

28 JAN 1971

PROJECT AUTHORIZATION

Reference Center Room 1656 NS PPC/RS/PS

1. PROJECT NUMBER 617-15-140-006	3. COUNTRY Uganda	4. AUTHORIZATION NUMBER 0100-R-1
2. PROJECT TITLE Agricultural Cooperatives		5. AUTHORIZATION DATE January 26, 1971
		6. PROP DATED (revision) 11 December 1970

7. LIFE OF PROJECT

a. Number of Years of Funding: 10  
Starting FY 1963; Terminal FY 1972

b. Estimated Duration of Physical Work  
After Last Year of Funding (in Months): 12

8. FUNDING BY FISCAL YEAR (in U.S. \$ or \$ equivalent)	DOLLARS		P.L. 480 CCC + FREIGHT	LOCAL CURRENCY Exchange Rate: \$1 =			
	GRANT	LOAN		U.S. OWNED		HOST COUNTRY	
				GRANT	LOAN	JOINTLY PROGRAMMED	OTHER
Prior through Actual FY 70	2,604						295
Operational FY 71	399						150
Budget FY 72	397						5
B + 1 FY							
B + 2 FY							
B + 3 FY							
All Subsequent FY's							
<b>TOTAL</b>	<b>3,400</b>						<b>450</b>

9. DESCRIBE SPECIAL FUNDING CONDITIONS OR RECOMMENDATIONS FOR IMPLEMENTATION, AND LIST KINDS AND QUANTITIES OF ANY P.L. 480 COMMODITIES

Approximately \$414,000 of the Host Country contribution consisted of construction financed through the (partial) proceeds of PL-480 Title II Wheat Sales of 1962, and 1966.

10. CONDITIONS OF APPROVAL OF PROJECT

None

(Use continuation sheet if necessary)

11. Approved in substance for the life of the project as described in the PROP, subject to the conditions cited in Block 10 above, and the availability of funds. Detailed planning with cooperating country and drafting of implementation documents is authorized.

This authorization is contingent upon timely completion of the self-help and other conditions listed in the PROP or attached thereto.

This authorization will be reviewed at such time as the objectives, scope and nature of the project and/or the magnitudes and scheduling of any inputs or outputs deviate so significantly from the project as originally authorized as to warrant submission of a new or revised PROP.

A.I.D. APPROVAL	CLEARANCES	DATE
 SIGNATURE AA Africa TITLE	AFR/ESA: Jerry Knoll <i>JK</i>	1/20/71
	AFR/DP: David Shear <i>DS</i>	1/21/71
	AA/AFR: Phil Birnbaum <i>PS</i>	1/21/71
		A/CONT

AID 1020-25 (7-68)		SECURITY CLASSIFICATION		001 PROJECT NUMBER	
PROJECT APPRAISAL REPORT (PAR)		UNCLASSIFIED		617-15-140-006	
(U-446) See M.O. 1026.1				6176006-4 PD-AAA-819-EI	
002 PAR	MO.	DAY	YR.	003 U.S. OBLIGATION SPAN	004 PROJECT TITLE
AS OF:	4	9	69	FY 63	Thru FY 77
008 COOPERATING COUNTRY - REGION - AID/W OFFICE				AGRICULTURAL COOPERATIVES	
UGANDA				A.I.D. Reference Center Room 1656 NS	

006 FUNDING TABLE

AID DOLLAR FINANCING-OBLIGATIONS (\$000)	TOTAL	CONTRACT (NON-ADD)	PERSONNEL SERVICES			PARTICIPANTS		COMMODITIES		OTHER COSTS	
			AID	PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT
CUMULATIVE NET THRU ACTUAL YEAR (FY 1969)	2,345	782	134	43	782	531		529		326	
PROPOSED OPERATIONAL YEAR (FY 1970)	316	150		30	150	50		26		60	

CCC VALUE OF P.L. 480 COMMODITIES (\$000) → Thru Actual Year : None Operational Year Program : None

007 IMPLEMENTING AGENCY TABLE

If contractors or participating agencies are employed, enter the name and contract or PASA number of each in appropriate spaces below; in the case of voluntary agencies, enter name and registration number from M.O. 1551.1, Attachment A. Enter the appropriate descriptive code in columns b and c, using the coding guide provided below.

TYPE CODE b	TYPE CODE c	a. IMPLEMENTING AGENCY	TYPE CODE		d. CONTRACT/PASA/VOLAG NO.	e. LEAVE BLANK FOR AID/W USE
			b.	c.		
1. U.S. CONTRACTOR	0. PARTICIPATING AGENCY	1. AGRICULTURAL COOPERATIVE DEVELOPMENT INTERNATIONAL (ACDI)	1	7	Basic Agreement AID/csd 1489 Task Order No.	
2. LOCAL CONTRACTOR	1. UNIVERSITY					
3. THIRD COUNTRY CONTRACTOR	2. NON-PROFIT INSTITUTION					
4. PARTICIPATING AGENCY	3. ARCHITECTURAL & ENGINEERING					
5. VOLUNTARY AGENCY	4. CONSTRUCTION					
6. OTHER:	5. OTHER COMMERCIAL					
	6. INDIVIDUAL					
	7. OTHER:					

PART I - PROJECT IMPACT

I-A. GENERAL NARRATIVE STATEMENT ON PROJECT EFFECTIVENESS, SIGNIFICANCE & EFFICIENCY.

This summary narrative should begin with a brief (one or two paragraph) statement of the principal events in the history of the project since the last PAR. Following this should come a concise narrative statement which evaluates the overall efficiency, effectiveness and significance of the project from the standpoint of:

- (1) overall performance and effectiveness of project implementation in achieving stated project targets;
- (2) the contribution to achievement of sector and goal plans;
- (3) anticipated results compared to costs, i.e., efficiency in resource utilization;
- (4) the continued relevance, importance and significance of the project to country development and/or the furtherance of U.S. objectives.

Include in the above outline, as necessary and appropriate, significant remedial actions undertaken or planned. The narrative can best be done after the rest of PART I is completed. It should integrate the partial analyses in I-B and I-C into an overall balanced appraisal of the project's impact. The narrative can refer to other sections of the PAR which are pertinent. If the evaluation in the previous PAR has not significantly changed, or if the project is too new to have achieved significant results, this Part should so state.

008 NARRATIVE FOR PART I-A (Continue on form AID 1020-25 I as necessary):

(1) Before July, 1963 when this project was limited to only Agricultural Cooperative Development activities, it had been a conglomeration of parts of many sectors, e.g., home economics training, vocational education, community development, boat building and demonstration of heavy equipment. A Project History and Analysis Report U-520 was submitted to AID/W January 19, 1966 as TOAID A-266. This PAR covers the period since then.

MISSION DIRECTOR APPROVAL →	SIGNATURE	DATE
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PRINTED 9-68

\* \$780,000 was expended before the Coop Project was initiated under Project 617-15-140-006 Agriculture Development.

## PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

008 NARRATIVE FOR PART 1-A (CONT'D)

Cooperative Movement progress since that time has slowed, but there has been a strong consolidation of the rapid gains made previously.

2. The project has continued to contribute to the agriculture sector and goal plans but there has not been a quantitative increase as much as a strengthening and consolidation of the Cooperative movement in Uganda. An intensive study of the affairs of the Cooperative Unions produced a report and a White Paper by the GOU which resulted in the formation of a Produce Marketing Board and the formation of a new Ministry of Marketing and Cooperatives.

There is a trend toward better operational procedures and accounting in the societies and Unions as the officers are being better trained both in Country and abroad including the USA. The Cooperative Department staff vacancies for field personnel have been decreased from 100 positions out of 325 to less than 30 positions now vacant. The minor crops program has been launched to give the farmers a market with a cash income for sorghum, millet, maize, simsim, beans etc. and seven of the eight U.S. provided prefabricated metal warehouses have been constructed and are in use.

3. The anticipated results for the amount of resources committed by AID should have a very decided beneficial effect on the rural monetary economy of Uganda. It is estimated that the Cooperative Societies members will be producing a minimum conservative estimate of 150,000 more tons of crops worth \$7,000,000 by July 1st 1972.

4. The relevance of this project to the Title IX objectives is very significant as there are now over 500,000 Co-op Society members in Uganda, the average family is five so that out of an estimated 8,000,000 population, 2,500,000 are directly or indirectly influenced from the democratic grass roots societies through the apex Uganda Central Cooperative Union and the Ministry of Marketing and Cooperatives.

## PART I-B - PROJECT EFFECTIVENESS

009

## I-B-1 - OUTPUT REPORT AND FORECAST - (See detailed instructions)

1. CODE NO. AID/W USE ONLY	2. This section is designed to record progress toward the achievement of each project output target which was scheduled in the PIP, Part II. Where progress toward a target is significantly greater or less than scheduled, describe reason(s) beneath the target.	3. ACTUAL AND PLANNED OUTPUTS (ALL DATA CUMULATIVE)				6. PROJECT TOTAL FOR PROJECT LIFE
		3 ACTUAL CUM. TO DATE Before FY 69	4. AS OF PRIOR JUNE 30		5. PLANNED BY NEXT JUNE 30 1970	
			a. PLANNED	b. ACTUAL		
	<b><u>COOPERATIVE THRIFT AND CREDIT</u></b>					
	1. Expansion of Coop. Credit Societies (No.)	250	275	275	375	1,000
	2. Expansion of Agr. Credit Advisory Service (ACAS) (No.)	75	125	89	200	700
	3. Expansion of Wage and Salary Earners Thrift and Loan Societies	39	40	41	65	200
	4. Expansion of Rural Thrift Scheme (No.)	65	0	65	75	150
	5. On the Job Training for Credit Staff (Annual No.) Total Staff 160 - Training is Re-current and Refresher	140	140	140	160	160
	6. Medium Term Loans (No. of Societies)	35	0	35	40	100
	<b><u>EDUCATION</u></b>					
	1. Cooperative Training Centers Operating	13	13	13	14	14
	2. Residence Courses at Coop. Training Centers (Annual No.)	917	1202	1106	1390	2,958
	3. Committee men trained at Centers	6680	8680	8680	11650	17,590
	4. Secretary Managers Trained at Centers	2216	3098	3116	5056	7,056
	5. Coop. Unions Employing Education Secretaries	0	15	18	22	31
	6. District Staff Training Courses (Annual)	1	3	3	8	40
	<b><u>MANAGEMENT</u></b>					
	1. Fertilizer Distributed (Metric Tons)	100	300	200	600	6,000
	2. Number of Societies Selling Chemicals	1200	1200	1200	1400	1,600
	3. Management Seminars/yr.	3	4	3	4	6
	4. Unions and Societies using Coop Insurance	15	20	15	75	1,000

## PART I-B - PROJECT EFFECTIVENESS

## I-B-1 - OUTPUT REPORT AND FORECAST - (See detailed instructions)

2. This section is designed to record progress toward the achievement of each project output target which was scheduled in the PIP, Part II. Where progress toward a target is significantly greater or less than scheduled, describe reason(s) beneath the target.	ACTUAL AND PLANNED OUTPUTS (ALL DATA CUMULATIVE)				
	3 ACTUAL CUM. TO DATE	4. AS OF PRIOR JUNE 30		5. PLANNED BY NEXT JUNE 30	6. PROJECTED TOTAL FOR PROJECT LIFE
		a. PLANNED	b. ACTUAL		
<b><u>MINOR CROPS</u></b>					
1. Warehouses erected (Union Demonstrations)	7	8	7	8	8
2. Tons of Minor Crops Bought and Sold	1,000	2,000	2,000	5,000	50,000
3. Tons of Minor Crops Exported	0	400	25	200	4,000
<b><u>COOPERATIVE LIVESTOCK MARKETING</u></b>					
1. Establish Dairy Cooperative Marketing Societies	9	15	15	25	70
2. Dairy Cooperative Management Courses (annual)	0	1	1	4	6
3. Develop Coop Livestock Ranches	8	12	14	24	60
4. Organize Auctions with Local Abattoirs	0	0	0	2	8
5. Develop Co-op Feeds and Supplies Production and Sales Stores	0	3	3	7	20
6. Establish Regional and National Poultry Co-ops	0	1	1	2	5
7. Establish Regional Hides and Skins Marketing Societies	0	0	0	1	4

## PART I-B - Continued

010

## B.2 - OVERALL ACHIEVEMENT OF PROJECT TARGETS

Place an "X" within the bracket on the following seven-point scale that represents your judgment of the overall progress towards project targets:



## PART I-C - PROJECT SIGNIFICANCE

011

## C.1 - RELATION TO SECTOR AND PROGRAM GOALS (See detailed instructions M.O. 1026.1)

This section is designed to indicate the potential and actual impact of the project on relevant sector and program goals. List the goals in col. b and rate potential and actual project impact in cols. c and d.

a. CODE NO. (AID/W USE ONLY)	SCALE FOR COLUMN c: 3= Very Important; 2= Important; 1= Secondary Importance SCALE FOR COLUMN d: 3= Superior/Outstanding; 2= Adequate/Satisfactory/Good; 1= Unsatisfactory/Marginal	c. POTENTIAL IMPACT ON EACH GOAL IF PROJECT ACHIEVES TARGETS	d. ACTUAL IMPACT ON GOAL TO DATE RELATIVE TO PROGRESS EXPECTED AT THIS STAGE
	b. SECTOR AND PROGRAM GOALS (LIST ONLY THOSE ON WHICH THE PROJECT HAS A SIGNIFICANT EFFECT)		
	(1) Diversify Agricultural Production	3	2
	(2) Expand the rural monetary economy	3	2
	(3) Educate the primary society members, the officers of the societies and district unions, and the central union personnel for effective management	3	2
	(4) Increase Agricultural credit facilities and rural thrift and loan societies .	3	1
	(5) Develop a Cooperative Livestock marketing program	2	2

For goals where column c. is rated 3 or 2 and column d. is rated 1, explain in the space for narrative. The narrative should also indicate the extent to which the potential impacts rated 3 or 2 in column c. are dependent on factors external to the achievement of the project targets, i.e., is there a substantial risk of the anticipated impact being forestalled by factors not involved in the achievement of project targets. If possible and relevant, it also would be useful to mention in the narrative your reading of any current indicators that longer-term purposes, beyond scheduled project targets, are likely or unlikely to be achieved. Each explanatory note must be identified by the number of the entry (col. b) to which it pertains.

012 NARRATIVE FOR PART I-C.1 (Continue on form AID 1020-25 1):

1. Diversify Agriculture Production

Diversification is dependent on potential export markets which the GOU is attempting to establish through the newly formed Produce Marketing Board of the recently created Ministry of Marketing and Cooperatives. Crop diversification activities at the farmer level have been launched through the Extension Saturation Project (ESP) which are the main means of increasing production of diversified minor crops for export.

2. Expand the Rural Monetary Economy

In order to bring farm families from a subsistence type of farming into the cash economy, projects have been established such as the milk collecting centers and their organization into Marketing Societies. Fifteen of thirty five collection centers have been organized as Cooperatives.

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## PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

The total supply of milk being collected in all centers throughout Uganda provides over \$1,500,000 annually in income mostly to small producers in the rural economy. Two years ago there was less than one tenth of these daily cash farm sales for milk.

The crop diversification program is also designed to pull many farmers into the money economy of the nation through a new marketing program for the so called "Minor Crops".

The long term objective of the new Produce Marketing Board is to assure the farmer a fair price for his efforts to increase production and emphasize new crops. The main deterrent to a good price stabilization program and pricing policy is that final decisions on policy are made by the Cabinet and sometimes may be influenced more by political factors than by fluctuation in world price.

### 3. Education of All Levels of Cooperative Movement Members

Progress has been barely satisfactory because the number of training courses held during the last two years was far behind plans. The goal was a utilization rate of 100%. This would require each of the twelve Cooperative Training centers in operation to hold thirty in residence, week-long courses per year, consisting of eighteen participants. This should total 6,480 students annually.

The following table shows the actual numbers trained annually:

<u>Year</u>	<u>Students</u>
1965	459
1966	2,161
1967	2,884
1968	3,456

Although the centers are only a little over 50% utilized there has been a seven fold increase in four years. Underutilization was caused by the lack of qualified instructors, a complicated budgeting system tied in with two other government ministries (Agriculture and Community Development). Co-op Centers were operated in conjunction with these other units, but were impaired because of lack of repairs and maintenance, and lack of funds. These obstacles have been partially overcome and all centers now have well qualified instructors, repairs are being made, annual budgets have been approved to provide adequate funds and the other government Ministries are cooperating.

The higher level training at the Bukalasa Cooperative College has been expanded from eighty students taking short courses to 130 students of whom 60 to 80 are undergoing training for two years and graduating as Assistant Cooperative Officers (ACOs). Sixty were graduated in December of 1968 and this filled a large part of the Cooperative Departments 120 vacancies in an establishment of 330 positions.

The Cooperative Alliance is responsible for training at the other end of the scale; namely member education in the field.

## PAR CONTINUATION SHEET

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The Alliance was established in 1961, in line with the policy of getting the cooperatives to accept responsibility for cooperative education. Because of grandiose plans and top heavy administration the Alliance found itself broke and dormant within three years. A large debt had also been accumulated.

The Alliance was reorganized into a simple and workable structure in 1968. Twenty-nine of the thirty-three unions are now subscription paying members and have consolidated the contributions of over 2,000 primary societies.

The Alliance has encouraged the member unions to employ full-time education secretaries who are responsible for conducting one-day courses for society members at the village level, editing and printing cooperative newsletters in the vernacular, and serving as public relations officers and trouble shooters for the Boards District Union management.

The large accumulated debt incurred in the early years has been almost entirely liquidated. The Alliance also had a revolving fund established for the printing of cooperative literature in pamphlet and poster form for resale to members. This fund, at first depleted, has now been rebuilt to its original \$3,000.00. These publications are now available in three or more vernaculars.

At the time of reorganization the "new" Alliance assumed a bank overdraft of about \$16,500.00. which has been paid back with interest in its entirety. Business debt accumulation is now down to \$6,000.00 from a high of \$13,000.00. Membership dues outstanding for 1968 amount to \$10,000.00. At the end of the cotton season when dues payments come in from the unions the Alliance will have sufficient funds to retire its entire debt.

Eighteen of the District Unions have employed Education Secretaries on a full or part-time basis. These men carry the education program to the members. Five unions have their own (vernacular) newsletter published monthly. The National Cooperative Newsletter (English) is published nine times per year with a circulation of 3,000.

#### 4. Expand Agricultural Credit Facilities

The beginning of 1969 heralded the opening of a new era in credit scheme supervision. On January 1st, seventeen of the nineteen districts in Uganda, which have credit programs, also had a credit specialist whose sole responsibility is to the Cooperative Credit Scheme. Fifteen of these specialists are Assistant Cooperative Officers(ACO), one is a Cooperative Officer (CO) and one is a Cooperative Assistant(CA). Of the fifteen Assistant Cooperative Officers, seven have received overseas credit training, six of them in the United States. All of these men in the field possess the basic qualifications to be outstanding credit men. Approximately 60% of the U.S. technicians' time is spent working in the districts directly with these specialists.

Routine inspections are made of the credit scheme records being maintained in many Societies by the Secretary/Managers. The two U.S. Co-op Credit Specialists combined average about 250 contacts annually with Credit Scheme societies in all parts of Uganda.

## PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

One of the biggest problems in coordination of credit activities is communication. To keep all credit personnel informed of the current position as well as trends has been a difficult exercise in statistical reporting. In November, 1968, the Credit Technicians started working with the Ministry of Finance data processing center in an attempt to computerize the statistical section of the Cooperative Scheme. The first complete statistics were available from the computer as of 31st January, 1969. During the initialization procedure, all eleven branches of the Uganda Commercial Bank were visited to obtain abstracts of all loan transactions by credit societies. This initial information is updated monthly to give the current loan position.

The cooperative banking report prepared by two AID-financed Co-op Bank ; specialists is presently in the hands of the Ministry of Planning pending means of implementation. The Supervising Manager of the Cooperative Bank is in the United States on a six months Cooperative Banking training tour, and is due to return to Uganda in June, 1969.

Thrift activities in Uganda are entering the expansion phase. The Government of Uganda has requested the services of two Rural Thrift and Loan Specialists to help expand and supervise the already existing but neophyte Rural Thrift Scheme, which is operated through the primary cooperative marketing societies, and the Wage and Salary Earners thrift and loan scheme, organized for people with a fixed, regular income. There are over forty registered Thrift Societies and an estimated 250 unregistered Societies. The participant training programs of all credit specialists who have been to the States have included some study with Credit Unions which will greatly assist in implementing the expansion program.

Future plans call for continued on-the-job training for Departmental field staff, conducting advanced credit courses for society Secretary/Managers, publication of operations manuals and general expansion of the Credit scheme on terms compatible with the availability of loan funds.

The goal of having 275 Credit Societies by the end of FY 1969 will be reached but this is not a good record considering that there were 352 credit societies registered in 1967. The goals had to be changed and the reduction was due to cotton price reductions to the growers coupled with two bad crop years, which together cost the farmers 30% in price and 30% in yield in 1967. Although the price was raised in 1968 the yield was not good, so about 100 of the societies defaulted on their loans. The setting of crop prices for political purposes by the Cabinet of the GOU can have a devastating effect on farm production and it is one area over which USAID has no control except to support studies of export markets and price stabilization programs. The other deterrent to GOU political pricing of cotton is to diversify and increase other crops such as tea and tobacco, and the so called "Minor Crops" such as sorghum, millet, maize, peanuts, soybeans etc.

##### 5. Develop a Cooperative Livestock Marketing Program

Progress has been made in all sectors of Cooperative Livestock Development during the past year. The Cooperative Department working together with the Ministry of Animal Industry, Game & Fisheries is laying the foundation ~~of~~ marketing program which will be able to process and distribute the livestock and livestock products produced by farmers.

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## PAR CONTINUATION SHEET

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Uganda farmers enjoy excellent climate, rainfall and soil fertility for efficient and profitable livestock production and are being assisted by their Government and International Agencies to develop these natural resources as rapidly as feasible. Disease control, livestock breeding, animal husbandry extension and marketing are all being developed in order to assure Uganda a sound livestock industry. Emphasis on increased livestock production is in line with Uganda's National Policy to diversify production away from cotton and coffee. Imports of dairy products are being reduced. Within three years Uganda will be producing all of its own milk requirements and will have quality products available for export.

### The Dairy Industry

The Dairy Industry Corporation established in 1967 is moving rapidly to organize the entire dairy industry. Milk cooling and collection centers have increased their deliveries from 3,000 gallons of milk daily to over 7,000 gallons milk delivered to the pasteurization plant in Kampala. The daily imports of fresh milk from Kenya have decreased from over 12,000 gallons to less than 3,000 gallons during the past year. This is a saving of over \$1,750,000 in foreign exchange imports.

Cooperative dairy societies have played an important part in this development. The Toro Dairy Cooperative Society completed its new milk pasteurization plant during the year. The cooperative society has been able to increase monthly its volume of milk received from farmer members. With the installation of new pasteurization equipment new markets have been developed and all of the milk finds a ready demand in the Fort Portal area.

The Toro Dairy Cooperative Society received the 1969 Dairy Industry Trophy for its outstanding development during the year. The new 2,000 gallon capacity dairy plant is operating efficiently and has been able to finance all of its development from investments made by producers and consumers patronizing the cooperative society. This organization serves as a successful demonstration for other cooperative societies to follow in establishing a sound cooperative dairy program. The American Co-op Livestock, Dairy & Poultry specialist assisted considerably with planning for this operation.

### Livestock Ranching Societies

Cooperative ranching societies in Ankole District are developing as efficient organizational units for the expansion of beef cattle ranching schemes in Uganda. Five cooperatives have ranches on the USAID-assisted Ankole Masaka Ranching Scheme. The societies have invested share capital in order to provide the ranches with initial stocks of Ankole cattle and pay the monthly operating costs. The management at these ranches has been very satisfactory during the first two years of operation and they are now in a position to expand and develop a sound cattle breeding program. All ranches can now qualify for long term capital loans that are available from funds supplied by the World Bank.

The Bunyoro Growers Cooperative Union located in Western Uganda has a well established beef cattle ranch which is attracting considerable attention from those interested in the development of beef cattle in East Africa.

The Union acquired a 40,000 acre ranch in a tsetse-cleared area in June 1966.

## PAR CONTINUATION SHEET

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Within two years a herd of 2,600 Boran cattle has been established. With assistance from the World Bank, a program has been worked out where they will have 8,000 head of cattle on the ranch in 1973. The preliminary cattle sales from this ranch will be breeding animals which will be sold to members of the Union. This should prove to be a very effective program for establishing a sound livestock industry in Bunyoro. The results of the Bunyoro program have interested other Cooperative Unions and plans are being developed to establish beef cattle ranching units in other areas.

### Poultry Marketing

The poultry industry in Uganda is developing along modern lines. Good breeding, feeding and management practices are being adopted by poultry raisers who are supplying high quality poultry and eggs to consumers. The production in 1968-69 was about equal to demand. High yield egg-laying birds have been imported since 1960 and these have helped to make Uganda virtually self sufficient in quality eggs and poultry meat. Eggs and poultry producers are anticipating problems in marketing eggs and poultry in the year ahead and have organized a cooperative poultry marketing society with headquarters in Kampala. This organization with assistance from USAID is building a processing plant with facilities to market fresh eggs and poultry. With modern processing and refrigeration equipment it is planned that all surplus production can be processed and exported to neighboring countries where climatic conditions are not as favorable for poultry raising. The new plant will be in operation in 1970.

**PART I-C - Continued****C.2 - GENERAL QUESTIONS**

These questions concern developments since the prior PAR. For each question place "Y" for Yes, "N" for No, or "NA" for Not Applicable in the right hand column. For each question where "Y" is entered, explain briefly in the space below the table.	MARK IN THIS COL.
013 Have there been any significant, unusual or unanticipated results not covered so far in this PAR?	N
014 Have means, conditions or activities other than project measures had a substantial effect on project output or accomplishments?	N
015 Have any problems arisen as the result of advice or action or major contributions to the project by another donor?	N
016 If the answer to 014 or 015 is yes, or for any other reason, is the project now less necessary, unnecessary or subject to modification or earlier termination?	N
017 Have any important lessons, positive or negative, emerged which might have broad applicability?	Y
018 Has this project revealed any requirement for research or new technical aids on which AID/W should take the initiative?	N
019 Do any aspects of the project lend themselves to publicity in newspapers, magazines, television or films in the United States?	Y
020 Has there been a lack of effective cooperating country media coverage? (Make sure AID/W has copies of existing coverage.)	N
021 <b>NARRATIVE FOR PART I-C.2</b> Identify each explanatory note by the number of the entry to which it pertains. (Continue on form AID 1020-25 1 as necessary):	

017. The key factors which have made this project successful to date are:

1. Highest level support from cooperative and political leaders. USAID advisors have avoided becoming involved in factional disputes. The written and oral support given publicity by high-level political leaders is a powerful force for getting acceptance and action by local authorities and farmers.
2. Timely provision of external inputs. USAID and GOU funding has been provided for building thirteen cooperative training centers, expanding and equipping the Cooperative College, and providing training materials; donation of milk cooling equipment, and providing eight prefabricated steel buildings for the minor crops marketing system.
3. Manageable operations. The scope of the project is within the competency of and the capabilities of the Ugandan personnel.
4. Involvement of local people and authorities. After the stamp of approval by higher authority, local involvement was obtained through regular contacts by all field personnel, increasing participation and decision making.
5. Excellent working relationships with Uganda Government officials and cooperative personnel, which established a rapport with organizations reaching 550,000 people at the grassroots.
6. Liaison. Liaison was maintained on a person-to-person basis with most people involved in the Co-op movement in local communities, as well as with regional officers of other agencies such as District Agriculture Officers who provided valuable data and assistance.
7. Successful Projects. Success in establishing a credit program, improving marketing services, establishing ranching and dairy cooperatives,

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## PAR CONTINUATION SHEET

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starting minor crop marketing, and accelerating education and training programs have all given ample evidence that Cooperatives can work in this environment and that well-planned and executed technical assistance can help make steady improvement. While the Co-op movement in Uganda has many problems yet to be solved, it is improving steadily. Several objective observers who are western authorities on cooperative movements have characterized it as being as good as any in Africa.

8. Perhaps the important lesson is that imagination and diligence by the staff of the Cooperative Department, and other government personnel and USAID advisors, actively backed by strong support of regional and local government authorities, can utilize well known principles of cooperative development.

It remains to be seen, now, just how far and fast the project can go.

019 Basic to the economic and social development of any new country is the education and training of the indigenous people.

Publicity concerning the cooperative education program starting with USAID capital inputs, and programs carried step by step through the training of manpower necessary for program implementation, giving results to date and those anticipated would provide a most interesting, readable story in U.S.

The Toro Dairy Cooperative Society, Fort Portal and the Bunyoro Growers Cooperative Union livestock ranch are two livestock projects that have been outstanding. A story describing the organization and growth of these two Cooperative Organizations would be of interest to American farmers and businessmen interested in Agricultural Cooperatives.

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## PART II - IMPLEMENTATION REPORT

## II.A - STATUS OF SCHEDULE

022 A-1 - INDIVIDUAL ACTIONS (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

PIP ITEM NO.	MAJOR ACTIONS OR STEPS; CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS	(b) STATUS - PLACE AN "X" IN, ONE COLUMN		
		(1) BEHIND SCHEDULE	(2) ON SCHEDULE	(3) AHEAD OF SCHEDULE
<b>COOPERATIVE THRIFT AND CREDIT</b>				
1	Expand Ag Credit Advisory Service (ACAS) (Staff will not be made available until IBRD approves pending loan request which includes funds for staffing and other recurrent expenses).	X		
2	Increase number and strengthen credit societies.		X	
3	Increase number of wage and salary earners Thrift and Loan Societies.		X	
4	Increase number of Farmers Thrift and Loan Societies. (All increases in credit and Thrift Societies will be delayed until the pending loan is approved by IBRD)		X	
5	Expand Medium Term Loan Program		X	
6	Initiate Long Term Loan Project (Coop Bank not yet activated and initial capital not yet available).	X		
7	Project Evaluation		X	
<b>COOPERATIVE EDUCATION</b>				
1	Conduct Education Specialists Training Program (Semi Annual)		X	
2	Develop Coordinated Budgets for 13 Training Centers		X	
3	Staff all Centers with trained Asst. Coop Officers		X	
4	Conduct District Staff Training Courses		X	
5	Hold Training Programs for District Union Education Secretaries		X	
<b>COOPERATIVE MANAGEMENT</b>				
1	Initiate Fertilizer and Pesticide Distribution Program		X	

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## PART II - IMPLEMENTATION REPORT

## II-A -- STATUS OF SCHEDULE

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(a) PIP ITEM NO.	MAJOR ACTIONS OR STEPS; CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS	(b) STATUS - PLACE AN "X" IN, ONE COLUMN		
		(1) BEHIND SCHEDULE	(2) ON SCHEDULE	(3) AHEAD OF SCHEDULE
<b><u>COOPERATIVE MANAGEMENT (CONT'D)</u></b>				
2	Organize Cooperative Management Seminars		X	
3	Establish Cooperative Insurance Program		X	
4	Coordinate Organization and Management of Uganda Central Cooperative Union. (Delay in recruiting Co-op Management Expert who is also Chief of Party for ACDI. Arrived June 1, 1969).	X		
<b><u>COOPERATIVE LIVESTOCK MARKETING</u></b>				
1	Establish Cooperative Dairy Marketing Societies		X	
2	Initiate Co-op Dairy Production Management Courses (The Dairy Industry Corporation has priority problems building processing plant and milk cooling centers and has delayed starting the courses).	X		
3	Develop Cooperative Livestock Ranches			
4	Organize Auctions with local abattoirs. (Slow because of number of Ministries involved)		X	
5	Develop Co-op Feeds and supplies production and sales.		X	
6	Establish Regional and National Poultry Coops		X	
<b><u>MINOR CROPS PRODUCTION AND MARKETING</u></b>				
1	Erection of Demonstration Warehouses  The 8th (and final) Union has now been able to get a clear title for building on properly zoned land after long negotiation.	X		
2	Minor Crops Marketing Training Project. Arrival Chief of Party for ACDI delayed. Arrived June 1, 1969. This slowed implementation.	X		

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## PART II - IMPLEMENTATION REPORT

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PIP ITEM NO.	MAJOR ACTIONS OR STEPS; CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS	(b) STATUS - PLACE AN "X" IN, ONE COLUMN		
		(1) BEHIND SCHEDULE	(2) ON SCHEDULE	(3) AHEAD OF SCHEDULE
<u>ACTIONS FOR ALL ACTIVITIES</u>				
1	<b>Order Commodities</b> IAD's providing project funds were late and Regional Supply Branch was slow in producing requisitions. Procurement of 25 instructional films was delayed but problem solved by direct ACIDI procurement.	X		
2	<b>Select Participants</b> IAD was late and Ministry submitted academically unacceptable candidates for degree training in U.S.A.	X		
3	<b>Sign PRO AG and PIO/T for Contract Services</b> IAD was late. Pro Ag signed March 1969, PIO/T signed March 1969. Contract signed June 9, 1969 and ACIDI received copy of Contract June 16, 1969. Some of delay caused by shift from FUIAC to ACIDI	X		

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PART II - Continued

II-A.2 - OVERALL TIMELINESS

023

In general, project implementation is (place an "X" in one block):

(a) On schedule	X
(b) Ahead of schedule	
(c) Behind schedule	
(1) AID/W Program Approval	
(2) Implementing Agency (Contractor/Participating Agency/Voluntary Agency)	
(3) Technicians	
(4) Participants	
(5) Commodities (non-FFF)	
(6) Cooperating Country	
(7) Commodities (FFF)	
(8) Other (specify):	

**BLOCK (c):** If marked, place an "X" in any of the blocks one thru eight that apply. This is limited to key aspects of implementation, e.g., timely delivery of commodities, return of participants to assume their project responsibilities, cooperating country funding, arrival of technicians.

II-B - RESOURCE INPUTS

This section appraises the effectiveness of U.S. resource inputs. There follow illustrative lists of factors, grouped under Implementing Agency, Participant Training and Commodities, that might influence the effectiveness of each of these types of project resources. In the blocks after only those factors which significantly affect project accomplishments, write the letter P if effect is positive or satisfactory, or the letter N if effect is negative or less than satisfactory.

1. FACTORS-IMPLEMENTING AGENCY (Contract/Participating Agency/Voluntary Agency)

024	IF NO IMPLEMENTING AGENCY IN THIS PROJECT. PLACE AN "X" IN THIS BLOCK:		032 Quality, comprehensiveness and candor of required reports	P
			033 Promptness of required reports	P
025	Adequacy of technical knowledge	P	034 Adherence to work schedule	P
026	Understanding of project purposes	P	035 Working relations with Americans	P
027	Project planning and management	P	036 Working relations with cooperating country nationals	P
028	Ability to adapt technical knowledge to local situation	P	037 Adaptation to local working and living environment	P
029	Effective use of participant training element	P	038 Home office backstopping and substantive interest	N
030	Ability to train and utilize local staff	P	039 Timely recruiting of qualified technicians	N
031	Adherence to AID administrative and other requirements	P	040 Other (describe):	

2. FACTORS-PARTICIPANT TRAINING

041	IF NO PARTICIPANT ELEMENT IN PROJECT. PLACE AN "X" IN THIS BLOCK:		TRAINING UTILIZATION AND FOLLOW UP	
			052 Appropriateness of original selection	P
	PREDEPARTURE	P	053 Relevance of training for present project purposes	P
042	English language ability			
043	Availability of host country funding	P	054 Appropriateness of post-training placement	P
044	Host country operational considerations (e.g. selection procedures)	N	055 Utility of training regardless of changes in project	P
045	Technical/professional qualifications	P	056 Ability to get meritorious ideas accepted by supervisors	P
046	Quality of technical orientation	P	057 Adequacy of performance	P
047	Quality of general orientation	P	058 Continuance on project	P
048	Participants' collaboration in planning content of program	P	059 Availability of necessary facilities and equipment	P
049	Collaboration by participants' supervisors in planning training	P	060 Mission or contractor follow-up activity	P
050	Participants' availability for training	N	061 Other (describe):	
051	Other (describe):			

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**617-15-140-006****PART II-B - Continued****3. FACTORS-COMMODITIES**

PLACE AN "X" IN APPROPRIATE BLOCK:	062 FFF	063 NON-FFF	064 NO COMMODITY ELEMENT	072 Control measures against damage and deterioration in shipment.	P
065 Timeliness of AID/W program approval (i.e., PIO/C, Transfer Authorization).			N	073 Control measures against deterioration in storage.	P
066 Quality of commodities, adherence to specifications, marking.			P	074 Readiness and availability of facilities.	P
067 Timeliness in procurement or reconditioning.			P	075 Appropriateness of use of commodities.	P
068 Timeliness of shipment to port of entry.			F	076 Maintenance and spares support.	P
069 Adequacy of port and inland storage facilities.			P	077 Adequacy of property records, accounting and controls.	P
070 Timeliness of shipment from port to site.			P	078 Other (Describe):	
071 Control measures against loss and theft.			P		

Indicate in a concise narrative statement (under the heading a. Overall Implementation Performance, below) your summary appraisal of the status of project implementation, covering both significant achievements and problem areas. This should include any comments about the adequacy of provision of direct hire technicians as well as an overall appraisal of the comments provided under the three headings (b, c & d) which follow. For projects which include a dollar input for generation of local currency to meet local cost requirements, indicate the status of that input (see Detailed Instructions).

Discuss separately (under separate headings b, c & d) the status of Implementing Agency Actions, Participants and Commodities. Where above listed factors are causing significant problems (marked N), describe briefly in the appropriate narrative section: (1) the cause and source of the problem, (2) the consequences of not correcting it, and (3) what corrective action has been taken, called for, or planned by the Mission. Identify each factor discussed by its number.

079 NARRATIVE FOR PART II-B: (After narrative section a. Overall Implementation Performance, below, follow, on form AID 1020-25 I as needed, with the following narrative section headings: b. Implementing Agency, c. Participants, d. Commodities. List all narrative section headings in order. For any headings which are not applicable, mark them as such and follow immediately below with the next narrative section heading.)

a. Overall Implementation Performance.

Project implementation is generally on schedule with few exceptions. Low world commodity prices, late payments by coffee and cotton marketing boards and manipulation of prices for political purposes have had a crippling effect on the Cooperative Credit Societies schemes causing societies to default on their production loans as farmers who have low yields are not able to repay. Decisions based on political expediency are out of USAID or Cooperative Department control.

b. The Implementing Agency

The Agriculture Cooperative Development International (ACDI) has provided good quality staff and has been mainly successful in its activities in the cooperative movement, but the home office backstopping has not been completely satisfactory. The nominations for the return of staff members for their second tours have been slow. The procurement of training films has been delayed. The Chief of Party position has been vacant since August 1968. A nomination for this position, which includes responsibility for Central and District Union management training, was delayed from August 1968 until April 1969. This has slowed progress toward meeting the Central Cooperative Management activities.

The problems mentioned above have been solved; the contractor has been instructed to send the nominations for home leave and return thru AID/W, the last of the

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## PAR CONTINUATION SHEET

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training films are now being assembled for shipment, and contractor staff salary adjustments for meritorious service for three team members have been approved by AID/W. New contractor headquarters have been occupied and the expanded staff with professional competency should improve backstopping and recruiting.

c. Participants

044 Host Country Operational considerations eg. selection, and 050, participants availability for training have only recently become a problem. Until last year the Cooperative Department had a good selection system for providing a supply of people for training. Over 100 men had been trained in nearly all phases of Cooperative operations in the United States. About two years ago the participants selected to go to the U.S.A. for training were shifted and many alternates were substituted. One PIO/P which included six men was finally cancelled when it was decided that these men required a six month course at the Cooperative College in Uganda to qualify for their next promotion and that the U.S. training was not recognized for this purpose.

There is now more emphasis on degree training in this project as shown in the PIP (June 15, 1968). This has created the problem of lack of qualified candidates as most all of the potential participants are field staff of the Cooperative Department who are graduates of the Bukalasa Cooperative College, which is not a recognized institution for qualification of students to take degree training. The staff of the College needs degree training in order for the College to be recognized. It was planned to send three to five candidates to the U.S. this year for degree training. Of the first six nominated it was decided that only two could qualify for acceptance at a U.S. University. During the writing of this PAR the Cooperative Department has decided that they do not intend to send any participants to the U.S.A. for degree training this year. They say that the Public Service Commission will not allow them to send men more qualified but who have less seniority.

The Public Service Commission has never previously made such a ruling concerning other USAID projects' degree training participants so there may be some other reason why the Cooperative Department does not plan to participate in a degree training program for their personnel. The Cooperative Department has requested that the degree training be deferred for one year when they assure USAID that qualified candidates will be available.

d. Commodities

065 the IAD for approval of project commodity funds was received very late in the Fiscal year of 1969. It is expected that with the new AID programming system continuing projects will be granted at least partial funding for commodities needed on a priority basis soon after the beginning of the Fiscal year.

PART III - ROLE OF THE COOPERATING COUNTRY

The following list of illustrative items are to be considered by the evaluator. In the block after only those items which significantly affect project effectiveness, write the letter P if the effect of the item is positive or satisfactory, or the letter N if the effect of the item is negative or less than satisfactory.

SPECIFIC OPERATIONAL FACTORS:	
080 Coordination and cooperation within and between ministries.	N
081 Coordination and cooperation of LDC gov't. with public and private institutions and private enterprise.	P
082 Availability of reliable data for project planning, control and evaluation.	P
083 Competence and/or continuity in executive leadership of project.	P
084 Host country project funding.	P
085 Legislative changes relevant to project purposes.	P
086 Existence and adequacy of a project-related LDC organization.	P
087 Resolution of procedural and bureaucratic problems.	N
088 Availability of LDC physical resource inputs and/or supporting services and facilities.	P
089 Maintenance of facilities and equipment.	N
090 Resolution of tribal, class or caste problems.	P
091 Receptivity to change and innovation.	P
092 Political conditions specific to project.	P
093 Capacity to transform ideas into actions, i.e., ability to implement project plans.	P
094 Intent and/or capacity to sustain and expand the impact of the project after U.S. inputs are terminated.	P
095 Extent of LDC efforts to widen the dissemination of project benefits and services.	P
096 Utilization of trained manpower (e.g., participants, counterpart technicians) in project operations.	P
097 Enforcement of relevant procedures (e.g., newly established tax collection and audit system).	P
098 Other:	P
HOST COUNTRY COUNTERPART TECHNICIAN FACTORS:	
099 Level of technical education and/or technical experience.	P
100 Planning and management skills.	P
101 Amount of technician man years available.	P
102 Continuity of staff.	P
103 Willingness to work in rural areas.	P
104 Pay and allowances.	P
105 Other:	P

In the space below for narrative provide a succinct discussion and overall appraisal of the quality of country performance related to this project, particularly over the past year. Consider important trends and prospects. See Detailed Instructions for an illustrative list of considerations to be covered.

For only those items marked N include brief statements covering the nature of the problem, its impact on the achievement of project targets (i.e., its importance) and the nature and cost of corrective action taken or planned. Identify each explanatory note.

106 NARRATIVE FOR PART III (Continue on form AID 1020-25 I):

During the past year the most important development affecting this project has been the formation of the Ministry of Marketing and Cooperatives which was formerly the Department of Cooperatives in the Ministry of Agriculture Forestry and Cooperatives. The new Produce Marketing Board is a part of the new Ministry of Marketing and Cooperatives. This has given a boost to the morale of the Cooperative movement. The new Ministry has equal rank with other Ministries, such as Animal Industry Game & Fisheries, Agriculture & Forestry and Community Development which is useful in solving some of the inter-ministerial problems mentioned above.

Uganda's efforts to supply their promised inputs to the project have been adequate in spite of ever expanding cooperative movement requests for more services. The in-country participant training program which produced over sixty well-trained Assistant Cooperative Officers (ACOs) has helped greatly to alleviate the trained manpower shortage that developed in the Department after Independence in 1962 when there was an exodus of expatriates. In a few years' time, the men

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now in training here and abroad should be sufficient to carry out the Department's headquarters and field duties required for the expansion of the movement while simultaneously making the different Cooperative Organizations self reliant with decreasing governmental control over them.

As mentioned earlier, the cotton pricing policies coupled with two bad crop years have created about seventy defaulting Cooperative Credit Societies which have not been able to repay their production loans as the individual farmers could not meet their repayment obligations.

<u>Crop Year</u>	<u>Bales</u>	<u>Price to Grower</u>
66/67	445,000	60¢ E.A. per lb.
67/68	335,000	40¢ E.A. per lb.
68/69	400,000 est.	52¢ E.A. per lb.

Recent price to grower has not only been low but also Cotton Marketing Board payments for cotton have often been late. This has created an atmosphere discouraging to increased production in which there is not much chance of reaching the 1971 Five Year Plan cotton production goal of 575,000 bales. Until this situation is corrected the Cooperative Credit Societies and the Rural Thrift and Loan Societies cannot expand as expected. Abolishment of present export tax on cotton could help raise price to farmer.

A very comprehensive study of the Cooperative movement was published during 1968. "The Report of the Committee of Inquiry into the Affairs of All Cooperative Unions in Uganda" and the accompanying White Paper have accelerated efforts to improve all aspects of the Cooperative program.

The White Paper states succinctly the key problems facing the Cooperative movement.

"The movement is facing many problems but the major ones arise from general lack of understanding of business principles and methods by the members; from a lack of real managerial ability, and often of integrity, on the part of the managerial staff; and from totally inadequate staffing of the Cooperative Department to provide the training, supervisory and audit services required to correct this situation."

The Cooperatives project in which USAID/Uganda is participating with the GOU aims directly at solving the problems mentioned above. The most important activity has been that of training personnel at all levels of the movement from one-day courses for members at the grass roots level, and special in-service training for the secretary managers of the Societies, the employees of District Unions, special management training to strengthen the Cooperative Alliance and the management capabilities of the Central Union. USAID has assisted in expanding and improving the Agricultural Cooperative College. The construction of all or the major components of the 13 training centers was financed through USAID grant funds, and the provision of Audio Visual equipment, training aids, literature and films has played an important part in activities of the entire Cooperative movement. In addition there have been over 120 Departmental and District Union employees trained in Agricultural Cooperative matters in the U.S.A.

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080. The coordination and cooperation within and between Ministries has not been satisfactory. During the past two years the Dairy Industry Corporation (DIC) in the Ministry of Animal Industries Game and Fisheries has not been able to coordinate the rapidly expanding milk collecting dairy societies which were to be formed on a cooperative basis. There are only 15 cooperative societies out of 40 Collection Centers and the average management is poor due to lack of trained manpower. At those societies where problems have arisen the DIC has peremptorily taken control. There have been more societies formed and more trained dairy managers are being graduated from schools so that the growing pains of these rapidly expanding activities are being alleviated.

087. Several Co-op Training Centers being operated in coordination with the Ministry of Culture and Community Development Rural Training Centers have been closed when that Ministry's funds were depleted. Previously the procedures to restart the classes were very involved but the two Departments are now working together and have solved the problem by providing realistic annual budgets for operations, maintenance and repair

089. Maintenance of Facilities and equipment has been less than satisfactory due to unrealistic budgeting for the upkeep of the thirteen Cooperative Training Centers. With the new budgeting procedure and provision of ample funds by Treasury we believe this problem has been solved and all but one training center is operating on a full schedule.

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**PART IV - PROGRAMMING IMPLICATIONS**  
**IV-A - EFFECT ON PURPOSE AND DESIGN**

Indicate in a brief narrative whether the Mission experience to date with this project and/or changing country circumstances call for some adjustment in project purposes or design, and why, and the approximate cost implications. Cover any of the following considerations or others that may be relevant. (See Detailed Instructions for additional illustrative considerations.) Relevant experience or country situations that were described earlier can simply be referenced. The spelling out of specific changes should be left to the appropriate programming documents, but a brief indication of the type of change contemplated should be given here to clarify the need for change. For example, changes might be indicated if they would:

1. better achieve program/project purposes;
2. address more critical or higher priority purposes within a goal plan;
3. produce desired results at less cost;
4. give more assurance of lasting institutional development upon U.S. withdrawal.

107 **NARRATIVE FOR PART IV-A** (Continue on form AID 1020-25 I):

There are two comparatively small additions to the project which should increase the possibility of meeting targets on time.

The replacement for the second Cooperative education specialist is needed to assist the Cooperative movement in meeting its expanded workload for the training of personnel at all levels. One U.S. Co-op Education Specialist cannot cope with the ever-increasing needs of the fourteen Cooperative Training Centers, building and strengthening the newly rejuvenated Cooperative Alliance which should eventually assume the responsibility from society and Union contributions for nearly all membership training programs, organizing the in-service training for auditors, credit officers, accountants, bookkeepers and secretary managers.

As reported in PART III 106, the Committee of Inquiry into the Co-op Union Affairs stated that this education and training are the most important needs at the present time. Reinstatement of this position which was a casualty of the 1968 BALPA Operation is considered to be first priority.

The rural population is ready for a well-organized Rural Thrift and Loan Program. It is needed to help marshall savings for agricultural growth. There are over forty-five basic marketing and/or Credit Societies now chartered to carry on savings and credit activities. It is estimated there are another 250 unchartered Thrift and Loan Societies floundering along hoping to gain the necessary expertise and experience and reputations to qualify them to receive a charter. Unless this movement has proper technical assistance its powerful  
(Cont'd. on page 9A)

**IV-B - PROPOSED ACTION**

108 This project should be (Place an "X" in appropriate block(s)):

1. Continued as presently scheduled in PIP.	
2. Continued with minor changes in the PIP, made at Mission level (not requiring submission of an amended PIP to AID/W).	
3. Continued with significant changes in the PIP (but not sufficient to require a revised PROP). A formally revised PIP will follow.	<b>X</b>
4. Extended beyond its present schedule to (Date): Mo. ___ Day ___ Yr. ___. Explain in narrative, PROP will follow.	
5. Substantively revised. PROP will follow.	
6. Evaluated in depth to determine its effectiveness, future scope, and duration.	
7. Discontinued earlier than presently scheduled. Date recommended for termination: Mo. ___ Day ___ Yr. ___.	
8. Other. Explain in narrative.	

109 **NARRATIVE FOR PART IV-B:**

We recommend that this project continue with the addition of the Education Specialist and two Thrift and Loan Specialists. The PIP will be formally revised to show increased funding beginning in FY '70 for contract services in PART III PERSONNEL REQUIREMENTS, PART IV PARTICIPANT REQUIREMENTS and PART V COMMODITY and OTHER REQUIREMENTS, TECHNICAL ASSISTANCE.

The GOU has formally requested the reinstatement of the Education Specialist Position and the FY 69 PRO AG and PIO/T had provided funding for this position.

The two Rural Thrift and Loan Specialists were formally requested by the GOU in 1968 but due to BALPA and the possibility of having some combination of Regional activities in Cooperative Development the request was not approved by USAID. The GOU still wants the two man team, but it has not been determined whether they are to be funded by a Regional Project.

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107 NARRATIVE FOR PART IV-A (Cont'd.)

capital generating potential may be dissipated and be more difficult to revive in the future. With two Thrift and Loan Specialists on the Cooperative staff from CUNA, on a regional project basis or from the ACDI contract, in either case under ACDI Chief of Party supervision, a solid start can be made in the Rural Thrift and Loan Societies credit program. There are over 500,000 Cooperative members who, if they only contributed one shilling each per month, would create a capital fund equivalent to nearly \$1,000,000 per year for crop production purposes, help to capitalize the new Cooperative Bank and be part of strengthening the Title IX aspects of the entire Cooperative movement in Uganda.

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9A