

P12-115101-132
98989

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE A = Add XX B = Change C = Delete Amendment Number 2	DOCUMENT CODE 3
2. COUNTRY/ENTITY Uganda		3. PROJECT NUMBER [617-0135]	
4. BUREAU/OFFICE USAID/Uganda		5. PROJECT TITLE (maximum 40 characters) [Uganda Demobilization and Reintegration Project]	
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) December 31, 1998 - 12 31 98		7. ESTIMATED DATE OF OBLIGATION (Under 'B,' below, enter 1, 2, 3, or 4) A. Initial FY [94] B. Quarter [4] C. Final FY [95]	

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY _____			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID Appropriated Total						
(Grant)	(3,000)	()	(3,000)	(6,650)	()	(6,650)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country					2,120	2,120
Other Donor(s)					19,000	19,000
TOTALS =>						27,770

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECHNICAL CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	DFA			2,000		3,650		5,650	
(2)	ESF			1,000				1,000	
(3)									
(4)									
TOTALS =>						3,650		6,650	
10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)								11. SECONDARY PURPOSE CODE	
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)									
A. Code									
B. Amount									

13. PROJECT PURPOSE (maximum 480 characters)

To assist demobilized soldiers to re-settle and become economically productive members of their communities.

14. SCHEDULED EVALUATIONS						15. SOURCE/ORIGIN OF GOODS AND SERVICES					
Interim	MM	YY	MM	YY	Final	MM	YY	000	941	[935] Local	Other (Specify)
	10	96									

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 18 page PP Amendment)

This amendment increases the Life of Project funding by \$3,650,000 and extends the PACD by twelve months, to December 31, 1998. This amendment also redefines the geographic and implementation scope of activities described within the PP. The additional funding will be used in re-integration activities.

17. APPROVED BY	Signature	<i>Leticia Diaz</i>	Date Signed	MM DD YY	18. DATE DOCUMENT RECEIVED IN USAID/W, OR FOR USAID/W DOCUMENTS, DATE OF DISTRIBUTION	MM	DD	YY
	Title	Acting Mission Director		19 16 1998				

AID 1330-4 (8-79)

I have reviewed and hereby approve the methods of implementation and financing in this amendment. *KL* 2/13/95 Controller

ACTION MEMORANDUM FOR THE ACTING MISSION DIRECTOR, USAID/UGANDA

FROM:  James Dunn, Acting Chief, Agriculture and Natural Resources

SUBJECT: Uganda Demobilization and Reintegration Project, No. 617-0135, Project Paper (PP) Amendment No. 2 and Project Agreement Amendment No. 2

Problem: You are requested to approve an amendment to the Uganda Demobilization and Reintegration (UDR) Project that modifies the geographic and implementation scope of the Project components, increases Life-of-Project (LOP) funding by \$3.65 million to a new total of \$6.65 million, and extends the Project Assistance Completion Date (PACD) by one year to December 31, 1998.

Discussion: The Uganda Demobilization and Reintegration (UDR) Project (617-0135) was authorized on August 23, 1994, with Life-of-Project funding of \$2 million and a Project Assistance Completion Date (PACD) of September 30, 1996. The Project Paper was amended in September 1994, increasing LOP funding by \$1 million and extending the PACD to December 31, 1996. In PIL No. 2, dated March 31, 1995, the PACD was extended further, to December 31, 1997. The project provides funding for unsolicited proposals, mainly from U.S. PVOs, for rural income-generating, agricultural production and processing activities in support of demobilized veteran socio-economic reintegration. In addition, some training, technical assistance, and other forms of support to organizations involved in veteran reintegration will be supported by the project.

The proposed amendment will increase LOP funding, extend the PACD and expand the geographic and implementation scope of the project. The goal, purpose and objectives of the project remain the same.

Purpose and Rationale for the Amendment: Successfully demobilizing a significant portion of its military force is an essential element of Uganda's democratization process and will enable the GOU to reallocate spending to under-funded social services and infrastructural development. It is important that the United States demonstrate its continued support for demobilization.

In addition to demobilization's positive impact on the sustainability of the democratic transition, it will benefit USAID's Country Program in other direct ways. Increased GOU spending on health and education, as a result of decreased defence spending (depending on the formula used, military spending decreased in FY 1993 and 1994), will assist USAID in

achieving its Strategic Objectives (SOs) in those sectors. In addition, most veterans live in the rural sector and seventy percent of them have requested assistance in agricultural activities; thus, one can expect an increase in agricultural production as a result.

(There have been discussions between the GOU and the WB/Donor community concerning this issue. The latter group - USAID included - insists on the demobilization process providing and maintaining a decrease in military spending or, a "peace dividend." The GOU has used supplemental budgets and non-military funding of para-military local defence groups as ways around the issue; it has also discussed the need for occasional one-time military expenditure increases for national security concerns. This is a recent development, one which the WB/Donors intend to pursue until firm commitment/decisions are made by the GOU.)

At the sub-goal level, demobilization will contribute to the overall sustainability and equity of economic growth.

A. Project Goal and Purpose

The UDRP is supporting the demobilization of approximately 10,000 soldiers and the planned assistance in community reintegration of roughly 70% of the veteran households in over fifteen districts nationwide through provision of technical skills, limited inputs and credit to develop rural income-generating, agricultural and agro-processing activities. The goal of the project is to reduce Uganda's military force in a socially responsible manner. The purpose of the project is to assist demobilized soldiers to re-settle and become economically productive members of their communities. Project beneficiaries are demobilized men and women soldiers, their dependents and communities. USAID estimates that in an estimated fifteen districts, targeted by the project because of their relatively high concentrations of veteran households, close to 70% of demobilized veterans, their spouses¹ and/or communities will have established productive, sustainable farming, agro-processing or other rural income-generating ventures as a result of the technology transfer and credit program during the life of the project. The beneficiaries are and will be, for the most part, rural small-holders mainly engaged in agricultural production and/or processing.

B. Project Description

With this proposed amendment, the UDRP will be a four-year, \$6.65 million project with two distinct components: 1) direct support for demobilization (\$1 million); and 2) a national rural income-

¹ Veterans' spouses, usually wives, are frequently more motivated to develop income generating activities than their partners. It is also well documented that women spend a greater percentage of their income on family welfare than men do. Including wives in the project will enhance its impact on veterans' families.

generating, agricultural technology and credit program (\$5.65 million) targeting veterans, their families and the communities in which they live. The Project targets districts and counties with relatively high concentrations of veterans, particularly in Northern Uganda. Project funds earmarked for demobilization have been granted to the World Bank as a part of the multi-donor effort administered by the World Bank. These costs include cash payments to soldiers, purchase and delivery of roofing materials, transporting discharged soldiers and their dependents to their home districts, medical, education and training benefits administered by UVAB, and UVAB's operating costs. USAID's contribution of \$1 million to the pooled-donor fund for demobilization was originally planned for use during Phase II. Due to the availability of other funds and lower actual costs related to Phase II, the World Bank requested USAID Kampala approval, since granted, that the former funds be used instead for Phase III demobilization costs.

Demobilization, and, as a result, reintegration activities are by necessity national priorities. Although 70% of the demobilized veterans can be found in 50% of the country's 38 districts, all the districts are involved. Fears of large-scale urban migration of non-reintegrated veterans, as well as the possibility of general civil instability due to disaffected veterans, make the issue a national priority.

In FY 1994 \$2 million were obligated for the reintegration component of the project. To date, USAID has approved several pilot reintegration grants (WLI, ATI and Serere Research Station) totalling \$1.2 million. The \$.8 million remaining to be programmed from FY94 funds are expected to be committed in the next month. In anticipation of receiving additional funds from USAID/W for expanded coverage of these activities, we inquired of our various development partners what their future plans in this area of activity might be. The response has been strong, as several U.S. PVOs have expressed interest in submitting additional or new proposals.

The rural income-generating, agricultural technology and credit component is being developed and administered, for the most part, by several U.S. PVOs that are already working in target districts. The Project, although national in scope, places particular emphasis on Northern Uganda. The PVOs liaise directly with UVAB, particularly at the district level, keeping UVAB apprised of the progress of their activities. In addition, UVAB has been identified by the donors and GOU as the national coordinating body for reintegration activities.

Project Outputs

This amendment modifies Project Output No. 2, as stated below.

1. 10,000 men and women soldiers receive severance packages and transportation to their homes;

2. Agricultural technology, materials and/or financing provided to approximately 70% of the de-mobilized veterans in project targeted districts, nationally.

With respect to the first output, this Project alone will not support the entire cost of demobilization. The GOU and other donors are contributing towards these costs.

1. Demobilization Assistance

Phases I and II of demobilization are completed and Phase III, the final Phase, has begun. USAID awarded a Handbook 13 grant to the World Bank for \$1 million for use in conjunction with other donors' funds for demobilization. The World Bank administers the funds in the same manner in which it administers its other project funds and transfers funds to UVAB as needed.

UVAB closely monitors and evaluates the implementation of the program and is required to maintain proper financial management controls.

2. Agricultural Technology and Credit:

The objective of this component is to support the reintegration of demobilized soldiers and their families in communities with relatively high levels of veterans, particularly in Northern Uganda. The districts of Lira, Apac, Soroti, Kumi and Palisa where approximately 6,000 veterans have returned were the focus of the initial phase (\$2 million) of this activity: rural income-generation training and agricultural development activity.

a. Original PP Design Reintegration Activities

Farming is the major economic activity in this region and the project is providing veterans and their families with training and other assistance to help them become self-sustaining economic units and to become reintegrated into their communities. This phase of the project had four primary elements: oxen plowing training and the provision, at subsidized prices or favorable credit terms, of oxen and animal traction implements to small groups; a matching grant program for sustainable agricultural enterprises; the provision of hand-operated oil presses on an in-kind credit basis and the distribution of high oil content sunflower seed; and the multiplication and distribution of sorghum, millet, soybean and mosaic resistant cassava. These activities are being carried out by two U.S. PVOs: World Learning Incorporated (WLI) and Appropriate Technology International (ATI), in collaboration with the National Agricultural Research Organization (NARO).

b. New Design Activities:

The proposed increase in life-of-project funding will enable the Mission to accept, for review and approval, unsolicited grant requests from other U.S. PVOs. The addition of these proposed activities will add a national dimension to the Project that was

not possible within the earlier fiscal constraints of available funding.

Activities discussed with several PVO's emphasize rural income-generating activities; exploit the significant interest expressed by veterans in agricultural activities; highlight the need to target wives and widows of veterans, especially female heads of household; and address the need for credit. Other activities not foreseen under the original design that the Project is considering funding are: coordination meeting(s) and workshops involving UVAB, donors, PVOs and veterans, and a training visit(s) to U.S. veteran activities/sites/agencies for UVAB personnel, and possibly veterans representatives, in preparation for the post demobilization era.

It is planned that credit activities funded under the project will be linked with the official financial sector, through local banks and group guarantees. Thus far, the Cooperative Bank has indicated its interest in participating in this activity. The Cooperative Bank is currently receiving technical assistance support from the Cooperative Agricultural and Agribusiness Support (CAAS) Project and training, retrenchment and recapitalization funds from the PL-480 Title II Monetization Program. One PVO is also proposing to link a UNDP-funded rural credit scheme with this project's activities.

Women in veterans' households will be targeted because they too need to be reintegrated. Often, wives of veterans are "foreign" to their husbands' community because they may come from another part of the country, where the husband had been stationed. However, in addition to the above, Uganda has a very high female-head-of-household (FHH) rate, estimated to be about 33%. While reliable statistics aren't yet available, it is estimated that veterans' wives/widows make up a significant proportion of that total. FHH are expected to manifest very different needs than their male counterparts. Uganda, like much of Africa, reserves certain activities to each gender. Widows, in particular, may require specialized attention to insure economic re-integration.

Mission Review of the PP Amendment: It was the Mission review of the original PP that led to the drafting of the amendment. The Mission UDRP Committee, composed of representatives from ANR, PPD, GDO and the D-DIR, meets regularly to discuss demobilization and reintegration progress, issues and proposals. Discussions taking place in these meetings provided the input for the PP amendment. Specifically, the original PP identified two U.S. PVOs as the sole implementors and only five districts in which project activities would take place. While these five districts were seen to be priority areas, when it became clear that additional funding would be possible, the committee realized that the Project as described in the PP was too restrictive. Furthermore, as it became clear that USAID was the most active donor in reintegration activities, (USAID is the largest of only two donors now funding reintegration activities), the need for these activities to be more national in scope became apparent.

For these reasons, the limitations on the number of PVOs involved and the geographic area have been revised in the amendment.

In addition, the PP End-of-Project Status (EOPS), outputs and indicator assumptions have been revised. See attached revised logframe.

Host Country Contribution: With this amendment the UDRP will have Life-of-Project (LOP) funding of \$6.65 million. The GOU host country contribution, originally \$667,000 was modified by the previous LOP increase of \$1 million to \$1,000,000. The latter represents 25 percent of the total project cost at the prior LOP level of \$3 million. The Government of Uganda has contributed 1,200,000,000 Uganda shillings during the first two years of the Project, and will contribute at least Ush. 1,000,000,000 during the second two years. The HCC total, estimated at Ush. 2,200,000,000, (or \$2.3 million at Ush. 950/\$1) will at least equal twenty-five percent of the Project total.

FY 95 Obligation and Congressional Notification The Technical Notification for the proposed FY 1995 obligation of \$3.5 million expired without objection on August 15, 1995, per State 197352. Subsequent notification of SS5 allowance, SECSTATE 202074, indicated that the TN amount of \$3.5 million had been further increased to \$3.65 million, reflecting a 10% increase. AID/W has clarified that they have a 10% discretion on TNs and they increased the total allowance by that amount after TN clearance.

Authority: Under Delegation of Authority 551, as amended, you have the authority to amend project authorizations as long as the total LOP funding does not exceed \$100 million, there are no significant policy issues or waivers required that exceed your authority, the project purpose is not changed and the life-of-project does not exceed ten years. The UDRP project will be a 52 month project with LOP funding of \$6.65 million.

Recommendation: That you approve this Second Amendment of the Uganda Demobilization and Reintegration Project by signing this Action Memorandum, the Project Authorization Amendment (Attachment I) and the Project Data Sheet (Attachment II).

Signing the above documents will, as described above, extend the PACD from December 31, 1997 to December 31, 1998; increase the LOP funding from \$3,000,000 to \$6,650,000; expand the program's geographic area from five districts to the national level; and allows for more than two PVO implementors.

Approved: Alcira Diaz

Disapproved: _____

Date: September 6, 1995

Attachments: I. Project Authorization Amendment No. 2
 II. Project Paper Data Sheet
 III. Phase I Reintegration Components

Drafted: ANR:GFarino (draft) J1 Date: 8/29/96
 Clearances: A-C/ADO:JDunn (draft) Date: 8/9/95
 PDO:SFine (draft) Date: 8/29/95
 PPD:LDouris (draft) Date: 8/9/95
 C/PPD:NLOlsen (draft) Date: 8/31/95
 GDO:BKomakech (draft) Date: 8/9/95
 CONT:KLeBlanc (draft) Date: 8/31/95
 RLA:SPage (phone) and Date: 8/30/95
 see attached e-mail

PROJECT AUTHORIZATION AMENDMENT NO. TWO

Country: Uganda
Project Name: Uganda Demobilization and Reintegration
Project Number: 617-0135

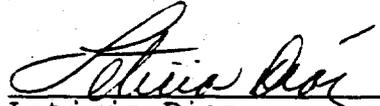
1. Pursuant to Section 496 and Section 531 of the Foreign Assistance Act of 1961, as amended, the Uganda Demobilization and Reintegration Project was authorized on August 23, 1994. That authorization was amended on September 29, 1994. The authorization is further amended as follows:

Paragraph 1 of the authorization is hereby deleted in its entirety and replaced by the following:

"Pursuant to Section 496 and Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Uganda Demobilization and Reintegration Project, involving planned obligations of not to exceed Six Million Six Hundred Fifty Thousand United States Dollars (\$6,650,000) in grant funds to finance foreign exchange and local costs for the project. The project assistance completion date is December 31, 1998. These funds are provided subject to the availability of funds in accordance with the USAID OYB/allotment process."

2. Except as amended above, the original project authorization dated August 23, 1994, as amended, remains in full force and effect.

Date: 9/6/95


Leticia Diaz
Acting Mission Director

Drafted: PPD: LDouris (draft) Date: 8/9/95
Clearance:

ANR: GFarino (draft) Date: 8/29/95
A-C/ANR: JDunn (draft) Date: 8/9/95
PDO: SFine (draft) Date: 8/29/95
C/PPD: NLOlsen NLO Date: 8/31/95
GDO: BKomakech (draft) Date: 8/9/95
CONT: KLeBlanc K Date: 8/13/95
RLA: SPage (phone) Date: 8/30/95

see attached e-mail

UGANDA DEMOBILIZATION AND REINTEGRATION PROJECT
Project Paper Amendment Two

I. INTRODUCTION

Uganda has made the transition from a period of rehabilitation to one of growth and development. When the National Resistance Movement (NRM) government took power in 1986, it concentrated initially on re-establishing stability, rehabilitating infrastructure and restoring basic services. The government also began to undertake a series of significant economic and fiscal policy reforms that have created a more favorable environment for economic growth. Finally, the NRM has allowed progress towards a democratic transition; the Constituent Assembly (CA) is nearing the completion of its work of debating and ratifying a new constitution to pave the way for democratic elections. Most of the prerequisites for a period of peaceful economic, social and political development are or will soon be in place.

One of the key prerequisites is a major reduction in the size of Uganda's 90,000 person military. Reduction in the defense force should accomplish two important objectives: 1) it should reduce the power of the military, and gives credence to the NRM's commitment to civilian rule; and 2) it should substantially reduce military expenditures, freeing up budgetary resources for spending on productive and social sectors. Completing the military demobilization in ways that are socially responsible reinforces Uganda's transition to a more democratic government and greater economic development.

A. The Demobilization Effort

The Government of Uganda (GOU) began the process of demobilizing soldiers in December 1992. The planned demobilization of a total of 40,000 men and women soldiers is being carried out in three stages. Phases I and II, now complete, demobilized approximately 30,000 soldiers. It was anticipated that an additional 12,500 soldiers would be demobilized during Phase III in late 1994 or early 1995. This Phase has been delayed until August 1995 and may be reduced to 10,000. In total, this will result in an approximately 47 percent reduction in Uganda's military force.

The first step in the demobilization process is demobilizing soldiers: pay and benefit packages and transportation home. Approximately 30,000 soldiers have been demobilized over the past two years during Phases I and II of Uganda's Veterans' Demobilization and Reintegration Program. USAID has contributed approximately \$9 million to this process: \$3 million in project assistance under the Uganda Demobilization and Reintegration Project, and \$6 million in local currency resources (\$5 million under ANEPP and \$1 million from PL-480 Title III). Other donors led by the World Bank contributed \$19.0 million. It was anticipated that an additional 12,500 soldiers (now estimated at 10,000) would be demobilized during

the next 18 months in Phase III. The GOU has indicated that a higher percent of older and/or disabled veterans will be part of Phase III. An estimated 40,000 veterans, with more than 100,000 dependents, will have been demobilized by the end of Phase III.

The UDR Project will promote activities which will benefit the nation as a whole, although certain districts, veterans groups and Northern Uganda figure prominently as potential beneficiaries. UDR will fund training and inputs (credit basis, mostly) to veterans, and their civilian neighbors to engage in sound, income-generating activities largely based in the agricultural sector. These activities will assist demobilized veterans to socially and economically reintegrate civilian society. This process will engender stronger local economies and communities, greater regional stability and a more peaceful and productive Uganda.

The second and more difficult step in the overall process is reintegration. It is the responsibility of the Ugandan Veterans Assistance Board (UVAB) to facilitate the reintegration of demobilized soldiers into society. This is a challenge, as Uganda's economy offers few formal job opportunities and the educational level of the majority of the veterans is low and many lack technical skills. Vocational training programs are scarce and not targeted to the needs or aspirations of Uganda's demobilized soldiers.

The veterans are accustomed to receiving a small but steady income; adjusting to a situation where they have to generate their own income is difficult. Approximately 3% of the veterans are disabled or chronically ill and many others are HIV infected and will become debilitated, leading usually to death. The communities to which they are returning are often suspicious of ex-soldiers, perceiving them as thieves, rebels and carriers of diseases like HIV and other STDs; although prevalent fears of an increase in criminal activity have generally proven to be unfounded.

Veterans are often expected to assume financial responsibility for orphans and other family members upon their return home. This makes it difficult for them to use their discharge pay packet for productive investments. An assessment conducted in July 1993 found that the top three uses of the de-mobilization pay packet were, in order of frequency, purchase of fixed assets (land, capital goods, shelter), purchase of food and clothing, and investment in a business.

Furthermore, if veterans have brought wives from a different ethnic group and or from a different part of the country, these wives are often not well accepted, creating family problems and making it difficult for the wives to team up with women's groups.

Thus, UVAB, together with donors and private voluntary organizations (PVOs), is developing programs to assist

veterans and their families reintegrate socially as well as economically, though usually the two are related. Unlike the initial demobilization activities, which target only former soldiers with a benefits package, the reintegration activities focus on demobilized soldiers, their families and those in the communities in which they resettle. This is important for a variety of reasons. First, veterans are being scattered throughout the country and their needs are similar to those of their neighbors. On political and equity grounds, it is not appropriate to create two classes of civilians. Secondly, the World Bank has reported that including soldiers' wives in reintegration programs effects a more efficient distribution of benefits; because the trickle-down effect is more significant from women to children than from men to children.

UVAB plans to support ongoing community-based vocational training activities for those desiring skills upgrading. The emphasis is on rural income-generating, agriculture-related training, as 70% of the soldiers surveyed expressed the intention to return to agriculture. Vocational training is an optional and free-standing element of assistance, delivered on a fee-for-service basis.

With over 30,000 soldiers already demobilized, UVAB's highest priority is to put more reintegration initiatives in place. Veterans from the Phases I and II demobilization are complaining that the government has not followed through on its promise to assist them with reintegration. Some veterans have taken the initiative to organize themselves into associations whose principal function is to undertake an economically productive activity. In some cases, the groups have expanded membership to non-veterans, combining their financial resources with local technical expertise.

II. PROJECT RATIONALE AND DESCRIPTION

A. Rational for USAID Assistance

Successfully demobilizing a significant portion of its military force is an essential element of Uganda's democratization process and will enable the GOU to reallocate spending to under-funded social services and infrastructural development. It is important that the United States demonstrate its continued support for demobilization.

In addition to demobilization's positive impact on the sustainability of the democratic transition, it will benefit USAID's Country Program in other direct ways. Increased GOU spending on health and education, as a result of decreased defence spending, (depending on the formula used, military spending decreased in FY 1993 and 1994), will assist USAID in achieving its Strategic Objectives (SOs) in those sectors. In addition, most veterans live in the rural sector and seventy percent of them have requested assistance in agricultural activities; thus, one can expect an increase in agricultural production as a result.

(There have been discussions between the GOU and the WB/Donor community concerning this issue. The latter group - USAID included - insists on the demobilization process providing and maintaining a decrease in military spending or, a 'peace dividend'. The GOU has used supplemental budgets and non-military funding of para-military local defence groups as ways around the issue; it has also discussed the need for occasional one-time military expenditure increases for national security concerns. This is a recent development, one which the WB/Donors intend to pursue until firm commitment/decisions are made by the GOU.)

At the sub-goal level, demobilization will contribute to the overall sustainability and equity of economic growth.

B. Project Goal and Purpose

The UDRP is supporting the demobilization of approximately 10,000 soldiers in Phase III and assisting in the community re-integration of roughly 70% of veterans found in approximately fifteen targeted districts nationwide through provision of technical skills, limited inputs and credit to develop rural income-generating, agricultural and agro-processing activities. Originally, USAID's contribution was to be used during the Phase II demobilization process under a Handbook 13 grant to the World Bank (WB) International Development Fund (IDA). This Grant was later amended to allow the funds to be used for Phase III costs.

The goal of the project is to reduce Uganda's military force in a socially responsible manner. The purpose of the project is to assist demobilized soldiers to re-settle and become economically productive members of their communities. Project beneficiaries are demobilized men and women soldiers, their dependents and communities. USAID estimates that close to 70% of demobilized veterans, their spouses¹ and/or communities will have established productive, sustainable farming, agro-processing or other rural income-generating ventures as a result of the technology transfer and credit program during the life of the project. The beneficiaries are and will be, for the most part, rural small-holders mainly engaged in agricultural production and/or processing.

C. Project Description

The UDRP is a four-year, \$6.65 million project with two distinct components: 1) direct support for demobilization (\$1 million); and 2) a national rural income-generating, agricultural technology and credit program (\$5.65 million) targeting veterans, their families and communities. The

¹ Veterans' spouses, usually wives, are frequently more motivated to develop income generating activities than their partners. It is also well documented that women spend a greater percentage of their income on family welfare than men do. Including wives in the project will enhance its impact on veterans' families.

Project targets districts and counties with relatively high concentrations of veterans, particularly in Northern Uganda. Project funds earmarked for demobilization have been granted to the World Bank as a part of the multi-donor effort, administered by the World Bank, financing the costs of Phase III of demobilization. These costs include cash payments to soldiers, purchase and delivery of roofing materials, transporting discharged soldiers and their dependents to their home districts, medical, education and training benefits administered by UVAB, and UVAB's operating costs.

Demobilization and, as a result, reintegration activities are by necessity national priorities. Although 70% of the demobilized veterans can be found in 50% of the country's 38 districts, all the districts are involved. Fears of large-scale urban migration of non-reintegrated veterans, as well as the possibility of general civil instability due to disaffected veterans, make the issue a national priority national issue.

In FY 1994 \$2 million were obligated for the reintegration component of the project. To date, USAID has approved several pilot reintegration grants (WLI, ATI and Serere Research Station) totalling \$1.2 million. The \$.8 million remaining to be programmed from FY 94 funds are expected to be committed in the next month. In anticipation of receiving additional funds from USAID/W for expanded coverage of these activities, we inquired of our various development partners what their future plans in this area of activity might be. The response has been strong, as several U.S. PVOs have expressed interest in submitting additional or new proposals.

The rural income-generating, agricultural technology and credit component is being developed and administered, for the most part, by several U.S. PVOs that are already working in target districts. The Project, although national in scope, places particular emphasis on Northern Uganda. The PVOs liaise directly with UVAB, particularly at the district level, keeping UVAB apprised of the progress of their activities. In addition, UVAB has been identified by the donors and GOU as the national coordinating body for reintegration activities.

Project Outputs There are to be two outputs:

1. 10,000 men and women soldiers receive severance packages and transportation to their homes;
2. Agricultural technology, materials and/or financing provided to approximately 70% of the demobilized veteran and veteran households found in targeted districts, nationally.

With respect to the first output, this Project alone will not support the entire cost of demobilization. The GOU and other donors are contributing towards the total costs in a pooled fund managed by the IDA.

1. Demobilization Assistance

Phase II of demobilization is completed and Phase III has begun. Funds provided under this project which were to have helped to complete this component of Phase II, are now to be used during Phase III. USAID awarded a Handbook 13 grant to the World Bank for \$1 million for use in conjunction with other donors' funds for demobilization. This grant was recently revised to allow the use of these funds for Phase III and to extend the period of the grant. The World Bank administers the funds in the same manner in which it administers its other project funds and transfers funds to UVAB as needed.

The demobilization package consists of a series of cash payments and in-kind benefits. At discharge, the soldiers receive a cash payment of Ush 150,000 (approximately \$150) that covers clothing allowance, settling in allowance, per diem and medical care. Discharged soldiers and their dependents are given transport to their home districts. A second cash installment of Ush 408,435 is paid to the veterans approximately 2 months after they arrive at their homes. This payment covers the balance of the settling in allowance and per diem, and the cost of building materials, food, agricultural tools, seeds and medical care. In addition, each veteran is supplied with 20 iron sheets and 5 ridges (for roofing). Veterans also receive Ush 36,500 towards the cost of their children's school fees. The fees are paid directly to the school by the District Veteran Program Officers (DVPOs). The District Veteran's Office (DVO) also has limited funds to pay for disabled and chronically ill veterans to continue receiving medical treatment.

UVAB closely monitors and evaluates the implementation of the program and maintains proper financial management controls (see Section VI for more information on UVAB's institutional capability).

2. Agricultural Technology and Credit: Phase I & II

The objective of this component is to support the reintegration of demobilized soldiers and their families in communities with relatively high levels of veterans, particularly in Northern Uganda. The districts of Lira, Apac, Soroti, Kumi and Palisa where approximately 6,000 veterans have returned were the focus of the initial phase (\$2 million) of this activity: rural income-generation training and agricultural development activity.

Farming is the major economic activity in this region and the project is providing veterans and their families with training and other assistance to help them become self sustaining economic units, to become reintegrated into their communities. This phase of the project has four primary elements: oxen plowing training and the provision, at subsidized prices or favorable credit terms, of oxen and animal traction implements

to small groups; a matching grant program for sustainable agricultural enterprises; the provision of hand-operated oil presses on an in-kind credit basis and the distribution of high oil content sunflower seed; and the multiplication and distribution of sorghum, millet, soybean and mosaic resistant cassava. These activities are being carried out by two U.S. PVOs in collaboration with the National Agricultural Research Organization (NARO).

a) Oxen Plowing:

World Learning Incorporated (WLI), a U.S. PVO, in collaboration with local training resources, is carrying out oxen plowing training in the districts of Soroti, Kumi, and Palisa. Veterans and their families are the focus of the village level training programs. In order not to create the impression that veterans are being singled out for assistance and thus inadvertently leading to their isolation from fellow villagers, veterans' neighbors and community members are also being included in the training programs. The training is to be carried out using local training resources with a proven track record in animal traction training in northern and western Uganda. Pairs of oxen are purchased by the project and made available at a subsidized rate or with a matching grant to either veterans' families or small groups of families which have as a nucleus several veterans' families. Tools and other inputs are provided to these groups in the same fashion. Also, it is envisioned that a small number of veterans will be trained in the production of ox drawn carts, plows and other related implements, and are to be assisted, initially, in accessing required materials. The number of veterans trained in this area will be limited, however, in order that the supply of qualified implement producers doesn't exceed demand.

b) Multiplication and Distribution of Seeds and Plant Stock:

Closely linked with the animal traction activity is the multiplication of sorghum, millet, soybean and mosaic resistant cassava, and the distribution of these seeds and planting stock to groups of farmers, as described above.

Cassava is one of the major staple food crops and ranks second to cooking bananas as a food staple in Uganda. It is a particularly important food crop in the north and contributes 60% of the basic food requirement. However, over the last few years, African cassava mosaic disease has swept through most districts of the country causing a serious reduction in cassava production.

In response, Namulonge Agricultural Research Station, part of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) initiated research on mosaic resistant cassava varieties and has since released two varieties for multiplication. Since 1992, USAID/Kampala has funded cassava multiplication at Namulonge and, more recently, at Serere Agricultural Research Station in Soroti. Cassava

multiplication, however, is slow, with only four or five new plants being derived from each stem. It takes two to three growing seasons to raise plants mature enough for taking cuttings.

To expedite the provision of mosaic resistant varieties for veterans and their families, this activity buys and resells at cost stems produced by NARO at the Namulonge and Serere Research centers. In addition, first beneficiaries are encouraged to plant multiplication plots for reselling in villages where returned veterans reside. The provision of these stems to veterans and their families is carried out largely, but not exclusively, through the animal traction groups discussed above. In villages with no animal traction groups, individual veterans and their families will be identified and mosaic resistant cuttings will be made available to them. USAID has two closely linked Title III Program grants (Ush 38,000,000) supporting cassava stem multiplication/distribution in the same area.

Sorghum and millet are key food grain crops in northeastern Uganda. These food grains are so important to the local diet that the production of these crops is consumed within two to three months of harvest, leaving little or no seed for the following planting season. At the Serere Research Station, improved varieties of sorghum and millet have been developed which are higher yielding, drought tolerant, resistant to major insect pests and have a much shorter growing season.

Under this project, improved sorghum and soybean seeds will be distributed using the above mentioned mechanism (at cost) through World Learning Inc. and the MAAIF extension system.

c) Matching Grant Program:

The WLI Grant to assist groups of veterans and their neighbors utilizes veterans carrying-out a rapid rural appraisal of their needs, with the objective of better designing viable agricultural activities. The project then provides up to Ushs. 500,000 in grant funds, to be matched by the veterans' association or communal groups. Examples of the types of activities to be implemented include on-farm grain storage facilities, the communal marketing of produce, and communal woodlots.

d) Oilseed Presses:

A fourth element in the agricultural reintegration activity involves the introduction of Comertec hand oilseed presses and the provision of high oil content Sunfola sunflower seeds, and possibly soya. With a grant from this project, Appropriate Technology International (ATI), a U.S. PVO, manufactures and sells hand oil presses to veterans' families and small groups comprised of veterans families and other villagers at cost (cash or in-kind credit). The ram presses are a size that is easy for both men and women to operate. This means that

village level edible oil production can be a family enterprise, fulfil niche market needs and involve all adult members in oilseed production, processing and marketing. Often, the ram presses are sold on credit to the veterans with repayment delayed until the end of the harvest season. Sunfola sunflower seed is multiplied and sold to the hand oil press groups at cost (cash or group guaranteed commercial credit). Training in effective operation and maintenance of the machines, marketing guidance and extension assistance to insure proper planting and cultivation of the sunflower seeds are provided.

The target area for this initial activity is the Lira and Apac districts area. ATI has opened an office in Apac; where they have initiated a similar activity for the general populace. This activity builds on previous ATI operations and experience, focusing primarily on the provision of assistance to veterans and their families.

Year one of this activity is considered a pilot phase. Activities targeting veterans and their families are incorporated into the existing ATI project in the Lira and Apac districts. Two additional extension officers and a driver have been recruited to work with veterans and their families, and they work out of the Lira office. Initially, ATI involved veterans' groups in developing effective procedures for promotion, identification of beneficiaries, credit delivery, training and follow-up that are specifically geared to this target population.

It is envisioned that this activity will expand in year two, when techniques developed in year one will be applied over a wider geographic area, to include the Soroti District. It may be necessary for ATI to open a second project office, or lease from WLI, to service the larger implementation area and house any additional support staff. Approximately 60% of a revolving credit fund will be specifically reserved for veterans, and a similar proportion of training funds. Recently, ATI submitted an unsolicited supplemental grant request, with the Cooperative Bank as sub-grantee, for the provision of credit to these groups through their oil press association. A grant for this proposal is about to be negotiated with ATI.

The output for this component is the manufacture and sale of a total of 200 presses (100 per year) with an estimated 400 families benefitting directly from these presses. Actual project benefits, however, will be much broader and include veterans' neighbors, who grow sunflowers and will find a better market for their sunflowers. In addition, there will be increased rural employment for those persons employed to operate and maintain the presses, and improved nutritional status for those increasing their consumption as a result of lower prices.

e) New Activities and Grant proposals:

The proposed increase in life-of-project funding will enable the Mission to accept for review and approval, unsolicited grant requests from several additional U.S. PVOs. The addition of these proposed activities will provide a national dimension to the Project that was not possible within the earlier fiscal constraints of available funding.

To date, activities discussed with several PVO's emphasize rural income-generating activities; underline the significant interest expressed by veterans in agricultural activities; highlight the need to target wives and widows of veterans, especially female heads of household; and address the need for credit, commercial or other. Additional activities that the Project is considering funding are: coordination meeting(s) and workshops involving UVAB, donors, PVOs and veterans, and a training visit(s) to U.S. veteran activities/sites/agencies for UVAB personnel, and possibly veterans representatives, in preparation for the post de-mobilization era.

It is planned that credit activities funded under the project will be linked with the official financial sector, through local banks and group guarantees. Initially, the Cooperative Bank has indicated their interest in participating in this activity. The Cooperative Bank is currently receiving technical assistance support from the Cooperative Agricultural and Agribusiness Support (CAAS) Project and training, retrenchment and recapitalization funds from the PL-480 Title II Monetization Program. One PVO is also proposing to link a UNDP-funded rural credit scheme with this project's activities.

Women in veterans' households will be targeted because they too need to be reintegrated. Often wives of veterans are 'foreign' to their husbands' community because they may come from another part of the country, where the husband had been stationed. However, in addition to the above, Uganda has a very high female-head-of-household (FHH) rate, estimated to be about 33%. While reliable statistics aren't yet available, it is estimated that veterans' wives/widows make up a significant proportion of that total. FHH are expected to manifest very different needs than their male counterparts. Uganda, like much of Africa, reserves certain activities to each gender. Widows, in particular, may require specialized attention to insure economic re-integration.

III. COST ESTIMATE AND FINANCIAL PLAN

The UDRP will have Life-of-Project (LOP) funding of \$6.65 million. A GOU host country contribution (HCC) of approximately \$2.15 million, 25 percent of the total project cost- estimated at \$8.95 million, has been pledged. To date, the GOU has contributed about \$1.2 million. The Mission will track GOU HCC to insure the minimum 25% is met.

Illustrative USAID Budget

Demobilization Support	\$1,000,000
Agricultural Technology and Credit	\$5,650,000
Total:	\$6,650,000

Methods of Implementation and Financing

Most of the \$3.65 million provided under this amendment will be used for Handbook 13 grants to U.S. and Ugandan PVOs/NGOs. A small portion of the funds may be used to finance activities with the UVAB, e.g., short term training for UVAB staff and workshops with UVAB and other donors on reintegration. A PIL will be issued to finance these activities.

The actual amount of grants under the Agricultural Technology and Credit component will depend on a field assessment of needs and the review of proposals submitted. Funds are included in each PVO grant budget for monitoring and, where required, for audits of the sub-grantees. U.S. PVOs are audited on an annual basis and USAID does not require separate audits of these individual grants. Funds provided to the World Bank are audited according to standard World Bank auditing procedures.

IV. IMPLEMENTATION PLAN

The Project Grant Agreement was signed by the Ministry of Finance and Economic Planning. However, Project Implementation Letter (PIL) No. 1 designates UVAB as the implementing GOU agency. USAID has issued a Handbook 13 grant for \$1 million to the World Bank in accordance with the procedures established for grants to multilateral organizations. These funds are being used for the Veterans Assistance Program, a component of the multi-donor Program for the Alleviation of Poverty and the Social Costs of Adjustment (PAPSCA) administered by the World Bank. The World Bank will apply the same standards of financial and project management to these funds as to all others within its portfolio.

USAID has received unsolicited proposals from and approved Handbook 13 grants for World Learning Inc. and Appropriate Technology International for above described agricultural technology and credit component activities. The urgent need to get activities going in order to meet the GOU's commitment

to assist veterans with re-integration, and the evident interest of U.S. PVOs submitting proposals, precludes having a competitive process. To date, several PVOs, most of whom have an established presence and track record in Uganda, have submitted and or expressed their intent to submit unsolicited proposals. Their proposals and others, subject to USAID Kampala approval, will enable a more rapid and national implementation of the project than could have been otherwise anticipated, capitalizing on their wealth of knowledge and experience in Uganda.

V. MONITORING AND EVALUATION PLAN

Monitoring of the demobilization exercise is carried out by UVAB with oversight by the World Bank and other donors. As UVAB has recently taken steps to strengthen its monitoring capability, USAID does not anticipate any need for supplementary work with respect to monitoring the demobilization exercise.

However, USAID will appropriately monitor the PVO reintegration component of this project. Grantees are required to prepare a monitoring plan as part of their proposal, and funds are budgeted specifically for monitoring activities. The monitoring plans must demonstrate how the grantees collect the following information:

- basic data on all beneficiary households (e.g., gender and age of household members, educational level, location, health status);
- measurement of beneficiaries' socio-economic status at the time when they first come in contact with the project (what sources of income, what economic activities undertaken);
- number of farming and agro-processing ventures established under the project;
- number of households adopting new farming technologies as a result of the project;
- measurement of project impact on beneficiaries' socio-economic status (e.g., availability of food, health status, cash income, percent of children in school, and the like);
- project impact on community acceptance of veterans and their families (e.g., number of community groups involving both veterans and other community members);
- the extent to which project activities assist veterans' wives to access household resources.

Because of the importance and innovative nature of the activity, the reintegration component of the project will be evaluated after two years, particularly if USAID and/or other donors are interested in continuing and/or expanding the activities. Depending upon the ultimate length and scope of activities, a final evaluation may be planned at a later date.

VI. INSTITUTIONAL ANALYSIS OF UVAB

The Uganda Veterans Assistance Board (UVAB) was established by legislation in 1992 for the express purpose of implementing the demobilization program. It is a parastatal within the Office of the Prime Minister and has a nine-member Board of Directors that meets at least once a month and includes the Principal Secretary in the Prime Minister's office, the Minister for Defense and two key military personnel; day-to-day management is provided by the Executive Secretary who is a retired major general. UVAB is currently programmed to be dismantled 2.5 years after the final demobilization phase, currently planned for 1995.

Organization and Staffing:

UVAB's staff numbered 222 as of July 1995. The 51 headquarters staff are organized into three departments: financial control, administration and operations (see organizational chart). In addition, the GTZ provides two technical advisors for management and operations, and DANIDA provides a technical advisor for monitoring and evaluation.

Eighty-six percent of the staff are in the District Veterans Program Offices (DVPOs). Each of 38 districts has a Program Officer, a bookkeeper, a clerk/typist and a messenger. The DVPOs are responsible for documenting the arrival of each veteran in the district; paying the balance of their pay packages and other benefits; providing counselling and career guidance to the veterans; organizing and meeting with the veteran associations; liaising with district officials and community leaders on the reintegration program and a variety of reporting tasks. The DVPOs are brought together 2-3 times a year for training and to discuss issues of common concern.

Financial management and reporting:

UVAB has a computer-based financial management system and its accounts are audited continuously by Ernst & Young, an international accounting firm which has a representative working at UVAB's headquarters. The financial operation is overseen by an internationally-recruited Financial Controller and an Internal Auditor who reports directly to the Executive Secretary. At the district level, the DVPOs have accounts with the Uganda Commercial Bank and funds are disbursed by headquarters on the basis of each district's requirements. As noted above, each district office has a bookkeeper.

No major audit problems have been identified to date. UVAB submits monthly reports to the World Bank on the status of finances and operations. According to the World Bank Aide Memoir of September 24, 1993, "financial management systems and controls designed for Stage I of the program have been meticulously followed by the UVAB." The donors expect that the audit report on UVAB's performance, in this regard, will continue to be satisfactory during Phases II and III.

Procurement:

UVAB uses the GOU's procurement policies and procedures. Procurement vouchers are submitted to the Central Tender Board after they have been approved by a sub-committee of the Board of Directors. Procurement requests are also submitted to the World Bank for approval.

UVAB's Performance to Date:

During Phase I, UVAB successfully prepared, paid and transported 23,000 veterans and 37,000 dependents to their home districts. A multi-donor evaluation mission led by the World Bank found UVAB's performance during Phase I to be satisfactory in all areas except for monitoring and evaluation. The Mission made a number of recommendations for improving the implementation of the program and these were adopted for Phases II and III. UVAB's monitoring capability has been strengthened with the addition of a monitoring advisor and training for district program officers in collecting and reporting information for monitoring purposes. UVAB reports that it now has a complete data base on all discharged soldiers.

Observations of the demobilization proceedings of an initial group of Phase II demobilized veterans (the first 6,500 of the 10,000 demobilized) by the World Bank and a German government mission indicated that UVAB continued to perform well and that the minor problems identified in Phase I had been corrected. Unfortunately, an error in the procurement process, described above, which was apparently beyond UVAB's control, significantly delayed the Phase II purchase and distribution of roofing sheets. However, USAID has every reason to believe that UVAB will continue to carry out its mandate in a responsible manner.

VII. RECOMMENDED ENVIRONMENTAL THRESHOLD DECISION:

A Categorical Exclusion is recommended for all activities under the project per Section 216.2 (c) (2) (i) and (iv) of the Code of Federal Regulations (CFR) (see Annex C, Initial Environmental Examination). The demobilization assistance is part of a multi-donor project to which USAID is one of several donors and for which there are no potential significant effects upon the environment of the United States, areas outside any nation's jurisdiction or endangered or threatened species or their critical habitat. The agricultural technology and credit component will provide technical assistance, training and credit to approximately 30,000 beneficiaries to help them develop small scale, environmentally and economically sustainable rural income-generating and or agricultural production and agro-processing activities. There will be no activities involving large scale irrigation, agricultural land levelling, drainage or agricultural mechanization and, no other activities that could

have a potentially harmful effect on the environment. The project will not promote the use of pesticides.

PROJECT PAPER AMENDMENT NO. 2
ANNEX A

UGANDA DEMOBILIZATION AND REINTEGRATION PROJECT (617-0135)

<u>Narrative</u>	<u>Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Assumptions</u>
<p>Project Goal:</p> <p>To reduce Uganda's military force in a socially responsible manner.</p>	<p>1. Demobilization of 42,000 soldiers by the end of 1995.</p> <p>2. Demobilized soldiers successfully reintegrated into civilian society.</p> <p>3. Reduced military spending.</p>	<p>1. MD/UVAB/DVO records.</p> <p>2. MD/UVAB/DVO records.</p> <p>3. MD/MFEP records and yearly budgets</p>	<p>A reduction in military personnel will reduce military spending and provide more of the GOU budget for social service spending.</p>
<p>Project Purpose:</p> <p>To assist demobilized soldiers to re-settle and become economically productive members of their communities</p>	<p>EOPS:</p> <p>1. All three stages of demobilization completed.</p> <p>2. Approximately 70% project assisted veteran households derive food or cash from agricultural production and agribusiness.</p>	<p>1. UVAB/DVO records</p> <p>2. PVO records</p>	<p>Assisting veterans in economic activities will promote socio-economic stability.</p> <p>In addition, it is envisioned that increased socio-economic stability will have a positive impact on regional and national security.</p>
<p>Outputs:</p> <p>1. Demobilized soldiers receive severance packages and are transported to their homes.</p> <p>2. Agricultural technology inputs, training and/or financing provided to veterans and their families in targeted districts with high concentrations of veterans, nationally.</p>	<p>1. 10,000 men and women.</p> <p>2. At least 70% of veterans in each district of (PVO) intervention assisted in a, b or c, below.</p> <p>a. Farming and agro-processing ventures established.</p> <p>b. Households adopting new farming technologies or seeds.</p> <p>c. Households involved in rural income-generating activities.</p>	<p>UVAB records</p> <p>PVO records</p> <p>DVO records</p>	<p>The majority of veterans are willing and able to engage in farming and agro-processing.</p> <p>Veterans have a small amount of capital to invest in productive ventures.</p>

24

54

Inputs:			
1. Demobilization support.	\$1,000,000		World Bank audit, USAID and PVO records
2. Rural income-generating and Agricultural Technology and Credit.	\$5,505,000		UVAB/DVO records
a. Training/Workshops:	\$25,000		
b. Travel/Technical Assistance:	\$25,000		
c. Other:	\$25,000		
d. Monitoring/evaluation:	\$50,000		
e. Project Audits:	\$20,000		

Components of Phase one of Demobilized
Veterans Reintegration

a) **Oxen Plowing:**

World Learning Incorporated (WLI), a U.S. PVO, in collaboration with local training resources, is carrying out oxen plowing training in the districts of Soroti, Kumi, and Palisa. Veterans and their families are the focus of the village level training programs. In order not to create the impression that veterans are being singled out for assistance and thus inadvertently leading to their isolation from fellow villagers, veterans' neighbors and community members are also being included in the training programs. The training is to be carried out using local training resources with a proven track record in animal traction training in northern and western Uganda. Pairs of oxen are purchased by the project and made available at a subsidized rate or with a matching grant to either veterans' families or small groups of families which have as a nucleus several veterans' families. Tools and other inputs are provided to these groups in the same fashion. Also, it is envisioned that a small number of veterans will be trained in the production of ox drawn carts, plows and other related implements, and are to be assisted, initially, in accessing required materials. The number of veterans trained in this area will be limited, however, in order that the supply of qualified implement producers doesn't exceed demand.

b) **Multiplication and Distribution of Seeds and Plant Stock:**

Closely linked with the animal traction activity is the multiplication of sorghum, millet, soybean and mosaic resistant cassava, and the distribution of these seeds and planting stock to groups of farmers, as described above.

Cassava is one of the major staple food crops and ranks second to cooking bananas as a food staple in Uganda. It is a particularly important food crop in the north and contributes 60% of the basic food requirement. However, over the last few years, African cassava mosaic disease has swept through most districts of the country causing a serious reduction in cassava production.

In response, Namulonge Agricultural Research Station, part of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) initiated research on mosaic resistant cassava varieties and has since released two varieties for multiplication. Since 1992, USAID/Kampala has funded cassava multiplication at Namulonge and, more recently, at Serere Agricultural Research Station in Soroti. Cassava multiplication, however, is slow, with only four or five new plants being derived from each stem. It takes two to three

growing seasons to raise plants mature enough for taking cuttings.

To expedite the provision of mosaic resistant varieties for veterans and their families, this activity buys and resells at cost stems produced by NARO at the Namulonge and Serere Research centers. In addition, first beneficiaries are encouraged to plant multiplication plots for reselling in villages where returned veterans reside. The provision of these stems to veterans and their families is carried out largely, but not exclusively, through the animal traction groups discussed above. In villages with no animal traction groups, individual veterans and their families will be identified and mosaic resistant cuttings will be made available to them. USAID has two closely linked Title III Program grants (Ush 38,000,000) supporting cassava stem multiplication/distribution in the same area.

Sorghum and millet are key food grain crops in northeastern Uganda. These food grains are so important to the local diet that the production of these crops is consumed within two to three months of harvest, leaving little or no seed for the following planting season. At the Serere Research Station, improved varieties of sorghum and millet have been developed which are higher yielding, drought tolerant, resistant to major insect pests and have a much shorter growing season.

Under this project, improved sorghum and soybean seeds will be distributed using the above mentioned mechanism (at cost) through World Learning Inc. and the MAAIF extension system.

c) Matching Grant Program:

The WLI Grant to assist groups of veterans and their neighbors utilizes veterans carrying-out a rapid rural appraisal of their needs, with the objective of better designing viable agricultural activities. The project then provides up to Ushs. 500,000 in grant funds, to be matched by the veterans' association or communal groups. Examples of the types of activities to be implemented include on-farm grain storage facilities, the communal marketing of produce, and communal woodlots.

d) Oilseed presses:

A fourth element in the agricultural reintegration activity involves the introduction of Comertec hand oilseed presses and the provision of high oil content Sunfola sunflower seeds, and possibly soya. With a grant from this project, Appropriate Technology International (ATI), a U.S. PVO, manufactures and sells hand-oil presses to veterans' families and small groups comprised of veterans families and other villagers at cost (cash or in-kind credit). The ram presses are a size that is easy for both men and women to operate. This means that village level edible oil production can be a family enterprise, fulfil niche market needs and involve all adult members in oilseed production, processing and marketing. Often, the ram presses are sold on credit to the veterans with repayment delayed until the end of the harvest season. Sunfola sunflower seed is multiplied and sold to the hand oil press groups at cost (cash or group

guaranteed commercial credit). Training in effective operation and maintenance of the machines, marketing guidance and extension assistance to insure proper planting and cultivation of the sunflower seeds are provided.

The target area for this initial activity is the Lira and Apac districts area. ATI has opened an office in Apac; where they have initiated a similar activity for the general populace. This activity builds on previous ATI operations and experience, focusing primarily on the provision of assistance to veterans and their families.

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It is envisioned that this activity will expand in year two, when techniques developed in year one will be applied over a wider geographic area, to include the Soroti District. It may be necessary for ATI to open a second project office, or lease from WLI, to service the larger implementation area and house any additional support staff. Approximately 60% of a revolving credit fund will be specifically reserved for veterans, and a similar proportion of training funds. Recently, ATI submitted an unsolicited supplemental grant request, with the Cooperative Bank as sub-grantee, for the provision of credit to these groups through their oil press association. A grant for this proposal is about to be negotiated with ATI.

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