiques et stratégiques pertinents du gouvernement et est cohérent avec le Cadre stratégique et les politiques du FIDA. Il tient compte du contexte économique du pays, des tendances démographiques, de l'évolution de la pauvreté et des problèmes associés au changement climatique. Il s'appuie sur les résultats des opérations d'investissement du FIDA et les enseignements qui en ont été tirés et suit les recommandations de l'évaluation de programme de pays achevée en 2012.
2. L'avantage comparatif du FIDA tient à sa bonne connaissance des situations locales, à sa compréhension des problèmes rencontrés par les populations rurales pauvres, notamment les groupes les plus vulnérables, et à son aptitude à concevoir des approches axées sur l'intégration, qui permettent à ces populations de participer au développement économique.
3. Le programme de pays du FIDA aura pour finalité d'accroître les revenus, d'améliorer la sécurité alimentaire et de réduire la vulnérabilité, des ménages ruraux vivant dans la pauvreté. À cette fin, il définit trois objectifs stratégiques:
 - i) la production, la productivité et la capacité d'adaptation au changement climatique de l'agriculture paysanne sont durablement améliorées;
 - ii) l'intégration des petits agriculteurs dans les marchés est renforcée;
 - et iii) l'accès aux services financiers et leur utilisation par la population rurale est durablement améliorée.
4. Les investissements du FIDA cibleront: les ménages de petits agriculteurs pauvres qui ont la capacité de commercialiser le fruit de leurs activités économiques; et les ménages les plus vulnérables, qui n'ont qu'un choix limité en ce qui concerne les moyens d'existence et sont généralement oubliés dans les initiatives de développement. Le FIDA centrera ses ressources sur les zones où l'incidence de la pauvreté est la plus élevée (nord du pays) et/ou sur celles où la densité d'habitants pauvres est la plus forte (est du pays).
5. Le montant indicatif de l'allocation du FIDA pour la période visée par le COSOP s'élève à quelque 130 millions d'USD et le FIDA mobilisera des cofinancements pour compléter ses investissements, notamment dans le cadre du Programme d'adaptation de l'agriculture paysanne. Au titre du premier cycle (2013-2015) du système d'allocation fondé sur la performance (SAFP), le FIDA financera un programme de finance rurale et un programme pour le rétablissement des moyens d'existence dans la région Nord. Les possibilités d'investissement pour le cycle suivant seront déterminées au cours de l'exécution du COSOP.

République de l'Ouganda

Programme d'options stratégiques pour le pays

I. Introduction

1. Depuis 1981, le FIDA a apporté un appui à 14 projets en Ouganda, sous la forme de prêts octroyés à des conditions particulièrement favorables, d'un montant total de quelque 296 millions d'USD, et de dons, d'un montant total de 21 millions d'USD. Le présent programme d'options stratégiques pour le pays (COSOP) axé sur les résultats, qui a été élaboré en tenant compte des recommandations de l'évaluation du programme de pays (EPP) du FIDA, établit le cadre de la collaboration entre le Gouvernement de l'Ouganda et le FIDA pour les six prochaines années (2013-2018).

II. Le contexte du pays

A. Économie, agriculture et pauvreté rurale

Situation économique générale

2. Depuis 1986, l'Ouganda a considérablement progressé aux plans économique et social. Au cours de la dernière décennie, le taux de croissance économique a été égal en moyenne à quelque 7% par an, avec d'importantes disparités entre les régions. Néanmoins, l'Ouganda reste l'un des pays les plus pauvres du monde ("le milliard le plus pauvre"), avec un produit intérieur brut (PIB) par habitant de 570 USD par an en 2011-2012, et il est classé au 161^e rang des 187 pays examinés dans le rapport sur l'indicateur du développement humain.
3. **Commerce régional.** Le commerce régional compte pour la moitié environ des exportations. Les exportations destinées à la région d'Afrique de l'Est ont augmenté, passant d'une moyenne de 18,6% dans les années 1990 à 26% dans les années 2000. La situation géographique de l'Ouganda, en tant que pays enclavé, est à la fois un problème et un atout, qui alourdit le coût des importations de quelque 20% et celui des exportations de quelque 25%, par rapport au Kenya et à la République-Unie de Tanzanie.
4. **Croissance impulsée par le secteur privé.** Le gouvernement a misé sur le développement impulsé par le secteur privé, ce qui a favorisé une croissance économique régulière. Les flux d'investissements locaux et étrangers ont continué à croître, passant de 12% du PIB en 2000 à près de 23,9% en 2007. Les micro-, petites et moyennes entreprises contribuent au PIB à hauteur de quelque 20% et emploient 12% environ de la population active.
5. **Pétrole.** La production de pétrole devrait démarrer en 2016 et générer chaque année des recettes représentant 15% à 20% du PIB, sur une période de 20 ans. Les recettes tirées du pétrole pourraient être utilisées pour réduire la pauvreté d'une manière spectaculaire, sous réserve que le gouvernement parvienne à limiter les effets négatifs qu'une appréciation probable du taux de change risque d'avoir sur l'économie (un phénomène connu sous le nom de "syndrome hollandais").

Agriculture et pauvreté rurale

6. **Population.** La population augmente de 3,3% par an. Au cours des 20 dernières années, la densité démographique a doublé et elle devrait doubler une nouvelle fois au cours des 20 prochaines années. L'Ouganda affiche un taux de dépendance parmi les plus élevés au monde, qui devrait lui aussi continuer à grimper. La main-d'œuvre non qualifiée progresse de quelque 3,7% par an et est actuellement mobilisée en grande partie par le secteur agricole.
7. **Pauvreté rurale.** La croissance soutenue que l'Ouganda a connue au cours des deux dernières décennies a été régulièrement associée à un fort recul de la pauvreté. L'incidence de celle-ci a fortement diminué, passant de près de 56,4% en 1992-1993

à 24,5% en 2009-2010, mais la réduction du nombre total de pauvres est moins importante, compte tenu de l'augmentation de la population. La pauvreté est un phénomène essentiellement rural, avec 34% de la population rurale qui vivent en dessous du seuil de pauvreté national. Les régions les plus pauvres du pays sont situées dans le Nord, où l'incidence de la pauvreté dépasse systématiquement 40% et, dans beaucoup de districts, est même supérieure à 60%. Cependant, du fait de la densité démographique, c'est dans l'est du pays, où la densité de pauvreté est de 8 à 10 fois supérieure à celle du nord du pays, que l'on trouve le plus grand nombre d'habitants pauvres.

8. **Parité hommes-femmes.** En 2005-2006, quelque 40% de filles ont achevé leur scolarité à l'école primaire; cependant, seul un tiers des filles scolarisées poursuit des études jusqu'à l'âge de 18 ans, ce qui fait que 50% des femmes sont concrètement analphabètes. Le faible niveau d'instruction des femmes et l'accès insuffisant aux services de planification familiale font partie des raisons qui expliquent le taux de fécondité élevé. Les violences sexuelles et les violences exercées à l'encontre des femmes sont fréquentes.
9. **Agriculture.** Quelque 20% de la surface du territoire sont occupés par des plans d'eau intérieurs. Les précipitations s'échelonnent de 2 200 mm aux environs du lac Victoria à 400 mm dans les zones septentrionales. Dans la majeure partie du pays, il y a deux campagnes agricoles annuelles, sauf pour certaines cultures, dont la production est limitée à une seule campagne de longue durée dans le Nord. Environ 40% des terres sont considérées comme arables et quelque 30% sont effectivement cultivées, principalement dans les régions méridionales. Les rendements de la plupart des cultures vivrières ne dépassent pas le niveau de subsistance et les rendements des cultures commerciales sont médiocres. Les trois quarts des ménages agricoles vivent d'une agriculture pluviale à faible utilisation d'intrants, sur des exploitations de moins de 1,5 hectare. Le secteur agricole contribue au PIB à hauteur de 15% environ et emploie approximativement 75% de la population active totale, un chiffre qui augmente en même temps que la population.
10. **Intégration dans les marchés.** Seuls 60% des agriculteurs vendent leurs produits sur les marchés, contre 40% dix ans auparavant, ce qui représente malgré tout une augmentation considérable. La volatilité des prix fait fortement fluctuer les bénéfices tirés par les agriculteurs. Dans un futur proche, la croissance rapide de la demande en cultures vivrières, générée par l'expansion de la population urbaine et des marchés régionaux, devrait stimuler le développement agricole. Cette situation créera des débouchés pour les agriculteurs et encouragera aussi la transformation primaire locale des produits.
11. **Régime foncier.** En Ouganda, l'accès à la majeure partie des terres est régi par des systèmes coutumiers. Les terres non enregistrées détenues en libre propriété et les terres soumises au droit coutumier représentent 76% de la surface totale. Les terres tendent souvent à être sous-utilisées, parce que les propriétaires n'ont pas les moyens d'investir et les utilisateurs ne sont pas incités à le faire. L'accroissement de la population a entraîné le morcellement des terres et l'insécurité foncière est quasi générale.
12. **Fertilité des sols.** Le taux d'épuisement de la fertilité des sols en Ouganda est l'un des plus élevés d'Afrique subsaharienne: selon les estimations, environ 1,2% des éléments nutritifs stockés dans le sol de surface est extrait chaque année. L'emploi des engrais, qui a progressé depuis 2000, reste toutefois très faible, notamment à cause des coûts élevés qui lui sont associés et des risques liés aux aléas climatiques et à l'instabilité des prix des cultures.
13. **Changement climatique.** Au cours des 10 dernières années, on a constaté en Ouganda une augmentation de la variabilité et de la quantité des précipitations et une multiplication des phénomènes climatiques extrêmes. L'Ouganda est considéré comme l'un des pays les moins aptes à s'adapter au changement climatique, compte

tenu de la pauvreté et de la disparité des revenus qui caractérisent le pays. On s'attend à ce que l'évolution des modèles climatiques, par exemple, la recrudescence des sécheresses et des inondations et l'altération des cycles des précipitations, ait des effets considérables sur les moyens d'existence de la population.

14. **Dégradation des ressources naturelles.** Près de la moitié du territoire de l'Ouganda souffre d'une grave dégradation des terres, caractérisée par une érosion des sols et un appauvrissement en éléments nutritifs, imputables à une exploitation non durable. Cette situation va probablement être exacerbée par le changement climatique. La qualité et la quantité des ressources en eau commencent à décliner et l'Ouganda devient progressivement un pays confronté au déficit hydrique.
15. **Finance rurale.** En 2009, seuls 15% de la population rurale recouraient à des services bancaires, et à peine 7% bénéficiaient des services d'autres institutions officiellement reconnues. Près de la moitié de la population se contentait d'arrangements financiers informels, tandis que 31% ne disposaient d'aucun recours.

B. Politiques, stratégies et contexte institutionnel

Le contexte institutionnel national

16. **Secteur public.** Le Ministère des finances, de la planification et du développement économique coordonne les politiques de croissance et de développement nationales ainsi que le dialogue avec les partenaires du développement. Le Ministère de l'agriculture, de l'élevage et de la pêche et le Ministère des collectivités locales sont deux autres ministères clés qui collaborent de longue date avec le FIDA. Le Ministère de l'agriculture, de l'élevage et de la pêche chapeaute deux agences importantes, à savoir l'Organisation nationale de recherche agricole (ONRA), qui est chargée de la recherche agronomique, et les Services nationaux de conseil agricole (SNCA), qui assurent des services de conseil et de vulgarisation. Le Ministère des collectivités locales est chargé de coordonner, d'appuyer et de conseiller les collectivités locales en ce qui concerne la prestation de services.
17. **Collectivités locales.** Au cours des années 1990, des efforts ont commencé à être déployés en faveur de la décentralisation mais, ces dernières années, on a observé une tendance à privilégier les politiques fondées sur des approches sectorielles verticales, au détriment du développement des institutions locales. Le nombre de districts a augmenté, passant de 64 en 2006 à 113 aujourd'hui, mais leur capacité à assurer des services s'est érodée. Le principal problème qui continue à se poser est la mauvaise coordination horizontale au niveau local entre, d'une part, les ministères centraux et, de l'autre, les collectivités et conseils locaux.
18. **Organisations rurales.** Depuis 2006, le gouvernement encourage explicitement la création d'organisations rurales, généralement structurées sous l'égide d'organisations faîtières nationales, telles que: la Fédération nationale des agriculteurs de l'Ouganda; l'Alliance coopérative de l'Ouganda; et l'Union des coopératives d'épargne et de crédit de l'Ouganda.

La stratégie nationale de réduction de la pauvreté rurale

19. **Politiques nationales.** Le Plan de développement national (PDN) 2010/2011-2014/2015 vise à transformer la société ougandaise, de manière à ce que, de pays à vocation paysanne, l'Ouganda devienne en 30 ans un pays à revenu intermédiaire moderne et prospère. Les principaux domaines d'investissement définis par le PDN sont: le développement des ressources humaines et l'instauration de la parité hommes-femmes; l'amélioration des infrastructures matérielles dans les zones rurales; l'approvisionnement en intrants agricoles; la promotion des micro-, petites et moyennes entreprises rurales aux fins de la création de valeur ajoutée; et le renforcement des capacités nationales en matière d'adaptation au changement climatique.
20. **Politiques sectorielles.** Les principales politiques et stratégies sectorielles sont les suivantes: i) la politique sectorielle agricole établie dans la Stratégie de

développement et Plan d'investissement pour 2010/2011-2014/2015, dont l'objectif stratégique est "un secteur agricole compétitif, rentable et durable"; ii) le cadre d'action en matière de finance rurale qui, ces dernières années, a oscillé entre un modèle de gestion publique et une approche davantage axée sur le marché et qui, aujourd'hui, privilégie cette dernière, en mettant fortement l'accent sur l'accès aux services financiers des populations qui en sont habituellement exclues; iii) la politique de décentralisation, avec le Plan d'investissement dans le secteur des collectivités locales 2006-2016, qui établit un cadre pour l'amélioration de la prestation des services et de la gouvernance au niveau décentralisé; et iv) le cadre d'action en matière d'environnement et de climat, en vertu duquel la gestion de l'environnement et des ressources naturelles est décentralisée pour être confiée aux collectivités locales.

Harmonisation et alignement

21. En 2003, les partenaires du développement et le gouvernement ont signé des principes de partenariat qui, depuis lors, favorisent l'harmonisation et l'alignement. Le PDN et les divers documents sectoriels constituent le cadre stratégique global de ces partenariats. Le Groupe local des partenaires du développement est le principal organe chargé de coordonner les stratégies, qui sont reprises par les groupes de travail sectoriels. Par l'intermédiaire de son bureau de pays, le FIDA est un membre actif des groupes intervenant dans les secteurs concernés par son programme de pays.

III. Enseignements tirés de l'expérience du FIDA dans le pays

A. Résultats, impact et performance des opérations antérieures

22. Depuis 1981, le FIDA a accordé à l'Ouganda 14 prêts, représentant un montant de près de 300 millions d'USD sur un investissement total de 1,3 milliard d'USD. Actuellement, les investissements du FIDA (dont le total s'élève à 164 millions d'USD) sont centrés sur trois domaines thématiques: l'agriculture (Projet de développement de la production d'huile végétale – Phase 2, 2010-2019, et Projet de promotion des technologies agricoles et des services consultatifs concernant les agro-industries, 2011-2017); les services assurés par les collectivités locales (Programme d'amélioration des infrastructures agricoles communautaires, 2008-2013 et Programme d'appui aux moyens de subsistance dans les districts, 2007-2015); et la finance rurale (Programme relatif aux services financiers ruraux, 2004-2013).
23. Le programme de pays du FIDA a eu des résultats et des effets non négligeables:
- Environ 15% de l'ensemble des ménages agricoles (1,5 million de ménages) ont bénéficié de formations sur les technologies de production agricole, assurées par les SNCA, ce qui a entraîné une augmentation des revenus agricoles par personne comprise entre 42% et 52%¹.
 - Quelque 1,7 million de ménages ont accès à des services de finance rurale grâce au soutien fourni aux coopératives d'épargne et de crédit, dont certaines sont viables aux plans financier et opérationnel. Entre 2008 et 2012, le montant moyen par personne de capital investi par des actionnaires a été multiplié par quatre et le montant de l'épargne a quasiment doublé².
 - L'huile de palme a été introduite dans le pays, dans le cadre d'un partenariat public-privé qui a mobilisé un investissement du secteur privé de plus de 100 millions d'USD. Quelque 1 500 petits agriculteurs et 3 000 ouvriers agricoles ont directement bénéficié de l'investissement. Les retombées positives indirectes

¹ Évaluation des résultats des SNCA en Ouganda – Institut international de recherche sur les politiques alimentaires, Kampala, 2008.

² Programme de services financiers ruraux, rapport de la mission de supervision, mai 2012.

sur l'économie locale ont été considérables, au point que le district de Kalangala, classé en 2002 comme le 72^e district le plus pauvre sur 77, fait désormais partie des sept districts les plus riches du pays³.

24. L'EPP met en lumière quelques-uns des points forts et des points faibles de l'exécution du programme de pays du FIDA:
- le FIDA est tenu en haute estime pour l'accent qu'il place sur les populations rurales pauvres et ses programmes sont bien alignés sur les politiques publiques et harmonisés avec les initiatives des autres partenaires du développement;
 - le programme de pays a souffert d'un paradoxe micro-macro, qui a fait que des résultats satisfaisants au niveau du projet n'ont pas toujours eu des répercussions visibles au niveau du pays, et ce pour diverses raisons, notamment: un éparpillement géographique et thématique; une certaine incohérence des investissements au fil du temps; une synergie insuffisante entre les différents projets; et aucune action systématique de concertation sur les politiques et de transposition des initiatives à plus grande échelle;
 - une réalisation essentielle du programme de pays du FIDA est la promotion d'un partenariat public-privé novateur qui a eu de larges retombées dans le sous-secteur de l'huile de palme;
 - le FIDA a financé des interventions prometteuses qui favorisent l'intégration des ménages vulnérables, notamment avec l'application de la méthode d'encadrement des ménages et la création d'associations d'épargne et de crédit villageoises; malheureusement, leur transposition à plus grande échelle a été négligée; et
 - la durabilité a été le domaine le moins bien noté de l'ensemble du portefeuille, du point de vue des dispositifs institutionnels garantissant la pérennité des réalisations après la clôture des projets et des responsabilités en la matière.
25. Dans le souci d'améliorer les résultats du programme de pays, l'EPP a formulé quelques recommandations clés: i) étendre la couverture géographique des opérations du FIDA dans le nord du pays; ii) continuer à appuyer le développement des filières de produits; iii) définir un programme de concertation sur les politiques, qui soit réaliste et assorti de ressources suffisantes; iv) continuer à améliorer les résultats des projets, en mettant l'accent sur les synergies entre les différents projets, la gestion des ressources naturelles, l'autonomisation des populations, la pérennité des investissements de projet et la transposition des innovations à plus grande échelle; et v) déterminer précisément les besoins en personnel et la répartition des tâches au niveau du bureau de pays.

B. Enseignements tirés

26. Quelques enseignements importants peuvent être tirés de l'expérience acquise à la faveur de l'exécution des interventions du FIDA en Ouganda:
- L'existence d'un cadre politique porteur est cruciale pour la réussite d'un projet; lors de la conception des projets, il convient de prendre en compte les risques de modification des politiques pendant l'exécution et de définir des mesures de gestion des risques propres à les atténuer.
 - Les projets et les programmes devraient, dans la mesure du possible, investir dans des zones géographiques contiguës et centrer leurs efforts sur un petit nombre d'interventions stratégiques, afin d'obtenir un impact maximal.
 - Pour que les réalisations des projets soient durables, le cadre institutionnel doit être solide; par conséquent, il convient d'investir à long terme dans le renforcement des principales institutions locales, qu'elles soient ou non publiques.

³ Programme des Nations Unies pour le développement – Rapport sur la pauvreté humaine, Ouganda, 2001 et 2007.

- Les partenariats public-privé se sont avérés être des outils efficaces pour intégrer les agriculteurs dans le marché et dans des filières fortes; le secteur privé est intéressé par la formation de partenariats équitables avec les petits agriculteurs.
- La méthode d'"encadrement des ménages" utilisée à titre pilote par le FIDA s'est révélée être un outil utile pour promouvoir l'intégration des ménages très pauvres, car elle renforce la capacité des ménages à évaluer les problèmes auxquels ils sont confrontés et leur donne les moyens de vaincre la pauvreté.
- Les institutions financières à assise communautaire, telles que les coopératives et groupements d'épargne et de crédit, constituent un véritable point d'accès aux services financiers, pour une large proportion de la population rurale qui en serait autrement exclue.

IV. Cadre stratégique du FIDA pour le pays

A. Avantage comparatif du FIDA

27. La stratégie adoptée par le FIDA en Ouganda au cours des 15 dernières années a été caractérisée par une cohérence thématique qui a appuyé l'objectif du Gouvernement ougandais de faire passer la population rurale, d'une agriculture de subsistance à une agriculture axée sur le marché. Le FIDA a investi plus particulièrement dans trois domaines thématiques: i) l'amélioration des technologies agricoles pour accroître la production et la productivité; ii) l'amélioration de l'accès au marché pour les petits agriculteurs; et iii) l'amélioration de l'accès aux services de finance rurale.
28. Ces domaines thématiques restent d'actualité. Au fil des ans, le FIDA a acquis une expérience de terrain et en a tiré des enseignements importants; il a également noué des liens étroits avec les institutions publiques compétentes et avec des opérateurs du secteur privé et des organisations de la société civile. À cet égard, l'avantage comparatif du FIDA tient à son aptitude à inscrire son soutien dans la durée, en vue d'obtenir un impact plus important, d'appuyer le renforcement des institutions et de partager les innovations et les enseignements tirés de l'expérience.
29. Les partenaires au niveau national s'accordent à dire que le FIDA connaît bien les situations locales et les contraintes propres aux ménages pauvres, y compris celles des groupes les plus vulnérables, et qu'il a la capacité de concevoir des stratégies axées sur l'intégration. Il est unanimement admis qu'un avantage comparatif important du FIDA en Ouganda tient à son expérience et ses connaissances relatives à la promotion d'approches favorables aux pauvres dans les secteurs clés que sont l'agriculture et la finance rurale. L'appui aux organisations rurales à tous les niveaux, en tant que stratégie clé propre à favoriser l'autonomisation des ruraux pauvres, constitue un élément majeur et une priorité future dans ce domaine.

B. Objectifs stratégiques

30. Le programme de pays du FIDA pour l'Ouganda couvrira la période 2013-2018. Le programme sera aligné sur le PDN et les diverses stratégies sectorielles pertinentes. Ces stratégies sont cohérentes avec le Cadre stratégique du FIDA 2011-2015. Dans ce contexte général, le programme de pays aura pour finalité **d'accroître les revenus, d'améliorer la sécurité alimentaire et de réduire la vulnérabilité des ménages ruraux vivant dans la pauvreté**, grâce à la réalisation des trois objectifs stratégiques décrits ci-dessous.
31. **Objectif stratégique 1 (OS 1). La production, la productivité et la capacité d'adaptation au changement climatique de l'agriculture paysanne sont durablement améliorées.** Pour atteindre cet objectif, le FIDA s'emploiera à:
 - i) améliorer l'accès aux technologies agricoles adaptées et leur emploi, pour une intensification durable dans le contexte du changement climatique, l'accent étant mis principalement sur les semences améliorées, les intrants (engrais chimiques et matière organique) et les pratiques et technologies propres à alléger et simplifier le travail; ii) améliorer la prestation des services de conseil pertinents, en renforçant à

- la fois leur offre (par l'ONRA et les SNCA) et leur demande (par les agriculteurs et leurs organisations); iii) garantir une gestion durable de la terre et de l'eau, en promouvant de bonnes pratiques de gestion du sol et des cultures, en investissant dans la conservation de l'eau et l'irrigation à petite échelle et en sécurisant les droits fonciers des groupes défavorisés; et iv) rendre l'agriculture pratiquée par les petits agriculteurs plus "intelligente face au climat", en permettant aux agriculteurs de mieux comprendre et gérer au moyen de mesures d'adaptation appropriées à la fois les risques encourus et les chances offertes du fait de la variabilité du climat.
32. Le FIDA continuera à appuyer la réalisation de cet objectif par le biais du cofinancement des SNCA et de l'ONRA, dans le cadre du Projet de promotion des technologies agricoles et des services consultatifs concernant les agro-industries, et de ses investissements dans le Projet de développement de la production d'huile végétale – Phase 2, et dans un nouveau projet pour le rétablissement des moyens d'existence dans la région Nord, qui est planifié pour la période 2015-2022.
33. **Objectif stratégique 2 (OS 2). L'intégration des petits agriculteurs dans les marchés est renforcée.** Pour atteindre cet objectif, le FIDA s'emploiera à:
- i) investir dans les filières ayant clairement le potentiel d'apporter des avantages aux petits agriculteurs pauvres et de leur donner une place, et adopter une approche axée sur l'intégration afin d'éliminer les principaux problèmes rencontrés par les agricultrices et agriculteurs pauvres; une attention particulière sera accordée à la création de partenariats public-privé, en tant qu'instruments efficaces pour promouvoir des relations commerciales "gagnant-gagnant" entre les investisseurs du secteur privé et les petits agriculteurs;
 - ii) développer des infrastructures économiques rurales propres à faciliter l'adaptation au changement climatique, telles que des routes de desserte, des équipements de commercialisation, des installations d'entreposage après récolte et des systèmes de raccordement à l'électricité pour la transformation des produits agricoles;
 - iii) promouvoir la transformation des produits agricoles et la création de valeur ajoutée, en particulier autour des nouveaux centres ruraux-urbains, en encourageant l'investissement du secteur privé et sa liaison avec les petits producteurs, et le développement des micro- et petites entreprises locales;
 - et iv) renforcer, aux niveaux de la base et du district, la capacité des organisations paysannes à intervenir dans les activités après récolte, la commercialisation et les premières étapes de la transformation des produits.
34. Le principal investissement qui contribuera à la réalisation de cet objectif stratégique consistera à consolider et transposer à plus grande échelle l'investissement réalisé dans le sous-secteur de l'huile végétale, dans le cadre du Projet de développement de la production d'huile végétale – Phase 2. On exploitera les autres possibilités d'investir dans des filières spécifiques, soit dans le cadre de projets en cours d'exécution (Projet de promotion des technologies agricoles et des services consultatifs concernant les agro-industries), soit dans le cadre de nouveaux projets (projet pour le rétablissement des moyens d'existence dans la région Nord et autres projets qui seront identifiés pour le cycle 2016-2018). Les infrastructures économiques rurales continueront à bénéficier d'un appui, par l'intermédiaire du Ministère des collectivités locales, dans le cadre du Programme d'appui aux moyens de subsistance dans les districts, en cours d'exécution (et dont la clôture est prévue en 2015), et du futur projet pour le rétablissement des moyens d'existence dans la région Nord.
35. **Objectif stratégique 3 (OS 3). L'accès aux services financiers et leur utilisation par la population rurale est durablement améliorée.** Dans le cadre de cet objectif, le FIDA continuera à appuyer le développement des services financiers dans les zones rurales, en veillant plus particulièrement à faciliter l'inclusion des ruraux pauvres. Les investissements seront centrés sur les institutions financières à assise communautaire, qui constituent pour les ruraux pauvres le premier point d'accès aux marchés financiers officiellement reconnus. Ce résultat sera obtenu grâce aux activités suivantes: i) le renforcement de la capacité des

coopératives d'épargne et de crédit existantes à mobiliser un plus grand nombre de membres et à devenir viables aux plans financier et opérationnel; ii) le développement des groupements communautaires d'épargne et de crédit, conformément aux principes de la méthodologie des associations d'épargne et de crédit villageoises; et iii) l'appui à l'établissement d'un cadre institutionnel, politique et réglementaire pour les institutions financières à assise communautaire. La création de liens entre les institutions de la base et avec les institutions de plus haut niveau sera encouragée pour que les populations rurales puissent progressivement accéder à une plus large gamme de services financiers.

36. Le principal investissement que le FIDA réalisera au titre de cet objectif stratégique sera un projet en faveur de l'accès aux services financiers des populations rurales qui en sont habituellement exclues (2014-2020). Les autres programmes (Projet de promotion des technologies agricoles et des services consultatifs concernant les agro-industries, Projet de développement de la production d'huile végétale – Phase 2, Programme d'appui aux moyens de subsistance dans les districts, et le futur projet pour le rétablissement des moyens d'existence dans la région Nord) contribueront indirectement à cet objectif, puisqu'ils amélioreront la rentabilité de l'agriculture pratiquée par les petits agriculteurs, ce qui fera de ces derniers des clients acceptables pour une banque.

C. Perspectives d'innovation et de transposition à plus grande échelle

37. La transposition à plus grande échelle est déjà intégrée dans le programme de pays du FIDA pour l'Ouganda. Le Projet de développement de la production d'huile végétale – Phase 2 transpose dans de nouvelles zones géographiques le modèle de création de partenariats public-privé, qui a été employé avec succès pour la production d'huile de palme dans le district de Kalangala. En outre, dans le sous-secteur des oléagineux, trois cultures supplémentaires bénéficieront d'un appui dans une zone de projet plus vaste, avec l'adaptation du modèle de partenariat public-privé employé pour l'huile de palme à des partenariats avec de petites et moyennes entreprises locales.
38. Le domaine de la finance rurale n'est pas en reste. Le futur projet en faveur de l'accès aux services financiers des populations rurales qui en sont habituellement exclues transposera à plus grande échelle le système des groupements d'épargne et de crédit – qui a été promu avec succès par quelques organisations en Ouganda, notamment au titre d'un don du FIDA – en tant que mécanisme effectivement capable de donner aux ruraux pauvres un accès aux services financiers. Ce projet tirera parti de l'expérience du Programme relatif aux services financiers ruraux et appliquera les enseignements qui en ont été tirés, pour aider les coopératives d'épargne et de crédit à devenir viables.
39. L'approche d'encadrement des ménages, expérimentée avec succès dans le cadre du Programme d'appui aux moyens de subsistance dans les districts, sera adoptée et transposée à plus grande échelle dans le programme de pays, en tant que stratégie clé pour l'intégration des ménages les plus vulnérables. Le processus d'apprentissage et de systématisation fera intervenir des centres d'excellence nationaux en matière de gestion des savoirs (l'université de Makerere) ainsi que la Division des politiques et du conseil technique du FIDA, en vue de garantir la diffusion "interne" (FIDA) et "externe" (nationale) de l'information.

D. Stratégie de ciblage

40. Les principaux groupes cibles des investissements du FIDA seront les suivants: i) les ménages de petits agriculteurs pauvres, qui ont le potentiel et les moyens de production minimaux nécessaires pour développer et commercialiser le fruit de leurs activités économiques mais qui, en raison de divers problèmes, ne sont pas encore bien intégrés dans les marchés; ii) les ménages très vulnérables, disposant de peu

de moyens et dont le choix est limité en ce qui concerne les moyens d'existence, qui sont généralement oubliés dans les initiatives de développement; et iii) les femmes et les jeunes, au sein de ces deux groupes cibles, qui bénéficieront d'une attention particulière dans la mesure où ils font souvent l'objet de discriminations lorsqu'il s'agit d'accéder aux services et aux moyens de production.

41. Les principales stratégies qui seront mises en œuvre pour toucher les groupes cibles susmentionnés seront élaborées en détail lors de la conception des projets, en fonction du contexte spécifique, cependant, elles viseront en général à: i) éliminer les problèmes qui empêchent les ménages de petits agriculteurs de s'intégrer pleinement dans les marchés; ii) favoriser l'intégration des ménages les plus vulnérables au moyen de l'encadrement des ménages; iii) déterminer et utiliser systématiquement des activités et des mécanismes spécifiques propres à favoriser la participation des femmes et des jeunes; et iv) faciliter la participation active des groupes cibles aux organisations rurales et aux groupes d'intérêt économiques.
42. Le ciblage géographique sera un élément important de la stratégie d'investissement du FIDA. Pour optimiser l'impact en termes de réduction de la pauvreté, le FIDA centrera ses ressources sur les zones où l'incidence de la pauvreté est la plus élevée (nord du pays) et/ou sur celles où la densité d'habitants pauvres est la plus forte (est du pays). On veillera également à la cohérence géographique, tant dans le cadre d'un même projet qu'entre les différents projets.

E. Articulation au niveau des politiques

43. L'existence d'un cadre politique favorable constitue une condition préalable à la réalisation des trois objectifs stratégiques. Le FIDA continuera à conduire une concertation sur les politiques avec le gouvernement, afin que la question de la pauvreté reste une priorité politique. Les projets bénéficiant d'un appui du FIDA seront utilisés pour tirer des enseignements de l'expérience et déterminer les principaux problèmes à régler au plan des politiques si l'on veut garantir une croissance économique rurale profitant au plus grand nombre.
44. Certains domaines de concertation prioritaires essentiels ont déjà été déterminés et il est probable que d'autres se feront jour au cours de l'exécution du COSOP:
 - En partenariat avec la Banque mondiale, dans le cadre du Projet de promotion des technologies agricoles et des services consultatifs concernant les agro-industries, la réorientation des SNCA pour que, de la distribution d'intrants agricoles subventionnés, ils passent à la prestation de services de conseil utiles aux pauvres.
 - L'appui à l'établissement d'organisations de petits producteurs d'huile de palme, qui soient financièrement autonomes.
 - La mise en place d'un cadre réglementaire adapté aux institutions de quatrième niveau (notamment les coopératives d'épargne et de crédit) et d'un cadre politique porteur pour les groupements d'épargne et de crédit.
 - En partenariat avec une organisation coopérative internationale, l'appui à l'Union des coopératives d'épargne et de crédit de l'Ouganda, afin qu'elle devienne un organe faîtière autonome pour les coopératives d'épargne et de crédit.
45. Diverses méthodes seront employées pour conduire la concertation sur les politiques, notamment: i) la production d'éléments probants à partir des projets, pour éclairer la prise de décisions en matière de politiques; ii) la participation active aux groupes de travail sectoriels entrant en ligne de compte; iii) le renforcement de la capacité des organismes publics partenaires (par exemple, le Ministère des finances, de la planification et du développement économique et le Ministère de l'agriculture, de l'élevage et de la pêche) à formuler des politiques favorables aux pauvres; et iv) l'appui aux organisations rurales (par exemple, la Fédération nationale des agriculteurs de l'Ouganda, l'Alliance coopérative de l'Ouganda et l'Union des

coopératives d'épargne et de crédit de l'Ouganda) pour qu'elles soient capables de défendre efficacement leurs propres intérêts en matière de politiques.

V. Gestion du programme

A. Suivi du programme de pays

46. Un cadre de suivi du COSOP sera établi pour mesurer les résultats du programme et favoriser la coordination des prises de décision. Des réunions d'examen annuelles seront organisées avec les membres de l'équipe chargée du COSOP de l'Ouganda et les diverses parties prenantes du FIDA qui sont concernées. Un examen à mi-parcours du COSOP aura lieu en 2015 et un examen final en 2018. Grâce à ces processus d'examen, la stratégie de pays sera suffisamment flexible pour que le programme de pays puisse s'adapter à l'évolution de la situation et à l'émergence de nouvelles possibilités.
47. Le cadre des résultats du COSOP sera lié aux systèmes de suivi-évaluation (S&E) des projets, qui seront la source principale des données et des informations employées pour suivre l'exécution du COSOP. Le FIDA continuera à aider les projets à affiner leurs systèmes de S&E et à améliorer l'actualité et la qualité des données produites.

B. Gestion du programme de pays

48. **Approche du programme de pays.** Le présent COSOP fournira un cadre à l'exécution d'un programme de pays cohérent, qui comprendra des opérations de prêt et des activités hors prêt. Pour renforcer les synergies et les complémentarités entre les projets d'investissement, le FIDA s'emploiera à: i) optimiser la cohérence géographique des zones d'intervention des différents projets; ii) privilégier les synergies au niveau opérationnel, notamment par le biais de supervisions thématiques des projets et grâce à la participation de membres du personnel de projet aux missions d'appui à l'exécution organisées pour d'autres projets que le leur; iii) créer des occasions d'apprentissage mutuel et de confrontation des expériences entre les différents projets; et iv) lors de la conception des nouveaux projets, prévoir explicitement des mécanismes assurant la complémentarité et la coordination avec les opérations en cours d'exécution. Les activités hors prêts, c'est-à-dire la concertation sur les politiques, la gestion des savoirs et l'établissement de partenariats, seront conduites dans le cadre global du programme de pays, dans le but d'améliorer la cohérence.
49. Les principaux outils employés pour mettre en œuvre l'approche du programme de pays sont les suivants: i) le bureau de pays du FIDA, doté de personnel recruté aux niveaux national et international et contrôlé par le chargé de programme de pays, qui assurera régulièrement une supervision et un appui à l'exécution des projets, prendra la direction des activités hors prêts et jouera un rôle essentiel dans la promotion des synergies et des complémentarités entre projets; ii) l'équipe du COSOP de l'Ouganda, composée de représentants des principales parties prenantes publiques et non publiques des différents secteurs concernés par les investissements du FIDA, qui a piloté le processus de formulation du COSOP, qui procédera à son suivi annuel et qui constitue ainsi un forum idéal pour l'examen stratégique des questions politiques, des enseignements et des meilleures pratiques issus de l'exécution du projet; iii) l'équipe de gestion du programme de pays, composée des principaux membres de la direction des projets, qui examinera les possibilités de synergie et de complémentarité au niveau opérationnel et sera un forum commun à tous les projets pour l'apprentissage mutuel, les échanges et la formation.

C. Partenariats

50. **Pouvoirs publics.** Les principaux partenariats du FIDA continueront à être ceux qu'il a établis avec le gouvernement, par l'intermédiaire de partenaires traditionnels tels que le Ministère des finances, de la planification et du développement économique, le Ministère des collectivités locales et le Ministère de l'agriculture, de l'élevage et de la

pêche. En outre, de nouveaux partenariats stratégiques seront établis avec des institutions telles que l'Autorité nationale de gestion de l'environnement et le Ministère de l'eau et de l'environnement, en vue de donner à l'environnement et au changement climatique une plus large place dans le programme de pays.

51. **Organisations rurales.** Le présent COSOP accordera un rôle plus important aux partenariats avec des organisations rurales. Selon les besoins, ce rôle sera intensifié aux différents niveaux: niveau de la base, niveau du district et niveau national. Des représentants de ces organisations seront membres de l'équipe du COSOP de l'Ouganda et des groupes de pilotage chargés de concevoir et superviser les projets bénéficiant d'un appui du FIDA.
52. **Secteur privé.** Le partenariat avec le secteur privé continuera à être une caractéristique importante du programme de pays, en vue de faciliter l'établissement de partenariats public-privé solides. À cet égard, le secteur de l'huile végétale sera le secteur d'intervention prioritaire, mais de tels partenariats seront reproduits dans d'autres filières si des occasions se présentent. Le FIDA appuiera aussi l'établissement de plateformes multipartites, en tant que forums de coordination et de dialogue entre les parties prenantes d'une filière.
53. **Partenaires du développement.** Les partenariats avec les autres partenaires du développement seront consolidés. Les possibilités de cofinancement continueront à être activement examinées. Des efforts seront faits pour que la supervision et l'appui à l'exécution soient plus fréquemment conduits conjointement avec les partenaires de cofinancement, notamment la Banque mondiale dans le cadre du Projet de promotion des technologies agricoles et des services consultatifs concernant les agro-industries. On s'efforcera d'harmoniser l'investissement envisagé dans la région Nord (futur projet pour le rétablissement des moyens d'existence dans la région Nord) avec les actions d'autres donateurs, par le biais du groupe de donateurs pour le redressement et le développement du nord de l'Ouganda. Le FIDA continuera à participer au programme "Unis dans l'action" des Nations Unies, conformément au Plan-cadre des Nations Unies pour l'aide au développement, dans la mesure où il est compatible avec ses propres modalités d'intervention, en sa qualité d'institution financière internationale.

D. Gestion des savoirs et communication

54. Le FIDA conduit une stratégie de communication explicite en Ouganda depuis 2008. Les programmes individuels ont aussi leurs propres stratégies et leurs experts en matière de communication. Ces actions seront renforcées dans le cadre du présent COSOP.
55. De nouveaux efforts seront déployés pour que la gestion des savoirs soit intégrée dans l'ensemble du programme de pays, en vue de faciliter l'apprentissage et les échanges entre programmes et entre pairs; de promouvoir la documentation des enseignements et des bonnes pratiques; et de dégager des éléments destinés à appuyer la concertation sur les politiques favorables aux pauvres. L'investissement dans la gestion des savoirs sera focalisé sur les domaines prioritaires définis au niveau du programme de pays comme des domaines d'innovation et de transposition à plus grande échelle (voir le chapitre IV.C) et de concertation sur les politiques (voir le chapitre IV.E).
56. Les principaux outils seront les suivants: i) les systèmes de suivi du COSOP et des projets, en tant que sources d'information; ii) les stratégies et les capacités de gestion des connaissances, existant au niveau des projets; iii) l'équipe du COSOP de l'Ouganda et l'équipe de gestion du programme de pays, en tant que forums d'échange et de discussion; et iv) les échanges mutuels et les échanges entre pairs, à l'intérieur des projets et entre eux.

E. Cadre de financement SAFF

57. L'Ouganda est habilité à bénéficier d'un financement sous la forme de prêts octroyés à des conditions particulièrement favorables. Le présent COSOP couvrira deux cycles du SAFF: 2013-2015 et 2016-2018. Le montant des ressources disponibles pour de nouveaux investissements pendant cette période est estimé à 130 millions d'USD⁴. Deux possibilités d'investissement ont déjà été identifiées pour le premier cycle: i) un projet en faveur de l'accès aux services financiers des populations rurales qui en sont habituellement exclues, qui devrait être financé par un prêt du FIDA d'un montant approximatif de 30 millions d'USD et démarrer début 2014; et ii) un projet pour le rétablissement des moyens d'existence dans la région Nord, qui devrait commencer en 2015 et être financé par un prêt du FIDA d'un montant approximatif de 30 millions d'USD, une contribution de quelque 10 millions d'USD fournie au titre du Programme d'adaptation de l'agriculture paysanne et un cofinancement supplémentaire de 10 millions d'USD⁵.

F. Risques et gestion des risques

58. Les principaux risques qui pourraient compromettre la réalisation des objectifs stratégiques du COSOP sont les suivants:
- Le "syndrome hollandais" provoqué par le boom pétrolier pourrait amoindrir la compétitivité des produits agricoles ougandais commercialisables. Pour atténuer ce risque, l'une des options les plus séduisantes et les plus durables consiste à investir les recettes du pétrole dans les infrastructures et les services publics ruraux. Le FIDA suivra en permanence l'évolution de ce risque et adaptera sa stratégie d'investissement en conséquence dans les secteurs concernés.
 - La variabilité des précipitations, les phénomènes climatiques extrêmes, la déforestation et le changement climatique sont des sources de risques toujours présentes. Le FIDA collaborera avec d'autres donateurs pour suivre ces questions et il atténuera les risques en choisissant soigneusement les zones de projet et en favorisant une agriculture résiliente au changement climatique ainsi que des mesures d'adaptation pour les investissements agricoles.
 - La modification de politiques convenues au préalable peut être préjudiciable pour les programmes du FIDA en cours d'exécution. Le FIDA entretiendra un dialogue permanent avec les autorités compétentes pour faire en sorte que le cadre politique soit favorable à la pérennité à long terme de ses investissements. Des mesures d'atténuation et de protection seront élaborées et négociées avec le gouvernement au stade de la conception des projets.
 - En matière de corruption, Transparency International a attribué à l'Ouganda une note en amélioration. La gouvernance des projets financés par le FIDA continuera à faire l'objet d'examen scrupuleux, par le biais d'évaluations régulières des systèmes de gestion financière et de passation des marchés des organismes chargés de l'exécution. Des mesures propres à atténuer ce type de risque seront introduites, le cas échéant.

⁴ Voir l'appendice V pour le calcul de l'allocation SAFF.

⁵ Voir l'appendice VI pour les notes conceptuelles.

COSOP consultation process

1. The preparation of the 2013-18 COSOP has been built around the Country Programme Evaluation (CPE), the first one for Uganda, which was carried out by the IFAD Independent Office of Evaluation (IOE) in 2011 and completed in July 2012 with a national stakeholder workshop held in Kampala, which saw the participation of high-level representatives from Government institutions, IFAD senior management, development partners, private sector, rural organizations, civil society, academic and research institutions and other key resource persons.
2. The actual formulation of the COSOP document was undertaken in 2012 by the IFAD country team, including headquarter and country office staff, with support from some colleagues from the IFAD Policy, Technical and Advisory Division (PTA) who contributed to some sections of the document. The key sources of information have been the review of government reports and policy papers, other key documents from development partners and research institutions, and a series of in-country meetings with national authorities, development partners, rural organizations, research institutions, and other resource persons. A specific meeting of the in-country Country Programme Management Team (CPMT), which is composed by the coordinators and some key staff from IFAD-funded projects, was also organized in the first quarter of 2012 to draw practical and operational lessons from the on-going portfolio.
3. A *Uganda COSOP Team (UCT)* was established in early 2012, with the mandate to steer the COSOP preparation process and, subsequently, monitor and review its implementation. The UCT is composed of representatives of the in-country CPMT along with representatives from the following public institutions: Ministry of Finance, Planning and Economic Development (MFPED); Ministry of Agricultural, Animal Industry and Fisheries (MAAIF); Ministry of Local Government (MOLG); and the Plan for the Modernisation (PMA) Secretariat of MAAIF; and the Ministry of Gender, Labour and community Development. Representatives of rural organizations (UCA, UNFFE and UCSCU) and private sector (Uganda National Agro-Dealers Association – UNADA, and Association of Micro-Finance Institutions of Uganda - AMFIU) are also members of the UCT. The UCT main functions are to:
 - Provide guidance to the process in view of national policies and strategies;
 - Review draft documents and provide feedback during the COSOP preparation and review process;
 - Build ownership and understanding of IFAD’s strategic priorities and operational modalities in Uganda, among Government and other stakeholders, and;
 - Validate the final COSOP document following IFAD’s internal review process.
4. An IFAD HQ CPMT, composed of colleagues from different divisions of IFAD, has been set up to review the different drafts of the document and provide comments and guidance throughout the formulation process. The first draft has been technically reviewed by the UCT and the IFAD HQ CPMT in September 2012 and then circulated to national stakeholders. A one-day stakeholder consultative workshop hosted by the UCT has been held in November 2012 in Kampala to obtain feedback and guidance from a wide range of national stakeholders, which included representatives from Government institutions, civil society, rural organisations, development partners, private sector, research institutions and other resource persons. A second draft of the COSOP was submitted for external review by peer reviewers in December 2012.
5. The COSOP, incorporating all comments and suggestions received during the various review steps was submitted to IFAD Senior Management for approval in February 2013 and then presented to the IFAD Executive Board in April 2013.

Country economic background

COUNTRY DATA Uganda			
<i>(World Bank, World Development Indicators database, CD ROM 2011-12)</i>			
Land area (km2 thousand) 2009 1/	197	GNI per capita (USD) 2009 1/	460
Total population (million) 2009 1/	32.71	GDP per capita growth (annual per cent per cent) 2009 1/	4
Population density (people per km2) 2009 1/	166	Inflation, consumer prices (annual per cent per cent) 2009 1/	13
Local currency - Uganda Shilling (UGX)		Exchange rate: USD 1 = 2,614.84 UGX	
Social Indicators		Economic Indicators	
Population growth (annual %) 2009 1/	3.3	GDP (USD million) 2009 1/	16 043
Crude birth rate (per thousand people) 2009 1/	46	GDP growth (annual %) 1/	
Crude death rate (per thousand people) 2009 1/	12	2000	5.6
Infant mortality rate (per thousand live births) 2009 1/	79	2009	7.1
Life expectancy at birth (years) 2009 1/	53		
		Sectoral distribution of GDP 2009 1/	
Total labour force (million) 2009 1/	14.13	% agriculture	24
Female labour force as % of total 2009 1/	47	% industry	26
		% manufacturing	8
Education		% services	50
School enrolment, primary (% gross) 2009 1/	84		
Adult illiteracy rate (% age 15 and above) 2009 1/	69%	Consumption 2009 1/	
		General government final consumption expenditure (as % of GDP)	11
		Household final consumption expenditure, etc. (as % of GDP)	76
Nutrition		Gross domestic savings (as % of GDP)	13
Daily calorie supply per capita	1971		
Malnutrition prevalence, height for age (% of children under 5) 2006 1/	39	Balance of Payments (USD million)	
Malnutrition prevalence, weight for age (% of children under 5) 2006 1/	16	Merchandise exports 2009 1/	2 478
		Merchandise imports 2009 1/	4 310
Health		Balance of merchandise trade	-1 832
Health expenditure, total (as % of GDP) 2009 1/	8.2		
Physicians (per thousand people) 2008 1/	n/a	Current account balances (USD million)	
Population using improved water sources (%) 2008 1/	67	before official transfers 2009 1/	-1 964
Population using adequate sanitation facilities (%) 2008 1/	48	after official transfers 2009 1/	-451
Agriculture and Food		Foreign direct investment, net 2009 1/	604
Food imports (% of merchandise imports) 2008 1/	13		
Fertilizer consumption (kilograms per ha of arable land) 2008 1/	1	Government Finance	
Food production index (1999-01=100) 2009 1/	112	Cash surplus/deficit (as % of GDP) 2009 1/	-1
Cereal yield (kg per ha) 2009 1/	1 539	Total expense (% of GDP) a/ 2009 1/	14
		Present value of external debt (as % of GNI) 2009 1/	8
Land Use		Total debt service (% of GNI) 2009 1/	0
Arable land as % of land area 2008 1/	29		
Forest area as % of total land area 2006 1/	18.0	Lending interest rate (%) 2009 1/	21
Agricultural irrigated land as % of total agric. land 2008 1/	Negligible	Deposit interest rate (%) 2009 1/	13
a/ Indicator replaces "Total expenditure" used previously.			

COSOP results management framework 2013-2018

Country strategy alignment	Key Results for IFAD – Uganda COSOP			Institut./Policy objectives
	Goal: to increase the income, improve the food security and reduce the vulnerability of the rural households living in poverty.			
	Strategic obj.	Outcome indicators	Milestone Indicators	Policy dialogue
<p>NDP Vision: a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years. Specifically:</p> <ul style="list-style-type: none"> - Increasing household incomes and promoting equality - Increasing agricultural production and productivity - Enhancing human capital - Enhancing the quality and availability of gainful employment - Improving the stock and quality of economic infrastructure - Promoting sustainable use of the environment and natural resources 	<p>SO1: The production, productivity and climate resilience of smallholder agriculture is sustainably increased.</p>	<ul style="list-style-type: none"> • Increased agricultural production (*) <ul style="list-style-type: none"> - of oilseeds from 70 000 mt in 2008 to 150 000 mt by 2018 [VODP2] - Average yields increased by 7% (2015) and 15% (2017) [ATAAS] • Hectares of land improved through SLM and other soil/water conservation techniques (*) <ul style="list-style-type: none"> - 6000 additional ha by 2015 and 11000 ha by 2017 [ATAAS] - # additional ha [PRELNOR] 	<ul style="list-style-type: none"> • 1.8 M farmers trained in crop prod. practices/technologies by 2018 (*): <ul style="list-style-type: none"> - 140 000 receiving ext serv. for oilseeds by 2018 [VODP2] - 2 800 receiving ext. services oil palm by 2018 [VODP2] - 17 280 mentored HHs trained in farming skills by 2015 [DLSP] - Nat. ext. services benefitting 1.43 M farmers per year 2013-17 [ATAAS] - # receiving ext. services by 2018 [PRELNOR] • 326 500 farmers applying SLM techniques by 2018: <ul style="list-style-type: none"> - 60% of 140 000 (30% w) trained applying techniques by 2018 [VODP2] - 10% of 1.71 million beneficiaries applying techniques by 2017 [ATAAS] - x% of # (30% w) trained applying techniques by 2018 [PRELNOR] • No of households with long-term tenure security of land and other natural resources (*): <ul style="list-style-type: none"> - 10% of HHs registered with land certificate in 2015 [DLSP] - 25 000 individuals sensitised in land tenure rights [DLSP] 	<ul style="list-style-type: none"> • Re-orientation of NAADS from distribution of subsidized agricultural inputs to provision of advisory services. • Enhance poverty targeting and inclusion in provision of advisory services under NAADS.
	<p>SO2: The integration of smallholders into the markets is enhanced.</p>	<ul style="list-style-type: none"> • Likelihood of sustainability of the productive infrastructure (*) • Producers benefitting from improved market access (*) • Increased farm gate prices [VODP2]: <ul style="list-style-type: none"> - Net earning per ha of US\$ 1 000 for oil palm farmers - Net earning per ha of US\$350 for oilseed farmers • Likelihood of sustainability of organisations (*) 	<ul style="list-style-type: none"> • Km of community access and other roads completed <ul style="list-style-type: none"> - 2 400 km of community access roads opened/rehabilitated [DLSP] - # km of community access roads opened/rehabilitated [PRELNOR] • Marketed amounts increased <ul style="list-style-type: none"> - Production from 7000 ha oil palm marketed by 2018 [VODP2] - Farm prod. marketed increased from 25% to 35% by 2017 [ATAAS] • Linkages between agribusiness and smallholders increased <ul style="list-style-type: none"> - No of PPP's for market linkages at 300 in 2016 [ATAAS] - No. farmers linked to priv. sect. in oil palm/oilseeds by 2018 [VODP2] • Farmers' organisations strengthened (*) <ul style="list-style-type: none"> - KOPGT self-sustain. by 2016, BOPGT 75% self-sustain. by 2018 [VODP2] - No of FOs strengthened [PRELNOR] 	<ul style="list-style-type: none"> • Support the establishment of a sustainable institutional framework for smallholder oil palm growers' organizations (KOPGT and BOPGT)
	<p>SO3: The access to and use of financial services by the rural population are sustainably increased</p>	<ul style="list-style-type: none"> • Supported SACCOs sustainable (*) <ul style="list-style-type: none"> - 75% of supported SACCOs sustainable by end of project [PROFIRA] • Community savings and credit groups (CSCG) sustainable (*) <ul style="list-style-type: none"> - 80% of VSLAs still operational after 3 years [PROFIRA] 	<ul style="list-style-type: none"> • Number of beneficiaries saving and borrowing (*) <ul style="list-style-type: none"> - 180 000 additional active members of SACCOs (50% w) by end of project [PROFIRA] - 375 000 project beneficiaries actively saving and borrowing in savings and credit groups (70% women; 15% youth) by end of project [PROFIRA] 	<ul style="list-style-type: none"> • Support setting of appropriate policy/regulatory framework for: <ul style="list-style-type: none"> (i) Tier IV instit.; and (ii) CSCGs. • Support a sustainable apex body for SACCOs

CPE Agreement at Completion Point

A. Background

1. The Independent Office of Evaluation (IOE) undertook a Country Programme Evaluation (CPE) during 2011-2012, the first CPE carried out by IFAD in Uganda since the Fund began operations in 1981. The main objective was to assess the performance and impact of IFAD's operations, findings from which would serve as input for the preparation of the new Uganda Country Strategic Opportunities Programme (COSOP), IFAD's country strategy, which will be prepared by the Fund's East and Southern Africa (ESA) Division and the Government of Uganda (GoU) following the completion of the CPE.
2. This Agreement at Completion Point (ACP) contains a summary of the CPE's main findings and recommendations and also draws on the main points emerging from the CPE national roundtable workshop held in Kampala on 12 July 2012. As decided by the Executive Board, the ACP will be attached as an Annex to the new Uganda COSOP, which is expected to be presented to the EB for consideration in April 2013.
3. The ACP has been reached between the IFAD Management (represented by the Programme Management Department) and GoU (represented by the Ministry of Finance, Planning and Economic Development), and reflects their understanding of the main findings from the CPE (see Section B below) as well as their commitment to adopt and implement the key recommendations within specified timeframes, as agreed in section C of this document.

B. Main Evaluation Findings

4. IFAD has played an important role in supporting GoU in its efforts to reduce rural poverty in different parts of Uganda. The Fund is highly regarded by GoU and other development partners for its focus on the rural poor and for having contributed to decentralised development processes and to improving incomes among the target groups, thus enabling them to have better lives and food security. A key distinguishing accomplishment for which both IFAD and GoU must be commended is the promotion of public-private sector partnerships in the oil palm sub-sector, which can be considered innovative and far-reaching. It is in fact the first such partnership of a large magnitude in the agriculture sector in Uganda and for IFAD.
5. IFAD-supported strategy and operations were relevant and aligned to GoU's Poverty Eradication Action Plan (PEAP) and the Plan for Modernisation of Agriculture (PMA), which determined the trend of IFAD-GoU engagement during 1997-2007/08. This framework targeted the poor and focused on the commercialisation of smallholder farming, emphasising the role of markets and the private sector as well as the decentralisation of public services. Since 2006, changes in government policy and strategy, particularly within rural finance and agricultural advisory services, have caused debate and challenges for alignment.
6. The CPE concludes that the effectiveness of the COSOP has been moderately unsatisfactory, noting that, measured against the targets in the 2004 COSOP logical framework, sector-wide programmes joining government and donor efforts for promotion of sustainable rural financial services for the poor and access to land and markets have not been fully developed. Furthermore, though foreseen in the 1998 and 2004 COSOPs, IFAD did not engage in any poverty reduction intervention in northern Uganda, apart from some support through the Vegetable Oil Development Project. This was due to serious security issues during the civil conflict, before the peace agreement in 2006, and any engagement was severely constrained, though security is now restored. After years of devastating conflict, northern Uganda is now faced with the highest level of poverty and troubling social indicators. The region has a large poorly-educated and unskilled population of youth (raised in camps) who need to be actively engaged in economic activities, to promote economic development and safeguard national unity and peace.

7. The major part of the IFAD loan portfolio has directly or indirectly supported the strategy of PMA to commercialise smallholder agriculture. Any commercialisation process involves winners and losers, as recognised in the PMA, and some illiterate subsistence farmers may have limited potential for delivering the quantity and quality of produce required by a value chain or for joining grassroots financial institutions. This issue has been recognised by GoU and IFAD, who have initiated a commendable and promising pilot intervention in the District Livelihoods Support Programme to mentor vulnerable households into mainstream development. Changes to the approach in the National Agricultural Advisory Services project introduced in 2007 moved towards a targeting strategy that prioritised support for model and nucleus farmers to lead and assist poorer smallholder farmers. After 2006, a change in GoU strategy for rural finance led to the exclusive focus in the Rural Financial Services Project on development of Savings and Credit Cooperatives (SACCOs), effectively closing the door to directly working with informal grassroots institutions, such as Village Savings and Loans Associations (VSLAs), which serve many of the poorest households, and women in particular. IFAD has assisted VSLAs through grant assistance for Uganda Women's Efforts to Save Orphans (UWESO).
8. The CPE found limited synergies among different projects and also within the local government-executed rural development projects; for example, some of the operations supported a community access road in one sub-county, introduced pineapple production in another sub-county, and a maize mill in a third sub-county, without sufficient consideration for their integration. Similarly, the development of SACCOs has not been directly linked to economic activities, but followed an administrative target of setting up one SACCO per sub-county. Support for the oil seed sub-sector has better integrated the different project activities.
9. In addition to the innovative partnership with the private sector for oil palm, IFAD has a strong partnership with the Government and has started to develop solid collaboration with grassroots organisations for rural finance and oil palm development. IFAD has smooth communication and cooperation with several Government institutions, although the CPE underlines there might be scope for further strengthening the role of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), so that it plays a more central role in promoting smallholder agricultural development. The Fund has developed good partnerships with key multilateral and bi-lateral organisations, such as the World Bank and African Development Bank. Partnership with FAO and WFP has however been on the whole lacking. Opportunities for cooperation with the other Rome-based food and agriculture UN agencies could be explored more proactively in the future.
10. IFAD made a fairly useful contribution to policy dialogue till around 2006, for instance, by taking part in a number of donor working groups and government policy processes (e.g., the development of the Plan for Modernisation of Agriculture). However, it has had less opportunity to get involved in policy dialogue in recent years, largely due to the need to focus more on direct supervision and implementation support introduced in 2007. Another reason for moderately satisfactory results in policy dialogue relates to the ambitious objectives set in the COSOPs, which did not adequately take into consideration the level of human resources at IFAD's disposal to ensure effectiveness in this area.
11. Knowledge Management (KM) did not receive much space in the two Uganda COSOPs of 1998 and 2004, but more attention has been devoted in recent years. Greater emphasis has been given to KM activities since 2006, such as by the establishment of the Country Programme Management Team (CPMT) that facilitated exchange of knowledge among key partners, development of fact sheets about IFAD-supported activities in Uganda and, more recently, the hiring of a Knowledge Management and Communication Consultant in the IFAD Country Office in Kampala. KM also gained more momentum in recent years with the hiring of a dedicated knowledge management expert in ESA at IFAD headquarters in Rome, who has, among other

- activities, assisted in organising thematic workshops and related learning events also covering the Uganda country programme.
12. Portfolio performance is by and large satisfactory. IFAD-assisted projects have delivered results, especially in small-scale infrastructure, crop development (e.g., sunflower, oil palm), extension and advisory services, gender mainstreaming, and strengthening of community organisations. Overall, apart from one of the nine projects covered by the CPE, the overall achievement of all projects in Uganda are moderately satisfactory, with opportunities for further improvements in some areas.
 13. Sustainability received the lowest rating across the portfolio. Sustainability indicators for the SACCOs and their apex organisation are weak. Some community access roads are not being adequately maintained. Some of the agro-processing facilities supported through matching grants and leasing arrangements have not been accompanied by sufficient investments in developing the entrepreneurial, management and technical skills for the operation of the facilities. There are also other concerns related to sustainability, such as the lack of clarity of institutional arrangements and responsibilities for post-project upkeep.
 14. There are some challenges related to Country Programme Management. The IFAD Country Programme Manager (CPM) for Uganda is based in Rome, with a national Country Programme Officer (CPO) located in Kampala since around 2006. The Kampala office also includes an Associate CPM deployed in 2011. The main concern raised by the evaluation regarding country programme management is the relatively limited time and resources available to IFAD staff to make a serious contribution to policy dialogue, KM and partnership building, which combined are essential ingredients for IFAD's scaling up agenda. One of the reasons for this is the substantial increase in time and effort (since 2007) required for direct supervision and implementation support for the four projects directly supervised by IFAD, including attention to processing withdrawal applications and ensuring due diligence of procurement activities.
 15. Although direct supervision and implementation support is highly appreciated by GoU and other partners, the risk is that direct supervision changes the balance in favour of administration, financial management and procurement at the cost of the developmental work and expertise that government clearly seeks from IFAD. The CPE notes that direct supervision and implementation support contributes to better knowledge among IFAD staff of the ground realities, which can contribute to strengthening the Fund's effectiveness in conducting evidence-based policy dialogue. However, more time and space will have to be devoted in individual work plans for deeper engagement in policy processes.
 16. Given the evolution of IFAD's operating model in the past few years, the particularly large portfolio, the vibrant donor community at country level, and the need for more active and timely follow-up, dialogue and communication with partners and stakeholders, the CPE considers that IFAD should strengthen its Country Office, including considering the outposting to Kampala of the Uganda CPM, currently based at IFAD headquarters in Rome. .
 17. Finally, with regard to portfolio management, given the country risks related to accountability and adherence to good practice procedures for financial management in general, this is an area that will merit serious consideration moving forward.

C. Recommendations

18. Based on the findings and the analysis summarised above, the CPE presents five recommendations. GoU and IFAD Programme Management Department agreement on how these recommendations will be implemented are outlined below.

Recommendation 1: Expansion of the geographic coverage of IFAD operations to the northern region

19. The CPE recommends that, during the COSOP preparation process, IFAD and GoU identify and discuss the opportunities and constraints of investments in the northern region. Depending on the outcome of this analysis, as well as on the evolution of the region's rapidly evolving socio-economic situation over the next few years, this could be done under the overall coordinating framework of the Peace, Recovery and Development Plan, recently extended for another 3 years up to end-2015, as well as through investment project(s) that broadly contribute to furthering the development of the region, such as the on-going investment in the oilseeds sub-sector under VODP2.
20. The rationale for IFAD investment in the north is primarily justified by the very high poverty incidence in the region, where 80% of the population is living under the poverty line and is recovering from a conflict situation. However, as discussed in the CPE stakeholders' workshop, considerable aid investment is being planned for that area of the country over the next few years. IFAD and GoU will continue discussions on whether or not an IFAD investment is justified in view of the evolving situation in the north. Alternatively, IFAD investment would be directed towards other areas of the country, always following poverty criteria, such as the eastern region, where the greatest number of poor people is found and the poverty density is 8 to 10 times higher than in the north, due to higher population density, although only about 20% of the population is living under the poverty line.
21. **Deadline:** Investment opportunities identified and agreed as part of the COSOP 2013-18, with envisaged financing from IFAD 2013-15 Performance-Based Allocation for Uganda.
22. **Responsible Entity:** IFAD and GoU.

Recommendation 2: Support to commodity value chain development

23. Building on the success of VODP and its innovative public-private partnership, the CPE recommends that IFAD and GoU explore opportunities for promoting value chain development in specific sub-sectors in Uganda. In particular, it is recommended that during the COSOP preparation process, IFAD and GoU undertake a thorough analysis to determine which commodity value chain should be given priority. Moreover, the CPE recommends that efforts should be invested in exploring additional and alternative forms of public-private sector partnerships (PPPs) at different stages in the value chain, including with small and medium enterprises, commercial banks, as well as with larger private sector entities.
24. In the framework of the Agricultural Sector Development Strategy and Investment Plan (DSIP) – 2010/11-2014/15, MAAIF, with support from and in consultation with the development partners engaged in the agricultural sector, has undertaken a thorough analysis of various crops and sub-sectors to identify their economic potential. The results of this analysis provide orientations to GoU and development partners, including IFAD, for future investment in agriculture. In addition to continuing investments in the vegetable oil sub-sector (oil palm and oil seeds) as a priority, IFAD and GoU will identify other opportunities for investment in specific crops and value chains, based on the results of the above analysis, the agro-ecological potential of the selected geographic area of intervention and the expected pro-poor impact. This work will be undertaken during 2013-15, in line with the timetable of the on-going dialogue between GoU and development partners, in which IFAD is participating. PPPs will be given a prominent role at strategic level in the elaboration of the COSOP. Concrete PPPs opportunities will be identified and developed at design stage.
25. **Deadline:** Prominence given to value-chain approach and PPPs at strategic level in COSOP 2013-18. Identification of concrete opportunities for commodity/value-chain development and PPPs at design stage as appropriate.
26. **Responsible Entity:** IFAD and GoU

Recommendation 3: Definition of a realistic and appropriately resourced agenda for policy dialogue

27. The CPE recommends that, during the preparation of the next COSOP, IFAD and GoU define realistic objectives for policy dialogue and specify areas where IFAD will play a lead supportive role, in partnership with other development partners, to improve the agriculture-related policy environment. In this context, "policies" should be broadly perceived to include laws and regulations, national policies/strategies in agriculture and rural development, institutions and their functions, or just approaches and ways of doing things. The development of a joint policy dialogue agenda should be supported by relevant analyses and should largely focus on areas where IFAD can contribute relevant experiences from its work in Uganda and other countries.
28. Specific areas for policy dialogue will be identified as part of the COSOP formulation process. As the policy environment is constantly evolving, additional areas for policy dialogue will be identified during COSOP implementation, and COSOP annual reviews will be the opportunity to review and adjust the objectives.
29. **Deadline:** Identification of areas for institutional and policy dialogue as part of COSOP 2013-18.
30. **Responsible Entity:** IFAD and GoU

Recommendation 4: Further strengthening of project results

31. The CPE identifies specific measures that IFAD and GoU can implement to ensure the further improvement in project results, from moderately satisfactory to satisfactory or highly satisfactory in the future. This would also contribute to enhancing COSOP level effectiveness. The following four areas need particular attention to improve the results in the future: (i) ensuring due synergies among activities within and across projects financed by IFAD in Uganda, so that they can contribute to even more positively impacting on the lives of the rural poor; (ii) increased focus on enhancing results in two impact domains where the CPE found performance to be overall moderately unsatisfactory; namely, natural resources and environmental management, as well as human and social capital and empowerment; (iii) improving the sustainability of project benefits by, *inter-alia*, preparing exit strategies early on in implementation, as well as strengthening capacity of key institutions; and (iv) paying more systematic attention to ensuring scaling up of innovations that have been successfully implemented in the context of IFAD-financed projects.
32. The above issues will be given high priority during the next COSOP period (2013-18), both at strategic (COSOP elaboration and annual reviews) and operational level (project design and implementation).
33. **Deadline:** Continuous during next COSOP period
34. **Responsible Entity:** IFAD and GoU

Recommendation 5: Functional and workload analysis as a basis for determining staff requirements and division of labour

35. The CPE recommends that IFAD undertake a functional and workload analysis to determine the administrative resources required to ensure that the next COSOP objectives are achieved in a timely manner. This entails assessing the human and budgetary resources available for managing the Uganda country programme, including for financial management and procurement purposes. The role and responsibilities of the IFAD divisions at headquarters in Rome involved in supporting the Uganda country programme should also be clarified and defined. As part of this process, the CPE recommends that IFAD actively consider strengthening the Uganda country office, including outposting the Uganda CPM.
36. IFAD is already undertaking an overall corporate process of functional and workload analysis, including at country office level, which is expected to produce a

comprehensive Strategic Workforce Plan (SWP). The results of this analysis will be used to assess the adequacy of the human resources available at country office level, review the division of labour in the country office and decide on an adequate annual budget allocation to ensure the achievement of the next COSOP objectives.

37. **Deadline:** Following the completion of IFAD corporate job audit and approval of SWP.

38. **Responsible Entity:** IFAD

Signed by:

H. E. Maria Kiwanuka
Minister of Finance, Planning and Economic Development
Republic of Uganda

Date:

and

Kevin Cleaver
Associate Vice President
Programme Management Department
IFAD

Date:

PBAS Calculation for COSOP Year 1

Table 1 PBAS calculation for COSOP year 1

<i>Indicators</i>		<i>Scores</i>
A(i)	Policy and legal framework for rural organizations	4.25
A(ii)	Dialogue between government and rural organizations	4.25
B(i)	Access to land	4.5
B(ii)	Access to water for agriculture	3.5
B(iii)	Access to agricultural research and extension services	4.33
C(i)	Enabling conditions for rural financial services development	3.75
C(ii)	Investment climate for rural businesses	4
C(iii)	Access to agricultural input and produce markets	4
D(i)	Access to education in rural areas	4.75
D(ii)	Representation	4.67
E(i)	Allocation and management of public resources for rural development	4.5
E(ii)	Accountability, transparency and corruption in rural areas	3.75
Sum of combined scores		184
Average of combined scores		4.19
PAR rating 2012		5
IRAI rating 2011		3.77
Annual allocation 2013 (US\$ million)		22.44

Table 2 Relationship between performance indicators and country score

<i>Financing scenario</i>	<i>PAR rating (+/- 1)</i>	<i>Rural sector performance score (+/- 0.3)</i>	<i>Percentage change in PBAS country score</i>
Hypothetical low case	4	3.89	-21%
Base case	5	4.19	0%
Hypothetical high case	6	4.49	23%

Project Pipeline during the COSOP Period

Concept Note 1

Project for Financial Inclusion in Rural Areas (PROFIRA)

A. Justification and Rationale

1. Formal financial service providers still reach less than 25% of the rural population of Uganda, while almost 50% use informal financial arrangements and more than 30% remain unbanked. In this situation, financial inclusion is a key element of any strategy aimed at reducing poverty in rural areas. At the same time, in addition to basic inclusion, there is a parallel need for improved and more diversified services to rural clients, to support the transformation of the rural economy.
2. Financial inclusion is one of the key pillars of Uganda's efforts to eradicate poverty and stimulate rural growth. It is thus expected to constitute a key cornerstone of the new rural finance strategy being elaborated by MFPED. For the IFAD Strategic Framework 2011-2015, increasing the capacity of different kinds of financial institutions to provide a broad range of financial services is one of the key instruments to enable poor rural people to overcome poverty. Consistently, the new IFAD Country Strategic Opportunities Programme (COSOP), currently under elaboration, identifies the increased access of the rural population to financial services as a key strategic objective.
3. Against the above background, there are a number of opportunities and developments in the Ugandan financial sector that justify IFAD investment:
 - The new strategic and policy framework, currently being finalized, is expected to be oriented towards a market-driven development of the sector. BoU's recent growing interest on the microfinance sector for financial inclusion provides important investment and partnership opportunities in critical areas for IFAD such as financial literacy, financial customer protection and financial innovation. Furthermore, the Government has finally realized the importance of regulating the lower end of the financial service supply and MFPED has recently presented to the Cabinet a paper on Tier 4 regulation.
 - Financial institutions are showing increasing interest in expanding their outreach to rural areas. Some tier 1 and 2 institutions are developing interesting approaches in rural operations. While the growth of MDIs and credit-only MFIs has been slower than expected, partly due to the non-supportive policy framework of the last few years, many of them are in good financial condition and have aggressive plans for rural expansion. Rural SACCOs have substantially increased outreach, while sustainability represents a potential challenge. Community-based savings and credit mechanisms have had a positive impact on financial inclusion and offer tremendous opportunities for scaling up.
 - There is a large number of local organisations focusing on providing support to rural and microfinance operations. Support to the demand of capacity building services from MFIs and SACCOs is likely to vitalise the operations of these providers and improve the quality of their capacity building products.
 - Various support instruments, in which IFAD commonly invests in Sub-Saharan Africa, are already operational in Uganda with adequate funding from other donors or local support organisations. These include guarantee funds to expand rural portfolios and credit lines to boost agricultural lending.
4. The implementation of RFSP has generated a number of lessons learned, which have created a consensus the Government and IFAD on how to continue to jointly support financial inclusion through: a diversified supply of financial services to respond to the different needs; working with different implementing partners for better quality services and wider impact; ensuring an appropriate regulatory framework for Tier 4

institutions in the interests of their sustainability and of safeguarding the savings of poor people; promoting member-based financial institutions as the first point of entry to financial services for a large segment of the rural population; safeguarding the savings-first nature of community-based financial institutions; and pursuing outreach through sustainability of the supported institutions.

5. The new project would also be an opportunity to respond to some of the key conclusions and recommendations of the recently concluded Country Programme Evaluation, which emphasized the need to: improve synergies among projects financed by IFAD in Uganda; support the development of evidence-based policy dialogue; focus on human and social capital/empowerment; prioritize areas with high poverty incidence and density, such as the northern region; and explore additional forms of public-private sector partnerships.
6. The GoU and IFAD have therefore agreed to jointly design a new intervention supporting the development of rural financial services for financial inclusion. The timing is opportune for a project that builds on such earlier support interventions as RFSP, but at the same time reflects the changing policies and market conditions in Uganda. The proposed Project for Financial Inclusion in Rural Areas (PROFIRA) is planned as a seven-year intervention, with the implementation starting at the beginning of 2014.

B. Geographic Area and Target Groups

7. PROFIRA would be a national project in scope, supporting improved access to appropriate financial services in all rural districts in Uganda. The target group would be the low-income population living in the rural areas and having no or limited access to financial services. While some investments of the project would be specifically targeted to those areas where the poverty incidence or density is higher, such as the northern and eastern regions, some other investments will follow a purely demand-driven approach and will thus not be geographically targeted. Innovative project activities are likely to be initially piloted in the more dynamic zones of the country where there is a greater amount of trade, business and rural economic activity. Mechanisms will be envisaged to ensure a relatively even geographical spread.

C. Key Programme Objectives

8. The development goal of PROFIRA is *to increase income, improve food security and nutrition, and reduce vulnerability of the rural population*. Central to achieving this goal and as the overall objective of the Programme, PROFIRA would *improve access to and use of appropriate and sustainable financial services by the rural population*. Three main outcomes are expected: (i) *at least 40,000 new savings and credit groups created and sustainably providing services to their members*; an incremental 800,000 to 1 million members (at least 60% women) would be reached, which would represent a substantial scaling-up of a methodology that is estimated to currently benefit about 300,000 people; (ii) *at least 300 existing SACCOs supported to improve their operations and sustainably provide services to their members*; while this target represents only about 50% of the SACCOs currently supported through RFSP, the scaling-up element will be in the increase of membership of the individual SACCOs, from the current estimated 700 to 2,000 members meaning at least 600,000 members (50% women), of which 60% would be new members; and (iii) *new and innovative approaches and products for the provision of appropriate financial services to rural areas identified, tested and mainstreamed by financial service providers*; at such an early stage of the design process, it is indicatively estimated that an incremental 500-600,000 clients will be reached through this component.

D. Ownership, Harmonization and Alignment

9. **Government.** PROFIRA is fully aligned with the overall strategic framework set by the NDP. Enhancing access to financial services in rural areas is a key building block of the strategy of the Government to transform Uganda from a peasant to a modern society, in particular given the key role expected to be played by the private sector in this respect. While PROFIRA is not aligned with the current official RFSS, due to the exclusive focus of the latter on SACCOs, there is large consensus among senior policy makers that this strategy is obsolete and that the ongoing process of review will produce new strategic orientations based on a more market-oriented approach, emphasising the use of various types of microfinance delivery channels and institutions for increased rural outreach as well as the focus on institutional sustainability. These are the key principles driving the design of PROFIRA. Continuous dialogue with policy makers will be maintained to ensure that the design of PROFIRA will be fully aligned with the new rural finance strategy, expected to be approved by the last quarter of 2012.
10. **Development partners.** The engagement of development partners in the rural finance and microfinance sectors has been influenced by the pattern of policy changes during the last decade. While by the early 2000s, several development partners were very active, encouraged by a conducive policy framework, most of them, with the notable exception of IFAD, gradually withdrew after the policy change in 2006-07. The current indications about the likely return to a more market-oriented policy framework, have made the key development partners to clearly re-gaining interest in the sector. Various large-scale support programmes, including from WB, DfID, USAID, GIZ and EU are currently in the planning or early implementation stages and most of them will be implemented during roughly the same period as PROFIRA. This creates opportunities for partnerships that will be further explored during design. At the same time, there is an increasing need for coordination among development partners and with the Government. In this respect, the current Private Sector Development Partners' Group, of which IFAD is an active member, is expected to play an important role, perhaps through the creation a special group on rural finance. Similarly, a revitalization of the Microfinance Forum (MFF) chaired by the MFPED and very active in the early 2000s is expected to create the space for dialogue among the different stakeholders.

E. Components and Activities

11. PROFIRA would consist of three main components plus one component dedicated to programme management (see below section H).
12. **Component 1: Support to Community-Based Financial Mechanisms.** In support of Government's financial inclusion targets, PROFIRA would make a large-scale investment in scaling up the establishment of community-based financial institutions following the Village Savings and Loan Association (VSLA) model, a methodology that has proven particularly popular and successful. VSLAs promote group-based savings and loans at a level of intermediation that is too low for more formal financial institutions. Groups decide on their own savings and loan terms with no injection of external funds. They are considered excellent first entry points for the rural population to financial services, from which the members can then graduate to more advanced services by formal institutions. Project funds would be used to commission professional service providers, selected through competitive bidding, to establish sustainable VSLAs in a given geographic area. There are over ten operators in Uganda that establish VSLAs on a contract basis, many of which have the capacity to expand the volume of their operations. At the same time the project would proactively work to attract more formal institutions to link with these groups to offer more advanced financial services.
13. **Component 2: SACCO Capacity Building Fund.** Under RFSP, large-scale support has been provided to SACCO development in Uganda. The experience of the past few

years has shown that SACCOs have an important role to play in financial intermediation in the rural areas, and in the past few years their outreach has increased in rural communities. However, there is a clear need to focus any future assistance to those SACCOs that show genuine potential for sustainable operations. The support method for the SACCO sector needs also to be revisited, moving away from the *current* one-agency approach to a situation in which the SACCOs would have more flexibility when selecting the agencies for their capacity building and institutional development operations. A SACCO Capacity Building Fund would thus be established to provide matching grants to those SACCOs that fulfil some criteria for performance and sustainability. These matching grants would be used to procure from the market capacity building services tailored to the needs of the beneficiary SACCOs. Detailed procedures and eligibility and funding criteria for the capacity building grants would be developed during the design process.

14. **Component 3: Rural Innovation and Outreach Fund (RIOF).** To stimulate rural finance innovations and increase the presence of the financial service providers in rural areas, the RIOF would provide matching grants to any types of financial service providers based on project proposals to develop innovative approaches/products that target rural areas and to expand their service provision in currently underserved rural areas. Discussions with the stakeholders in the rural finance sector indicate that the demand for the RIOF support would be strong. Matching grants would be approved based on transparent calls for concept notes followed by detailed proposals by the selected applicants. Upon approval of a grant, a Memorandum of Understanding would be signed, detailing the obligations of the grant recipient and the project in the implementation of the activity/project. Detailed eligibility, funding criteria and guidelines would be developed during the design process.
15. As the processes influencing the rural and microfinance strategic and policy frameworks are adequately supported by other donor organisations, no specific policy support component or sub-component has been envisaged at this stage. The opportunities for it will be further explored and discussed with GoU during the detailed design, especially in relation to the regulatory framework for Tier 4 institutions and the possible envisaged establishment of a Regulatory Authority. In any case, based on the positive experience of RFSP, PROFIRA will be designed to continuously provide evidence to stimulate relevant policy discussions and fora at national level.

F. Costs and Financing

16. The project costs would be elaborated as part of the detailed project design. IFAD financing would be USD 30 million from the PBA for Uganda for the cycle 2013-15, currently estimated at USD 70-80 million.

G. Organization and Management

17. The MFPED will be the lead implementing agency of PROFIRA. Following the same implementing arrangement used for RFSP the management of the project will be delegated to a professionally strong, competitively recruited project unit, set up as an independent body with its own powers and authority, but under the umbrella of and fully accountable to MFPED. The unit will assure the standard planning, coordination, monitoring, evaluation and financial management functions. Implementation of project activities would be through service providers and financial institutions on the basis of performance-based contracts. A project steering committee, chaired by MFPED and comprising representatives of both the GoU and the private sector, will be created to oversee project implementation.

H. Monitoring and Evaluation Indicators

18. A comprehensive M&E system would be elaborated during design and further refined at project inception with the aim of ensuring the generation of reliable information for timely and accurate planning and decision-making, as well as reporting on outcomes and impact. The system would be organized at three levels: outputs,

outcomes and impact (see Logframe in Annex 1). It will be fully consistent with the results framework being developed as part of the RB-COSOP elaboration.

I. Risks

19. The key risks identified at this stage of the design, as well the envisaged mitigation strategies, are discussed below:
- While policy-makers have confirmed that a new strategy, consistent with the basic design principles of PROFIRA, is being formulated, there is still some uncertainty in this respect. The Government's commitment to the project's implementation approach, although already formally agreed with MFPED senior management, will continue to be discussed during the design process as a condition to proceed to the final approval of the loan.
 - The risk of political interference is present in any government-linked operation. This might adversely affect the operations of the supported financial institutions, in particular the community-based financial ones, such as SACCOs and savings and credit groups. The use of demand-driven selection mechanisms and private sector service providers as implementation agents is expected to reduce the risks of favouritism or political patronage.
 - In Uganda's rural finance sector, it might be difficult to find adequate numbers of appropriate institutions to participate to the demand-based activities. At design, a relatively comprehensive survey of the institutions in the sector will indicate the likely demand for the services of the proposed demand-based components and will allow an appropriate sizing of the financial resources allocated to each component.

J. Timeframe

20. The proposed project design timeframe is as follows:

Sept 2012	OSC – Approval of Concept Note
Sept-Oct 2012	Detailed design
Dec 2012	QE
Jan-Feb 2013	Final Design
June 2013	QA
Sept 2013	EB Presentation

K. CPMT Composition

21. An in-house CPMT has already been established, with participation of the ESA Director, the Regional Economist, the PTA Lead Advisor, the officers from LEG and CFS in charge of Uganda and some CPMs from the region with experience in the country as well as in implementation of similar projects in other countries. The CPMT has already reviewed the Identification Report produced in June.
22. A Project Reference Group (in-country CPMT) has been established under the chairmanship of the Commissioner for Microfinance (MFPED), with participation of senior officers from key Government (BoU and MTIC), private sector (AMFIU, UCA, UCSCU and UBA) and development partners (representative of the Private Sector Development Partners' working group). The Group will steer the process of design and eventually constitute the basis for the future Project Steering Committee.

Concept Note 2

Programme for the Restoration of Livelihoods in the Northern Region (PRELNOR)

A. Justification and Rationale

1. IFAD investment in the North is primarily justified by the widespread poverty in the region, by far the poorest in Uganda, with poverty incidence consistently above 40% and in many districts exceeding 60%, thus well above the national average of 25%. The region is currently recovering from a conflict situation lasted more than 25 years, caused by the rebels of Lord's Resistance Army (LRA), with peace finally restored in 2009. In this respect, the new project would be consistent with one of the key recommendations of the recently concluded CPE, as reflected in the Agreement at Completion Point signed between IFAD and the Government of Uganda.
2. The region is one of the areas in the country most exposed to climate-related risks. At household level, Northern Uganda registers the highest percentage of households affected by more than one climate-related disaster, because of prolonged droughts and floods that have occurred concurrently in the region, with increased frequency in the recent years. Rainfall variability is also increasing, as is the overall temperature. All these climate-related factors are greatly impacting upon natural resources, agricultural production, water and the livelihoods of the communities.
3. In spite of the above, Northern Uganda presents great potential for climate resilient agricultural development as a pathway out of poverty. This is due to the following key factors: a) an average land holding of 10.5 acres per household compared to the national average of about 5 acres per household, which presents opportunities for expansion and diversification of agricultural production; b) fertile soils and reliable rainfall, which allow in most cases two cropping seasons, although in recent years the region has been subjected to increased risk of flooding and rainfall variability; c) the area is relatively flat with gentle rolling hills which, coupled with soft soils, present great potential for the development of appropriate technology, such as animal traction, although with a risk of increased erosion if not properly managed; and d) the accelerating regional trade to countries like South Sudan and the Democratic Republic of Congo.
4. IFAD, being a recognized lead agency in smallholder agricultural development, is well placed to promote investment and build community institutional capacity to lay the foundations for the process of structured development of agriculture in Northern Uganda on which other development partners can build. Over the years, IFAD has gained a wealth of experience that gives it a comparative advantage in these areas, vis-a-vis other partners. The proposed Programme will support the capacity building and institutional strengthening necessary for a long-term development of agriculture in the region. Given the importance of climate variability and change in the region, particular emphasis will be given to enhancing the climate-smart nature of farming systems, as well as to increase resilience to environmental pressures, through appropriate adaptation measures.
5. Some key lessons from the IFAD's experience in Africa and other parts of the world in designing programmes in post-conflict situations will be given due attention in the Programme: the need to ensure participation and consensus-building, in particular by encouraging beneficiary participation and ownership during the different stages of the project, from design to implementation, monitoring and evaluation; the importance of avoiding any discrimination against the resident populations in host areas in order to facilitate the process of social integration; proper focus on equity and gender; attention to employment promotion, particularly for young women and men; support for capacity building and training; implementation of infrastructure work maximizing community participation; strong coordination with other development partners investing in the area.

B. Geographic Area and Target Groups

6. The proposed programme area is broadly defined at this stage as the Northern Region of Uganda, a vast geographic area including more than 30 districts. The selection of the specific districts of intervention, expected to be a maximum of 6-8, will be done during the detailed design phase, taking into account criteria such as: poverty incidence and density; climate vulnerability; the degree of disruption of rural livelihoods caused by the conflict; the potential for development of smallholder agriculture; the complementarities and synergies with other development partners' interventions; and the need for some geographic consistency.
7. The primary target group will be those households experiencing food and income insecurity, but with potential to take advantage of Programme interventions to improve their livelihoods in a sustainable manner. Special attention will be paid to inclusion of the poorest and most vulnerable sections of the communities, especially formerly displaced people, ex-combatants, women and the youth.

C. Key Programme Objectives

8. The overall goal of PRELNOR is to contribute to reduce post-conflict poverty, food insecurity and vulnerability of rural communities in the districts of intervention on a sustainable basis. This will be achieved through the Programme objective to restore the livelihoods of poor rural people by supporting the recovery of their farming systems, while laying the basis for longer-term sustainable development in the face of increasing climate related hazards and disasters.

D. Ownership, Harmonization and Alignment

9. The proposed Programme is aligned with the national objectives and priorities as outlined in the NDP, the Peace Recovery and Development Plan (a framework programme coordinated by the Office of the Prime Minister for the economic recovery of the Northern Region), MAAIF's Development Strategy and Investment Plan (DSIP) and the Ministry of Local Government's Sector Investment Plan's (LGSIP). Specifically, the Programme is consistent with the PRDP's third strategic objective, which aims at revitalisation of the economy through re-activating the productive sectors within the region, with particular focus on production and marketing, services and industry.
10. The Programme will develop synergies and complementarities with on-going activities of the relevant GoU and other donor-funded programmes/projects in the Programme area. These include: (i) the World Bank funded second phase of the Northern Uganda Social Action Fund (NUSAF2), which seeks to empower communities by enhancing their capacity to systematically identify, prioritize, and plan for their needs and implement sustainable development initiatives that improve socio-economic services and opportunities; (ii) the European Union (EU) funded Northern Uganda Agricultural Livelihoods Recovery Programme (ALREP), which seeks to ensure that the agricultural sector makes a substantial contribution to raising the prosperity for its war-affected population to a level at least at par with the rest of the country, and to increase economic growth. IFAD will seek harmonisation with other donors through the Northern Uganda Recovery and Development (NURD) donor group. Synergies will also be developed with other IFAD-supported programmes in the country like the second phase of the Vegetable Oil Development Project (VODP2), ATAAS and PROFIRA.

E. Components and Activities

11. PRELNOR will consist of three main components as indicated below. The details on the approaches and implementation arrangements will be elaborated during the design process.
12. **Component 1:** *Support to Restoration of Climate Resilient Farming Systems.* This will include recapitalisation of target group households with a package of basic agricultural inputs (seeds, tools, poultry and small ruminants) to enable them increase and diversify household agricultural production and food security promotion of appropriate technologies such as improved seeds and animal traction for increasing the acreage

under sustainable cultivation practices and reducing the workload especially for women; dissemination of improved land and water management practices; promote the adoption of climate change adaptation measures to increase the resilience of the farming systems. During the project design phase an appropriate stepwise mechanization strategy will be developed that will incorporate interventions that can build upon indigenous practices.

13. **Component 2: Support to Community-Based Institutions and Participatory Development for Economic Empowerment.** This will include interventions targeted at strengthening community institutions and farmer groups as a tool for empowerment of marginalized communities. Groups will be supported in the areas of adaptive extension, market access and simple agro-processing and value-addition, paying particular attention to their business and market orientation. The emergence of micro and small enterprises will be supported to create non-farm income earning opportunities. Members of the most vulnerable households will be supported to change their mind sets for self-empowerment. Security of land tenure will be improved by supporting participatory processes for land surveying, mapping, registration and certification, thus encouraging investments in sustainable land management practices.
14. **Component 3: Rural Infrastructure Rehabilitation and Development.** This component will aim at restoring public economic and agricultural infrastructure damaged or destroyed during the civil war and, where required, develop new climate resilient infrastructure that improves living and production conditions. The Programme would finance the improvement of selected community access roads linking villages to the main roads, thereby linking important crop producing zones to markets which will also help in reducing post-harvest losses. Lessons learned/experience from programmes such as DLSP, CAIIP, NUSAF2 and any other relevant interventions will be taken into consideration at design time. The Programme will also finance the introduction of small-scale irrigation facilities in selected areas with perennial water bodies in areas where it will be technically, socially, economically and environmentally feasible, to increase agricultural production through crop intensification and diversification.

F. Costs and Financing

15. The project costs would be elaborated as part of the detailed project design. Financing would be through an IFAD loan of about USD 30 million, an ASAP grant of about USD 10 million⁶ and further possible co-financing for another USD 10 million to be mobilized from co-financiers or otherwise covered by the balance of the IFAD PBA for 2013-15. Various funds for climate change adaptation, such as the Climate Change Adaptation Fund, the financing mechanism for the United Nations Convention for Combating Desertification (UNCCD), the United Nations Framework Convention for Climate Change (UNFCCC), and the new Green Fund will be targeted depending on the financing needs and opportunities identified at project design.

G. Organization and Management

16. Given the decentralized nature of the project and the strong focus on service delivery at district level, the Ministry of Local Government, which has a good track record of coordinating similar interventions, will be the implementing agency. A Project Management Unit (PMU) will be set up with a lean presence at the Ministry HQ in Kampala and most of its staff based in a field office in the programme intervention area, to ensure easy coordination with partners in the field and close follow-up at implementation. At the district level, the Chief Administrative Officer (CAO) will ensure integration and coherence with the District Development Plans. The PMU will support planning, implementation and financial management as well as coordination with relevant ongoing programmes/projects in the sub-region.

⁶ ASAP will support the integrated, step-wise approach to mechanization and crop diversification as the primary unit of project interventions, which is also instrumental for ensuring connectivity of assets (natural, social and economic assets) for maximum results and impact, as well as the scaling up of multiple benefit approaches for sustainable agricultural intensification.

H. Monitoring and Evaluation Indicators

17. Monitoring and Evaluation (M&E) will be undertaken at different levels to support effective implementation, maintain the Programme's focus and direction, and provide information for addressing constraints and ensuring delivery of outputs. A comprehensive project M&E system will be elaborated at design and refined at the start of the project, and will be consistent results framework being developed as part of the RB-COSOP elaboration. Some of the ASAP project selection criteria will also be adapted as appropriate indicators.

I. Risks

18. The risks identified at this stage and their mitigation measures are discussed below:
- The target area is just recovering from a devastating civil war that lasted for more than two decades. The perception that as long as Joseph Kony, the rebel leader, is still at large, the possibility of a return to hostilities cannot be completely ruled out, may create uncertainty among the communities and implementers on whether to commit to long-term investments/activities. The Government would need to keep up its relentless effort to prevent a return to hostilities.
 - The transition between emergency interventions and longer-term development interventions needs to be managed with a lot of care. Emergency interventions are associated with humanitarian, 'handout' assistance geared towards survival in the immediate to short-term, which may breed a dependency syndrome. Longer-term development interventions, on the other hand, facilitate the target group to be active participants in and beneficiaries from economic activities in a sustainable manner. However, the dependency syndrome could make the target group less willing to participate. Participatory approaches will be key in building confidence and ownership of the communities around the programme.
 - The capacity of the beneficiaries to sustainably absorb the different development interventions could be a limiting factor. This again, is associated with the conditions to which the majority of the target group were subjected during the course of the conflict. Capacity building and/or counselling for the different target groups would be necessary to create an environment that would enable the beneficiaries to actively participate in and sustainably benefit from the different interventions.
 - The implementation capacity of local governments is uneven and weakening, in particular in the Northern Region. A thorough analysis of capacities will be done at design stage to orient the strategic choices in terms of implementation arrangements.
 - Climate-related risks will be addressed through promotion of climate resilient agriculture, improved NRM as well as adaptation measures for agricultural investments.

J. Timeframe

19. The proposed project design timeframe is as follows:

- Mar/Apr 2014 First Design
- June 2014 QE review
- Sep/Oct 2014 Final Design
- January 2015 QA review
- April 2015 Executive Board Presentation

Key file 1: Rural poverty and agricultural/rural sector issues

Priority areas	Affected groups	Major issues	Actions needed
Access to agricultural advisory services and technologies	All smallholder producers	Limited outreach of NAADS; lack of inclusion/targeting of poorer farmers, women and youth by NAADS; unclear responsibilities and funding between MAAIF traditional extension system and NAADS; poor coordination between NARO and NAADS; difficult access to quality agricultural inputs (improved seed, fertiliser & other agricultural chemicals).	Improve outreach of NAADS; targeting of messages for poorer farmers, with special effort to include women, and female and male youth; clarify mandate and coordination of NAADS vs. traditional extension system; increase coordination between NAADS and NARO; promotion of private sector operators for input supply,
Soil fertility and environmental degradation	All smallholder producers	Low crop and livestock productivity; rainfall variability; declining soil fertility, soil erosion and land degradation; encroachment on forests and wetlands; climate change, land pressure and unclear land tenure systems.	Improved agricultural technologies for specific strategic crops integrated with sustainable land management practices, and rainfall risk coping strategies; attention to environmental conservation and climate change adaptation measures at plot, farm and community level; strengthening of district environmental land use management to protect wetlands and forest areas; strengthening of district land tenure administration secure land rights for smallholders.
Access to markets, value addition and rural MSMEs.	All smallholder producers	Remoteness of rural areas and lack of economic services in rural urban centres; low crop productivity and limited quantities for marketing and processing; lack of crop diversification; poor technical and business skills levels; limited bulking and primary processing at farm level; lack of access to financial services; poor enabling framework for private investment in rural areas (infrastructure).	Investments in community access roads and market centres in rural areas; increased production and quality of strategic agricultural crops; skills and agribusiness training for individuals and groups; promotion of rural organisations including producer and specific economic activity groups; improved access to rural financial services; strengthening local government capacity to create enabling local economic development framework; promotion of private sector investment in rural areas for input supply, crop marketing and primary processing.
Rural financial services	All poor rural households	Limited outreach and depth of supply; lack of financial products for agriculture; poor savings culture; lack of financial literacy among rural populations; poor understanding of governance and sustainability issues for membership-based financial organisations; lack of appropriate regulatory framework.	Promotion of savings culture; financial literacy training; savings and credit groups; establishment of viable and sustainable local rural financial service providers; linkages with formal financial sector institutions; development of appropriate financial products; governance training community-based financial service providers; appropriate regulatory framework for protection of savings and enforcement of good governance.
Marginalization of vulnerable households	Poorest smallholders, women and youth	Poorer HHs marginalised and not participating to mainstream economic and village activities; high vulnerability to falling into chronic poverty, particularly female-headed and widows; poor community planning and implementation; poor institutional human outreach for inclusion at grassroots level.	Household mentoring to empower marginalised HHs for participation into economic development; basic literacy and numeracy training; strengthening community development at district level; mainstreaming HIV, gender and youth issues into IFAD programmes.

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

Institution	Strengths	Weaknesses	Opportunities/threats	Remarks
Ministry of Finance, Planning and Economic Development (MFPED)	Responsible for national growth and development policy and prepares annual budget; coordination with development partners; accessible and open to dialogue	Relies on other ministries for initiatives; long time has been needed to develop policy and regulatory framework for rural finance		Not a line ministry; implementing ministry for rural finance
Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)	Key ministry for agricultural sector. Has been re-structured and partially re-located; Has completed its Agricultural policy document and its sector investment plan	Overly broad interpretation of its responsibilities; highly centralised; slow decision making, with slow operational follow-up on procurement/financial matters; re-structuring not complete, lack of full ownership of move; slow release of modern hybrid seed varieties. Many staff vacancies and high staff turnover	Shifts in political climate; limited field presence at district level; unclear division of responsibility with other bodies at district level.	Poor implementation capacity has led to decline in dev partner funding
Ministry of Local Government (MoLG)	Clear mandate to support de-centralisation and local governments; clear definition of roles and responsibilities; efficient and effective internal decision making processes	High turnover in top leadership; District splintering has weakened implementation capacity; sector approaches undermining local delivery capacity; Loss of local governments revenue source has undermined local financing capacity.	Ministry with strong implementation capacity and ability to fulfil annual targets; capable of taking on more responsibility	Project implementation success led to more funding from dev partners
National Agricultural Research Organisation (NARO)	Well-trained capable research scientists; variety of specialised research institutes and land for research trials; many new initiatives to make research more responsive to farmer needs and to bring research results to farmers	Seriously understaffed with gaps in key areas like sunflower and soybean; lack of lab facilities; a number of key research areas not covered; poor coordination with NAADS.	Working with NAADS under ATAAS for better integration of research with extension; needs to strengthen work for on-farm soil fertility and land management, and community landscape & NRM conservation and management	
National Agricultural Advisory Services (NAADS)	First phase completed with substantial lessons learned; qualified staff at district level; focus on private sector driven crop and livestock development and building linkages with private sector operators;	Unclear division of roles and responsibilities between DAO and NAADS staff at district level; financial accountability issues; lack of focus on poorer farmers.	2 nd phase funding assured under ATAAS with better integration with NARO;	NAADS is a highly politicized programme
Ugandan National Bureau of Standards (UNBS)	Semi-autonomous body with clear mandate to define coordinate and monitor food and input standards.	Insufficient staff and resources relative to enforcement of quality standards, low activity level, few standards set and managed	Good opportunity to address food safety standards and introduce controls for agricultural inputs	
District local governments (LGs)	Close to rural communities with good understanding of their constraints; awareness of marketing issues; committed	Insufficient rural infrastructure including roads, communications and power; unclear reporting lines to central ministries	With splintering of districts, insufficient staff; loss of revenue source so inadequate	There is lack of clarity between decentralised

	staff		funding;	and sector approaches
Organised private sector service providers	Driven by profit motive; experience; in-built control to ensure financial viability and sustainability; some risk taking capacity, determined by size of provider	Small no of large "stronger" providers and large no of middle level "weaker" providers; uncoordinated, conservative, lack of interest in investing in rural areas; little empathy with poor farmers, lack of financial transparency.	Private sector is open to innovative collaboration modalities with public sector; needs market and production of smallholders	Requires high inputs of project and IFAD staff time
Informal private sector service providers	Very competitive and risk taking; profit motivated, many players, responsible for trading and marketing major share of Ugandan agricultural production	Too much competition undermines margins and capacity to upscale; difficulty accessing financing; reputation of exploiting farmers	Challenge of working with many small businesses; has high institutional cost for projects; potential to bring big income gains to women and youth	Requires high inputs of project and IFAD staff time
National and regional rural organisations	Some national organisations like UNFFE, UCA and UCSCU supporting economic activities for smallholder farmers and rural people	Difficulty in assuring financial contribution from members and financial autonomy; dependence on donors; weak capacity and challenges to play advocacy role for needs and interests of rural producers and people	Need to identify clear areas of common interest and collaboration of partnerships; not necessarily representative of constituency being represented.	Each organisation needs detailed analysis at project design
Local level rural organisations	District Farmer Associations (DFAs) good autonomy and good partners for NAADS; helps members carry out income generating activities, bulk marketing and input purchasing.	Capacity and financing gaps; lack of agribusiness and financial management skills	Good mechanism for reaching poorer smallholders; potential to hold local governments more accountable	
Commercial Banks	Privatised, re-structured and credible private banking system	Limited outreach of rural branch offices; very high intermediation costs and costs to clients; little interest in clientele with small amounts	Need to improve linkages with lower level financial service providers and develop appropriate products.	
Microfinance deposit taking institutions	Credible alternative to commercial banks	More outreach in rural areas, lighter charges to poor clientele;		
Savings and credit cooperatives (SACCOs)	Good outreach to remoter areas	Lack of security for small savers; inexperienced committees leading to weak governance	Needs training for financial management and governance to become viable and secure	Highly politicized
Village savings and loan associations (VSLAs)	Good outreach for most vulnerable, usually women	Need to be re-constituted every year; limited range of financial products	Good mechanism to reach target groups who don't participate	

Key file 3: Complementary donor initiative/partnership potential

Agency (country strategy)	Priority sectors and areas of focus	Complementarity/synergy potential
World Bank (2011-2015)	<p>Key selected investment programmes relevant for IFAD:</p> <ul style="list-style-type: none"> • Eastern Africa Agriculture Productivity Project (EAAPP), regional programme supporting 4 countries for creation of centres of excellence in Cassava (Uganda), Dairy, Rice, Wheat, USD 30 M, 2010-13. • Agricultural Technology and Agribusiness Advisory Services (ATAAS) Programme, supporting NAADS and NARO, USD 127 M investment, 2010-16. • Technical Assistance to MAIIF to develop Non-ATAAS Investment Programmes and Projects, USD 1.6 M, 2012 (completed). • Non-ATAAS DSIP Project, supporting one of the investment areas identified (see above), still at early stage of design, about USD 40 M, due to start in 2014 for 5 years. • Second Northern Uganda Social Action Fund Project (NUSAF2), to improve income earning opportunities and basic socio-economic services in Northern Uganda, under PRDP, USD 100 M, 2009-14. 	<ul style="list-style-type: none"> • On-going co-financing of ATAAS (WB is cooperating institution): proactive engagement by IFAD in project implementation support for emphasis on targeting and inclusion in agenda for agricultural research and advisory services. • Lessons learnt from NUSAF2 to shape design of PRELNOR; potential partnership/co-financing and/or complementarities to be explored for PRELNOR in case WB will continue to invest in Northern Uganda after 2014. • Important partner for policy dialogue agenda: member of the Agricultural sector WG, chair of the Local Development Partners Group, and permanent co-chair of the Joint Budget Support Framework
African Development Bank (2011-2015)	<p>Key selected investment programmes relevant for IFAD:</p> <ul style="list-style-type: none"> • Community Agricultural Infrastructure Improvement Programme, 3 projects (CAIIP-1, 2 and 3), with MOLG, development and rehabilitation of critical economic and social infrastructure and increased agricultural productivity, total USD 190 M, last project to end in 2016. • Markets and Agricultural Trade Improvement Project (MATIP-1), with MOLG, rehabilitation and upgrading of markets in municipalities and town councils, USD 60 M, 2010-15. 	<ul style="list-style-type: none"> • On-going co-financing of CAIIP-1 (closing in 2013). • Opportunities for co-financing of other CAIIP projects, depending on geographic complementarity with other IFAD projects. • Complementarities of agricultural infrastructure investment by CAIIP with other IFAD investment. • Possibility to use partnership with AfDB and MOLG for the implementation of infrastructure component of PRELNOR. • Member of the Agricultural sector WG.
European Union (2008-2015)	<p>Key selected investment programmes relevant for IFAD:</p> <ul style="list-style-type: none"> • Two projects in Northern Uganda: (i) Northern Uganda Agricultural Livelihoods Recovery Project (ALREP), EUR 20 M, 2010-14; (ii) Karamoja Livelihoods Project (KALIP), EUR 15 M, 2010-14. • Small and Medium Agri-business Development Fund (SMADF), under design, creation of an investment fund targeting small and medium agri-business enterprises. 	<ul style="list-style-type: none"> • Lessons learnt from ALREP/KALIP (NB: livelihoods support) to shape design of PRELNOR; potential partnership/co-financing and/or complementarities to be explored for PRELNOR in case EU will continue to invest in Northern Uganda after 2014. • Strong potential for IFAD to be the implementing partner of SMADF for the EU (discussions on-going); strong complementarity with IFAD strategy to develop PPPs for market integration of smallholders. • Chair of the Agricultural sector WG

Danida, Denmark	<p>Support focused on: growth, good governance and human development. Key selected investment programmes relevant for IFAD:</p> <ul style="list-style-type: none"> • U-Growth: <ul style="list-style-type: none"> ○ Phase I – Public sector budget support (MAIIF/DSIP), Rural access roads, and Agri-business and private sector support (aBi Trust, with co-financing from SIDA, EU, Belgium and USAID), USD 88 M (of which USD 57 M in aBi Trust), 2010-13 ○ Phase II – PRDP support, Enabling environment (public sector), and aBi Trust, under formulation, USD 110 M, 2014-18. • Restoration of Agricultural Livelihoods in Northern Uganda (RALNUC), phase II, under PRDP, investment in public works and training/extension of farmers, USD 7 M, 2010-13. 	<ul style="list-style-type: none"> • Potential complementarities at project operational level between aBi Trust investment and IFAD-financed projects (e.g. ATAAS, VODP2) supporting smallholders. • Lessons learnt from RALNUC to shape design of PRELNOR; potential partnership/co-financing and/or complementarities to be explored for PRELNOR in case Danida will continue to invest in Northern Uganda after 2014. • Member of the Agricultural sector WG
GIZ and KfW, Germany	<p>Key selected investment programmes relevant for IFAD:</p> <ul style="list-style-type: none"> • GIZ - Financial Systems Development Programme, TA support to BoU: <ul style="list-style-type: none"> ○ Phase I – Enabling environment for the financial sector (policy and regulatory framework), Support to SACCOs in Lira District, Financial literacy and consumer protection (BoU strategy for financial inclusion), EUR 6 M, 2011-14. ○ Phase II – still to be determined. • KfW - Rural Finance Enhancement Programme (2012-15): <ul style="list-style-type: none"> ○ Rural Challenge Fund, matching grants for financial institutions financing SMEs and farmers in rural areas, EUR 8 M; ○ Refinancing facility, credit line for onlending to farmers and agri-business, EUR 6 M. 	<ul style="list-style-type: none"> • High potential for partnership under PROFIRA (being discussed) for policy and regulatory aspects (Tier IV) as well as for implementation of financial literacy strategy at SACCO level. • GIZ is a member of the Task Force overseeing the design of PROFIRA • Members of the Private Sector WG (including microfinance). • Potential complementarity of KfW programme with EU SMADF (to be explored)
The Netherlands Embassy	<p>Key selected investment programmes relevant for IFAD:</p> <ul style="list-style-type: none"> • Catalist – Uganda, support to cassava, potato, rice and sunflower value-chains, EUR 15 M, 2012-16. • Integrated Seed Sector Development (ISSD) for developing local seed businesses and improving enabling environment, EUR 5 M, 2012-16. • Agro-skilling in Northern Uganda, capacity building on agri-business skills, EUR 9 M, 2012-16 	<ul style="list-style-type: none"> • Potential for partnership with ISSD on enhancing access to improved seeds for oilseeds in Northern Uganda (VODP2) through local production and multiplication. • Member of the Agricultural sector WG
DFID, UK	<p>Key selected investment programmes relevant for IFAD:</p> <ul style="list-style-type: none"> • Uganda Financial Services Inclusion Programme, design on-going, implementation to start in 2014. 	<ul style="list-style-type: none"> • Discussions on-going on how to ensure synergies and complementarities of the new programme with PROFIRA – NB: DFID is a member of the Task Force overseeing the design of PROFIRA • Member of the Private Sector WG (including microfinance)
USAID, USA (2011-2015)	<p>Key selected investment programmes relevant for IFAD:</p> <ul style="list-style-type: none"> • Various support for NARO in biotech R&D, USD 7.5 M; • Livelihoods and Enterprises for Agricultural Development (LEAD) Project, to improve farming practices, enhance market access and strengthen relationships among value-chain stakeholders, USD 36 M, 2008-13. 	<ul style="list-style-type: none"> • Chair of the Private Sector WG (including microfinance) and co-chair of the Agricultural sector WG.

	<ul style="list-style-type: none"> • Support to aBi Trust, USD 20 M, 2011-13. • Partnership Innovation Fund, venture capital to leverage private sector investment in food security and bio-diversity, USD 17 M, 2012-16 • Support for policy and enabling environment for private sector, USD 7 M, 2012-15 • Public sector capacity building, institutional support for restructuring of MAAIF, USD 6 M, 2012-17 	
Bill and Melinda Gates Foundation	<ul style="list-style-type: none"> • Various support for use of mobile network technology to enhance provision of financial services (USD 7 M) and agricultural/market information (USD 8 M), in partnership with Grameen Foundation and MTN. • Support to Centenary Bank (through WB/AgriFin Project, USD 2 M) to increase its outreach to rural areas. 	<ul style="list-style-type: none"> • Potential complementarities with PROFIRA: access for SACCOs to mobile technology and partnership with Centenary Bank.
WFP (2009-2014)	<ul style="list-style-type: none"> • Agriculture and Market Support/Purchase for Progress (P4P), focused on developing market infrastructure, improving post-harvest handling and diversifying local purchases, to supplement food distribution schemes in Uganda and neighbouring countries, USD 46 M, 2009-14 	<ul style="list-style-type: none"> • Experiences working in Northern Uganda (P4P); piloted warehouse receipt systems.

Key file 4: Target group identification, priority issues and potential response

Typology	Characteristics and Poverty level	Coping Actions	Priority needs	Potential programme responses
Poorest smallholders (chronically poor) and most vulnerable households	Widowed, polygamous or orphan HH head; HH head with less than 3 years education; high dependency ratio (4 or more children and aged family members); scattered plots of less than 2ha, no livestock, mono-cropping; very low participation in groups and community; very limited productive assets (including land). Seasons of hunger; dependence on rain-fed agriculture.	Use of children as labour Polygamous male lives with better off wife Sale of assets and land during famine periods Girl children drop out of school early to marry.	Women need autonomous sources of income to pay school fees and children's needs; training in basic numeracy and literacy skills, income earning opportunity from agriculture or non-farm.	Household mentoring for self-empowerment;; Training in basic literacy and numeracy; simple business training; diversification and cash earning opportunities from agriculture, value addition and/or non farm activities; introduction to marketing; group formation and community participation.
Poor smallholders (transitory poor)	Male headed households with 5-6 years education, high dependency ratio (more than 4 children); wife(s) participating in some village activities; own 2 ha in better rainfall areas, 4-10 ha in semi-arid areas; some livestock, maybe off-farm activity; some crop diversification. Low crop productivity.	Both male and female HH heads engaged in some simple income earning activities; children may attend free primary school and still provide labour; have identified potential for income growth but unable to follow through; limited information about improved production and land use.	To keep children in school Improve productivity of existing enterprises, and develop new enterprises with better income earning potential; needs information and investment to expand, raise productivity, hire in labour, participate in markets.	Training in business skills and marketing; agricultural extension, use of inputs and labour saving technologies to improve crop productivity; access to markets; access to financial services for saving mobilisation and credit; participation in rural producers organisations; secure land rights, climate change adaptation measures.
Women and women headed households	Women from the poorest and poor farmer HHs and women headed HHs. Orphan caregivers. Unequal access to productive assets and resources (land, credit, etc.).	Use of children as labour; keeping children out of school; subsistence agricultural production; petty employment and sex trade.	HIV prevention, basic skills development and self-confidence. Livelihood activities which provide cash income to cover basic needs and children's school fees.	Household mentoring to help identify potential opportunities and equitable sharing of labour burden and income earnings; training in basic literacy and numeracy; business training; training in agricultural crop technologies; savings mobilisation through savings and credit groups and access to financial services. Sensitisation about HIV risks.
Youth	Both young men and women as they reach young adulthood	Petty employment for male youths, sex trade for female youth.	For all youth, HIV prevention; for young women, the avoidance of early pregnancy and school dropout, for young men employment or self-employment livelihood opportunities.	Business training, group development, development of off-farm enterprises, access to rural financial services for saving mobilisation and credit. Sensitisation about HIV risks.