



Investing in rural people

**Republic of Uganda**

**COSOP completion review  
2013-2020**

**February, 2021**

## **Contents**

### **A. Introduction**

### **B. Relevance**

### **C. Effectiveness**

- (i) Poverty Impact
- (ii) Gender Equality
- (iii) Youth Participation

### **D. S.O 1: Production, Productivity & Climate Resilience**

- (i) Production and Yields
- (ii) Extension Services and Farmer Training
- (iii) Agriculture Inputs and Improved Technology
- (iv) Security of Tenure
- (v) Natural resource management
- (vi) Adaptation to Climate Change

### **E. SO 2: Access to Markets**

- (i) Physical Infrastructure
- (ii) Market Linkages
- (iii) Private sector led market development and brokerage
- (iv) Farmer organisation (FO) strengthening

### **F. SO 3: Access to Financial Services**

- (i) Community-Based Financial Institutions
- (ii) Access to Finance
- (iii) Financial Regulation

### **G. Efficiency**

### **H. Sustainability**

### **I. Innovation and scaling up**

### **J. Policy engagement**

### **K. Knowledge Management**

### **L. Strategic Partnerships**

### **M. South-South Triangular Cooperation**

### **N. Partner performance**

### **O. Lessons Learnt and Recommendations**

## **Appendices**

- I. Results framework (at the time of design)**
- II. Results framework (from the last CRR) with progress**
- III. Ratings matrix**
- IV. Comments from government**

## Abbreviations and acronyms

4P	Public-Private-Producers Partnership
ASAP	Adaptation for Smallholder Adaptation Programme
ASSP	Agriculture Sector Strategic Plan
ATAAS	Agriculture Technology and Agribusiness Advisory Services
BDS	Business Development Services
BOPGT	Buvuma Oil Palm Growers Trust
CCR	COSOP Completion Review
COSOP	Country Strategic Opportunities Programme
CSPE	Country Strategy Programme Evaluation
CSCG	Community Savings and Credit Group
DFA	District Farmer Association
DLG	District Local Government
DLSP	District Livelihoods Support Programme
EU	European Union
GLTN	Global Land Tool Network
GoU	Government of Uganda
HH	Household
HLFO	Higher Level Farmer Organisation
IFAD	International Fund for Agricultural Development
KOPGA	Kalangala Oil Palm Growers Association
KOPGT.	Kalangala Oil Palm Growers Trust
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MFPEd	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MSP	Multi-Stakeholder Platform
MTR	Mid-Term Review
NAADS	National Agricultural Advisory Services
NDP	National Development Plan
OPUL	Oil Palm Uganda Limited
OSSUP	Oilseeds Sub-Sector Uganda Platform
PPP	Public-Private Partnership
PRELNOR	Project for Restoration of Livelihoods in the Northern Region
PROFIRA	Project for Financial Inclusion in Rural Areas
REACTS	Regional East African Community Trade in Staples
SACCO	Savings and Credit Cooperative
SMADF	Small and Medium Agribusiness Development Fund
SNV	SNV Netherlands Development Organization
SO	Strategic Objective
STDM	Social Tenure Domain Model
UCA	Uganda Cooperative Alliance
UCSCU.	Uganda Credits and Savings Cooperative Union
UGX	Uganda Shillings
UMRA	Uganda Microfinance Regulatory Authority
UNFFE	Uganda National Farmers Federation
UNSDCF	United Nations Sustainable Development Cooperation Framework
USD	United States Dollars
VODP2	Vegetable Oil Development Project Phase 2
ZARDI.	Zonal Agricultural Research and Development Institute

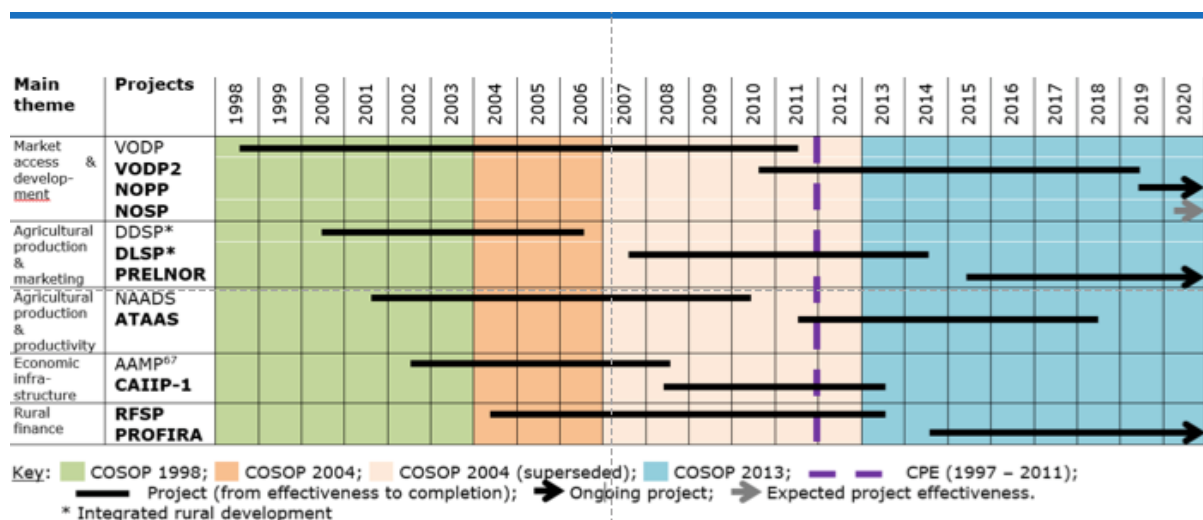


# **COSOP completion review**

## **A. Introduction**

1. The current results-based Country Strategy Opportunities Programme (RB-COSOP) for the Republic of Uganda was prepared and reviewed by the 108<sup>th</sup> Session of the Executive Board (EB) in April 2013, alongside a County Programme Evaluation (CPE) incorporating the findings from it in the proposed strategy. The RB-COSOP was prepared for a period of six years (2013-2018). In May 2018, a new RB-COSOP was being prepared for submission to the December 2018 EB. However, it was decided in discussions with the Government to fully align the COSOP with the National Development Plan III and the Agriculture Sector Strategic Plan (ASSP-III); both of which were to commence a new cycle in 2020/21. Additionally, the current Uganda United Nations Development Assistance Framework (UNDAF) is expected to complete in 2020 and therefore it was deemed that aligning the next IFAD COSOP with the new United Nations Sustainable Development Cooperation Framework (UNSDCF) would allow IFAD to develop its strategic framework in a manner that interfaces with the UN system, notably in the wake of the new reforms on country programming and align its country planning with those of the UNSDCF.
2. The COSOP was developed under the leadership of the Government of Uganda (GoU), in close collaboration with key Government institutions, development partners, civil society and the private sector. The overall goal of IFAD's country programme between 2013-2020 was to increase the income, improve the food security and reduce the vulnerability of the rural households living in poverty. This was pursued through three strategic objectives: (i) the production, productivity and climate resilience of smallholder agriculture are sustainably increased; (ii) the integration of smallholders into the markets is enhanced; and (iii) the access to and use of financial services by the rural population are sustainably increased. IFAD investments were designed to target: poor smallholder households who have the potential to commercialize their economic activities; and the most vulnerable households, who have limited livelihood options and are generally bypassed by development initiatives.
3. There were seven investment projects, which were designed or implemented during the current COSOP period from 2013-2020. The main investment areas of the projects was in agriculture productivity and production, marketing, rural finance and infrastructure. The specific activities focused on infrastructure, agricultural research and extension, sustainable land management and climate change adaptation, market access, value chain development, rural financial services, social inclusion. The total IFAD lending during this period was equivalent to USD 446.4 million with total financing by all domestic and international partners estimated at USD 677.082 million and project specific. Thus, the co-financing that IFAD was able to attract was 1:0.51. Regional and country grants available to the projects were worth around USD 6.448 million with an IFAD contribution of US\$5.86 million. A timeline of all IFAD financed projects is indicated in figure 1 below.

Figure 1: Timeline of IFAD Project-2013-2020<sup>1</sup>



4. The details of the on-going projects is presented in Table 1. Three of the projects are currently on-going while four have been closed. The three on-going projects are: (i) the Project for Financial Inclusion in Rural Areas (PROFIRA); (ii) the Project for the Restoration of Livelihoods in the Northern Region (PRELNOR); (iii) the National Oil Palm Project (NOPP). A fourth project, the National Oilseeds Project (NOSP), approved by the December 2019 IFAD Executive Board (EB), is awaiting GoU approval and is expected to commence implementation in Q3 2021.

Table 1: List of On-going and completed projects during the current COSOP (2013-2020)

Project	Effective date	Completion date	IFAD contribution	Total project Cost	% Disbursed	Agency
<b>District Livelihoods Support Programme (DLSP)</b>						
Loan 707, 783-UG, Grant 895, 1164-UG	Oct 2007	Dec 2014	USD 37.81 m	USD 40.90 m	99.9%	MoLG
<b>Vegetable Oil Development Project Phase 2 (VODP2)</b>						
Loan 806-UG	Oct 2010	Dec 2018	USD 52 m	USD 144.8 m	99.9%	MAAIF
<b>Oilseeds Sub-Sector Uganda Platform (OSSUP)</b>						
Grant I-R-1332-SNV	Dec 2011	Dec 2016	USD 1.14 m	USD 1.43	N/A	SNV
<b>Support to PPPs in IFAD supported Value Chain Projects (4Ps)</b>						
Grant	Feb 2015	Mar 2018	USD 2.3 m	USD 2.3 m	86.2%	SNV
<b>Agricultural Technology and Agribusiness Advisory Services (ATAAS)</b>						
Loan 815-UG	Nov 2011	Dec 2018	USD 14 m	USD 14 m (*)	100%	MAAIF
<b>Project for Financial Inclusion in Rural Areas (PROFIRA)</b>						
Loan 900 – UG	Sept 2013	Dec 2021	USD 29 m	USD 35.35 m	91.7%	MFPED
<b>Support to Uganda Cooperative Saving and Credit Union (UCSCU)</b>						
Grant	Feb 2015	Mar 2020	USD 1 m	USD 1.25 m	98%	CCA
<b>Project for Restoration of Livelihoods in Northern Uganda (PRELNOR)</b>						
Loan 947-UG, Grant 324-UG	Aug 2015	Sept 2022	USD 60.2 m	USD 70.9 m	62%	MoLG
<b>National Oil Palm Project (NOPP).</b>						
			USD 77.03 m	USD 210.442	9.9%	
<b>The National Oilseeds Project</b>						
			USD 99.56 m	USD 160.69 m		
<b>Relevant regional grants</b>						

<sup>1</sup> Prepared by the Country Programme and Strategy Evaluation Team. IOE. July, 2020.

<i>Strengthening capacity of East African farmer organisations through knowledge management and institutional development</i>						
Grant	2012	2015	USD 1.5 m	USD 1.5 m	100%	UCA
<i>Regional East African Community Trade in Staples (REACTS)</i>						
Grant	Nov 2014	Dec 2017	USD 0.92 m	USD 1.218 m	100%	Kilimo Trust
<b>Total Loans</b>			<b>USD 446.4 m</b>	<b>USD 677.08 m</b>		
<b>Total Grants</b>			<b>USD 5.86</b>	<b>USD 6.448</b>		

(\*) Note: Prior to MTR, the full ATAAS project amount was 665.5 million (m), jointly financed by IFAD, World Bank and GoU. The project was jointly implemented by NAADS and the National Agricultural Research Organization.

5. The IFAD portfolio has generally been implemented by three different Ministries; namely the Ministry of Finance and Economic Development (MFPED); Ministry of Local Government (MoLG) and the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF). During the period under review, the loan projects were implemented by the MoLG and MAAIF. The MFPED provided oversight and guidance to the portfolio in terms of the performance of the projects and the strategic priorities of the Government. The most recent project (NOSP) will be implemented jointly by MAAIF and MoLG. Grants were implemented by MoLG, SNV Netherlands Development Organization (SNV) and Canadian Cooperative Alliance (CCA). Two regional IFAD grants complemented some of the on-going projects, and were implemented by the Uganda Cooperative Alliance (UCA) and the Kilimo Trust.
6. An initial COSOP Results Review (CRR) was undertaken in March 2014, jointly with the MFPED; and a more comprehensive COSOP Mid -Term Review was undertaken in November 2015. Some of the findings of these earlier reviews have been incorporated in this final review. This review builds on feedback from the Government, implementing agencies and partners implementing the loans and grant financed projects. The completion report also builds on the initial field work, in-country visits and desk review of supervision reports, mid-term reviews and project completion reports. The team conducting the current review also benefited from the preliminary findings of the evaluation by the Independent Office of Evaluation (IOE) of a Country Strategy and Programme Evaluation (CSPE), undertaken in July-August 2020, jointly by a remote team supported by an in-country team.<sup>2</sup> A final wrap up meeting was held with Government remotely with MAAIF, MoLG and MFPED. The final COSOP completion review (CCR) was also finalized remotely due to the travel restrictions imposed by the COVID-19 pandemic.

## B. Relevance

7. ***The COSOP is rated as being highly relevant to the priorities of the country (5).*** The strategic objectives of the IFAD country programme has remained highly relevant to and consistent with Government strategies for rural poverty reduction and its strategic priorities for the agriculture sector. IFAD investments are fully aligned to relevant sectoral policies and harmonized with other development

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<sup>2</sup>Ms. Lakshmi Moola (Country Director guided the process. The team was led by Ms. Maliha Hussein (Rural Development Specialist and Agriculture Economist), and comprised of Ms. Paxina Chileshe Environment and Climate Specialist, Mr. Milton Ogeda (Agriculture Economist), Mr. Dagmawi Habte-Selassie (Rural Finance), Ms. Amandine Cremel (Youth Specialist-ESA) and Mr. Albab Ahmed (South-South Triangular Cooperation Analyst) and Mr. Pontian Muhwezi (Country Programme Officer).

partners' interventions. The COSOP is fully aligned to the 2011/12-2014/15 National Development Plan (NDP) and the NDPII (2015/16-2019/20)<sup>3</sup>, as well as the Agriculture Sector Strategic Plan (ASSP) 2015/16 – 19/20. Specifically, the NDP Objective 1 seeks to increase sustainable production, productivity and value addition in the agricultural sector (and two other sectors). Complimentarily, the ASSP targets transforming the agricultural sector from subsistence farming into commercialization through increasing production and productivity, and market access. The COSOP SO1 and SO2 directly contribute towards this, and strategies of value addition and agro-processing for industrialization and exports, as well as private sector led growth and strong public private partnerships (PPPs) are guiding principles for the NDP, the ASSP and for the COSOP. The COSOP targeting strategy also focused on poor smallholder farmers in the various projects and had a special geographic focus on Northern Uganda (with largely VODP2 Oils seeds sub-component and PRELNOR), as this is the region with highest percentage of poverty levels.

## C. Effectiveness

8. **The performance of the portfolio during the current COSOP period is rated as moderately satisfactory (4).** The COSOP's overall goal was to increase the income, improve the food security and reduce the vulnerability of the rural households living in poverty. The COSOP had three strategic objectives (SOs), as follows: (i); Sustainable increase in production, productivity and climate resilience of smallholder agriculture producers; (ii) integration of smallholders into the markets and (iii); increased access to and use of financial services by the rural poor.
9. **Outreach and Coverage:** The results as per original results framework proved to be rather ambitious in terms of outreach and had to be down-scaled at MTR. This was mainly due to the restructuring of some projects (ATAAS) and the delays, at start-up, in of others (VODP2 and PRELNOR). The initial portfolio targets were designed to reach 1.15 million rural households by 2022. However, until the middle of July 2020, 1.65 million households had been part of IFAD financed interventions (Table 2). This figure represents those who have actually received services and exceeds the targeted coverage. There may also be some overlap in reporting between the various projects, for example an oil seeds farmer could also participate in PRELNOR climate smart extension training or be part of a savings group supported under PROFIRA. Activities under PRELNOR reached out to participants in 491 targeted villages.

Table 2: Total outreach by projects  
(No. of households)

Project	Achieved outreach (31 Dec 2017)	Planned target (by year)
DLSP	329,480 (57% <i>m</i> /43% <i>w</i> )	200,000 (by 2014)
VODP2	90,070 (70% <i>m</i> /30% <i>w</i> )	139,000 (by 2018)
PROFIRA	1,101,778 (50% <i>m</i> /50% <i>w</i> /8% <i>y</i> )	750,000 (by 2021)
PRELNOR	127,890	155,000 (by 2022)
<b>TOTAL</b>	<b>1,649,218</b>	

<sup>3</sup> The NDP Vision was "a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years", specifically through: (1) 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 and promoting sustainable use of the environment and natural resources.



NOPP and NOSP have not been indicated here as their targets will be included in the COSOP-2021-2027.

### **(i) Poverty Impact**

10. All projects have contributed to increase in incomes of the smallholder farmers and the rural population, *although quantitative evidence in most cases only becomes available during impact evaluation*. The total number who benefit in terms of increase in food and nutrition security, income and asset increase are not rigorously tracked and cannot be explicitly reported. This notwithstanding, the recently concluded CSPE reported that there is good evidence of increase in assets and incomes across the portfolio. However, the nutrition impacts were less clear, especially among women and children. The CSPE also reported that the evidence base is affected by baseline and impact survey availability and quality. Attribution issues remain over the extent to which IFAD projects are responsible for gains observed. The evidence from some of the project completion reports provides some concrete evidence. The DLSP Project Completion Report indicates that a total of 329,489 households increased their asset ownership by 8.1% and the average area cultivated/livestock ownership increased by 22% and 10% respectively; but more concrete impact level information would have been desirable. A total of 1,300 harvesting oil palm farmers are currently earning around UGX 4.5 million (USD 1,300) per hectare and the project has had an impact on the whole island economy. A study<sup>4</sup> estimates that one additional mature acre of oil palm adds UGX 2.2 million to the Kalangala economy, UGX 800,000 of which goes to households that do not participate in oil palm production.
  
11. Some of the projects innovated in terms of expanding the scope of capacity building and awareness raising. PRELNOR provided training and capacity building in a range of cross cutting areas of GBV, Nutrition, and HIV/AIDS, group governance, Gender Action Learning System (GALS) methodology, financial literacy, extension approaches, good agricultural practices and natural resources management to support farmer groups. PRELNOR also provided a focused approach for mentoring households who were marginalised and covered 7000 vulnerable HHs by the end of July, 2020.<sup>5</sup> The approach has been hugely successful in transforming lives and has helped to increase ownership of livestock assets; improved food security and welfare (saving money from food sales, having 3 months food reserves); increased household participation in Farmer Groups and savings and credit groups; more households producing commercial crops (maize, groundnuts, soybean, and sorghum); improved gender relations in terms of joint planning and decision making on household expenditure. The outcome survey of the second cohort also showed improvement in hygiene and sanitation with latrine coverage increasing to 90% from 72% at baseline, bath shelter is 78% compared to 63%, and ownership of kitchens is 85% compared to 53% at baseline. The household mentoring approach is now being replicated in other IFAD financed projects in the country. A review of the outcomes organized around the COSOP's three SOs is elaborated in the sections below.

### **(ii) Gender Equality**

12. **The projects in the portfolio are rated as moderately satisfactory with reference to gender participation and empowerment (4).** Gender capacities,

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<sup>4</sup> Taylor, J.E., Whitney, E., and Zhu, H., *Local Economy-wide Impact Evaluation of the Kalangala Oil Palm Project*, University of California, Davies, Draft Final Report, 17 February 2018

<sup>5</sup> Supervision Mission Report. PRELNOR, July, 2020. IFAD

analysis and guidelines vary across projects. There has been a significant increase in gender balanced participation in groups and organizations supported by IFAD financed projects. The CSPE reported that women form about 50% of beneficiaries and participation rates are between 30%-50% in specific project activities, facilitated by affirmative action quotas.<sup>6</sup> Women’s voice, self-worth and influence in decision making increased depending on context. Women reported increased income and decision-making with regards to disposal income based on their personal visions.<sup>7</sup> Training and dialogue using GALS, and HH mentoring has led to positive changes in social norms. However, HH methodologies and GALS are not systematically applied in all projects.<sup>8</sup> Projects collect data on gender /sex disaggregated data systematically.<sup>9</sup> However, there is limited evidence on the extent of changes to women’s workload.

### **(iii) Youth Participation**

13. Focus on youth was not a priority focus in projects during the current COSOP period as it was not a part of the mainstreamed priorities. This is the principal reason that data disaggregated by age was not a key indicator tracked in pre-IFAD11 projects. Nonetheless, the CSPE reports that a small proportion of youth were empowered to increase their voice, income and food security through household mentoring which also targeted youth-headed households. There was active inclusion of young men and women in farmer groups and capacity building including adult literacy. However, the effectiveness was limited by lack of strategies and focus on youth in the earlier generation of projects. There is limited monitoring and reporting on young men and young women in the community. There is lack of specific youth targeting across many projects.<sup>10</sup> Opportunity to learn and understand youth-specific needs represents a lost opportunity. Youth participation has been limited due to lack of access to land and finance and low levels of mechanization and modernity making farming unattractive to them.

## **D. S.O 1: Production, productivity and climate resilience**

### **(i) Production and Yields**

14. VOPD2 has contributed to increased yields and agricultural production of oil palm and oil seeds. Yield increases for oil seeds, far surpassed the targets. Sunflower yield (on average) increased by 36% in just 4 years, although 2019 yields went down from previous year (also for sunflower) due to prolonged dry spell. Some cases of declining oil palm yields have been observed, partly due to climatic events (dry-spells) but also in some cases due to lack of application of fertilizer and other best practices at farmer level. The project has experimented with the provision of fertilizer on credit from a commercial bank through the Kalangala Oil Palm Growers Trust (KOPGT), as well as intensified trainings and sensitization to increase adoption, and indications are positive. A total of 40,000 metric tons of crude palm oil has been produced in 2019 at the Palm Oil Mills by smallholder farmers, and some 882,730 metric tonnes (MT) were cumulatively produced since 2014 under VOPD2.

Table 3: Agricultural production and productivity (VOPD2)

<sup>6</sup> CSPE Uganda. IOE. IFAD 2020.

<sup>7</sup> CSPE Uganda. IOE. IFAD 2020

<sup>8</sup> CSPE Uganda. IOE. IFAD 2020

<sup>9</sup> CSPE Uganda. IOE. IFAD 2020

<sup>10</sup>CSPE Uganda. IOE. IFAD 2020

Indicators	Target	2014	2017	2019
<b>Outcome 1: Increased agricultural production</b>				
- Sunflower and soybean production increase by 10% every year, from 89,000 tons in 2009 to 294,723 at completion [VODP2]	294,726	81,343	157,662	234,459
- Sunflower production (in metric tons)	268,955	30,691	66,822	89,382
- Soybean production (in metric tons)	25,768	50,652	90,840	145,077
- Crude palm oil production increase from 0 in 2009 to 29,500 MT at completion	28,500 MT	19,209	24,927	40,000
- Average sunflower yield achieved	1.7 t/ha	1.3 t/ha	1.56 t/ha	1.25 t/ha
- Average soybean yield achieved	1.1 t/ha	0.9 t/ha	1.49 t/ha	1.23 / h a

## (ii) Extension Services and Farmer Training

15. Almost all projects have provided training to farmers through a range of extension arrangements. VODP2, DLSP and PRELNOR all had components associated with enhancing the capacity of the farmers. Together these projects had a target of 219,000 participants of which they had trained 61% by the end of 2019. Completed projects have more or less achieved their training targets in terms of number of participants. Women have also participated in these training programmes and their numbers are generally separately documented. However, what projects generally do not report upon is the efficacy of the training especially in terms of the adoption rates after the training. However, the projects in the portfolio have provided information on adoption of sustainable land use management practices. It is estimated that some 59% of supported farmers were using improved soy bean and sunflower seeds by project completion [VODP2] and that 49.2 percent of farmers had adopted the technologies disseminated by NAADS at completion in 2018 [ATAAS] and that 111,723 ha of land was under climate-resilient practices as of end of 2019 [PRELNOR]
16. VODP2, DLSP and PRELNOR arranged training for farmers using varied sets of approaches. Under VOPD2, oil palm extension services have been provided to a total of 2,063 farmers (36% women). In total, 132,775 oil seeds farmers had been reached by project completion in 2019. Extension services were provided both by Kalangala Oil Palm Growers Trust (KOPGT), a farmer-owned institution set up by the project for provision of production and marketing services to the farmers; and by the private sector partner, Oil Palm Uganda Limited (OPUL). Training was also being provided under VODP2 for Oil seeds extension services through Pay-for-Service Providers despite initial challenges in terms of resistance from MAAIF to pay for extension services outside the Government extension system and the procurement of services. The service providers needed proper supervision at the outset but later begun to implement various approaches. At MTR, additional service providers were recruited and the project partnered with higher level farmer organizations (HLFOs) to increase outreach and impact. This approach, combined with "farmer learning platforms" has proven an effective way to reach out to more farmers.

Table 4: Farmers trained or receiving extension services (number of persons)

Indicators	Target	2014	2017	2019	Project
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<b>Milestone: 158,505 farmers trained in crop production practices/technologies by 2018</b>					
- Farmers receiving extension services for oilseeds by 2018	136,000	59,850	132,775	132,775	VODP2
- Farmers receiving extension services for oil palm by 2018	2,425	1,610	1,810	2,063	VODP2
- Farmers from mentored households trained in farming skills by 2015	17,280	20,077	NA	NA	DLSP
- Farmers receiving extension services by 2022	64,000	N/A	15,955	NA	PRELNOR
<b>Total:</b>	<b>219,705</b>	81,537	150,540	134,838	61%

17. The PRELNOR project proposed an approach to extension, which relied on District Farmers Associations (DFAs). PRELNOR intended to support farmer-led extension systems through strengthening of DFAs in service provision. For purposes of strengthening the six other DFAs in the project area, the project has partnered with Uganda National Farmers Federation, UNFFE, to strengthen the remaining DFAs. For those districts that do not have strong DFAs, the District Local Governments (DLG) are actively providing extension services, filling out the gap left by restructuring of extension services under MAAIF. Between July 2019 to March 2020, PRELNOR also organized 42 plant clinic sessions attended by 916 farmers (421 female & 495 male). The project is actively building capacity of the existing public extension system on ground, and will gradually link more to the newly recruited agricultural extension workers, once these are in place in the project area. As part of an inclusiveness strategy for service provision and strengthening at the grassroots levels, PRELNOR also works with Community Based facilitators at the parish level, and engages household mentors at village level for implementing the household mentoring approach.

### **(iii) Agriculture Inputs and Improved Technology**

18. **Technology adoption.** High quality seeds are often not available to the individual smallholder farmer in local markets due to limited production and supply, high price and adulteration. Two different approaches were adopted under the COSOP to address this lack of accessibility; (i) Import of quality seed. The Kalangala Model used this approach and ensured access to quality inputs for farmers through direct engagement of a private sector partner who imported the seedlings. This has ensured high yields at farmer levels, and is necessary as oil palm seed multiplication is highly specialised and requires production at scale. For other crops, imports may only be a short-term solution. VODP2 also supported linkages of farmers to importers of sunflower seed that offers higher yields. (ii) National seed production. VODP2 is collaborating with research institutions for both breeder and foundation seed development; multiplication and certification functions are also supported. However, the quantity of seed produced is still low compared to the demand. (iii) PRELNOR is supporting seed multiplication, primarily through collaboration with National Agriculture Research Organization (NARO) in supporting farmer seed production groups. The results and impact on production and uptake are beginning to emerge. This approach to local production proved highly valuable during the COVID-19 pandemic when regular supply chains were disrupted and quality seed supply was further disrupted.

#### (iv) Security of Tenure

19. A high proportion of farmers do not have security of land tenure which impacts the incentives to invest on land. For example, that 78% of oil palm farmers do not have land titles for the land where they have planted oil palm.<sup>11</sup> Several projects have been working on securing land tenure rights for smallholder farmers. DLSP piloted land registration for vulnerable households, (typically elderly or widows). DLSP sensitized 144,975 individuals on land tenure rights for themselves and community members; and directly supported the registration of 1,882 land certificates. In relation to oil palm, concerns have been raised regarding the large-scale land acquisition for private sector plantations, and the rights of smallholder farmers and vulnerable households. To address some of these concerns several models are being used to secure land tenure for the smallholder. VODP2 has successfully piloted and implemented the Social Tenure Domain Model (STDM) in partnership with the Global Land Tool Network (GLTN), supported by UNHABITAT. The project also piloted the issuance of oil palm garden certificates with a picture of the garden owner, a map of the garden, the area covered by the garden and the year of planting to enable the farmers to easily present their investment during negotiations to increase their tenure security but also with financial institutions to access production credit.

Table 5: Security of tenure

Indicator	Target	2014	2017	Project
<b>Milestone:</b> No of households with long-term tenure security of land				
- 10% of HHs registered with land certificate in 2015	100,000 hhs	1,882 hhs	1,882 hhs	DLSP
- 25 000 individuals sensitized on land tenure rights	25,000 individuals	144,975 individuals	144,975 individuals	DLSP

#### (v) Natural resource management

20. **The country programme is rated as moderately satisfactory with regards to its focus on natural resource management (4).** Sustainable land management and soil/water conservation techniques was an important outcome of several of the projects. One of the innovations introduced under PRELNOR were Community Based Natural Resource Management Plans (CBNRMs). These aim at the sustainable utilisation and management of natural resources and include activities such as tree planting (woodlots, fruit trees, agroforestry), energy-saving cooking stoves, beekeeping, and off-road water harvesting infrastructure. The introduction of these plans proved to be an excellent instrument for local level awareness and planning for local level conservation measures. The only weakness with this approach is the limited financing available for investments. The introduction of Renewable Energy technologies such as cooking stoves has had a significant impact on saving of fuelwood for domestic consumption. Conservation agriculture approaches have been mainstreamed in the extension approach and research trials introduced under PRELNOR, but explicit data is not available and the uptake of practices is not being monitored systematically. More effort is required in monitoring training curricular and the actual farming practices on ground, to assess if this approach has led to the desired results. Land use change related to oil palm was enhanced using satellite imagery. Between 2007 and 2017, the main changes in Kalangala were the shift from

<sup>11</sup> Social Tenure Domain Model, STDM

subsistence agriculture to large-scale, extensive agriculture. There has been no clearing of primary forest, but some clearing of degraded woodlands.

Table 6: Use of improved practices

Indicator	Target	2014	2017	2019	Project
<b>Milestone: # farmers applying improved practices</b>					
- No of farmers supported to apply SLM techniques by 2019	No target	N/A	N/A	693,990	PRELNOR
- No of ha of land brought under climate resilient practices by 2022	N/A	N/A	N/A	111,723	PRELNOR
- No of oilseed growers buying quality-controlled seeds by 2017:	122,400	14,408	40,473	76,282	VODP2
- Number of sunflower growers	45,132	7,490	22,368	29,837	VODP2
- Number of soybean growers	77,268	6,918	18,105	46,445	VODP2

## (vi) Adaptation to Climate Change

21. **Climate change adaptation is rated as moderately satisfactory (4).** Specific attention to climate resilience was introduced through some of the more recent projects. PRELNOR had an allocation of US\$10 million grant financing from the Adaptation for Smallholder Agriculture Programme (ASAP). The project targets include adoption of environmentally sustainable, climate resilient technologies and practices and support to farmers in coping with effects of climate change, and the introduction of climate resilient practices. The CSPE reports that there is significant awareness raising of climate change and manifestation of adaptive behavior and there is significant increase in spread and uptake of adaptive practices such as planting early-maturing or drought-tolerant varieties, water harvesting structures, integrated soil management, crop diversification, climate resilient design in CAR culvert construction and bridges, establishment of woodlots, agro-forestry, RETs, etc.

## E. Access to Markets

### (i) Physical Infrastructure

22. There were a host of measures introduced by different projects to integrate smallholders to markets. The more significant IFAD investments were in physical infrastructure for providing access to markets and market infrastructure, particularly farm-access or community roads, with a total of 3,083 km of roads newly constructed or rehabilitated. Under the Ministry of Local Government, DLSP constructed 2,087 km and PRELNOR targets another 1,550 km (of which 515 already realized). Roads are constructed to all-weather standards, ensuring less maintenance and all-year access for farmers. Maintenance falls under the sub-county local governments' plans and Government has provided each district with basic road equipment for the purpose. The likelihood of sustainability is rated as high and beneficiaries have expressed satisfaction with the roads and reduction of travel times and costs of up to 25%. Projects have also invested in farm roads which link to farmer gardens. These types of roads have been constructed by VODP2 (481 km at completion in 2019). Communities, through Oil Palm Farmers' Units and Blocks, are responsible for the provision of gravel, making land available and for regular maintenance, such as slashing and clearing. The benefit of the roads to producers is rated as high, however capacities and funding for road maintenance are recurrent challenges.
23. The construction of market structures has also been a key investment for the country programme. Projects in the earlier COSOP faced sustainability challenges, primarily linked to physical location and management structures. However, given their continued relevance, PRELNOR is in the process of procuring construction contractors to establish three bulk and eight satellite markets. The management

arrangements for the markets are currently being developed and the idea of farmer cooperatives, local governments or public-private arrangements are being considered for their management. Since none of the markets have currently been constructed it is too early to report on the experience or performance.

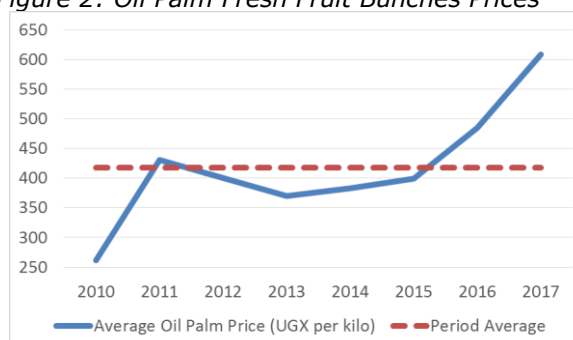
Table 7: Market access infrastructure

Indicators	Target	2014	2017	2020	Project
<b>Outcome:</b> Likelihood of sustainability of roads constructed and/or rehabilitated					
<b>Milestone:</b> Km of community access and other roads completed					
- 2 400 km of community access roads opened/rehabilitated	2,400 km	2,087 km	2,087 km	n/a	DLSP
- Farm and community access road construction on Bugala Island (310 km), Bunyama Island (40 km), and Bubembe Island (40 km), by 2018	390 km	250 km	260 km	481 km	VODP2
- # Km roads constructed and/or rehabilitated	1,550 km	N/A	0 km	515 km	PRELNOR

## (ii) Market Linkages

24. At completion, VOPD2 records indicated that 2,063 smallholder oil palm farmers are currently harvesting 4,848 ha, and selling to Oil Palm Uganda Limited (OPUL) as per their contract. In 2018, farmers earned an estimated average of USD 1,389 (net) per hectare, depending on maturity and quality of the crop. Access to markets was also facilitated as a result of access to finance. Under VOPD2, USD 12.5 million was provided as loans to farmers and USD 3.3 million has been repaid since harvesting commenced in 2010. Farmer income and expenditure is monitored through farm modelling by KOPGT, in turn recommending economically viable practices. Transparency and equity is assured by price setting in accordance with the “price formula”, monitored by a multi-stakeholder committee. The main price risks relate to fluctuations in the world market prices which have been developing positively in the last few years mainly due to supply side factors in Malaysia, the biggest oil palm market (figure 2 below). This may change in future; a change that, if not managed well, could affect the whole oil palm market and local economy of Kalangala.

Figure 2: Oil Palm Fresh Fruit Bunches Prices



25. Oil seeds farmer groups have increased their bulking and joint marketing activities substantially to 2,022 farmer groups in 2019, up from only 73 in 2014. Quantities have increased exponentially, from 41 tons sunflower in 2013 to 89,382 tons in 2019; and for soybean grain it has increased from 1,111 tons in 2014 to 145,077 tons in 2019. Mill-specific and anecdotal evidence suggests that oil seed farmers have experienced increased farm gate prices, especially where they have been directly linked (formally or informally) to an off-taker, but no pricing or income data has been systematically captured. One example narrates that 8,000 farmers receive UGX 200 shillings above the market price for their sunflower as they have been able

to aggregate larger quantities under cooperatives, minimizing the search cost for the miller. There is so far limited support for marketing by farmers groups under PRELNOR and the focus of the project was in the construction of physical markets, though the design provides for market linkages. The MSPs were expected to play a role to assist value chain links but this has not yet materialised. The last supervision suggested that PRELNOR allocate additional resources for a second round of support for those farmer groups who demonstrate capacity and interest to engage in post harvesting and marketing activities.

**(iii) Private sector led market development and brokerage**

26. MAAIF is still strengthening its technical capacity in building producer alliances and through formalized PPP models. In the Kalangala Model, Government and IFAD facilitated a formalized PPP around a tri-partite agreement between the private sector, the farmers' Trust and Government, and a structured, formalized marketing arrangement between OPUL and KOPGT; and in turn between KOPGT and member farmers. Farmers are obliged to follow best agronomic practices and sell all their produce to OPUL, while OPUL in turn is obliged to purchase all the produce in a timely manner, at the set price. This model has proven to increase trust amongst partners and reduce risks on both sides. The model thus builds upon one private sector investor and off-taker mill, in a defined catchment area and provides access for farmers to markets, extension, inputs and finance all in one. While the model may not be directly replicable in other value chains and contexts, several lessons may be learnt. Larger players may be supported in terms of providing stable markets, high quality production, economies of scale, and import substitution. For these arrangements to operate successfully, stability in terms of the timely delivery of the agreed quantities is critical.

27. Under Oil Seeds sub-component, VODP2 piloted tripartite agreements with millers, off-taking contracts and consortium models, to strengthen the link from production to marketing, as did three complimentary country grants (OSSUP, 4P and REACTS). All targeted models for seed sector value chain strengthening, exploring PPP models and the type of brokerage roles required to establish and nurture these. The common conclusion from the experience is that there is a need to nurture trust amongst partners over time. Each partner must be willing to actively engage with other value chain players. For example, agro-processors have a direct interest in the quantity and quality of production, and farmers have an interest in milling specification, post-harvest handling and aggregation, etc. Multi-stakeholder platforms showed the willingness of partners to engage, and, with time, share critical information such as pricing expectations and slightly shift the power dynamics of the sector.

**(iv) Farmer organisation (FO) strengthening**

28. A key strategy for helping smallholders to engage with markets has been the strengthening of farmer organizations and facilitating the aggregation of produce for ease of market access. Supporting grassroots and farmers' institutions is at the core of IFADs mandate. All projects have actively supported farmers' institutions of various kinds. Specifically highlighted in the COSOP was strengthening the oil palm growers' institutions. PRELNOR has established 1,800 farmer groups. Significant efforts have been made to support the Kalangala Oil Palm Growers Trust (KOPGT) and the related Kalangala Oil Palm Growers Association (KOPGA) to actively manage the business of oil palm growing. In 2013, a SACCO for Oil Palm Growers was established by farmers as an additional arm for services required. At project completion, the long-term sustainability of KOPGT remained an issue of concern as it has posted operating losses of UGX 238.5 million for a period of six months up to



June 2019. Further support to address outstanding sustainability issues will be considered during implementation of NOPP, during the next COSOP period. VODP2 has also helped farmer groups transform into higher level bodies to increase outreach of project services and to support sustainability of interventions. Farmers bulk and support each other in larger constellations. Through UCA, VODP2 has also strengthened 52 Higher Level Farmer Organizations (HLFOs) for supporting other groups as well.

Table 8: Sustainability of farmers' institutions

Indicators	Target	2014	2017	2019	Project
<b>Outcome: Sustainability of organizations</b>					
<b>Milestones: Farmers' organizations strengthened</b>					
- KOPGT self-sustainability (100% OSS) by 2018	100%	56%	81%	100%	VODP2
- KOPGA strengthened with representative leadership and linkages to KOPGT	Completed	Not achieved	Elections held and restructuring in progress		VODP2
- 40 HLFOs to be strengthened	40 HLFOs	N/A	15 HLFOs receiving intensive support, 25 lighter support	52 HLFOs + 37 clusters	VODP2
- 1800 farmer groups strengthened	1800 groups	N/A	N/A	574 groups	PRELNOR
- 11 functional multi-stakeholder platforms supported	11 platforms	N/A	7 platforms	11 platforms	PRELNOR

## F. Access to financial services

### (i) Community-Based Financial Institutions

29. The main strategy employed in the COSOP for financial inclusion was based on strengthening community based financial institutions, such as SACCOs and community savings and credit groups (CSCGs). These initiatives were supported under PROFIRA. Direct support to SACCOs under PROFIRA experienced a slow start-up, mainly due to the delayed recruitment of service providers. At the end of 2019, 453 SACCOs had received training in credit and default management, among others, and had a total of 642,833 fully paid-up members (31% women and 8% youth, against a target of 15% for each of these groups). From among the supported SACCOs, 225 were rated A or B (good performance), while 228 were still demonstrating weaknesses in key performance areas and were receiving tailor-made support to ensure return on investment.

Table 9: SACCOs performance

Indicator	Target	2014	2017	2019	Project
<b>Outcome: Supported SACCOs sustainable</b>					
- 100% of supported SACCOs sustainable (OSS>100%)	90%	85.9%	51%	66%	PROFIRA
1,270,491 fully paid-up members in the supported SACCOs (30% women, 15% youth)	1,270,491 members	717,159 members	410,224 members	818,587 <sup>12</sup> members (27% w; 10% y)	PROFIRA

<sup>12</sup> The outreach number includes total members of the 452 SACCOs that have received support from PROFIRA. At MTR, a categorization has changed the focus on 225 SACCOs who account 631,934 members.

30. The demand for financial services in rural areas is high and the Community Savings and Credit Group (CSCG) approach is being adopted widely. As of March 2020, 358,430 members are saving in 12,453 newly established CSCGs with 76% being women and 43% being youth. In addition, 3,529 mature CSCGs with 100,515 members were supported against a target of 75,000 members. The project piloted models of linking the groups to other opportunities – such as directly to SACCOs, to commercial banks or other PFIs.
31. IFAD provided performance linked grants as well as technical assistance support offered to the Uganda Cooperative Savings and Credit Union (UCSCU). The institution was seen as a key sector enabler which could take over PROFIRA services once the project ends. Although UCSCU has not reached its target in terms of sustainability (79% vs 100% target), the institution has improved significantly in terms of strategic direction and operational efficiency and was able to improve its image in the sector by playing a critical role in championing the SACCO sector in key policy discussions.

Table 10: Community savings and credit groups

Indicator	Target	2014	2017	2019	Project
<b>Outcome:</b> Community savings and credit groups (CSCG) sustainable					
- 80% of VSLAs still operational after 3 years	80%	N/A	N/A	No data	PROFIRA
<b>Milestone:</b> Number of beneficiaries saving and borrowing					
- 375 000 project beneficiaries actively saving and borrowing in savings and credit groups (70% women; 15% youth) by end of project	375,000 members	N/A	72,290 (74% w; 36% y)	412,114 members (76% w; 43% y)	PROFIRA

## (ii) Access to Finance

32. IFAD financed projects have provided financing for oil seeds and oil palm. Part of the brokerage function provided by VODP2 in the oil seeds sector, was in linking farmers to commercial banks. The project served as a mechanism for risk mitigation by providing the bank with the information that it may not have, such as direct contact with the farmer, knowledge of the farming systems and markets. About USD 850,000 have been mobilised for 3,604 farmers for land opening, purchase of quality inputs, garden maintenance and marketing. A few challenges on loan repayment have been noted, but financial institutions have ventured into areas where they may not have been confident before. The Kalangala Model ensures that farmers can afford the establishment and maintenance costs of oil palm, while using quality inputs (seedlings and fertilizer). This leads to increased yields and facilitates loan repayments. KOPGT is being used as abridging mechanism as the loans are being provided to the Trust through which it is on lent to small producers.
33. The Small and Medium Agribusiness Development Fund (SMADF), also known as the Uganda Yield Fund, was established as an innovative mechanism for provision of financing for agribusiness and smallholder linkages. The Yield Fund invests directly in agri-business companies to expand their business, and complimentary cost-sharing Business Development Services (BDS) to address key operational gaps as well as addressing key Environmental, Social and Governance (ESG) challenges. The Fund is expected to invest US\$500,000 – US\$2 million into 12-16 agri-businesses in Uganda. The Yield Fund addresses the “missing middle” in terms of capital investments, based on the realization that small or medium sized companies may not receive the support from the commercial banking sector. Given that equity funding is relatively new to Uganda, and specifically to the target groups, there is a naturally slow uptake and companies are worried that they may lose decision-making power.

### (iii) Financial Regulation

34. The SACCO sector lacked an adequate regulatory framework and was highly politicized at the time of COSOP development. The sector was vulnerable to mismanagement and perceptions of free/grant money, undermining business and sustainability. Despite political strategies circumventing international best practice, IFAD has supported Government in its support for SACCOs since 2006 with the Rural Financial Services Project (RFSP), and subsequently PROFIRA. IFAD played a critical role, through policy and technical engagement in supporting the approval of a Tier IV Act level by parliament in 2016. This was achieved by building the capacity in the ministry and key stakeholder institutions such as Bank of Uganda and the Uganda Microfinance Regulatory Authority (UMRA). PROFIRA-supported SACCOs are part of the first batch of candidates to be regulated by UMRA.
35. In addition to the Tier IV Act, PROFIRA has provided inputs to the Financial Sector Strategy for the government through experience and data sharing as well as review of the policy paper, ensuring challenges faced rural financial institutions are adequately addressed in the paper. As the key project working with SACCOs and VSLAs in the country, PROFIRA is a key government action and continues to engage in key sectoral initiatives and policies.

## G. Efficiency

36. **The efficiency of the management of the portfolio is rated as moderately unsatisfactory (3).** Entry into force is above the regional average by 3-4 months. Projects are slow off the ground, which leads to rushed implementation in final years which affects value for money, puts pressure on partners, leads to extensions and reduced beneficiary impacts.<sup>13</sup> However, by the end of the projects most of them were able to fully disburse their budgets, averaging 96.8% in the last few years. The delay is caused by a host of factors such as delays in approvals, procurement and disbursement as well as operational delays due to late recruitment of technical staff (PRELNOR), delays in identifying suitable partners (PROFIRA) and issues connected with land (NOPP), delays in designing and approval of infrastructure schemes. Improving financial and procurement systems but weaknesses persist. Higher infrastructure costs than at design lowered targeted output and increased cost per beneficiary.<sup>14</sup> A summary of the projects in terms of their duration, financial leverage, ratio, funds available on monthly basis, unit costs per household and per capita is given below.

Table 11: Efficiency of the Projects in the Portfolio

	DLSP	VOPD2	ATAAS	PROFIRA	PRELNOR
Effective date	Oct-07	Oct-10	Nov-11	Sep-13	Aug 2015
Completion date	Dec 2014	Dec 2018	Dec 2018	Dec 2021	Sep-22
Duration (months)	75	99	86	100	85
IFAD contribution (USD million)	37,810,000	129,000,000	14,000,000	29,000,000	60,200,000
Total project cost (USD million)	40,900,000	144,800,000	638,500,000	35,350,000	70,900,000
Funds USD per month (USD)	504,133	1,303,030	162,791	290,000	708,235
Financial leverage Ratio	1:081	1:0.122	1:44	1:0.21	1:0.177
Number of beneficiary households	329,480	91,821	1,680,000	1,015,816	127,890

<sup>13</sup> CSPE Uganda. IOE. July 2020.

<sup>14</sup> CSPE Uganda. IOE. July 2020.

Average size of household	6.0	6.0	6.0	6.0	5.5
Number of beneficiaries	1,976,880	550,926	10,080,000	6,094,896	703,395
Project cost per household (USD)	124	1,577	380	35	554
Project cost per beneficiary (USD)	21	263	63	6	101

*Projects with physical infrastructure (like PRELNOR) and those with unique physical features (like oil palm in Kalangala Islands) have relatively high costs per beneficiary compared to those focusing on 'soft' issues like extension and capacity building.*

## H. Sustainability

37. **The prospects of sustainability for IFAD investment are mixed and as a result have been rated as moderately satisfactory (4).** The areas that were reviewed in this context was the sustainability of the households mentored to graduate out of poverty, the practices that were imparted for improved production and productivity and climate adaptation and soil and land management, the investments in infrastructure and the strengthening of a host of different types of small-holder organizations and linkages with markets. There appeared to be weak follow-up after graduation of households which increases risk of falling back into poverty. While adoption rates of the sustainable land and climate resilient practices were high, there is little follow-up to indicate to what extent farmers are able to adopt these practices without project support. Infrastructure investments indicate mixed sustainability although the quality of the roads was rated as good. The O&M depends on funds allocated for maintenance.
38. The DFAs providing extension services have performed well with project support but it is unclear how well they will do so after the project support ends. The inherent weaknesses of the national extension system leave doubts about the sustainability of the achievements on production and productivity under SO1, although a number of interventions by IFAD are building the capacity of local actors in this respect (i.e. KOPGT for extension services in oil palm; DFAs in some districts where PRELNOR is investing; and overall institutional strengthening – equipment and training – of the public extension system through the restructured ATAAS). Considerable effort has been put in engaging with and supporting farmers' organizations and other local partners (e.g. local service providers) to ensure capacity for service delivery remains after project investments.
39. A host of initiatives have been launched to strengthen the institutional framework for oil palm growers' organizations. Significant efforts have been made (and resources committed) to support the Kalangala Oil Palm Growers Trust (KOPGT) and the related Kalangala Oil Palm Growers Association (KOPGA) to actively manage the business of oil palm growing. KOPGT has obtained 81% operational self-sustainability and is in a process of re-constituting itself after modifying the composition of the board and other governance changes. Extension services are provided both by KOPGT, a farmer-owned institution set up by the project for provision of production and marketing services to the farmers; and by the private sector partner, Oil Palm Uganda Limited (OPUL).
40. The sustainability of community-based financial institutions supported under SO3 is very satisfactory for community savings and credit groups, although quite mixed for SACCOs where questions remains around the long-term sustainability of Category C SACCOs. Similarly, with respect to infrastructure, sustainability is quite satisfactory for community access roads, while more concerning for farm roads.

Finally, building commercial partnerships with private sector processors (such as in VODP2 for oil palm and oilseeds, as well as through the investment of the SMADF) is a key strategy to ensure the sustainability of the market gains for smallholders. Overall, the sustainability of the country programme is rated as moderately satisfactory.

## **I. Innovation and scaling up**

41. ***Innovation and scaling up are rated as satisfactory (5) with reference to the projects implemented during the period under review.*** Innovation and scaling up are key drivers of the country programme at various levels, especially in the area of partnership with private sector. The successful 4P for oil palm investment in Kalangala has been a major innovation for IFAD not only in Uganda, but at regional and global level, being the first partnership of this kind successfully supported through an IFAD project. This 4P model, currently being scaled at national level through the National Oil Palm Project (NOPP), recently designed, is regarded by MAAIF as a model to be replicated to other areas and commodities. MAAIF is already replicating it in the tea and coffee sub-sectors. IFAD, in partnership with the EU, has also successfully set up a Yield Fund to provide equity and debt financing to the “missing middle” of the agro-processing industry, coupled with Business Development Services for sustainability and maximum impact. Learning from the Yield Fund has fed into the development of the Agri-Business Capital Fund (ABC Fund), an impact fund which was established by IFAD and the EU working on a global scale. Further areas of successful innovation and scaling up include: household mentoring as a tool to address gender issues and ensure inclusion of the most disadvantaged groups and the scaling up of the methodology for community savings and credit group.

## **J. Policy engagement**

42. ***The overall performance in terms of policy engagement is rated as moderately satisfactory (4).*** The COSOP had identified specific areas for policy intervention which included; (i) extension and advisory services; (ii) institutional framework for community-based financial institutions; and (iii) institutional framework for oil palm growers' organizations. The main instruments for policy engagement and reform are provided by IFAD's project experience; (ii) inclusion of smallholders and their organizations in policy advocacy and (iii) its role in the sector working groups and engaging with high level policy making forums. IFAD served as co-chair of the Agricultural Sector Development Partners' Group in 2017 and became its chair in 2018. IFAD is also an active member of other relevant groups, including the Private Sector Development Group and the Northern Uganda Development Partners Group.
43. The approaches advocated for reforming the extension services included capacity building of public extension services; the recruitment of private service providers, and the support to farmers owned organizations for delivery of services to their members. In this regard, the policy dialogue objectives were to advocate for a re-orientation from distribution of free or subsidized agricultural inputs to provision of advisory services and to enhance the poverty targeting and inclusion of those advisory services. The main vehicle for this, was IFAD co-financing of ATAAS. However, government policy to use the National Agricultural Advisory Services (NAADS) to support distribution of free inputs to farmers –led to ATAAS restructuring in 2015, under the lead of World Bank (WB). However, in 2016, MAAIF launched a new Extension Strategy designed to establish a functional, pluralistic extension system, with continued public investment in training and supporting extension delivery by private service providers, with gradual divestment. The

linkages to research have also been strengthened, as also envisaged under ATAAS, where the 9 agro-ecological zones with Zonal Agricultural Research Stations (ZARDIs) have become the entry point for extension (as opposed to DLGs). Free inputs are being gradually phased out, and replaced by an e-voucher system. To support these efforts, IFAD re-oriented the ATAAS loan towards co-financing equipping and training of the Extension Services and continues to support District Farmer Associations (DFAs) in providing extension services through PRELNOR.

44. There has been significant development in the policy framework regarding rural finance. IFAD's long-term engagement and technical support (primarily through PROFIRA) has supported the Government in passing the Tier IV Microfinance Bill and related regulations; in creating the Uganda Microfinance Regulatory Authority (UMRA); as well as strengthening the Uganda Cooperative Savings and Credit Union (UCSCU). This follows years of engaging with the organization as one of the main service providers to SACCOs.

## **K. Knowledge Management**

45. ***Knowledge management is overall rated as moderately unsatisfactory (3).*** At country programme level, IFAD spearheaded various initiatives, stimulating cross-project learning and communication. The outcomes and impact of these KM activities was widely dispersed among small-holders, women, farmer organizations, research and extension staff, technical service providers, private sector, government policy makers. In several cases, the knowledge generated from the project experience helped to scale up some of the investment ideas and influence policy. The activities included in-country Country Programme Management Team (CPMT) meetings, a specific knowledge management, monitoring and evaluation working group (meetings in the early years of this COSOP), strengthened capacity of projects to develop relevant communication materials and appropriately package lessons learned for various audiences, the development of a booklet sharing the key experiences emerging from the Uganda country programme, the documentation of the household mentoring approach and the production of a sourcebook in partnership with the IFAD Policy and Technical Advisory Division, mainstreaming of the learning route methodology in the country programme, in partnership with PROCASUR, with the publication of a specific manual. In addition, inter-project knowledge sharing has been key with PROFIRA providing vital support to VODP2 in formation and strengthening of the Kalangala Oil Palm Growers' SACCO and PROFIRA training PRELNOR in use of financial management software.

## **L. Strategic partnerships**

46. ***Overall, partnership building is rated as satisfactory (5).*** The Country Programmes objectives of partnership building were strongly aligned with IFAD's Partnership building objectives. The partnerships fostered helped to leverage IFAD's financial resources and raise financing from the World Bank and European Union as well as from non-traditional partners, such as private sector investors and farmer organizations. The partnership with Bidco Uganda Ltd in oil palm has leveraged over US\$ 150 million of private investment in the oil palm sector, with more being mobilized. Similarly, partnerships have been brokered between oilseeds farmers and processors, although less structured than in the case of palm oil. Under the Small and Medium Agribusiness Development Fund (SMADF), EUR 10 million has been mobilized from impact investors, which includes the National Social Security Fund (NSSF), to support local small and medium agribusiness companies through equity and debt financing.

47. The country programme has also built successful partnerships with farmer institutions and other member-based organizations for long-term institution building and sustainability. Partnerships were built with the Uganda Cooperative Alliance (UCA) for strengthening farmers organizations in oilseeds and oil palm under VODP2; the Uganda National Farmers' Federation (UNFFE), for strengthening DFAs under PRELNOR; and UCSCU, to become a self-sustainable apex body for SACCOs. A number of other strategic partners include the Canadian Cooperative Association (CCA) for providing technical assistance to UCSCU; and SNV under VODP2 implemented two IFAD grants (OSSUP and 4P) piloting and documenting models for brokering of commercial partnerships between smallholders and the private sector.
48. A number of other partnerships with international organizations included a collaboration with the Institute of Development Studies from Sussex University and the University of California, Davis to undertake assessments of the impact of the palm oil investment; the support by the Global Land Tool Network (GLTN) to implement GIS-based farmer driven enumeration in oil palm investment related to the STDM in monitoring of social and land tenure related elements; a collaboration with the University of Milan and the International Initiative for Impact Evaluation (3ie) to undertake a randomized control trial on impacts on adoption of provision of extension services under the VODP2 oil seeds component; a partnership with VSL Associates for implementation of the Savings Groups Information Exchange (SAVIX) tool for monitoring performance of Community Savings and Credit Group (CSCGs).

## M. South-South Triangular Cooperation

49. There were relatively few opportunities for South-South and triangular cooperation (SSTC) that were made available under the Uganda country programme. VODPII staff have been to Nigeria and Indonesia to learn about oil palm cultivation. Under PROFIRA, staff went to the Federal Democratic of Ethiopia to learn about the experience of the microfinance sector. PRELNOR staff and selected local leaders went to Tanzania to learn about MVIWATA's experiences in market linkages and to the Federal Democratic of Ethiopia and Republic of Kenya to learn about water harvesting and weather information gathering and dissemination. IFAD and PROCASUR have been fostering cross regional exchanges to learn from "*Innovative Solutions for the Global South*".<sup>15</sup> Uganda also hosted a number of IFAD projects in the region to showcase the different development interventions used in the country, with a special focus on the 4P model with oil palm, including hosting the 2017 ESA Regional Implementation Workshops.

## N. Partner performance

50. **Government Performance: The overall Government performance is rated as moderately satisfactory (4).** While the Government has taken strong ownership of the projects and has been providing its counter-part funds and in-kind resources in a timely fashion, there were some key bottlenecks that impacted the performance of the projects. Land tenure issues, the weak capacity of extension staff, the diversion of approaches with respect to extension services, etc. The PMU capacity was generally adequate but was affected by late recruitment, staff turn-over and weaknesses in technical capacity of some staff. Procurement staff generally has to be familiarized with IFAD procurement guidelines and financial management capacity is generally adequate. The introduction of on-line systems for financial management and

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<sup>15</sup> [PROCASUR, 2017.](#)

disbursements has helped in enhancing accountability and tracking the sources of delay and helped to expedite approvals. During the COSOP period the country programme had two “projects at risk”, mainly due to concerns related to the likelihood of achieving the development objectives within the given timeframe and resource envelope. With close follow up and supervision, the situation has improved and currently no projects in the portfolio are classified at risk.

51. **IFAD Performance: The overall IFAD performance is rated as moderately satisfactory (4).** The IFAD management and supervision structure has undergone considerable change during the current COSOP period. The recent changes with the establishment of a regional hub in Kenya and the location of the Country Director in the regional hub instead of in-country is not viewed positively by the Government or the projects as it limits the direct hands on support provided by IFAD. This also limits IFAD’s engagement with its partners, limits its influence on policy advocacy, building partnerships and capacity to securing co-financing. IFAD’s close follow-up and supervision has however helped to turn around projects that had been classified as at risk. This was largely through restructuring.

## O. Lessons learned and recommendations

52. A review of IFAD supported projects in Uganda between 2013 and 2020 provides valuable project-specific lessons. The review reveals that the portfolio was highly relevant to the needs of the rural poor and had a good impact on household income and assets, food security and agricultural productivity and led to innovations such as the nucleus farm model that clusters small farmers around it, public-private-partnerships, household mentoring, CBNRMs, a yield fund with equity financing, research on SLM practices, etc. Some of the weaknesses of the portfolio have been slow implementation and disbursement in the initial years, minimal impact on institutions and policies and limited achievement of objectives in agricultural advisory services. Some key lessons have been outlined below.
- (i) *Shift the focus of investment on strategic commodities for higher impact. With experience of investing in oil palm which has led to tremendous development in Kalangala District, focusing on similar commodities in other areas has a high likelihood of having similar effects.*
  - (ii) *Household level approaches such as mentoring, graduation and GALS enhance social inclusion and transformation of the most vulnerable.<sup>16</sup>Evidence from DLSP and PRELNOR has revealed members of mentored households eventually joining farmer groups after gaining self-confidence.*
  - (iii) *Well-developed communication strategies serve to extend outreach, build ownership and enhance participation:*
  - (iv) *Investing in organizations of smallholders helps them to gain confidence, aggregate produce and reduce their transaction costs. This has proved successful under VODP2 oil seeds component especially in linking farmers to the input and output markets (millers, aggregators and input dealers).*

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<sup>16</sup> Outcome Survey of Second Cohort. PRELNOR. M&E Unit.



- (v) *The value chain approach around a nucleus farm model has proved to be a good mechanism for targeted support along the selected commodity and engage smallholders.*
- (vi) *Infrastructure investments be linked to key commodities selected have a higher impact than stand-alone infrastructure investments. While a previous purely infrastructure project like CAIIP had tremendous impact, there's strong evidence of the impact of infrastrucure in Kalangala that was directly linked to oil palm investments.*
- (vii) *Provisioning of contingency funds at design to enable projects to launch an efficient response to address growing risks, is necessary. This could have been utilised to address risks associated with COVID-19 and the emergency of the Fall Army Worm (FAL) under ATAAS and DLSP.*
- (viii) *Indicators on IFAD's priority areas like nutrition should be included at project design stages. Most of the projects didn't perform well on nutrition as this was not considered at design but introduced at later stages of implementation.*
- (ix) Ensuring timely availability and quality of baseline and impact survey is key for adequate impact reporting.

Effective engagement in policy dialogue and partnerships building requires adequate IFAD's in-country presence.

<b>CCR Ratings Matrix</b>	
<b>Evaluation of country programme</b>	<b>Rating (1-6 scale)</b>
Relevance	5
Effectiveness	4
Policy Engagement	4
Knowledge Management	3
Strategic Partnerships	5
<b>Overall Country Programme Achievement Ratings</b>	<b>4</b>

Annexes:

- (I) Results framework (at design)
- (II) Results framework at completion
- (III) Ratings matrix
- (IV) Comments from government

## Annex 1: COSOP results management framework (at design)

### Original COSOP Results' framework

Country strategy alignment	Key Results for IFAD – Uganda COSOP			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	
<p><b>NDP Vision:</b> a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years. Specifically:</p> <ul style="list-style-type: none"> <li>Increasing household incomes and promoting equality</li> <li>Increasing agricultural production and productivity</li> <li>Enhancing human capital</li> <li>Enhancing the quality and availability of gainful employment</li> <li>Improving the stock and quality of economic infrastructure</li> </ul>	<p>SO1: The production, productivity and climate resilience of smallholder agriculture is sustainably increased.</p>	<ul style="list-style-type: none"> <li>Increased agricultural production (*):               <ul style="list-style-type: none"> <li>of oilseeds from 70 000 mt in 2008 to 150 000 mt by 2018 [VODP2]</li> <li>Average yields increased by 7% (2015) and 15% (2017) [ATAAS]</li> </ul> </li> <li>Hectares of land improved through SLM and other soil/water conservation techniques (*):               <ul style="list-style-type: none"> <li>6000 additional ha by 2015 and 11000 ha by 2017 [ATAAS]</li> <li># additional ha [PRELNOR]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>1.8 M farmers trained in crop prod. practices/technologies by 2018 (*):               <ul style="list-style-type: none"> <li>140 000 receiving ext serv. for oilseeds by 2018 [VODP2]</li> <li>2 800 receiving ext. services oil palm by 2018 [VODP2]</li> <li>17 280 mentored HHs trained in farming skills by 2015 [DLSP]</li> <li>Nat. ext. services benefitting 1.43 M farmers per year 2013-17 [ATAAS]</li> <li># receiving ext. services by 2018 [PRELNOR]</li> </ul> </li> <li>326 500 farmers applying SLM techniques by 2018:               <ul style="list-style-type: none"> <li>60% of 140 000 (30% w) trained applying techniques by 2018 [VODP2]</li> <li>10% of 1.71 million beneficiaries applying techniques by 2017 [ATAAS]</li> <li>x% of # (30% w) trained applying techniques by 2018 [PRELNOR]</li> </ul> </li> <li>No of households with long-term tenure security of land and other natural resources (*):               <ul style="list-style-type: none"> <li>10% of HHs registered with land certificate in 2015 [DLSP]</li> <li>25 000 individuals sensitised in land tenure rights [DLSP]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Re-orientation of NAADS from distribution of subsidized agricultural inputs to provision of advisory services.</li> <li>Enhance poverty targeting and inclusion in provision of advisory services under NAADS.</li> </ul>
	<p>SO2: The integration of smallholders into the markets is enhanced.</p>	<ul style="list-style-type: none"> <li>Likelihood of sustainability of the productive infrastructure (*)</li> <li>Producers benefitting from improved market access (*)</li> <li>Increased farm gate prices [VODP2]:               <ul style="list-style-type: none"> <li>Net earning per ha of US\$ 1 000 for oil palm farmers</li> <li>Net earning per ha of US\$350 for oilseed farmers</li> </ul> </li> <li>Likelihood of sustainability of organisations (*)</li> </ul>	<ul style="list-style-type: none"> <li>Km of community access and other roads completed               <ul style="list-style-type: none"> <li>2 400 km of community access roads opened/rehabilitated [DLSP]</li> <li># km of community access roads opened/rehabilitated [PRELNOR]</li> </ul> </li> <li>Marketed amounts increased               <ul style="list-style-type: none"> <li>Production from 7000 ha oil palm marketed by 2018 [VODP2]</li> <li>Farm prod. marketed increased from 25% to 35% by 2017 [ATAAS]</li> </ul> </li> <li>Linkages between agribusiness and smallholders increased               <ul style="list-style-type: none"> <li>No of PPP's for market linkages at 300 in 2016 [ATAAS]</li> <li>No. farmers linked to priv. sect. in oil palm/oilseeds by 2018 [VODP2]</li> </ul> </li> <li>Farmers' organisations strengthened (*)               <ul style="list-style-type: none"> <li>KOPGT self-sustain. by 2016, BOPGT 75% self-sustain. by 2018 [VODP2]</li> <li>No of FOs strengthened [PRELNOR]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Support the establishment of a sustainable institutional framework for smallholder oil palm growers' organizations (KOPGT and BOPGT)</li> </ul>

<ul style="list-style-type: none"> <li>Promoting sustainable use of the environment and natural resources</li> </ul>	<p>SO3: The access to and use of financial services by the rural population are sustainably increased</p>	<ul style="list-style-type: none"> <li>Supported SACCOs sustainable (*) <ul style="list-style-type: none"> <li>75% of supported SACCOs sustainable by end of project [PROFIRA]</li> </ul> </li> <li>Community savings and credit groups (CSCG) sustainable (*) <ul style="list-style-type: none"> <li>80% of VSLAs still operational after 3 years [PROFIRA]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Number of beneficiaries saving and borrowing (*) <ul style="list-style-type: none"> <li>180 000 additional active members of SACCOs (50% w) by end of project [PROFIRA]</li> <li>375 000 project beneficiaries actively saving and borrowing in savings and credit groups (70% women; 15% youth) by end of project [PROFIRA]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Support setting of appropriate policy/regulatory framework for: (i) Tier IV instit.; and (ii) CSCGs.</li> <li>Support a sustainable apex body for SACCOs</li> </ul>
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## Annex 2: COSOP Results Framework (2013-2019)

Outcome indicators			
	Original targets	Revised targets	Results 2013-2019
<b>Goal : To increase the income, improve the food security and reduce the vulnerability of the rural households living in poverty.</b>			
	No target	No target	(A) Net agricultural incomes multiplied by 2.6 for men and nearly 3 for women over the 2013–2018 period for ATAAS beneficiaries. [ATAAS] ; (B) Net annual earnings per ha for oil palm farmers were recorded at USD 1,389 in 2019, with an annual average of USD 832 since 2010. [VODP2]
<b>SO1 : The production, productivity and climate resilience of smallholder agriculture is sustainably increased</b>			
<b>Outcome 1.1 : Increased agricultural production</b>			
	1.1.a) Increase in oilseeds production from 70,000 mt in 2008 to 150,000 mt by 2018 [VODP2]	1.1.a) Sunflower and soybean production increase by 10% every year, from 89,000 tons in 2009 to 294,723 in 2018 [VODP2]	(A) An estimated 882,730 mt of sunflower and soybean were produced during the project implementation period, with 234,767 mt produced during the last year (2019). (B) The average annual increase in production was 10% for sunflower and 23% for soybean [VODP2]
		1.1.b) Crude palm oil production increase from 0 tons in 2009 to 30,000 tons in 2018 [VODP2]	At completion in 2019, the annual crude palm oil production was estimated at 40,000 tons. Over the entire implementation period, it is estimated that 218,735 tons of crude palm oil have been produced. [VODP2]
	1.1.b) Average yields increased by 7% and 15% [ATAAS]	1.1.c) Number of farmers reporting an average yield of 1.7 t/ha for sunflower and 1.1 t/ha for soybean [VODP2]	(A) Yield increase for maize, rice, cassava, beans reported at project completion [ATAAS]. (B) Yield of 1.25 tons per ha for sunflower (83% of target), and of 1.23 tons per ha for soybean (88% of target) [VODP2].
		1.1.d) Increased productivity measured by yield and area [PRELNOR – no target]	No data on yields.
<b>Outcome 1.2: Hectares of land improved through SLM and other soil/water conservation techniques</b>			
	1.2.a) 6000 additional ha by 2015 and 11000 ha by 2017 [ATAAS]	No change	20,930 ha of land brought under climate-resilient practices as of project completion [ATAAS]
	1.2.b) Nb of additional ha [PRELNOR]	No change	111,723 ha of land under climate-resilient practices as of end 2019. [PRELNOR]
<b>SO2 : The integration of smallholders into the markets is enhanced</b>			
<b>Outcome 2.2: Producers benefitting from improved market access</b>			
	No target	No target	No data
<b>Outcome 2.3: Increased farm gate prices</b>			
	2.3.a) Net earnings per ha of US\$ 1 000 for oil palm farmers [VODP2]	No change	Net annual earnings per ha for oil palm farmers were recorded at USD 1,389 in 2019, with an annual average of USD 832 since 2010. [VODP2]
	2.3.b) Net earnings per ha of US\$350 for oilseed farmers [VODP2]	No change	No data.
<b>Outcome 2.4: Likelihood of sustainability of organizations</b>			
	No target	No target	No data.
<b>SO3: The access to and use of financial services by the rural population are sustainably increased</b>			

<b>Outcome 3.1: Supported SACCOs sustainable</b>		
3.1.a) 75% of supported SACCOs sustainable by end of project [PROFIRA]	No change	No data.
<b>Outcome 3.2: Community savings and credit groups sustainable</b>		
3.2.a) 80% of VSLAs still operational after 3 years [PROFIRA]	3.2.a) 70% of VSLAs still operational after 3 years [PROFIRA]	At the end of 2019, 66% of the 225 active SACCOs were operationally self-sufficient. UCSUCU, the apex institution, was covering 85% of the operational costs for the financial year 2019. [PROFIRA]

Output indicators		
Original targets	Revised targets	Results 2013-2019
<b>Goal: to increase the income, improve the food security and reduce the vulnerability of the rural households living in poverty.</b>		
<b>SO1: The production, productivity and climate resilience of smallholder agriculture is sustainably increased</b>		
<b>Output ind. 1.1: 1.8 million farmers trained in crop production practices/technologies by 2018</b>		
1.1.a) 140,000 receiving extension services for oilseeds by 2018 [VODP2]	136,000 receiving extension services for oilseeds by 2018 [VODP2]	Some 128,296 oilseed growers from 5,311 groups accessed extension services through Farmers' Learning Platforms and quality seeds [VODP2]
1.1.b) 2,800 receiving ext. services oil palm by 2018 [VODP2]	2,425 receiving ext. services oil palm by 2018 [VODP2]	2,063 smallholder farmers supported, with 4,848 ha of palm oil plantations established at completion.[VODP2]
1.1.c) 17,280 mentored HHs trained in farming skills by 2015 [DLSP]	No change	Some 20,000 households mentored by completion in 2014 [DLSP]
1.1.d) National extension services benefitting 1.43 M farmers per year 2013-17 [ATAAS]	No change	1.68 million farmers receiving extension services from 2013-18 [ATAAS]
1.1.e) # receiving ext. services by 2018 [PRELNOR]	54,000 farmers receiving extension services [PRELNOR]	15,975 farmers were trained in crop production at end of 2019 [PRELNOR]
<b>Output ind. 1.2: 326 500 farmers applying SLM techniques by 2018</b>		
	# and % of farmers managing land under climate resilient practices [PRELNOR]	693,990 farmers supported to apply SLM techniques as of end 2019 [PRELNOR]
1.2.a) 60% of 140,000 trained applying techniques by 2018 [VODP2]	90% of oilseed growers buying quality controlled seed by 2018 [VODP2]	It is estimated that some 59% of supported farmers were using improved soyben and sunflower seeds by project completion [VODP2]
1.2.b) 10% of 1.71 million beneficiaries applying techniques by 2017 [ATAAS]	No change	49.2 percent of farmers had adopted the technologies disseminated by NAADS at completion in 2018 [ATAAS]
1.2.c) % of trained farmers applying techniques by 2018 [PRELNOR - no target]	Number of farmers using multiplied improved seed [PRELNOR]	No data.
	# hectares managed under climate resilient practices [PRELNOR]	111,723 ha of land under climate-resilient practices as of end of 2019 [PRELNOR]
<b>Output ind. 1.3: No of households with long-term tenure security of land and other natural resources</b>		
1.3.a) 10% of HHs registered with land certificate in 2015 [DLSP]	10% of HHs registered with land certificate in 2015 [DLSP]	1,882 farmers with certified parcels at completion in 2014 [DLSP]
1.3.b) 25,000 individuals sensitized in land tenure rights [DLSP]	25,000 individuals sensitized in land tenure rights [DLSP]	No data.
<b>SO2: The integration of smallholders into the markets is enhanced</b>		
<b>Output ind. 2.1: Km of community access and other roads completed</b>		

Output indicators		
Original targets	Revised targets	Results 2013-2019
2.1.a) 2,400 km of community access roads opened/rehabilitated [DLSP]	2,400 km of community access roads opened/rehabilitated [DLSP]	2,087 km of community access roads rehabilitated at completion in 2015 [DLSP]
2.1.b) # km of community access roads opened or rehabilitated [PRELNOR - no target]	1,550 km of climate change resilient roads constructed and/or rehabilitated [PRELNOR]	515 km of climate resilient access roads being rehabilitated as of end 2019 [PRELNOR]
	390 km of farm and community access road construction on Bugala, Bunyama and Bubembe islands. [VODP2]	481 km of farm and community access roads constructed in Bugala, Bunyama, Buvuma and Bubembe at completion. [VODP2]
<b>Output ind. 2.2: Marketed amounts increased</b>		
2.2.a) Production from 7,000 ha oil palm marketed by 2018 [VODP2]	Production from 7000 ha oil palm marketed by 2018 [VODP2]	At completion in 2019, a total of 4,848 ha have been established with palm oil, with production entirely brought to the market. [VODP2]
	Increase in volume of crops sold [PRELNOR – no target]	No data.
2.2.b) Farm production marketed increased from 25% to 35% by 2017 [ATAAS]	No change	No data.
<b>Output ind. 2.3: Linkages between agribusiness and smallholders increased</b>		
2.3.a) Nb of PPP's for market linkages at 300 in 2016 [ATAAS]	No change	Indicator dropped from ATAAS Logframe.
2.3.b) Nb of farmers linked to priv. sect. in oil palm/oilseeds by 2018 [VODP2]	2,425 oil palm farmers linked to the private sector [VODP2]	No data.
	# oil seeds producers linked to millers [VODP2]	No data.
	# oil seeds producers linked to financial institutions [VODP2]	No data.
<b>Output ind. 2.4: Farmers' organizations strengthened</b>		
2.4.a) KOPGT self-sustained by 2016, BOPGT 75% self-sustained by 2018 [VODP2]	No change	No data.
	2.4.b) KOPGT strengthened with representative leadership and linkages to KOPGT [VODP2]	Self-sustained KOPGT established. [VODP2]
2.4.c) Nb of FOs strengthened [PRELNOR]	% groups with sustainable organizational capacity [PRELNOR – no target]	574 farmers' groups with some 7,887 members trained in agribusiness development as of end 2019. [PRELNOR]
	2.4.d) 11 multi-stakeholder platforms operating with structured processes, regular meetings and diversified representation [PRELNOR]	11 multi-stakeholder platforms established and supported [PRELNOR]
	2.4.e) 40 higher-level farmer organizations strengthened	52 higher-level farmers organizations supported at completion [VODP2]
<b>SO3: The access to and use of financial services by the rural population are sustainably increased</b>		
<b>Output ind. 3.1: Number of beneficiaries saving and borrowing</b>		In total, some 980,960 households could access a loan or make savings as members of a SACCO, CSCG or VSLA.
3.1.a) 180,000 additional active members of SACCOs by end of project [PROFIRA]	No change	Some 453 SACCOS supported, with 631,934 members as of end 2019 [PROFIRA].
3.1.b) 375,000 project beneficiaries actively saving and borrowing in savings and credit groups by end of project [PROFIRA]	No change	(A) Some 10,236 CSCGs established and supported, with some 294,666 members as of end 2019 [PROFIRA]; (B) 1,812 VSLAs established and/or supported, with 54,360 members at project completion [VODP2].





### Annex III. Ratings matrix

Assessment of country program	Rating (1-6 scale)
- Rural poverty impact	4
- Relevance	5
- Effectiveness	4
- Efficiency	3
- Sustainability of benefits	4
- Gender equality	4
- Innovation and scaling up	5
- Natural resource management	4
- Adaptation to climate change	4
- Policy dialogue	4
- Partnership building	5
- Knowledge management	3
<b>Overall country program achievements</b>	<b>4</b>
<b>Assessment of performance</b>	
- IFAD performance	4
- Borrower performance	4

## **Annex IV: Comments from government**

The comments from Government on the IFAD-financed portfolio were obtained during several virtual meetings with the Ministry of Finance, Planning and Economic Development, Ministry of Agriculture, Animal Industry and Fisheries and Ministry of Local Government in July and August 2020. The views were expressed in meetings held to review the performance of the country programme and the findings of the Country Programme Strategy Evaluation. The salient points conveyed by the Government included the following;

- IFAD was a trusted partner with a focus on small-holders and a focus on the poorest regions of the Government. While the household mentoring approach was a good approach for inclusion, the Government would not wish to invest in projects that focused only on household mentoring.
- The Government appreciated the technical assistance and capacity building that was provided by IFAD. However, given that IFAD financing was a loan it would want these funds to be invested in achieving the development objectives of the country and would temper the use of these funds for capacity building of its own staff.
- The Government would want IFAD to invest in helping to focus on enhancing the competitiveness and value addition of key value chains such as livestock, dairy, aquaculture and coffee value chains.
- The Government is keen to facilitate the private sector to play a key role in the development and growth of the agriculture sector. The Government appreciates the IFAD approach of public private sector partnerships and would like to see these grown and develop further.
- The Government is putting in place a new agriculture extension system under MAAIF. The Government does not think a private sector led approach to extension can succeed on its own and would like to see a mixed approach in practice. The Government is recruiting 5000 new extension agents for the sub-county and district Government level.
- The government has outlined alternative strategies for increasing agriculture productivity and production and would like consideration of these models which include a model farm at the parish level, a sub-county nucleus farm that will be responsible for providing a range of inputs to farmers, aggregating and post-harvest handling and linking to an entrepreneur at the regional level for processing and marketing. The Government is keen that IFAD help it test these strategies.
- The Government is also keen to involve the local government tiers especially the parish and sub-county committees at the grass roots level for greater participation, transparency and accountability at the community level.