



Invertir en la población rural

Junta Ejecutiva

142.º período de sesiones

Roma, 18 y 19 de septiembre de 2024

Informe del Presidente

Propuesta de préstamo

República de Uganda

Proyecto de Cadena de Valor Ganadera Resiliente

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Medida: Se invita a la Junta Ejecutiva a que apruebe la recomendación que figura en el párrafo 55.

Preguntas técnicas:

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Resumen de la financiación

Institución iniciadora:	FIDA
Prestatario/receptor:	República de Uganda
Organismo de ejecución:	Ministerio de Agricultura, Ganadería y Pesca
Costo total del proyecto:	USD 204,80 millones
Monto del primer préstamo del FIDA con arreglo al Sistema de Asignación de Recursos basado en los Resultados (PBAS):	USD 71,65 millones
Condiciones del primer préstamo del FIDA:	Condiciones ultrafavorables, con un plazo de reembolso de 50 años, incluido un período de gracia de 10 años, con un cargo por servicios del 0,10 % anual (ajustes para los préstamos en una sola moneda)
Monto del segundo préstamo del FIDA con arreglo al PBAS:	USD 17,91 millones
Condiciones del segundo préstamo del FIDA:	Condiciones muy favorables, con un plazo de reembolso de 40 años, incluido un período de gracia de 10 años, con un cargo por servicios del 0,75 % anual (ajustes para los préstamos en una sola moneda)
Monto del tercer préstamo del FIDA con arreglo al Mecanismo de Acceso a Recursos Ajenos (BRAM):	USD 10,00 millones
Condiciones del tercer préstamo del FIDA:	Condiciones ordinarias, con un plazo de reembolso de 29 años, incluido un período de gracia de 10 años, sujeto a una tasa de interés equivalente a la tasa de interés de referencia del FIDA, incluido un diferencial variable
Monto de la cofinanciación:	Fondo Verde para el Clima: USD 42,50 millones Fondo para el Medio Ambiente Mundial (FMAM): USD 7,50 millones Mecanismo Africano de Financiación para la Adaptación al Cambio Climático en las Zonas Rurales (ARCAFIM): USD 15,00 millones
Condiciones de la cofinanciación:	Fondo Verde para el Clima: 55 % en forma de donación y 45 % en forma de préstamo privilegiado FMAM: donación ARCAFIM: préstamo
Contribución del prestatario/receptor:	USD 31,97 millones
Contribución de los beneficiarios:	USD 8,30 millones
Monto de la financiación del FIDA para el clima:	USD 50,66 millones
Institución cooperante:	Supervisado directamente por el FIDA

I. Contexto

A. Contexto nacional y justificación de la actuación del FIDA

Contexto nacional

1. Uganda es un país de ingreso bajo cuyo PIB per cápita ascendió a USD 1 088 en 2022/2023, lo que supuso un incremento con respecto a los USD 824 registrados en 2016- 2017. En 2022, la población del país era de 47 millones de personas, de las que 38 millones vivían en zonas rurales. Uganda ha ejecutado una serie de planes nacionales de desarrollo quinquenales. El vigente es el Tercer Plan Nacional de Desarrollo, con el que el país pretende obtener la condición de país de ingreso mediano si alcanza un PIB per cápita de USD 1 198 en el período 2024/2025.
2. La tasa de pobreza de Uganda ha fluctuado en los últimos 10 años, desde el 19,7 % en 2012/2013 al 21,4 % en 2016/2017, tras lo cual disminuyó ligeramente hasta el 20,3 % en el bienio 2019/2020. La desigualdad de ingresos, medida a través del coeficiente de Gini, subió de 0,38 en 2012/2013 a 0,42 en 2016/2017, con una leve caída de hasta 0,41 en 2019/2020. En la actualidad, Uganda está poniendo en práctica distintas intervenciones estratégicas para reducir la pobreza hasta alcanzar el objetivo buscado del 5 % antes de 2040.
3. En el Índice Global del Hambre, la puntuación de Uganda ha subido de 35,0 en el año 2000 (considerada como alarmante) a 25,2 (clasificada como grave) en 2023. Uganda se situó en el puesto 95 de un total de 125 países de los que se contaba con datos suficientes para calcular las puntuaciones del Índice Global del Hambre en 2023.
4. La actividad agropecuaria es el medio de vida preponderante, y un 68 % de la población trabaja en el sector de la agricultura, la silvicultura y la pesca. En el período 2022/2023, el sector agropecuario (agricultura, ganadería, silvicultura y pesca) aportó un 23,8 % del PIB, y el país registró un crecimiento del PIB del 4,8 % relacionado con dicho sector.

Aspectos específicos relativos a las esferas transversales prioritarias del FIDA

5. En consonancia con los compromisos transversales asumidos por el FIDA, el proyecto ha recibido las clasificaciones que se detallan a continuación:
 - abarca la financiación para el clima;
 - es sensible a la nutrición;
 - tiene en cuenta a la juventud, y
 - tiene en cuenta la capacidad de adaptación.
6. **Nutrición.** Se ha comprobado que las cadenas de valor que tienen en cuenta la nutrición representan una estrategia prometedora para mejorar la diversidad alimentaria en los hogares y la producción local de productos agropecuarios nutritivos y de gran calidad. La nutrición se ve afectada por cuestiones como el acceso, la disponibilidad, la asequibilidad, la inocuidad y la calidad de los alimentos. Una cadena de valor que tenga en cuenta la nutrición puede incrementar la productividad agropecuaria para consumo propio o con fines comerciales, acompañada de educación nutricional y actividades de comunicación destinadas a lograr cambios sociales y de comportamiento para promover la mejora de la diversidad alimentaria y una alimentación equilibrada.
7. **Género.** Las cadenas de valor de los productos lácteos y la carne de vacuno están estrechamente vinculadas con los roles de género. Por lo general, los hombres son propietarios del ganado, mientras que las mujeres poseen un mayor control sobre la leche, ya que estas suelen participar en forma más directa en el proceso de

elaboración de los productos lácteos. Las mujeres encuentran obstáculos para participar en el desarrollo del sector lácteo al no ser propietarias y carecer de acceso a recursos y activos, lo que también se traduce en una falta de avales para acceder a instrumentos financieros. El desarrollo ganadero se beneficiaría en gran medida de un mayor protagonismo de las mujeres en las cadenas de valor de los productos lácteos y la carne de vacuno, lo que se puede conseguir integrando una perspectiva de género y aplicando un enfoque sensible a las cuestiones relacionadas con el género.

8. **Juventud.** En la actualidad, la población de Uganda es la segunda más joven del mundo, ya que más de un 78 % de sus habitantes tiene menos de 30 años. La población juvenil engloba tanto a jóvenes cualificados con estudios como a jóvenes no cualificados que viven en zonas rurales. Estos últimos son mayoría. Para la población joven, es importante tener acceso a los activos productivos, estar conectados a un mercado, poder acceder a crédito y financiación y trabajar con tecnologías modernas y digitales. La creación de puestos de trabajo y el empleo decente para la gente joven en las cadenas de valor ganaderas puede reducir la pobreza rural y mejorar la seguridad alimentaria y la nutrición en el país.
9. **Personas con discapacidad.** El Proyecto de Cadena de Valor Ganadera Resiliente (ReLIV) se centrará en los hogares donde viven personas con discapacidad y velará por que estas personas se beneficien de los servicios del proyecto y, cuando sea posible, puedan participar en los agronegocios y las cadenas de valor de los productos lácteos y la carne de vacuno. Asimismo, el proyecto ReLIV ayudará a que las personas con discapacidad participen en distintos grupos y cooperativas y reciban apoyo para acceder a formación, crédito, servicios financieros y recursos productivos. El FIDA ya ha obtenido buenos resultados en lo que respecta a la inclusión de las personas con discapacidad en el marco del Proyecto para el Restablecimiento de los Medios de Vida en la Región Septentrional de Uganda.
10. **Cambio climático y capacidad de adaptación.** El sector ganadero de Uganda se caracteriza por la existencia de dificultades tales como la cría de razas de ganado de baja calidad, la escasez de pastos y forraje de calidad deficiente, la disponibilidad limitada de agua, la vigilancia y gestión ineficaces de las enfermedades, el aprovechamiento inadecuado del estiércol, la escasez de servicios de selección genética y su limitada capacidad, la deficiente gestión de los rebaños, la ordenación y gestión ineficientes de los pastizales y la baja productividad generalizada. El sector ganadero es una de las fuentes principales de emisiones de gases de efecto invernadero en Uganda: el sector lácteo representa el 21 % del total de las emisiones antropógenas, es decir, emite 19,1 millones de toneladas de dióxido de carbono equivalente, de las cuales un 98,6 % consisten en metano.

Razones que justifican la intervención del FIDA

11. A lo largo de los años, el FIDA ha logrado respaldar el desarrollo del sector ganadero de numerosos países. La experiencia, las enseñanzas y los planteamientos metodológicos generados en el marco del Proyecto de Fomento del Sector Lechero en Rwanda y el Programa de Asociación para Fomentar la Resiliencia y la Inclusividad de los Mercados de Ganado Menor en el mismo país, así como del Proyecto de Comercialización de la Ganadería y el Programa de Comercialización de Productos Lácteos de Pequeños Productores de Kenya, proporcionan al FIDA una ventaja comparativa contrastada para promover la ejecución de proyectos relacionados con la ganadería.
12. El FIDA se encuentra en una buena posición para hacer frente a los principales desafíos climáticos, ambientales y sociales observados en las cadenas de valor de los productos lácteos y la carne de vacuno en Uganda y para alcanzar las metas fijadas en el Plan Nacional de Adaptación y las contribuciones determinadas a nivel nacional. En este contexto, el proyecto ReLIV movilizará financiación climática adicional procedente del Fondo Verde para el Clima y el FMAM para aplicar medidas de

adaptación al cambio climático y mitigación de sus efectos, tales como equipos de conservación de forrajes, variedades de forrajes y pastos resistentes a las sequías, ordenación sostenible de las tierras, agrosilvicultura, razas de ganado resilientes y con capacidad de adaptación, energía renovable, seguros ganaderos y sistemas de información climática y meteorológica. También se ayudará a mujeres y hombres jóvenes a acceder a los servicios y productos proporcionados en el marco del proyecto ReLIV, lo que permitirá hacer frente al desempleo juvenil.

13. Un sector ganadero inclusivo, competitivo y climáticamente inteligente en Uganda ofrece oportunidades de crecimiento económico, mejora de los medios de vida de los pequeños productores, inclusión de mujeres y jóvenes y, por último, empleo en toda la cadena de valor. Asimismo, aporta importantes beneficios en los ámbitos de la nutrición y la salud pública, con potencial para mitigar las consecuencias ambientales y climáticas e incrementar al mismo tiempo la resiliencia. El compromiso y la experiencia del FIDA pueden contribuir a obtener estos beneficios.

B. Enseñanzas extraídas

14. El proyecto ReLIV partirá de las enseñanzas extraídas de proyectos en materia de ganadería en Uganda y en la región, con especial atención a los siguientes ámbitos:
15. **Investigación e innovación.** La última evaluación de la estrategia y el programa en el país para Uganda (que abarca el período 2013-2020 y se llevó a cabo en 2021) confirmó que el apoyo a la investigación agrícola ha favorecido la difusión de diversas tecnologías, algunas de las cuales eran novedosas en el país. El proyecto ReLIV aprovechará esta circunstancia prestando apoyo a instituciones fundamentales en Uganda, como la Universidad de Makerere.
16. **Agregación.** Las anteriores intervenciones de otros asociados para el desarrollo han puesto de manifiesto que los mecanismos de agregación en torno a una explotación básica constituyen un método eficaz para que los pequeños productores participen en la cadena de valor cuando el contexto socioeconómico no resulta adecuado para el modelo cooperativo.
17. **Plataformas de múltiples partes interesadas.** Los proyectos ganaderos finalizados y en curso en Kenya, Rwanda y la República Unida de Tanzania han demostrado que las plataformas de múltiples partes interesadas son de gran utilidad para forjar y promover asociaciones dentro de la cadena de valor, además de resaltar la importancia que reviste la participación de los distintos agentes de la cadena de valor en el ámbito de las políticas.

II. Descripción del proyecto

A. Objetivos, zona geográfica de intervención y grupos objetivo

18. La meta del proyecto ReLIV consiste en contribuir a la mejora de los medios de vida de los pequeños productores ganaderos en Uganda. El objetivo de desarrollo del proyecto es optimizar los ingresos, la nutrición y la resiliencia de los pequeños productores de lácteos y carne de vacuno.
19. El proyecto ReLIV se ejecutará en 41 distritos seleccionados en el corredor ganadero de Uganda. La selección de los distritos respondió a los siguientes criterios: i) alta incidencia y densidad de la pobreza, inseguridad alimentaria y malnutrición; ii) tamaño de los rebaños de los hogares y posibilidad de desarrollar cadenas de valor, por ejemplo con mercados para los productos de origen animal; iii) alto potencial de participación de mujeres y jóvenes, y iv) vulnerabilidad climática.
20. El proyecto se dirigirá a 200 000 hogares formados por pequeños productores de lácteos y carne de vacuno con sistemas intensivos y semiintensivos de producción integrada a pequeña escala y sistemas agropastorales extensivos de pequeñas y medianas dimensiones. Al menos el 40 % de los beneficiarios serán mujeres y el 25 %, jóvenes.

B. Componentes, efectos directos y actividades

21. El proyecto ReLIV constará de los siguientes componentes: i) aumento de la productividad y la resiliencia, y reducción de los efectos de la producción en el clima; ii) mejora del acceso de los pequeños productores a los mercados y aumento de las inversiones en la cadena de valor, y iii) apoyo y coordinación en materia de políticas.
22. **Componente 1: Aumento de la productividad y la resiliencia, y reducción de los efectos de la producción en el clima.** Este componente respaldará la transformación de los sistemas de producción pastorales en pequeña escala para aumentar su productividad, incrementar su resiliencia al cambio climático y a otras restricciones y perturbaciones, reducir sus emisiones antropógenas de gases de efecto invernadero y optimizar el secuestro de carbono en pastos y pastizales. Con el primer componente se intentarán obtener cuatro productos: i) acceso mejorado a agua, forraje y pienso de calidad; ii) acceso mejorado a servicios de selección genética y desarrollo de un sistema de identificación de animales; iii) acceso mejorado a servicios veterinarios y de salud animal, y iv) servicios mejorados de extensión y apoyo técnico para productores agropecuarios.
23. **Componente 2: Mejora del acceso de los pequeños productores a los mercados y aumento de las inversiones en la cadena de valor.** Las intervenciones correspondientes a este componente se centrarán en la posproducción y en el sector financiero, con la intención de promover la acción colectiva de los pequeños productores de productos lácteos y carne de vacuno y de ampliar las oportunidades de mercado para estos productores. Asimismo, las intervenciones del segundo componente buscan incrementar la eficiencia de las cadenas de valor de los productos lácteos y la carne de vacuno, aumentar las inversiones en distintos puntos de las cadenas de valor mediante la mejora del acceso a la financiación, promover soluciones ecológicas y sostenibles, reforzar la seguridad alimentaria y la nutrición, así como reducir la pérdida y el desperdicio de los alimentos en distintas etapas de las cadenas de valor. Con este componente se intentarán conseguir tres productos: i) mejora de la agregación de la producción y del acceso de los pequeños productores a los mercados; ii) aumento de la calidad, la inocuidad alimentaria y el consumo local de productos pecuarios básicos, y iii) optimización del acceso de los distintos agentes de las cadenas de valor a productos financieros.
24. **Componente 3: Apoyo y coordinación en materia de políticas.** El proyecto ReLIV contribuirá a la formulación, revisión y actualización de las políticas, las estrategias y las reglamentaciones del sector, atendiendo a las solicitudes del Ministerio de Agricultura, Ganadería y Pesca. Uganda ha puesto en marcha un proceso para crear una autoridad reguladora nacional en el ámbito agropecuario; por su parte, el FIDA hará un seguimiento de la evolución de este proceso para determinar los ajustes necesarios. El proyecto ReLIV impulsará la inclusión de todas las principales partes interesadas en las cadenas de valor de los productos lácteos y la carne de vacuno mediante la creación de plataformas de múltiples partes interesadas. Tomará como base los logros obtenidos en el marco de la Iniciativa 50x2030, a través de la cual se presta apoyo a los países para recopilar datos relacionados con el entorno rural y el sector agropecuario más fiables y de mayor calidad y utilizarlos en sus procesos de elaboración de políticas y toma de decisiones.

C. Teoría del cambio

25. El proyecto ReLIV hará frente a las dificultades en materia de desarrollo relacionados con la pobreza, la inseguridad alimentaria y la malnutrición centrándose en la producción, la comercialización y el entorno reglamentario de las cadenas de valor de los productos lácteos y la carne de vacuno. El proyecto permitirá a los grupos objetivo (población pobre de zonas rurales, personas con

discapacidad, mujeres y jóvenes) encontrar una manera de superar estas dificultades. En el marco del proyecto, se fomentará la productividad de las siguientes maneras: i) potenciando el acceso a pienso y agua; ii) facilitando el acceso a servicios de salud y nutrición animal, así como a servicios de selección genética, y iii) mejorando los servicios de extensión y promoviendo prácticas e innovaciones resilientes al clima. Asimismo, el proyecto ReLIV contribuirá a garantizar el acceso a los mercados de las siguientes maneras: i) fortaleciendo las organizaciones y cooperativas de productores para la agregación de la producción láctea y cárnica; ii) facilitando las asociaciones entre el sector privado y los grupos de productores; iii) promoviendo la elaboración en pequeña escala; iv) creando y rehabilitando infraestructuras propicias; v) sensibilizando acerca de la nutrición, y vi) facilitando el acceso a financiación. Al transversalizar las actividades de producción y la comercialización, el proyecto promoverá las prácticas resilientes al clima, las innovaciones digitales y la creación de un marco normativo y reglamentario propicio.

26. Las intervenciones del proyecto ReLIV darán pie a un aumento de la productividad y la producción y a una reducción de las emisiones de los grupos objetivo, lo que se traducirá en un incremento de los ingresos. De este modo, se reducirá el nivel de pobreza e inseguridad alimentaria de los grupos objetivos, se mejorará su situación nutricional y se disminuirá su huella ambiental y climática (gracias a los conocimientos adquiridos y el aumento de los ingresos), fomentando al mismo tiempo su resiliencia a las perturbaciones y al cambio climático. Estos efectos propiciarán un cambio sostenible y transformador en el contexto del proyecto actual.

D. Armonización, sentido de apropiación y asociaciones

27. El proyecto ReLIV contribuirá a los siguientes Objetivos de Desarrollo Sostenible (ODS): ODS 1 (Fin de la pobreza), ODS 2 (Hambre cero), ODS 5 (Igualdad de género), ODS 8 (Trabajo decente y crecimiento económico) y ODS 13 (Acción para el clima). El proyecto también se encuentra en consonancia con los objetivos de la Agenda 2030 para el Desarrollo Sostenible de erradicar el hambre, lograr la seguridad alimentaria, mejorar la nutrición, impulsar la agricultura sostenible, promover la industrialización inclusiva y sostenible y fomentar la innovación.
28. El proyecto ReLIV se ajusta plenamente al Tercer Plan Nacional de Desarrollo enmarcado en el Programa de Agroindustrialización, cuyo objetivo consiste en aumentar la competitividad de la producción y la elaboración agropecuaria, con los productos lácteos y ganaderos como prioridades fundamentales.
29. El proyecto ReLIV quedará integrado en el programa regional Intervenciones Lácteas para la Mitigación y la Adaptación (DaIMA) y contará con la financiación del Fondo Verde para el Clima que se aprobará en 2025. El proyecto también está en consonancia con la propuesta del FMAM para Uganda que forma parte del Programa Integrado de Sistemas Alimentarios de la FMAM-8 que dirigen el FIDA y la Organización de las Naciones Unidas para la Alimentación y la Agricultura (FAO). Además, el proyecto incorporará financiación del ARCAFIM.

E. Costos, beneficios y financiación

30. Los componentes 1 y 2 del proyecto ReLIV se contabilizan en parte como financiación para el clima. De conformidad con las metodologías que emplean los bancos multilaterales de desarrollo en el seguimiento de la financiación para la adaptación al cambio climático y la mitigación de sus efectos, se calcula que el monto total de la financiación para el clima concedida por el FIDA al proyecto ReLIV asciende a USD 50,66 millones.

Costos del proyecto

31. Se calcula que los costos totales del proyecto ascienden a USD 204,8 millones, de los cuales USD 174,2 millones representan los costos básicos y USD 30,6 millones, las provisiones para imprevistos. Los costos del proyecto comprenden los costos de inversión y los costos operacionales adicionales de los tres componentes. Las tasas anuales de inflación tanto local como externa se han fijado en el 4,1 % durante el período de ejecución, de conformidad con las predicciones de la Unidad de Investigación de la revista *The Economist*.

Cuadro 1

Costos del proyecto desglosados por componente, subcomponente y entidad financiadora

(en miles de dólares de los Estados Unidos)

Componente/subcomponente	Préstamo del FIDA en condiciones ultrafavorables con arreglo al PBAS		Préstamo del FIDA en condiciones muy favorables con arreglo al PBAS		Préstamo del FIDA con cargo al BRAM		Programa regional DaIMA del Fondo Verde para el Clima		Préstamo del ARCAFIM		Donación del FMAM		Beneficiarios			Gobierno de Uganda			Total	
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Efectivo	Especie	%	Efectivo	Especie	%	Monto	
1. Aumento de la productividad y la resiliencia, y reducción de los efectos de la producción en el clima																				
1.1. Mejora de la producción de piensos y forrajes, la ordenación de pastizales y el acceso al agua	14 629	31	3 657	7	5 044	10	11 396	23	-	0	5 415	11	-	-	0	231	8 480	18	48 853	
1.2. Mejora de la identificación de animales y la selección genética	16 572	64	4 142	16	-	0	-	0	-	0	-	-	-	-	0	875	4 195	20	25 784	
1.3. Mejora de los servicios de salud animal: animales resilientes con bajas emisiones	11 726	42	2 931	7	-	0	361	1	-	0	137	1	5 277	-	18	-	9 148	31	29 580	
1.4. Mejora de los servicios de extensión y apoyo técnico para productores	923	14	231	4	-	0	4 432	68	-	0	581	9	-	-	0	-	381	6	6 547	
Subtotal	43 850	40	10 961	9	5 044	5	16 189	15	-	0	6 133	6	5 277	0	5	1 106	22 204	21	110 764	
2. Mejora del acceso de los pequeños productores a los mercados y aumento de las inversiones en la cadena de valor																				
2.1. Mejora de la agregación de la producción y del acceso de los pequeños productores a los mercados	7 762	31	1 940	7	4 956	19	5 529	21	-	0	1 368	5	-	-	0	1 220	3 096	16	25 870	
2.2. Fortalecimiento de la inocuidad alimentaria y el consumo local de productos pecuarios básicos	8 174	53	2 043	13	-	0	928	6	-	0	-	0	1 864	-	12	-	2 511	16	15 520	
2.3. Optimización del acceso de los agentes de las cadenas de valor a productos financieros	5 275	12	1 319	3	-	0	19 000	46	15 000	36	-	0	1 166	-	3	-	0	0	41 761	
Subtotal	21 211	26	5 302	6	4 956	6	25 456	31	15 000	18	1 368	2	3 030	-	3	1 220	5 608	8	83 151	
3. Apoyo y coordinación en materia de políticas																				
3.1. Apoyo en materia de políticas	-	-	-	-	-	0	855	100	-	0	-	0	-	-	0	-	-	0	855	
3.2. Seguimiento y evaluación y gestión de los conocimientos	1 059	78	265	19	-	0	-	0	-	0	-	0	-	-	0	-	42	3	1 366	
3.3. Gestión del proyecto	5 530	67	1 382	12	-	0	-	0	-	0	-	0	-	-	0	627	1 164	21	8 703	
Subtotal	6 589	70	1 647	18	-	0	855	8	-	0	-	0	-	-	0	627	1 206	4	10 923	
Total	71 650	35	17 910	8	10 000	5	42 500	21	15 000	7	7 500	4	8 307	0	4	2 953	29 018	16	204 838	

Cuadro 2

Costos del proyecto desglosados por categoría de gastos y entidad financiadora

(en miles de dólares de los Estados Unidos)

Categoría de gastos	Préstamo del FIDA en condiciones ultrafavorables con arreglo al PBAS		Préstamo del FIDA en condiciones muy favorables con arreglo al PBAS		Préstamo del FIDA con cargo al BRAM		Programa regional DaIMA del Fondo Verde para el Clima		Préstamo del ARCAFIM		Donación del FMAM		Beneficiarios			Gobierno de Uganda			Total
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Efectivo	Especie	%	Efectivo	Especie	%	Monto
I. Costos de inversión																			
A. Obras	28 990	50	7 246	12	-	0	9 230	16	-	0	275	1	1 864	-	3	-	10 450	18	58 055
B. Vehículos	2 237	60	559	15	-	0	-	0	-	0	-	0	265	-	7	672	-	18	3 733
C. Bienes, servicios e insumos	16 279	32	4 069	7	4 956	10	4 847	9	-	0	4 351	8	6 178	-	12	664	10 381	21	51 725
D. Equipos y materiales	12 320	44	3 079	9	5 044	17	1 500	5	-	0	1 500	5	-	-	0	-	5 666	20	29 110
E. Consultorías	3 571	41	893	8	-	0	3 655	40	-	0	1 079	12	-	-	0	-	-	0	9 198
F. Capacitación y talleres	3 289	31	822	6	-	0	4 268	38	-	0	295	3	-	-	0	1 617	884	22	11 175
G. Donaciones y subvenciones	-	-	-	-	-	0	19 000	56	15 000	44	-	0	-	-	0	-	-	0	34 000
Costos totales de inversión	66 686	34	16 667	8	10 000	5	42 500	22	15 000	8	7 500	4	8 307	-	4	2 953	27 381	15	196 995
II. Gastos recurrentes																			
A. Sueldos y prestaciones	4 152	66	1 039	13	-	0	-	0	0	0	-	0	-	-	0	-	1 413	21	6 605
B. Costos de funcionamiento	812	66	203	16	-	0	-	0	0	0	-	0	-	-	0	-	223	18	1 238
Total de gastos recurrentes	4 964	66	1 242	13	-	0	-	0	0	0	-	0	-	-	0	-	1 636	21	7 843
Total	71 650	35	17 910	8	10 000	5	42 500	21	15 000	7	7 500	4	8 307	-	4	2 953	29 018	16	204 838

Cuadro 3

Costos del proyecto desglosados por componente y año del proyecto

(en miles de dólares de los Estados Unidos)

Componente	Primer año		Segundo año		Tercer año		Cuarto año		Quinto año		Sexto año		Séptimo año		Octavo año	
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%
1. Aumento de la productividad y la resiliencia, y reducción de los efectos de la producción en el clima	3 046	3	18 287	16	34 258	31	17 182	16	14 979	14	9 764	9	7 112	6	6 136	6
2. Mejora del acceso de los pequeños productores a los mercados y aumento de las inversiones en la cadena de valor	248	1	17 986	22	17 039	20	17 655	21	16 573	20	10 753	12	2 462	3	433	1
3. Apoyo y coordinación en materia de políticas	1 447	13	1 315	12	1 202	11	1 388	13	1 318	12	1 377	13	1 535	14	1 342	12
Total	4 740	2	37 588	18	52 499	26	36 225	18	32 871	16	21 894	11	11 109	5	7 911	4

Estrategia y plan de financiación y cofinanciación

32. El costo total del proyecto ReLIV se cifra en USD 204,80 millones, cantidad que se irá desembolsando a lo largo de ocho años. Las contribuciones del FIDA se componen de USD 89,57 millones procedentes de la asignación del PBAS de la FIDA12 para Uganda y de USD 10,00 millones ya confirmados procedentes del BRAM, cuya suma asciende a USD 99,57 millones (el 48,6 % de los costos totales del proyecto).
33. El proyecto obtendrá financiación del programa regional DaIMA del Fondo Verde para el Clima por valor de USD 42,50 millones (el 20,7 % de la asignación total), de los cuales el 55 % se obtendrán en forma de donación y el 45 % en forma de préstamo privilegiado. Además, el ARCAFIM (con cofinanciación del Fondo Nórdico de Desarrollo), el Fondo Verde para el Clima, el Gobierno de Finlandia, el Gobierno de Dinamarca y los recursos suplementarios del FIDA supondrán una aportación de USD 15,00 millones (el 7,3 % de la financiación del proyecto). La contribución prevista del Gobierno de Uganda de USD 31,97 millones cubrirá como mínimo el 15,6 % de los costos totales del proyecto en forma de contribuciones en efectivo o en especie. El FMAM aportará USD 7,50 millones, esto es, el 3,7 % de la asignación total. Los beneficiarios aportarán USD 8,3 millones en efectivo o en especie, lo que supone el 4,1 % de los costos totales del proyecto.
34. **Plan B para la cofinanciación.** Los USD 50 millones de financiación procedentes del FMAM y del Fondo Verde para el Clima siguen pendientes de aprobación. Una vez aprobado este monto, las disposiciones relativas a la gestión financiera de los fondos aportados ajústense ajustarán a los procesos del FIDA. Si estos fondos no se aprueban antes de 2026, el proyecto presentará un déficit de financiación. A fin de mitigar este riesgo y cubrir el déficit, está previsto emplear la asignación de la FIDA13 para Uganda (la asignación para este país ascendió USD 100 millones tanto en la FIDA11 como en la FIDA12).

Desembolsos

35. Las categorías de desembolso serán las siguientes: i) obras; ii) vehículos; iii) bienes, servicios e insumos; iv) equipos y materiales; v) consultorías; vi) capacitación y talleres; vii) donaciones y subvenciones; viii) sueldos y prestaciones, y ix) costos de funcionamiento, y se asignarán a diversos cofinanciadores. Los gastos recurrentes totales equivalen al 4 % de los costos totales del proyecto y al 8 % de la financiación del FIDA, lo que se encuentra dentro de los límites aceptables. Los fondos del ARCAFIM se desembolsarán directamente a través de la entidad Equity Bank Uganda Limited. El FIDA administrará los fondos procedentes del Fondo Verde para el Clima y el FMAM conforme a las políticas y los procedimientos institucionales sobre gestión del riesgo fiduciario.

Resumen de los beneficios y análisis económico

36. El análisis financiero demuestra la viabilidad de las actividades previstas. Además, el análisis económico indica que el proyecto es económicamente viable, con una tasa interna de rendimiento económico del 27,93 % y un valor actual neto de USD 164,94 millones. El proyecto ReLIV es sensible a los cambios que se producen en determinadas variables de los modelos, entre ellos las variaciones en los beneficios y costos o los retrasos en la materialización de los beneficios y los índices de aceptación, lo que pone de relieve la importancia de realizar inversiones sostenibles en la cadena de valor de los productos lácteos para obtener buenos resultados a través del proyecto.

Estrategia de salida y sostenibilidad

37. El proyecto ReLIV ha incorporado aspectos de salida y sostenibilidad en todas las intervenciones importantes. El proyecto fortalecerá a las principales instituciones gubernamentales responsables de la promoción de las cadenas de valor de los productos lácteos y la carne de vacuno con creación de capacidad para la selección genética y la identificación de animales, la salud animal, los servicios de extensión

y la prestación de apoyo técnico a los productores agropecuarios. Estos organismos seguirán proporcionando servicios una vez transcurrido el período de ejecución del proyecto. A fin de garantizar la sostenibilidad, el proyecto ReLIV se ajustará a las principales políticas nacionales relativas al clima y el medio ambiente, entre ellas la Política Nacional de Gestión Ambiental, la Política Nacional sobre el Cambio Climático, las contribuciones determinadas a nivel nacional actualizadas, el Plan Nacional de Adaptación, el plan de neutralización de la degradación de las tierras y la estrategia y plan de acción nacionales en materia de diversidad biológica.

III. Gestión del riesgo

A. Riesgos y medidas de mitigación

38. Los riesgos inherentes y residuales generales se califican como considerables. Los principales riesgos y las correspondientes medidas de mitigación se presentan en la matriz integrada de riesgos del proyecto (apéndice III).

Cuadro 4

Calificación general de los riesgos

<i>Tipo de riesgo</i>	<i>Calificación del riesgo inherente</i>	<i>Calificación del riesgo residual</i>
Contexto nacional	Moderado	Moderado
Estrategias y políticas sectoriales	Considerable	Considerable
Medio ambiente y clima	Considerable	Considerable
Alcance del proyecto	Moderado	Moderado
Capacidad institucional de ejecución y sostenibilidad	Considerable	Considerable
Gestión financiera	Considerable	Considerable
Adquisiciones y contrataciones en el marco del proyecto	Moderado	Moderado
Impacto ambiental, social y climático	Considerable	Considerable
Partes interesadas	Moderado	Moderado
Riesgo general	Considerable	Considerable

B. Categoría ambiental y social

39. El riesgo de ReLIV en la categoría ambiental y social se ha clasificado como considerable. Los riesgos ambientales y sociales fundamentales presentes en la s cadenas de valor de los productos lácteos y la carne de vacuno son, entre otros, el cambio de uso de la tierra, el pastoreo excesivo, la deforestación, la degradación grave de las tierras, la gestión inadecuada de los residuos, la contaminación del agua y el suelo, el incremento en el uso de los plaguicidas, la mayor dependencia de un consumo intensivo de madera para obtener energía y agua y los conflictos derivados del uso de los recursos. Otros motivos de preocupación son los riesgos para la bioseguridad y la bioprotección relacionados con una higiene y una gestión de la salud deficientes, posibles brotes de enfermedades transmitidas por el agua o por vectores (incluidas las enfermedades zoonóticas), las carencias nutricionales, las malas condiciones de trabajo, el trabajo infantil y los problemas relativos a la salud y la seguridad de las comunidades.

C. Clasificación del riesgo climático

40. La clasificación del riesgo climático del proyecto ReLIV es considerable. La elevada puntuación de Uganda en la esfera de la vulnerabilidad y su baja puntuación en términos de preparación la sitúan en el cuadrante superior izquierdo de la matriz del índice de países de la Iniciativa de Adaptación Mundial de la Universidad de Notre Dame (ND-GAIN). El país presenta una gran necesidad de inversiones e innovación para mejorar su estado de preparación y requiere de una actuación urgente. Como resultado, Uganda ocupa el puesto 14 de los países más vulnerables y el 163 de los menos preparados, con puntuaciones especialmente bajas en los factores sociales que podrían incrementar la movilidad de las inversiones en medidas de adaptación. Además, las zonas seleccionadas para la ejecución del

proyecto están expuestas a riesgos climáticos considerables, como son la subida de las temperaturas, las precipitaciones erráticas y fenómenos meteorológicos extremos como períodos secos, olas de calor, sequías, inundaciones, aludes de lodo y deslizamientos de tierras.

D. Sostenibilidad de la deuda

41. El análisis de sostenibilidad de la deuda elaborado por el Fondo Monetario Internacional y el Banco Mundial indica que Uganda presenta un riesgo moderado de sobreendeudamiento externo y público, con un escaso margen para absorber las perturbaciones. La deuda pública fue subiendo en el país hasta alcanzar el 50,6 % del PIB en el ejercicio económico de 2021/2022, y la deuda pública externa se sitúa en el 31,3 %. Todas las trayectorias de la carga de la deuda externa y con garantía pública y de la deuda pública total se mantienen por debajo de sus respectivos umbrales indicativos. Las pruebas de tensión ponen de manifiesto situaciones en las que se superan los umbrales correspondientes a la carga de la deuda externa, lo que plantea riesgos como la ralentización del crecimiento, el endurecimiento de las condiciones de endeudamiento del sector público, el retraso de las reformas y la exportación de petróleo. Los planes de Uganda para incrementar la sostenibilidad de la deuda consisten en sustituir el gasto público financiado mediante la emisión de deuda por un crecimiento liderado por el sector privado.

IV. Ejecución

A. Marco organizativo

Gestión y coordinación del proyecto

42. El Ministerio de Agricultura, Ganadería y Pesca es el principal organismo de ejecución y creará un comité directivo del proyecto que brindará orientación estratégica general y garantizará la coordinación entre sectores. Asimismo, el Ministerio pondrá en marcha una Unidad de Gestión del Proyecto (UGP), compuesta por personal contratado o designado mediante un proceso competitivo, que se encargará de coordinar las actividades de los organismos implicados en la ejecución del proyecto. La UGP desempeñará las funciones básicas de coordinación relativas a la ejecución general del proyecto. Además, forjará asociaciones y colaborará con otros proyectos similares en curso para garantizar la complementariedad y el aprendizaje mutuo.

Gestión financiera, adquisiciones y contrataciones, y gobernanza

43. **Gestión financiera.** La UGP se ajustará a los procedimientos del FIDA en materia de información financiera, controles internos y auditorías. Además, confeccionará los presupuestos del proyecto atendiendo a los procedimientos del FIDA y a las reglamentaciones sobre gestión de las finanzas públicas del Gobierno de Uganda. El plan operacional anual y presupuesto correspondiente se prepararán con un grado suficiente de detalle, desglosando en ellos las actividades por categoría, componente y entidad financiadora y serán aprobados por el comité directivo del proyecto antes de que el FIDA emita su declaración de conformidad. Se incluirá un calendario para la presentación de presupuestos en el manual de gestión financiera y control financiero de proyectos para prestatarios del FIDA.
44. Los mecanismos de desembolso serán el retiro de fondos por adelantado y el pago directo. Los pagos directos se autorizarán únicamente en casos excepcionales y con la aprobación previa del Oficial de Finanzas del FIDA. Los desembolsos procedentes del FIDA se efectuarán mediante un anticipo a las cuentas designadas, pero las reposiciones trimestrales posteriores quedarán sujetas a los informes financieros provisionales y las previsiones de efectivo deberán ajustarse al plan operacional anual y presupuesto conexo aprobados. Los desembolsos del FIDA se efectuarán con arreglo a los informes financieros provisionales trimestrales que se presentarán en los 30 días siguientes al cierre del período correspondiente, para lo cual se presentará una solicitud de retiro a través del Portal de los Clientes del FIDA.

45. **Adquisiciones y contrataciones.** El riesgo inherente del proyecto ReLIV en el ámbito de las adquisiciones y contrataciones se ha considerado moderado. El proyecto se atenderá a la legislación en materia de adquisiciones y contrataciones públicas y se ajustará a las normas y reglamentaciones internacionales que sean congruentes con las directrices del FIDA para la adquisición de bienes y la contratación de obras y servicios en el ámbito de los proyectos. Además, se empleará el sistema integral de adquisiciones y contrataciones en línea del FIDA para mitigar los posibles riesgos asociados al uso indebido de métodos no competitivos.

Participación y observaciones del grupo objetivo

46. Se ha elaborado un plan de colaboración con las partes interesadas para orientar la participación y la influencia de estas en el proyecto. El plan sirve de marco para la participación de las partes interesadas y favorecerá la ejecución satisfactoria del proyecto. La UGP utilizará este plan principalmente para recabar el apoyo de las partes interesadas al sector de la carne de vacuno y los productos lácteos. Este apoyo facilitará la ejecución, ya que se presume que la movilización de estas partes interesadas creará un entorno propicio para la puesta en marcha de distintas actividades relacionadas con la economía y los medios de vida. El proyecto ReLIV utilizará el plan antes referido para determinar cuáles son las principales partes interesadas que se verán afectadas por el proyecto y su capacidad para influir en las actividades programadas.

Resolución de reclamaciones

47. En el marco de la participación de las partes interesadas, se ha creado un mecanismo de resolución de reclamaciones para dar curso a cualquier queja que pueda surgir durante la ejecución del proyecto. Este mecanismo permitirá resolver las consultas planteadas, aclarar las dudas acerca del proyecto y dar respuesta a los problemas, las quejas y las reclamaciones pertinentes. A fin de que todas las partes interesadas en el proyecto conozcan el mecanismo de resolución de reclamaciones y puedan acceder a él, se emplearán distintas herramientas de comunicación para difundir información sobre el mecanismo y sobre el modo de presentar reclamaciones y obtener reparaciones.

B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación

48. El proyecto ReLIV establecerá un sistema sólido de seguimiento y evaluación (SyE) para apuntalar el principal objetivo de desarrollo del proyecto de mejorar los ingresos, la nutrición y la resiliencia de los pequeños productores de lácteos y carne de vacuno de Uganda. Se tratará de un sistema participativo, sensible al género y orientado a la consecución de resultados que facilitará la integración de los informes sobre la marcha de las actividades desde el punto de vista físico y financiero. Se incorporarán estudios exhaustivos en las etapas inicial, intermedia y final, en consonancia con el marco de indicadores básicos de los efectos directos del FIDA.

Innovación y ampliación de escala

49. El proyecto ReLIV incluirá una serie de innovaciones: i) digitalización de las cadenas de valor; ii) escuelas de campo para ganaderos destinadas a ayudar a difundir las innovaciones de los investigadores; iii) introducción de la explotación básica como modelo de agregación y conexión de los pequeños productores agropecuarios con los mercados, y iv) desarrollo de un módulo en el sistema de información geográfica (SIG) para medir la cobertura vegetal en el marco de la evaluación del impacto.

C. Planes para la ejecución

Preparación para la ejecución y planes para la puesta en marcha

50. Las aprobaciones gubernamentales necesarias para el proyecto han ido avanzando en paralelo a las aprobaciones internas del FIDA. Está previsto que el proyecto ReLIV inicie su andadura en el segundo trimestre de 2025. El taller de puesta en marcha está previsto para julio de 2025. El proyecto recibirá USD 500 000 para el establecimiento de la UGP y las contrataciones correspondientes.

Supervisión, examen de mitad de período y planes de finalización

51. El FIDA y el Gobierno organizarán y ejecutarán de forma conjunta misiones de supervisión y apoyo a la ejecución para examinar los avances y ayudar a la UGP y a los asociados en la ejecución a introducir mejoras en la fase de ejecución del proyecto. Se llevará a cabo un examen de mitad de período para valorar si el proyecto ReLIV va camino de lograr su meta y sus objetivos de desarrollo. Asimismo, se efectuará una evaluación final durante el último año del proyecto.

V. Instrumentos jurídicos y facultades

52. Un convenio de financiación entre la República de Uganda y el FIDA constituye el instrumento jurídico para la concesión de la financiación propuesta al prestatario. En el apéndice I figura una copia del convenio de financiación negociado.
53. La República de Uganda está facultada por su legislación para recibir financiación del FIDA.
54. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y en sus Políticas y Criterios en materia de Financiación.

VI. Recomendación

55. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta con arreglo a lo dispuesto en la resolución siguiente:

RESUELVE: que el Fondo conceda un préstamo en condiciones ultrafavorables a la República de Uganda por un monto de setenta y un millones seiscientos cincuenta mil dólares de los Estados Unidos (USD 71 650 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

RESUELVE ADEMÁS: que el Fondo conceda un préstamo en condiciones muy favorables a la República de Uganda por un monto de diecisiete millones novecientos diez mil dólares de los Estados Unidos (USD 17 910 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

RESUELVE ASIMISMO: que el Fondo conceda un préstamo en condiciones ordinarias a la República de Uganda por un monto de diez millones de los Estados Unidos (USD 10 000 000), conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

Álvaro Lario
Presidente

Negotiated financing agreement

Resilient Livestock Value Chain Project (ReLIV)

(Negotiations concluded on 19 July)

Loan No: _____

Project name: **Resilient Livestock Value Chain Project (ReLIV)**
("the **(ReLIV)**" / "the Project")

Republic of Uganda, represented by Ministry of Finance, Planning and Economic Development (the "Borrower")

and

The **International Fund for Agricultural Development** (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Borrower has requested financing from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

WHEREAS the Borrower has undertaken to provide counterpart contribution to the Project as specified herein;

WHEREAS, the Fund has agreed to provide financing for the Project.

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide:

- A. a loan on super highly concessional terms ("Loan A");
- B. a loan on highly concessional terms ("Loan B"); and
- C. a loan on ordinary terms ("Loan C"),

(together the "Financing") to the Borrower which the Borrower shall use to implement the Project in accordance with the terms and conditions of this Agreement.

Section B

1. The amount of:
 - A. Loan A is seventy-one million six hundred and fifty thousand United States dollars (USD 71,650,000);
 - B. Loan B is seventeen million nine hundred and ten thousand United States dollars (USD 17,910,000); and
 - C. Loan C is ten million United States dollars (USD 10,000,000).
2. In relation to Loan A:
 - (i) it shall be free of interest but shall bear a fixed service charge as determined by the Fund at the date of approval of Loan A by the Fund's Executive Board, payable semi-annually in the Loan Service Payment Currency;
 - (ii) it shall have a maturity period of fifty (50) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund's Executive Board; and
 - (iii) it will be repaid at two and a half per cent (2.5%) of the total principal per annum for years eleven (11) to fifty (50).
3. In relation to Loan B:
 - (i) it shall be free of interest but shall bear a fixed service charge as determined by the Fund at the date of approval of Loan B by the Fund's Executive Board, payable semi-annually in the Loan Service Payment Currency;
 - (ii) it shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of Loan C by the Fund's Executive Board; and
 - (iii) it will be repaid at two per cent (2%) of the total principal per annum for years eleven (11) to twenty (20), and four per cent (4%) of the total principal per annum for years twenty-one (21) to forty (40).
4. In relation to Loan C:

Loan C shall be subject to interest on the principal amount outstanding of Loan C at a rate equal to the IFAD Reference Interest Rate including a variable spread, payable semi-annually in the Loan Service Payment Currency, and have a maturity period of twenty-nine (29) years, including a grace period of ten (10) years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled.
5. The Loan Service Payment Currency shall be in US dollars.
6. The first day of the applicable Fiscal Year shall be 1 July.
7. Payments of principal and service charge and/or interest, as the case may be, in respect of Loans A, B and C, shall be payable on 15 May and 15 November of each year.

8. There shall be Designated Accounts in USD, for the exclusive use of the Project, with corresponding local currency accounts in UGX, opened at the Bank of Uganda. The Borrower shall inform the Fund of the officials authorized to operate the Designated Accounts.

9. The Borrower shall provide counterpart contribution for the Project, in the value of an amount of [thirty-one million nine hundred and seventy thousand United States dollars (USD 31,970,000)] (in cash or in-kind as described in Schedule 1), or as may otherwise be agreed between the Parties.

Section C

1. The Lead Project Agency shall be the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). Other implementation agencies will be Dairy Development Authority (DDA) National Animal Genetic Resources Centre and Data Bank (NAGRC&DB) and National Agricultural Research Organisation (NARO), or such relevant successor entities as communicated.

2. A Mid-Term Review will be undertaken at mid-line to assess whether the project is on track to achieve its goal and development objectives.

3. The Project Completion Date shall be the eighth anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be six (6) months later, or such other date as the Fund may designate by notice to the Borrower.

4. Procurement of goods, works and services financed by the Financing shall be carried out in accordance to the Borrower's Public Procurement Law, aligning with international standards and its associated regulations that are in line with IFAD Project Procurement Guidelines. Furthermore, IFAD's End-to-End procurement system will be employed to mitigate the potential risks associated with inappropriate use of non-competitive methods.

Section D

1. The Fund will administer the Financing and will supervise the Project jointly with the Government of Uganda represented by the Ministry of Finance, Planning and Economic Development.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:

- (a) the PIM and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project.

2. The following are designated as additional grounds for cancellation of this Agreement:

- (a) in the event that the Borrower did not request a disbursement of the Financing for a period of twelve (12) consecutive months, without justification, subsequent to the first eighteen (18) months from the Effective Date.
3. The following are designated as additional (general/specific) conditions precedent to withdrawal:
- (a) the IFAD no objection to the Project Implementation Manual (PIM) shall have been obtained;
- (b) The project co-ordinator/manager, the procurement manager, and the finance manager/financial controller (have been appointed/seconded, to the project management unit (PMU) with the prior no-objection of the Fund.
4. This Agreement is subject to approvals in accordance with the laws of the Republic of Uganda, and such evidence of approval(s) provided to the Fund.
5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Honourable Minister
Ministry of Finance Planning and Economic Development
Plot No. 2 – 8 Apollo Kaggwa Road
P.O Box 8147
Kampala

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

If applicable, the Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

THE REPUBLIC OF UGANDA

Honourable Minister [Matia Kasaija]
Minister of Finance Planning and Economic Development

[Date: _____¹]

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

Alvaro Lario
President of IFAD

Date: _____

¹ In case the FA is not signed in IFAD HQ

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. Target Population.

The project will target 200,000 households, comprising of smallholder dairy and beef farmers engaged in intensive and semi-intensive small-scale integrated production systems, as well as small and medium scale extensive agro-pastoral systems.

2. Project area.

The Project will work in 41 selected districts in the cattle corridor of the Republic of Uganda. The districts were selected based on the following: (i) high incidence and density of poverty, food insecurity, malnutrition; (ii) herd size by the households and potential for value chain development, including markets for animal sourced products; (iii) high potential for women and youth engagement; and (iv) climate vulnerability.

3. Goal.

The goal of the Project is to contribute to the improved livelihoods of smallholder livestock farmers in Uganda.

4. Objectives.

The Development objective of the Project is to enhance income, nutrition and resilience of smallholder dairy and beef producers through increased production, value addition and marketing.

5. Components. The Project shall consist of the following Components:

5.1 Component 1: Increasing productivity and resilience and reducing the impact of production on climate: will support the transformation of smallholder and grazing/pastoral production systems to improve their productivity, increase

resilience to climate change and other constraints and shocks, lower their GHG emissions and enhance carbon sequestration in rangelands/pastures. Component one will aim to achieve four outputs: (i) Enhanced access to quality feed, fodder and water; (ii) Enhanced access to veterinary and animal health services, (iii)

Enhanced access to breeding services and development of an animal identification system and (iv) Enhanced extension services and technical support to farmers.

5.2 Component 2: Enhancing access to markets for smallholder producers and investments in the value chain: Interventions under this component will focus on post-production level and the financial sector and are intended to foster collective

action among smallholder beef and dairy farmers, broaden market opportunities for farmers, increase milk and beef value chain efficiency, increase investment at different levels of the value chain, through better access to finance, promote green and sustainable solutions, and improve food safety as well as nutrition and reduce food loss and waste at various stages of the value chains. This Component will aim at achieving three outputs: (i) Aggregation of production and access to markets for smallholder producers improved, (ii) Quality, food safety and local consumption of livestock commodities strengthened, (iii) Access to financial products for value chain actors improved.

- 5.3 **Component 3:** Policy support and coordination- ReLIV will support the formulation, review/updating of sector policies, strategies and regulations, based on Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) demand. Uganda has initiated a process of establishing a National Agriculture Regulatory Authority, IFAD will follow developments on this process to determine any adjustments needed. ReLIV will amplify the inclusion of all key stakeholders within the dairy and beef value chains through the creation of multi-stakeholder platforms. ReLIV will build on the achievements of 50x2030 initiative in Uganda which supports countries to collect better and more reliable agricultural and rural data and assists them in using data for policy and in their decision-making processes.

II. Implementation Arrangements

6. *Lead Project Agency.* MAAIF is the lead implementing agency and other implementing agencies as mentioned in Section C, paragraph 1 of the Agreement.

7. *Project Steering Committee.* MAAIF as the lead implementing agency will establish a Project Steering Committee (comprised of representatives, including *inter alia*, relevant ministries, agencies, and private sector organisations) that will provide overall strategic direction and ensure coordination among sectors.

8. *Project Management Unit.* MAAIF will establish a project management unit (PMU) with competitively recruited/seconded staff (in accordance with the Borrower's applicable laws relating to the employment in the public service), to be responsible for coordination of the agencies involved in implementation of the Project. The PMU will handle core functions of coordinating the overall implementation and implementing agencies focusing on financial management; procurement; monitoring, evaluation and learning, and overall reporting. It will also initiate partnerships and collaborations with other similar ongoing projects and ensure complementarities and mutual learning.

9. *Implementing agencies.*

Semi-autonomous institutions of MAAIF, i.e., DDA, NAGRIC and DB and NARO's NaLiRRI, plus Directorate of Animal Resources in MAAIF with Local Governments, will be implementing agencies. Private sector agencies may also be contracted to perform (implementation) functions where necessary.

10. *Monitoring and Evaluation.*

Monitoring and Evaluation (M&E) system for ReLIV will be developed by the PMU M&E unit with the assistance of IFAD Country Office within the first year of the project as a tool for effective project implementation management. The M&E

system will enable IFAD, MAAIF and the stakeholders to monitor Project's internal performance.

11. *Knowledge Management.* The ReLIV KM function will be complemented by the M&E Management Information System (MIS, routine field M&E visits and thematic studies) on which quantitative and qualitative data will be assessed in order to primarily develop: (i) policy level KM Products (policy, briefs, case studies, and working papers); (ii) beneficiary success stories; (iii) training manuals on technologies; and (iv) lessons learned. The KM Officer will develop a comprehensive communication and knowledge management (C & KM) strategy that will provide for dissemination, visibility of project interventions, knowledge transfer, participation of key different stakeholders and direct project beneficiaries as a tool to develop a ReLIV specific KM action plan.

12. *Project Implementation Manual.* The Borrower shall finalise the PIM and forward it to the Fund for no objection within 90 days of entry into force. MAAIF, following confirmation from the Borrower, shall adopt the PIM, substantially in the form approved by the Fund, and MAAIF shall promptly provide copies thereof to the Fund.

The Borrower shall ensure that (i) the Project is carried out in accordance with the PIM; (ii) MAAIF informs the Borrower and the Fund of reasonably minor operational deviations from the PIM; and (iii) the PIM or any provision thereof shall not be amended, abrogated, waived or permitted to be amended, abrogated or waived, without the prior written consent of the Fund.

Schedule 2

Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Categories	Loan A Allocated (Expressed in USD)	Loan B Allocated (Expressed in USD)	Loan C Allocated (Expressed in USD)	Percentage net of taxes
1. Civil Works	27 540 000	6 880 000		100%
II. Goods, Services and Inputs	15 460 000	3 870 000	4 710 000	100%
III. Equipment and Materials	13 830 000	3 460 000	4 790 000	100%
IV. Training and Workshops	6 520 000	1 620 000		100%
V. Operating Costs	4 720 000	1 180 000		100%
VI. Unallocated	3 580 000	900 000	500 000	
Total	71 650 000	17 910 000	10 000 000	

[(b) The terms used in the Table above are defined as follows:

- (i) Equipment and materials include vehicles acquired for the project.
- (ii) Training and workshops include consultancies for the project.
- (iii) Operating costs include salaries and allowances of project staff.
- (iv) Unallocated category is intended to cater for unforeseen contingency costs that may arise during the project implementation period such as design/price variations, subject to the borrowers request and Fund's approval.

2. *Disbursement arrangements*

(a) *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs in operating cost Category incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of five hundred thousand United States dollars (USD 500,000). Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

Schedule 3

Special Covenants

I. General Provisions

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan/Grant Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. Within six (6) months of entry into force of the Financing Agreement, the Project will have been set up in the integrated financial management system of the Borrower.
2. Within six (6) months of entry into force of the Financing Agreement, the Project will enter into formal arrangements with implementing partners that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.
3. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement
4. *Gender.* The Borrower shall ensure that the project will contribute to SDG5 (Gender Equality.)
6. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
7. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.
8. *Use of Project Vehicles and Other Equipment.* The Borrower shall ensure that:
 - (i) the types of vehicles and other equipment procured under the Project are appropriate to the needs of the Project; and
 - (ii) all vehicles and other equipment transferred to or procured under the Project are dedicated solely to Project use.
9. *IFAD Client Portal (ICP) Contract Monitoring Tool.* The Borrower shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that the

contract data is updated on a quarterly basis during the implementation of the Project/Program.

10 The Key Project Personnel are: project co-ordinator/manager, financial controller/manager, and, procurement manager. In order to assist in the implementation of the Project, the PMU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be seconded or recruited in accordance with the Borrower's applicable laws relating to employment in the public service. The recruitment or dismissal of Key Project Personnel is subject to IFAD's prior review and no objection. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated Social, Environmental, Climate Assessment Procedures of IFAD (SECAP).

II. SECAP Provisions

1. For projects/programmes presenting high or substantial social, environmental and climate risks, the Borrower shall carry out the implementation of the Project in accordance with the measures and requirements set forth in the Environmental and Social Impact Assessments (ESIAs)/Environmental, Social and Climate Management Frameworks (ESCMFs) and Environmental, Social and Climate Management Plans (ESCMPs) for high risk projects and Abbreviated ESIAs and ESCMPs for substantial risk projects and Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), Pesticide Management Plans, Cultural Resources Management Plans and Chance Finds Plans (the "Management Plan(s)"), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.
2. The Borrower shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) the Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).
3. The Borrower shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Project stakeholders and interested parties in an accessible place in the Project-affected area, in a form and language understandable to Project-affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).
4. The Borrower shall ensure or cause the Implementing Agencies to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Project with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.
5. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Project implementation that, with respect to the relevant IFAD Project:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower shall:

- (i) Notify IFAD promptly;
- (ii) Provide information on such risks, impacts and accidents;
- (iii) Consult with Project-affected parties on how to mitigate the risks and impacts;
- (iv) Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements;
- (v) Adjust, as appropriate, the Project-level grievance mechanism according to the SECAP requirements; and
- (vi) Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

Serious ESHS incident means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of the loan or within the Lead Agency and Implementing Agencies' activities in the Project.

Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Project workforce or in relation to severe threats to public health and safety, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

6. The Borrower shall ensure or cause the Implementing Agency, contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

7. Without limitation on its other reporting obligations under this Agreement, the Borrower shall provide the Fund with:

- (i) reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
 - (ii) reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Project and propose remedial measures. The Borrower will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
 - (iii) reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.
8. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project				Programme reports	Annual	PMU M&E unit	Political stability Marco-economic conditions remain stable or improve. No major political shocks in the region Strong PMU in place
	Males - Males	0	48000	120000				
	Females - Females	0	32000	80000				
	Young - Young people	0	20000	50000				
	Total number of persons receiving services	0	80000	200000				
	1.b Estimated corresponding total number of households members				Programme reports	Annual	PMU M&E unit	
	Household members - Number of people	0	300000	1000000				
Project Goal: Contribute to the improved livelihoods of smallholder livestock farmers	1.a Corresponding number of households reached				Programme reports	Annual	PMU M&E unit	
	Households - Households	0	80000	200000				
	Percentage of rural households living below the poverty line in the project supported districts				UBOS/ COI surveys	Baseline, MTR and completion	PMU M&E unit	
	Households - Percentage (%)	21.5	20.4	19.2				
	Development Objective: Enhance income, nutrition and resilience of smallholder dairy and beef producers	Percentage increase in average HH income as a result of services provided				COI surveys	Baseline, MTR and completion	PMU M&E unit
		Households - Percentage (%)	0	30	50			
		1.2.8 Women reporting minimum dietary diversity (MDDW)				COI Baseline, mid-term and Completion survey	Baseline, MTR and completion	PMU M&E unit
Women (%) - Percentage (%)		0	15	50				
Women (number) - Females		0	12000	40000				
Households (%) - Percentage (%)		0	6	20				
Households (number) - Households		0	12000	40000				
Household members - Number of people		0	60000	200000				
2.2.1 Persons with new jobs/employment opportunities				COI Baseline, mid-term and Completion survey	Baseline, MTR and completion	PMU M&E unit		
Males - Males		0	2000				6000	
Females - Females		0	1330				4000	
Young - Young people		0	830				2500	
Total number of persons		0	3330	10000				
Outcome 1: Increased productivity, resilience and reduced climate impact of smallholder beef and dairy production systems		2.2.5 Rural producers' organizations reporting an increase in sales				COI surveys	Baseline, MTR and completion	PMU M&E unit
	Percentage of rural POs - Percentage (%)	0	20	50				
	Rural POs - livestock - Organizations	0	240	600				
	1.2.4 Households reporting an increase in production				COI Baseline, mid-term and Completion survey	Baseline, MTR and completion	PMU M&E unit	
	Total number of household members	0	200000	600000				
	Households - Percentage (%)	0	20	60				
	Households - Households	0	40000	120000				
	SF.2.1 Households satisfied with project-supported services				COI Baseline, mid-term and Completion survey	Baseline, MTR and completion	PMU M&E unit	
	Household members - Number of people	0	400000	800000				
	Households (%) - Percentage (%)	0	40	80				
	Households (number) - Households	0	80000	160000				
	3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered				Special study	Baseline, MTR and completion	PMU M&E unit	
	Hectares of land - Area (ha)	0	15000	50000				
tCO2e/20 years - Number	0	11222915	32065470					
tCO2e/ha - Number	0	418500	1606547					
tCO2e/ha/year - Number	0	27.9	34.5					

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
Output 1.1 Enhanced access to quality feed, fodder and water	1.1.3 Rural producers accessing production inputs and/or technological packages				M&E Data Component reports	Quarterly	PMU M&E unit	Political will to support the roll out of the system. Sufficient capacity (numbers and skills) of extension services to roll out the system.	
	Males - Males	0	30000	60000					
	Females - Females	0	20000	40000					
	Young - Young people	0	12500	25000					
	Total rural producers - Number of people	0	50000	100000					
Output 1.2 Improved management and delivery of animal genetic resources (AnGR)	Number of cattle covered by the Livestock Identification and Traceability System				LITS	Annually	PMU M&E unit	Sufficient numbers of Community Animal Health Workers and para-veterinarians who will be skilled and equipped by the project to provide veterinary and breeding services to the project beneficiaries.	
		Number of cattle - Number	0	875000					1750000
Output 1.3 Enhanced access to animal health services for resilient and low emission animals	Number of farmers accessing veterinary and breeding services				M&E Data Component reports	Quarterly	PMU M&E unit		
		Total number of persons accessing services by the project	0	40000					100000
		Men - Number	0	20000					50000
		Women - Number	0	16000					40000
		Young - Number	0	10000					25000
	Households - Number	0	200000	500000					
Output 1.4 Enhanced capacity of farmers and extension services	1.1.4 Persons trained in production practices and/or technologies				M&E Data/ Component reports	Quarterly	PMU M&E unit		
		Total number of persons trained by the project	0	75000					100000
		Men trained in livestock	0	45000					60000
		Women trained in livestock	0	30000					40000
		Young people trained in livestock	0	18750					25000
	Total persons trained in livestock -	0	75000	100000					
Outcome 2 Enhanced access to market for smallholder producers and access to finance	2.2.6 Households reporting improved physical access to markets, processing and storage facilities				COI baseline, mid-term and Completion survey	Baseline, MTR and completion	PMU M&E unit	Timely construction and rehabilitation of the market facilities, processing facilities and storage facilities. Financial service providers effectively package the available products and are able to reach the households and avail the products.	
		Households reporting improved physical access to markets - Percentage (%)	0	30					60
		Size of households - Number of people	0	60000					120000
		Number	0	180000					360000
		Households reporting improved physical access to processing facilities - (%)	0	30					60
		Households reporting improved physical access to storage facilities - Percentage (%)	0	30					60
	1.2.5 Households reporting using rural financial services				COI baseline, mid-term and Completion survey	Baseline, MTR and completion	PMU M&E unit		
		Total number of household members	0	113060					188435
		Households - Percentage (%)	0	11.3					18.8
		Households - Households	0	22612	37687				
	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				Component reports/COI surveys	Annual	M&E officer		
		Total number of household members		250000					600000
		Households - Percentage (%)	0	25					60
	Households - Households		50000	120000					
Output 2.1 Enhanced aggregation of production and access to markets for smallholder producers	2.1.3 Rural producers' organizations supported				M&E Data and Training reports	Quarterly	PMU M&E unit	Farmers are willing to form rural producer organizations through with they will access	
		Total size of POs - Organizations	0	17000					34000
		Rural POs supported - Organizations	0	170					340
		Males - Males	0	10200					20400

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Females - Females	0	6800	13600				inputs and market their dairy and beef products.
	Young - Young people	0	4250	8500				
Output 2.2 Improved awareness on nutrition	1.1.8 Households provided with targeted support to improve their nutrition				M&E Data and Training reports	Quarterly	PMU M&E unit	
	Total persons participating - Number of people	0	125000	250000				
	Males - Males	0	75000	150000				
	Females - Females	0	50000	100000				
	Households - Households	0	25000	50000				
	Household members benefitted	0	125000	250000				
	Young - Young people	0	31250	62500				
Output 2.3 Improved access to finance	1.1.5 Persons in rural areas accessing financial services				Component reports/ Groups reports	Semi-annual	PMU M&E unit	Farmers have support to access financial services
	Women in rural areas accessing financial services - savings - Females	0	2621	4368				
	Young people in rural areas accessing financial services - savings - Young people	0	1638	2730				
	Men in rural areas accessing financial services - savings - Males		3275	5459				
	Men in rural areas accessing financial services - credit - Males	0	3275	5459				
	Women in rural areas accessing financial services - credit - Females	0	2621	4368				
	Young people in rural areas accessing financial services - credit - Young people	0	1638	2730				
	Total persons accessing financial services - savings - Number of people	0	5896	9827				
	Total persons accessing financial services - credit - Number of people	0	5896	9827				
Outcome 3 Strengthened policy and regulatory environment	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				Stakeholder platforms	Annually	PMU M&E unit	GoU willingness to have conducive regulatory framework for dairy and beef sectors
	Number - Number	0	1	2				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				COI baseline, mid-term and Completion survey	Baseline, MTR and completion	PMU M&E unit	
	Household members - Number of people	0	100000	400000				
	Households (%) - Percentage (%)	0	10	40				
Households (number) - Households	0	20000	80000					
Output 3.1 Formulation, review and update of national policies, strategies and legislations supported	Policy 1 Policy-relevant knowledge products completed				Knowledge products	Annually	PMU M&E unit	GoU interest in revisiting the legislative framework
	Number - Knowledge Products	0	2	5				

Integrated project risk matrix

Risk categories and subcategories	Inherent	Residual
Country Context	Moderate	Moderate
Fragility and Security	Substantial	Substantial
<p>Risk(s): Since the end of the conflict with the Lord Resistance Army in Northern Uganda around 20 years ago, Uganda has been a generally peaceful country, despite recurrent political turmoil at the occasion of general elections, despite two major remaining hotspots:</p> <ul style="list-style-type: none"> - Ugandan troops are involved military action against the Allied Democratic Forces (ADF) in North Kivu and Ituri provinces of eastern DRC, near to parts of the Ugandan border, on 30 November 2021. Ugandan troops are present on both sides of the border as part of the joint operations. - The Karamoja region remains subject to cross border raids of armed cattle rustlers that lead to intercommunal violence and some military interventions. Project investments in this area could lead to an increase of conflict between the tribes. 	Substantial	Substantial
<p>Mitigations: RELIV will help mitigate the risk of increased conflict and promote a more harmonious environment for the communities, tribes, and surrounding countries involved in the cattle corridor area and in particular in Karamoja by</p> <ol style="list-style-type: none"> 1. Work with local authorities and law enforcement agencies to enhance security in the area, especially in regions susceptible to cattle raiding. This may include increasing patrols, setting up community watch groups, and improving communication networks. 2. Implement better livestock management practices, including livestock identification and traceability systems, using tamper proof identification devices, to deter theft and promote responsible animal ownership 3. Build the capacity of local institutions and organizations to effectively manage conflicts and address the challenges that may arise from the increased number of animals in the region. 4. Monitoring and Evaluation: Implement a robust monitoring and evaluation system to assess the impact of the project on conflict dynamics and take corrective actions if necessary. 		
Macroeconomic	Moderate	Moderate
<p>Risk(s): The WB/IMF assessment of Uganda's debt sustainability analysis indicates a moderate risk of external and overall public debt distress, with limited space to absorb shocks. The current debt-carrying capacity is classified as "medium". The economy is recovering from external shocks induced by the war in Russia's invasion of Ukraine and higher inflation, and the outlook has improved. Given the implementation of fiscal consolidation, Uganda's public debt continues to be sustainable in the medium term. Key risks include slower growth environmental shocks, further tightening of global financial conditions, delayed reform implementation, further delays in oil exports, and possible spillovers to trade stemming from the conflict in Sudan. The Ukraine war and post-Covid-19 effects will further limit agricultural input supply and deter foreign investors. With 70% of Uganda's workforce in agriculture, the sector is vital for the economy. Due to the Russian-Ukraine war, alternative sources of quality fertilizers are necessary. The conflict may limit access to fertilizers, leading to poor yields and increased food insecurity.</p> <p>However, Uganda's GDP growth was 5.3% during the first quarter of the year, supported by a robust growth of the agriculture sector, despite volatile weather conditions. The GDP is expected to further increase this year (6%) thanks to an increase of private investments combined with employment growth and a higher domestic demand, and potentially reach 6.6% in 2026, mainly driven by investments in the oil sector.</p>	Moderate	Moderate

<p>Macroeconomic shock may affect the project beneficiaries directly by reducing market demand, increasing costs of inputs, and credit.</p>		
<p>Mitigations: Ahead of a possible transition into an oil producer in 2025, the Ugandan economy needs to structurally transform and shift labor into more productive employment to reinvigorate economic activity and reduce poverty.</p> <p>The private sector must drive this transformation and diversification, which depend on macroeconomic stability, more efficient and effective public spending, increased government support for the most vulnerable, and the uptake of digital and other innovative technologies.</p> <p>RELIV will contribute to this change and sustain these efforts oriented to the transformation of subsistence livestock farmers towards more market-oriented systems, by supporting their resilience to shocks, improving their participation in the economy and decision making through organization in groups and cooperatives, hereby enhancing participation of women and youth. The project will also support private investment in the sector especially for SMEs and smallholder producers and can capitalize on the positive contributions of the recently-closed PROFIRA in terms of access facilitation to finance. Digitalization will improve the sector overall efficiency. ReLIV will support the Government of Uganda to prioritize import replacement in 2023 by domestically producing fertilizers and other essential raw materials previously imported from Ukraine or Russia.</p>		
<p>Governance</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk(s): In 2022, the Transparency International’s Country Corruption Perception Index assessed Uganda at a substantial risk level of risk in terms of corruption (26 points in 2022, showing a decrease of 1 point compared to 2021), which places the country in 142nd position out of 180 countries. The World Bank 2021 Country Policy and Institutional Assessment (CPIA) rates Uganda as moderately unsatisfactory policy reformer with a score of 3.6 (no change compared to previous year). The country shows weaknesses in the Public Sector Management and Institutions (Quality of Public Administration (scored 3) and Transparency (scored 2.5).</p> <p>The policy and regulatory framework for the livestock sector presents the following gaps and risks:</p> <ul style="list-style-type: none"> • Lack of policy frameworks on dairy and beef sector (Livestock policy currently in draft; Animal Health Act is being reviewed; Dairy strategy still under development). These policy gaps may affect project implementation because of lack of policy directions and related investment efforts or policy incentives from Government. • The country shows lack of or weak enforcement of sector policies, rules and legislation. The low enforcement of regulations on raw milk for instance leads to the persistence of the informal market for raw milk (60% of volumes), and meat, which creates an unfair competition for the formal sector including the cooperatives, that the project will support in priority. • The regional geopolitical volatility, due to fluctuating bilateral relations with other countries in the region; may impact regional trade for milk, feed, inputs, as illustrated by recent closure of Kenyan market for milk. This may also impact project beneficiaries as illustrated by the situation of brookside dairies that recently had to stop exporting products to Kenya, and thus also reduced milk collection from farmers. 	<p>Moderate</p>	<p>Moderate</p>
<p>Mitigations: In an attempt to combat against corruption, the Government of Uganda created new institutions at both the local and national level. The 2019 Zero Tolerance to Corruption Policy tries to curb corruption in its various facets. To effectively deliver the outcomes of Zero Tolerance to Corruption Policy, a comprehensive five-year plan of action, the National Anti-Corruption Strategy (NACS) has been developed. This Sixth cycle of the NACS covering the period provides programme direction and guide to anti-corruption agencies, Ministries, Departments, Agencies and Local Governments (MDALGs), Private Sector and other stakeholders to effectively respond to incidences of corruption within their sectors.</p>		

<p>To support the livestock sector policies and strategies, RELIV will provide support in revising, enhancing, and completing national policies, strategies, and legislations related to the dairy sector. Additionally, to address the issue of competition from unformal sector, RELIV will actively involve raw milk traders in the stakeholder platform's activities, in order to support their integration in the formal sector and enhance their collaboration with cooperatives.</p>		
<p>Political Commitment</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk(s): Since the end of the conflict in Northern Uganda in the 2,000s, the country as a whole has enjoyed political stability that has supported the successful implementation of development programmes. At the same time the improvements in overall policy environment, with a stronger private sector emphasis, have enhanced economic development opportunities in the dairy and beef sectors and areas leading to increased chances of improved future equality and social stability. However, currently the risk that election related violence (next elections will be in 2026) could result in bouts of opposition-led protests, halt implementation and/or cause reversal to the gains made in the projects, remains substantial.</p> <p>Also, The United Nations' human rights office has been forced to close its country office at the beginning of August, following the government decision not to renew the host agreement considering government's own "commitment to the protection and promotion of human rights" and the existence of "strong national human rights institutions and a vibrant civil society". Nevertheless, there are raising concerns for an increasing hostile environment for civil society actors, journalists, human rights defenders that may spark protests across the country and may lead to an unconducive climate to free and fair elections in 2026.</p> <p>Political violence could affect project implementation if they last long. However, they may be restricted to urban centers and could spare project intervention areas.</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Mitigations: IFAD's proactive approach involves actively engaging with a wide range of stakeholders, spanning various ministries and institutions. This engagement encompasses individuals at all levels, from high-ranking officers to technical specialists. This will ensure no disruption during project implementation.</p> <p>As we get closer to the elections, ICO will closely follow up with the developments on the ground, until elections are complete. RELIV demonstrates a strong alignment with the National Development Plan (NDP), ensuring that even in the event of a government change as a result of the 2026 elections, the project will maintain its relevance, firmly positioned atop the NDP priorities.</p>		
<p>Sector Strategies and Policies</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Policy Development and Implementation</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk(s): The livestock sector is equipped with a wide arsenal of policies, strategies for the livestock sector but there are some gaps in terms of sector specific policy and strategic frameworks (e.g. no dairy strategy or plan), and several sector policies/strategies are outdated & need revision. These gaps could affect project implementation as they may not provide an optimal policy environment for achievement of project outcomes. Technical teams in charge of policy development in MAAIF have expressed the need for support for policy formulation, including in terms of expertise and facilitation of consultation with stakeholders. The risk of non adoption of policy frameworks developed with the support of the project cannot be ignored, as illustrated by the number of draft policies supported by development partners and not adopted; this situation is often caused by an excessively exogenous policy process and lack of ownership of authorities that have the mandate for policy development.</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Mitigations: The risk of low ownership and no adoption of draft policies formulated with the support of the project can be mitigated by giving the</p>		

<p>authorities in charge of policy making (Ministry, but also parliament) a central role in the process</p> <p>Government has initiated a process of establishing a National Agriculture Regulatory Authority. This will address some of the current gaps in the policy and regulatory framework during project implementation.</p> <p>ReLIV includes a specific outcome on policy which will include multi-stakeholders platforms including Government as well as key stakeholders as well as private sector actors and development partners such as SNV, EU, Heifer International and others to ensure that there platforms can have a wider impact on the policy developments at Country level.</p>		
Policy alignment	Moderate	Moderate
<p>Risk(s): Overall, Uganda's country's strategies and policies governing the rural and agricultural sector are aligned with IFAD priorities, focusing on transforming subsistence smallholder farmers to commercial agriculture. The project is fully aligned and will contribute the National Development Plan III, mostly through the Agro-Industrialisation Programme (AGI), one of the 18 NDP III programmes, whose goal is to increase commercialization and competitiveness of agricultural production and agro-processing. Dairy and beef are among the key sector priorities in the Agro-Industrialisation programme but also in the Agricultural Value Chain Development Strategy. Livestock has been considered as a priority sector in Uganda, including at the highest level of state, and has received a lot of political attention, but also benefitted from public investments and policy incentives such as tax exemptions that have boosted private investments. The risk of policy divergence on sector priorities can thus be considered as minimal.</p> <p>Government policies in the agriculture sector can be considered as pro-poor, gender and youth sensitive and aligned with the IFAD priorities.</p> <p>There is however a slight risk of divergence in terms of targeting priorities since some regions production systems (ranches) that are considered as priorities by Government of Uganda for livestock development are those with larger farm holdings that do not correspond to IFAD target group and COSOP priorities. However, targeted regions where poor livestock farmers are predominant (East, North which are targeted in the COSOP) are also within Government priorities for Livestock Development. Finally, another policy risk is the lack of political will of the Government of Uganda to support pastoral communities and systems, because of implications related to conflicts for natural resources and spread of diseases; in pastoral areas, the project will thus have to focus on activities that contribute to mitigate these problems (community-based management systems, disease surveillance and control).</p>	Moderate	Moderate
<p>Mitigations: IFAD participates in Agriculture Donor Group and discussion for a with the Government, which will allow the ICO to identify possible changes in the Government support to the Livestock sector, although this is very unlikely under the current Government. In order to avoid elite capture due to inclusion of Districts/regions with predominant large-holder systems, the project will stick on COSOP geographical targeting.</p>		
Environment and Climate Context	Substantial	Substantial
Project vulnerability to climate change impacts	Substantial	Substantial
<p>Risk(s): Uganda's cattle corridor is highly vulnerable to climate variability and climate change as well as extreme weather events. These include prolonged dry spells and droughts, and unpredictable rainfall patterns. The resultant impacts on smallholder livestock systems include water scarcity, limited fodder and pasture for animals, and heat stress, leading to low productivity. This has a negative impact on food and nutrition security. The livestock sector is also a key contributor to greenhouse gas emissions (GHGs) due to poor feeding, quality of fodder/pasture, manure management, poor breeds and inappropriate herd management practices.</p>	Substantial	Substantial

<p>Mitigations: Climate adaptation and resilience building among livestock smallholders will be enhanced through the establishment of drought tolerant fodder and pasture varieties, fodder conservation (silage and hay making), water harvesting, and improved and resilient livestock breeds. Ongoing initiatives on provision of climate and weather information and insurance to farmers will be explored and synergies built with respective agencies where relevant. The project will invest in manure management, improved quality of feed, and renewable energy alternatives as means to reduce greenhouse gas emissions. RELIV will leverage on additional resources from the Green Climate Fund through PADNET, ARCAFIM, Uganda Development Bank’s Climate Facility and the Global Environment Facility (GEF 8) to enhance its climate adaptation and mitigation ambition as well as access to climate finance for farmers and value chain actors. The project will undertake a carbon analysis using the FAO GLEAM tool.</p>		
<p>Project vulnerability to environmental conditions</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk(s): Land degradation is a serious challenge along the cattle corridor of Uganda and manifests in the form of rampant deforestation to expand land under agriculture and charcoal burning. Population growth is a key driver of land degradation. Other forms of environmental degradation include unsustainable farming practices that lead to water pollution and soil erosion. Natural resource use conflicts are witnessed in the North-Eastern part of the cattle corridor due to diminishing water sources and low quality/quantity of pasture, as well as the land tenure systems in place. Pests and disease outbreaks resulting from climate change contribute to reduced livestock productivity. The share of exotic breeds keeps increasing, but their resilience to climate change and climate-related diseases is low. Biosafety as a result of poor hygiene, use of personal protective equipment and waste management poses environmental risks, e.g., in abattoirs and labs. Animal welfare and animal rights issues are poorly addressed.</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Mitigations: The project will promote integrated natural resource management interventions such as fodder agroforestry trees, grasses to control soil erosion, rain water harvesting, sustainable fodder and pasture management, manure management, circular waste management approaches, improved and well adapted breeds, and one health approach to disease management as well as improved disease surveillance and response mechanisms, promotion of biosafety measures such as PPEs and sustainable waste disposal and management . The project will also support value chain actors such as private sector players to develop/strengthen their environmental and social management systems (ESMS). IFAD’s SECAP procedures will be applied to enhance animal welfare and rights along the value chain.</p>		
<p>Project Scope</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Technical Soundness</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk(s): The project is not more complex than other livestock projects under implementation or design in the region, while on the other hand technical and management capacities of Government agencies that will be in charge of implementation are in general good in Uganda. There are also a good number of lessons and pilots from other development agencies (in particular SNV for dairy and from the EU beef project for beef), on which the project can build on and that can be upscaled with minimal risks (low hanging fruits). These include for instance the quality-based payment system for milk, the smallholder aggregation model for beef, and the livestock traceability and identification system. The livestock sector, especially dairy, is also already very well established in the Country, with successful business models (such as existing productive alliances established with or without project support) that can easily be upscaled and replicated from one region to another.</p>	<p>Moderate</p>	<p>Moderate</p>

Mitigations: The project should rely on Government agencies with proven implementation capacities (DDA, NAGRC, NARO) for its implementation. Involving implementing partners with good experience in the Uganda Livestock sector (such as SNV), will also ensure availability of adequate expertise and mitigate this risk.		
Project Relevance	Moderate	Moderate
<p>Risk(s): The objectives and interventions of the project are well aligned with national priorities, defined in NDP III and AGI, in terms of sector priorities, and with the issues of the target groups to be addressed. The main risk in terms of divergence between national priorities and project proposed support will be the nature of activities and the balance between infrastructure and equipment on the one hand (“hard”), and capacity building and institutional support (“soft”) on the other hand. The Government of Uganda would like to use IFAD funds mostly for investments because they are in the form of loans. However, it is obvious that capacity building both for farmers and for other value chain actors is also needed, if only for ensuring proper management and sustainability of infrastructure and equipment. The project will thus need to find some solutions to keep a balance between “hard” and “soft” investment, which is acceptable to the Government of Uganda, and not detrimental to the achievement of project outcomes.</p> <p>Land tenure: the dairy and beef sectors are highly dependent on secure land tenure and/or access to land. In Uganda tenure security varies deeply depending on the type of land and on the type of tenure (Freehold, Leasehold, Mailo or Customary). Many small-scale farmers, especially women and youth, work on land that they do not own, exacerbating their poverty, lack of political power and equal recognition of basic rights</p>	Moderate	Moderate
<p>Mitigations: The main mitigation measure will consist in leveraging other sources of financing such as the GCF PADNET, but also possibly other development partners including bilateral donors, to co-finance the needed capacity building activities. This prospection of potential partners and cofinanciers will take place between the PCN and design mission.</p> <p>Tenure considerations will be embedded in RELIV to help identify tenure implications for the dairy and livestock production systems to be targeted. RELIV will ensure the identification of fit for purpose, flexible land tenure related interventions that can help mitigate risks for climate smart investments in the dairy and livestock sectors and increase sustainability of results.</p>		
Risk(s): The risk that the project might not benefit vulnerable groups or there are discrimination against any of those vulnerable groups.	Moderate	Moderate
<p>Mitigations: ReLIV will be inclusive and build on the principles on leaving no one behind, following the SECAP 2021 guidelines for non-discrimination and using the Grievance and Redress Mechanism as means of reporting cases of discrimination against Lany vulnerable groups. The mitigation measure will include monitoring any complaints received under the grievance and redress mechanisms within the project which will then be reported to the ICO for assessment and possible action.</p>		
Institutional Capacity for Implementation and Sustainability	Substantial	Substantial
Monitoring and Evaluation Arrangements	Substantial	Substantial
Risk(s): The current M&E system in use by the PRELNOR project under implementation shows weaknesses in terms of data gathering, update, completeness and analysis. The same risk may be faced by RELIV.	Substantial	Substantial
<p>Mitigations: To mitigate the risk</p> <ul style="list-style-type: none"> • Dedicated M&E staff will be in charge of developing a robust and easy to update/track M&E system to be aligned with the IFAD’s Operational Results Management System (ORMS). S/he will also ensure the data base including the project results management framework is constantly updated and is clean. 		

<ul style="list-style-type: none"> • Seasonal outcome surveys will be planned, and final outcome survey report should be finalized and produced. • The M&E system for RELIV will include both IFAD's core outcome indicators for the different levels of the milk value chain, as well as project specific output indicators; <p>Baseline studies on nutrition and to capture gender disaggregated data on project indicators will be conducted at design stage, to ensure continuous capture of disaggregated data in project implementation. To build the capacities of the M&E team, staff development plans will be prepared during the first year of implementation to ensure that all staff are capacitated to perform their job in the most effective and efficient manner</p>		
<p>Implementation Arrangements</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk(s): There is a potential risk of overlap between the different public institutions involved in implementation of RELIV (NARO, NAGRC&DB, DDA), and concrete risk of lack of inadequate staffing and resources, which may result in activities delays (see Annex 3 – Table 2). There is also a risk of overlap and uncoordinated interventions among the different Development Partners currently operating in the livestock sector (USAID, SNV, EU, Heifer,). However, this risk will be minimal when RELIV starts as the main DPs currently involved in the sector are either winding up (EU) or considered to become implementing partner of the project (SNV). There is also a risk related to the upcoming reform of public agencies in the Agriculture sector, which could result in the merging of agencies, including some considered as key implementers of this project (DDA). There is also a risk related to the unsustainable management models of some public infrastructures and equipment that the Government of Uganda wants the project to strengthen, for instance Government farms and stations. These infrastructures sometimes provide services of private nature (e.g. feed) but do not have cost recovery mechanisms in place to ensure the sustainability of the systems that entirely rely on donor and public support.</p> <p>Finally, there is also a risk of limited Capacity of Rural Financial Institutions: those with stronger capabilities, such as commercial banks, microfinance institutions, and fintechs, have inadequate coverage in the project areas. Instead, the predominant lower-tier FIs operating in rural areas are savings and cooperative societies (SACCOs) and village savings and loan associations (VSLAs). However, many lower-tier FIs suffer from weak governance structures and financial and operational weaknesses. Consequently, the proposed technical assistance (TA) for product development could take longer to create an impact due to the capacity gaps of the FIs. Additionally, their limited capacity may hinder access to climate finance wholesale funds available through windows such as ARCAFIM, thereby reducing the project's effectiveness in improving access to finance for smallholder livestock farmers and agribusinesses.</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Mitigations: The Project Management Unit will coordinate activities implemented by all the implementing partners (including NARO, NAGRC&DB, and DDA) and ensure that they are in line with the mandates of the respective institutions and complementary. The MoU to be signed with each of the implementing agencies will specify the different roles of each agency, under this project.</p> <p>In case public agencies playing a key role in project implementation are merged with others (being implementing partners or not), the MoU will be amended and will ensure that the project focal points in the agency have the required experience and responsibilities to ensure coordination of project activities by their agency.</p> <p>As far as sustainability of public investments is concerned, the project will only invest in infrastructure and equipment for which a sustainable business model is envisaged (e.g. PPP) or for which there is a formal commitment of the Government of Uganda to provide operational budget after project closure.</p>		

<p>To mitigate the risk related to capacities of PFIs, RELIV will ensure adherence to strict selection criteria for beneficiary PFIs that demonstrate adequate financial, operational and governance capacity to meaningfully utilise the product development support and meet wholesale lenders' eligibility criteria. Additionally, the TA providers shall guide and support selected partner institutions in navigating the application and compliance processes to align PFIs with climate finance eligibility criteria. Efforts had been made by the Government of Uganda through the development of the Uganda Vision 2040, a 30 year Vision committed to improve, between other things, the country institutions, with a strong focus on the agriculture and livestock sectors. RELIV will build on that Vision and support the achievement of its goals, by early defining institutional arrangements with the main partners, taking into account lessons learned from past projects in the Country.</p>		
<p>Project Financial Management</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Project External Audit</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk(s): There is a risks of inadequate audit coverage of the project audit considering there are various implementing agencies situated in a broad geographic location across the country. There is also the possibility that some high-risk expenditure categories may not be covered during audits.</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Mitigations: The auditor will prepare a work plan to ensure adequate coverage of the various institutions that receive project funds and cover all the major risk areas and adequate coverage as per coverage plan. IFAD finance Office would share the IFAD audit terms of reference with the external auditors in advance to ensure all key elements are included in the audit TOR of the OAG. The details of audit requirements as stipulated in the IFAD Financial Management and Financial Control (FMFCL) Handbook would be shared with project finance staff and external auditors.</p>		
<p>Project Accounting and Financial Reporting</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk(s): There is a risk of delays in consolidation of project financial reports at PMU which will be preparing consolidated financial reports for the project and inaccurate financial reporting due to the complex nature of the project which has multiple financiers, categories, and components. There is the risk of delays in receiving reports and support documentation from the implementing agencies and semi-autonomous government departments. There are also possibility of delays and inaccuracies in financial reporting due to improper coding of transactions and the multiple currencies that may be involved.</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Mitigations: To mitigate on risks on financial reporting IFMIS will be enhanced to have analysis code for reporting on component, categories, financiers, for reporting quarter, cumulative for the year and cumulative since start of the project. The project finance team would prepare a reporting calendar and train the accounting staff in the implementing agencies and government department on IFAD processes and expected reporting timeliness. The project would prepare quarterly interim financial reports (IFRs) and annual financial statements.</p>		
<p>Project Internal Controls</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Risk(s): There may be a risk that appropriate controls over Programme funds are not in place, leading to the inefficient or inappropriate use of Project resources. There is also the risk that where controls exist, they are not enforced strictly or are circumvented by staff by staff charged to keep the controls.</p>	<p>Substantial</p>	<p>Substantial</p>
<p>Mitigations: Internal controls have been instituted in the whole framework of financial and administrative procedures. The identified controls range from; proper record keeping and posting, authorization of accounting, procurement and administrative documents, physical security of assets, double signing (approval) arrangements, to financial reporting and</p>		

monitoring. There will be internal audit function to check overall compliance to internal controls and provide support towards improving systems, procedures, and processes. The control environment will be monitored using both internal and external audit and oversight.		
Project Funds Flow/Disbursement Arrangements	Substantial	Substantial
Risk(s): There is a risk of commingling of funds at the entity which will be provided with advances for implementation of project activities. These includes Ministry of Finance which will receive advances from IFAD, MAAIF and implementing agencies (semi-autonomous entities and participating districts). Also, in addition to external development partners financing, there are Counterpart finances expected to be received from the Government and in-kind contributions from the beneficiaries.	Substantial	Substantial
Mitigations: To mitigate on risks of commingled funds and ease of accounting of any advance provided, funds will be held in Project dedicated accounts at the Central Bank of Uganda for which there will be monthly bank accounts reconciliation and financial reports. All partnering institutions that will receive project funds will have sub-project accounts for segregating the funds received. There will be monthly financial reports to PMU for monitoring operations of sub-accounts and consolidation. All partnering institutions will sign MoUs clearly highlighting the requirements for a separate bank account and financial reporting requirements.		
Project Budgeting	Substantial	Substantial
Risk(s): The project has multiple financiers namely IFAD, GCF, GEF, Government and Beneficiaries contribution. There is a risk of co-mingling of funds in budgeting and expenditure allocations to these multiple financiers. There may also be a risk that annual work plans and budgets are not prepared or revised on a timely basis, and not executed in a coherent manner, resulting in funds not being available when needed, ineligible costs and reallocation of Project funds and slow implementation progress. According to the public financial management laws in Uganda, annual programme budgets of donor projects are required to be approved into the national budget every year following a strict calendar. There is the risk the project may not submit annual work planning and budget on time due to long administrative procedures.	Substantial	Substantial
Mitigations: The Cost-tables and PIM have adequate details on key activities to be implemented and sources of finances for these costs. Subsequently, the AWPB will be prepared with adequate details on financing for key activities to ensure adequate guidance to the accounting team in recording and summarizing transactions. The IFAD AWPB budget template is sufficiently detailed budget by category, component, and financiers. The PMU will coordinate the budget preparation processes by preparing a budget calendar that strictly follows the national budget timely lines and key deliverables. Budget monitoring will be carried out quarterly, semi-annually, and annually and any significant deviations discussed within the PMU and project steering committee for remedial actions. Approved budget will be codified in the IFMIS system for ease of monitoring and control of expenditures during the year.		
Project Organization and Staffing	Moderate	Moderate
Risk(s): There are various administrative levels of implementation of the project namely the PMU, semi-autonomous government implementing agencies and participating districts which will have fiduciary responsibilities. Previous IFAD funded projects implemented through similar structures have had issues with timeliness and quality of financial reports from semi-autonomous implementing agencies and participating districts. Another risk is that RELIV also is a complex project due to multiple financiers. While PMU shall be made up of qualified and experienced	Moderate	Moderate

personnel with appropriate expertise in technical and financial management, there may be lack of staff familiarity with IFAD, GEF and GCF procedures.		
Mitigations: There will be MoUs between MAAIF and participating implementing agencies which will stipulate requirement on financial reporting. Any non-compliance implementing agencies may have their disbursements by PMU suspended as a penalty for non-compliance. Regarding familiarity with IFAD, GEF and GCF procedures, FMD will provide capacity building training to the Finance Staff who will be selected competitively. The capacity building will include familiarization with procedures on financial reporting, expenditures categorizations across components, categories, financial reporting timeliness and other financial management related to the Project.		
Project Procurement	Moderate	Moderate
A.1 Legal, Regulatory and Policy Framework	Moderate	Moderate
Risk(s): The assessment has identified several inconsistencies and gaps between the national procurement legal and policy frameworks and the IFAD procurement guidelines, such as the use of merit point evaluation for goods and works, the provision for disqualification of bidders who did not buy the bidding document, the lack of a policy for sustainable public procurement, and the absence of a centralised procurement function. These issues pose a moderate risk of non-compliance with the project objectives and IFAD procurement principles.	Moderate	Moderate
Mitigations: The assessment suggests several mitigation measures to address the identified risks, such as the financing agreement to define the treatment of project procurement financed by counterpart funding, using IFAD procurement method thresholds and technical compliance, allowing minimum 45 days for ICB, adopting a project procurement strategy, using IFAD SBDs for works, holding periodic supplier conferences and capacity building sessions, involving beneficiary communities in contract monitoring, and using IFAD online end-to-end procurement system OPEN.		
A.2 Institutional Framework and Management Capacity	Moderate	Moderate
Risk(s): <ul style="list-style-type: none"> • In practice, project procurement payments are delayed due to elaborate IFMIS procedures with payments for invoices between 45 to 120 days. • There lacks a country level centralised procurement function in charge of consolidated procurement, framework agreements or specialised procurement. • There lacks an integrated information system (centralised online portal) that provides up-to-date information on public procurement. • There lacks a system whereby analysis of information from PDEs is routinely carried out, published, and fed back into the public procurement system. • No evidence of consistent application of a performance measurement system that focuses on both quantitative and qualitative aspects that can be used to support strategic decision making in procurement. 	Moderate	Moderate
Mitigations: <ul style="list-style-type: none"> • Facilitate registration of new suppliers in the IFMIS immediately upon contract award and for ease of processing payments against deliveries. • Make use of organization level framework agreements for common user items on condition they reflect current market prices. • Timely publication of all contract awards including closed approaches and RFQ. • Use of IFAD online end-to-end procurement system OPEN for project procurement will support data analysis and system improvement. 		
A.3 Accountability, Integrity and Transparency of the Public Procurement System	Moderate	Moderate

<p>Risk(s):</p> <ul style="list-style-type: none"> • From the existing IFAD operations NOPP and NOSP, there have been instances where needs analysis and market research has not guided a proactive identification of optimal procurement strategies, especially in packaging consulting assignments. • In practice, there are contract clauses that provide incentives for exceeding defined performance levels • In practice, project procurement payments are delayed due to elaborate IFMIS procedures with payments for invoices between 45 to 120 days. • Procurement statistics are not available and there is no system in place to measure and improve procurement practices. • Lack of government programmes to help build capacity among private companies, including for small businesses and training to help new entries into the public procurement marketplace. • There is no specific sector strategy for public procurement in Agriculture. 	<p>Moderate</p>	<p>Moderate</p>
<p>Mitigations:</p> <ul style="list-style-type: none"> • Adopt a Project Procurement Strategy (PPS) that will be updated annually and inform procurement approaches for key project procurement activities. • Use IFAD SBDs for Works that contain provisions for value engineering to provide performance incentives. • Hold periodic supplier conferences and capacity building sessions for SMEs registered as suppliers. • Adherence to contractual payment schedules and regular updating of IFAD CMT financial progress for closer monitoring. 		
<p>A.4 Public Procurement Operations and Market Practices.</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk(s):</p> <ul style="list-style-type: none"> • Lack of programmes to build the capacity of relevant research holders to understand, monitor and improve public procurement. • The legal/regulatory and policy framework do not have citizen participation in planning, award and contract management. • The decisions of administrative review are published on the centralised government online portal but are not current and missing decisions in the last 2 financial years. • Lack of a cooling-off period for former public officials before they can participate in procurement activities. • Lack of a mechanism for systematically identifying corruption risks and for mitigating these risks in the public procurement cycle. No special measures for the detection and prevention of corruption associated with procurement. • No special integrity training programmes regularly offered to procurement workforce. • There is no evidence that civil society contributes to shape and improve integrity of public procurement. Neither is there any evidence that suppliers and business associations actively support integrity and ethical behaviour in public procurement, e.g. through internal compliance measures. • Standard bidding documents do not contain any reporting mechanisms for prohibited practices. 	<p>Moderate</p>	<p>Moderate</p>
<p>Mitigations:</p> <ul style="list-style-type: none"> • Involve beneficiary communities in monitoring and acceptance of contract deliverables where applicable. • Timely publishing of administrative review decisions. • Use of IFAD guidance when interpreting conflict of interests during processing procurement activities and decision making. • Periodic training to project staff on IFAD project procurement principles and monitoring how they are integrated in the procurement cycle during project supervision. • Invitations to Bid for all procurement for IFAD funded operations to identify the source of funding, the applicable rules, and the reporting 		

channels for prohibited practices. <ul style="list-style-type: none"> • Invitations to Bid for all procurement for IFAD funded operations to identify the source of funding, the applicable rules, and the reporting channels for prohibited practices 		
B.1 Assessment of Project Complexity	Moderate	Moderate
Risk(s): <ul style="list-style-type: none"> • Project does not introduce new methodologies. However, there are many consulting service assignments that could pose a challenge to staff who are new to IFAD project procurement. • There are a number of beneficiary organizations that will be relied upon in development of specifications and processing procurement of items at evaluation and contract management stages. Some agencies are new to IFAD project procurement. 	Moderate	Moderate
Mitigations: <ul style="list-style-type: none"> • Use of procurement methods and procedures prescribed in the IFAD guidelines and handbook. • Procurement for beneficiary organization will be limited to non-complex items and approaches such as Micro procurement, subject to IFAD LTA. International approaches done by the PMU. 		
B.2 Assessment of Implementing Agency Capacity	Not applicable	No risk envisaged - not applicable
Project Procurement Overall	Moderate	Moderate
Risk(s): <ul style="list-style-type: none"> • There has not been a deliberate procurement strategy and evidence of limited market research to back planning. • There have been instance of delayed procurement processes due to incomplete ESIA. • MAAIF has an internal audit. PPRA also undertakes annual audits but on a sample basis. • There are no prescribed thresholds for contract amendments • In practice payments gone beyond the 30-day payment terms. There are reported instances of late payment due to IFMIS processes. • Procurement records are maintained in separate files and kept chronologically. However, there are key procurement and contract information missing from files based on past IFAD project procurement reviews. • There are procurement specialists for existing IFAD operation but lacking seconded Officers to support. • There is need for sustained procurement training. Procurement officers not certified. 	Moderate	Moderate
Mitigations: <ul style="list-style-type: none"> • Need for emphasis in needs analysis, defining requirements and packaging procurements to ensure optimal packaging and costing. • Update the project procurement strategy regularly to reflect the procurement environment and guide the planning and market approaches. • Major Construction contractors to hire among its key staff an Environmental and Social Safeguards Specialist. • Soon to be launched eGP system will ease sampling of public institutions for the procurement audits. Schedule the project for regular procurement audits and follow ups to ensure compliance. • Include approval thresholds for contract amendments as part of the PIM. • Ensure timely release of budget allocations on time so as to enable procuring entity meet contractual obligations. • Retain consolidated procurement files with contract management records. • Onboarding of a Senior procurement specialist to the PMU and 		

supported by a seconded procurement officer. • IFAD BUILDPROC training and other procurement related trainings.		
Environment, Social and Climate Impact	Substantial	Substantial
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Substantial
Risk(s): Prolonged dry spells, droughts, and unreliable rainfall patterns are the main climate risks likely to affect project beneficiaries, with negative impacts such as water scarcity leading to poor fodder/pasture availability, low livestock productivity, poor yields, increased incidences of pests and diseases, low quality and quantities of milk produced, as well as diminished livelihoods and exacerbated poverty.	Substantial	Substantial
Mitigations: RELIV will promote measures such as rainwater harvesting, renewable energy, fodder trees/shrubs establishment, manure management and composting, improved and resilient breeds, fodder conservation, livestock insurance, access to climate finance, and improved pest and disease surveillance and management.		
Greenhouse Gas Emissions	Substantial	Substantial
Risk(s): Poor quality of fodder/pasture, breeds, manure and herd management practices contribute to increased GHG emissions. Investments in the dairy sector are likely to result in increased absolute GHG emissions due to increased herd sizes. GHG gases may also result from agrochemicals use and the use of diesel or petroleum-based energy sources e.g. in processing, pumping water, cooling etc.	Substantial	Substantial
Mitigations: Renewable energy use e.g. solar and biogas, composting and manure management, herd management, integrated pest management (IPM), efficient fodder and feed management, and improved and resilient breeds.		
Physical and Economic Resettlement	Low	Low
Risk(s): RELIV is not anticipated to lead to resettlement of farmers or project stakeholders. The infrastructure that will be constructed and rehabilitated will be on state land and will not cause any land acquisition from individual farmers and/or the community, Physical resettlement of permanent homes or resettlement of livelihood activities (cattle grazing and hunting grounds).	Low	Low
Mitigations: In the unlikely event of land acquisition from individual farmers and/or the community, FPIC will be carried out, consent documented, and appropriate compensation provided in accordance with national laws. In case of physical or economic resettlement, SECAP standards on resettlement will be applied.		
Community health, safety and security	Substantial	Substantial
Risk(s): Occupational risks exist for majority of the livestock farmers in Uganda is largely a result of their regular contact with animal waste, urine and blood. The farmers who participate in treatment of their animals are also exposed to needlestick injuries. The risks for female and young agropastoral are distinct from those of men. The large raw milk market and self-consumption of raw milk at home possesses a risk of unsafe and contaminated raw milk that can cause food borne diseases such as dysentery or zoonotic diseases like Tuberculosis and Brucellosis. A national livestock and livestock products traceability system is missing. The use and disposal of chemicals including acaricides and their containers may contaminate the environment while empty containers may be used for domestic purposes. There is also a risk of not attaining the anticipated nutrition outcomes if the targeted households do not consume the required liters of milk and if the income earned from sell of dairy products is not used to buy nutritional food items at households.	Substantial	Substantial

Mitigations: The project capacity building programs will promote the use of PPE and sensitize the community on zoonotic diseases related risks, communicable diseases related risks, best practices for keeping animals in a safe manner to avoid cross species contamination and disposal of containers of veterinary medicines. The risks related to consumption of raw milk will be addressed through nutrition education at community and household level and accompanied by efforts for adding value to the raw milk value chain. The project will also promote improved food safety screening in both the dairy and beef value chains to promote food security. Support will also be provided towards establishing a national livestock and livestock products traceability system which will guarantee the quality, transparency, value chain sustainability and penetration into external markets that prioritize quality		
Labour and Working Conditions	Substantial	Substantial
Risk(s): Promotion of zero grazing will further increase the workloads especially for the women and children who are primarily responsible for domestic care tasks in Uganda. The added workload may be realized from planting and collecting fodder, collection of water, feeding, cleaning and security of the animals among others. There is also a risk of poor working conditions especially for the youths and women involved in the milk collection and value addition services.	Substantial	Substantial
Mitigations: The project will promote small-scale mechanization that will reduce the workload for dairy and beef farmers, women in particular. Implementation of the GALS will minimize inequity in labor distribution. The youths will be mobilized into farmer groups and cooperatives which will facilitate their access to value chain development services.		
Indigenous People	Low	Low
Risk(s): As per the SECAP screening tool, ReLIV will not include interventions where indigenous peoples are present and thus it will not be located on lands and territories claimed by indigenous peoples or have any impacts on the rights of indigenous peoples or to the lands, territories and resources claimed by them. Thus, the risk is deemed very low.	Low	Low
Mitigations: RELIV targeting approach will ensure that vulnerable and marginalized groups are included. In the event during the implementation that indigenous communities are identified in the project area, the project will follow the steps to seek their free, prior and informed consent (FPIC) outlined in the SECAP Review Note. Moreover, through the multi-stakeholders platforms, policy issues related to indigenous could be discussed to ensure any necessary policies related to their rights are brought to the attention of decision makers.		
Cultural Heritage	Low	Low
Risk(s): Uganda is one of the richest countries in the world in relation to natural and cultural heritage. Government of Uganda in the NDP III identifies cultural heritage as a resource and seeks to create a sustainable approach to rural development promoting culture. RELIV has a very low risk of degrading the cultural heritage. The planned investments will largely be at the household level and the approaches including support through farmer groups and cooperatives are culturally acceptable. The construction of infrastructure will be done using certified materials, procedures and by qualified companies competitively selected and will strictly avoid the destruction of any cultural site.	Low	Low
Mitigations: RELIV will ensure that cultural considerations are made while rolling out project activities.		
Resource Efficiency and Pollution Prevention	Substantial	Substantial
Risk(s): Droughts and heat waves will result in water scarcity and inadequate fodder, resulting in low yields. Inadequate access to clean water affects livestock productivity, especially during the dry season. Poor	Substantial	Substantial

manure and feed management and overstocking may result to increased GHGs emissions. Inappropriate use of livestock related agrochemicals (e.g. acaricide) will potentially lead to pollution of soil and water bodies. Poor management of animal waste as well as waste produced in facilities such as abattoirs and laboratories can contaminate water and soil as well as result in the spread of zoonotic diseases. Inefficient use of water and energy may lead to wastage and shortages. Poor or lack of use of PPEs could result to exposure to agrochemicals and zoonotic diseases.		
Mitigations: Resource efficiency and pollution prevention will be enhanced through promotion of renewable energy use, water and energy efficient technologies, sustainable manure and feed management, water harvesting, circular approaches to solid waste management, treatment of effluent discharge from slaughter houses, integrated pest and disease management, improved and adapted livestock breeds, fodder conservation, animal health and husbandry, and promotion of biosafety measures along the value chain, etc.		
Biodiversity Conservation	Substantial	Substantial
Risk(s): Deforestation along the cattle corridor is rampant as most households rely on fuel wood and charcoal for cooking and heating. Loss of habitats to agricultural activities such as pasture and fodder production as well as human settlement are major contributing factors to biodiversity loss. Poor farming practices especially on steep slopes also lead to loss of vegetative cover. Sedimentation of water bodies and degradation of wetlands are likely to result in loss of biodiversity.	Substantial	Substantial
Mitigations: The key biodiversity conservation measures that will be promoted by the project shall include pasture management, overgrazing and soil erosion control measures, planting of fodder trees, fodder conservation, composting, and circular economy approaches e.g. biogas and bioslurry use.		
Stakeholders	Moderate	Moderate
Stakeholder Grievances	Moderate	Moderate
Risk(s): Potential conflicts may arise among community groups, cooperatives, outside workers, and smallholder producers regarding infrastructure locations and beneficiary selection for asset building. Grievance procedures are vital to enable Project Affected Persons (PAPs) to raise concerns at no cost and ensure timely resolutions.	Moderate	Moderate
Mitigations: Grievance Redress Mechanisms (GRMs) will be put in place at the level of producers' organizations (cooperatives, MCCs and MCPs). The entry point for GRM will be the livestock extension at PCU level and the Gender and Social Inclusion Specialist will be appointed to follow up the GRM process. A Free Prior and Informed Consent (FPIC) process will be conducted with groups ahead of any project investment that may affect the target beneficiaries. Selection of beneficiaries will be conducted in close collaboration with local and traditional authorities, on the basis of clear and well disclosed criteria, and in transparent manner.		
Stakeholder Engagement/Coordination	Low	Low
Risk(s): Both the dairy and the beef sectors are well organized with strong Government agencies coordinating sectoral development efforts, and stakeholders' organizations (farmers, traders, processors) well organized at local, regional and national levels. It is therefore easy for the PDT to identify potential partners and stakeholders and involve them in the design, which has already been the case during the PCN mission with the organization of a stakeholder consultation workshop, which was attended by all the main sector actors, public and private. This engagement will continue during the project design to ensure proper ownership and acceptance by sector stakeholders.	Low	Low

<p>Mitigations: The inclusive dialogue with Government agencies and stakeholder organizations initiated during the PCN mission will have to be pursued during the design and later during implementation. The existence of national multi stakeholder platforms for both the dairy and the beef sector that have been initiated by other development partners (SNV for dairy, EU for beef), will be an opportunity to ensure this consultation and coordination. The project will further support these platforms which are still new, and support their decentralization at local level which will facilitate participation of smallholder farmers in the consultations.</p>		
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