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**USAID/UGANDA**

**INVESTING IN DEVELOPING EXPORT AGRICULTURE  
(IDEA) PROJECT**

**EVALUATION -- FINAL REPORT**

**Kampala, Uganda  
March, 1997**

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March, 1997

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## Executive Summary

### IDEA Project Evaluation Report March, 1997

The purpose of this evaluation is to examine the progress of the IDEA Project to date and to make recommendations for future planning and implementation. The evaluation is to be used to fine tune on-going implementation of activities, identify where the project is having its greatest impact and to identify where progress has been less than anticipated.

Overall, the evaluation team feels the project is making excellent progress in achieving its overall objectives. The "commodity systems" approach which is being used is working and the project should continue its private sector NTAE client focus. It can be said that the achievement of intermediate results such as, technology packages developed, number of field demonstrations, field day attendance, seed multiplication activities, and market information dissemination would indicate that good progress is being made toward achieving the project purpose.

On the high value side, the project is already exceeding its LOP targets for increasing the export value of HV crops. While part of this must be attributable to momentum which was underway before IDEA was started, the project has made good progress in making its contribution to expanding the value, volume and participation in HV NTAEs. The only concern the evaluation team had in this area is how project resources (staffing and financial) are limiting the extent to which technology packages can be disseminated and utilized.

There is a good indication that income increases as a result of an increase in low and high value crop exports are being realized. On the low value side income increases are likely to arise from an increase in the adoption of technologies which increase labor and land productivity. For high value crop producers income increases are being realized through access to markets which allow them to receive higher net returns per land and labor than before. In addition, there is a good indication that there will be increased income in the support service industries due to increased demand for these services. However, more information is needed to determine what trade-offs are being made at the household level in order to more accurately capture income impacts.

Areas where project impact has been less than anticipated are in the areas of Association Development and Business Finance support activities. Of the various IDEA Project components, the Association Development and Business Finance components need the greatest amount of attention from a redesign point of view. Two years of effort has clearly established that the fundamental assumptions for these components were not correct and that there is a need to reorient these activities. The contribution, influence and commitment of Makerere to IDEA program objectives has also been less than anticipated.

The evaluation team felt that increasing field level presence has the greatest potential for increasing project impact. It is recommended that the project continue to explore options to increase ADC's field presence such as, use PL480 funds to secure greater NGO involvement at the district level,

collaborate with ACDI in hiring additional Uganda field assistants who can coordinate activities at the district level, and to continue to leverage funds from other activities such as the Cocoa Development Project. In addition, project impact would be greatly enhanced by adding another TA in low value crops and another on high value crops, however, this would require adding additional funds to the project which is not likely. Perhaps this should be a consideration when/if the project is extended. It is anticipated that all other changes recommended in this report are implemented within the existing project budget.

**IDEA Project Evaluation Report**  
**March, 1997**

**I Introduction/Background**

**A Background**

The IDEA Project was initially designed as a 5 year \$25 million project focusing on

- \* Expanding low value food exports to regional markets, and,
- \* Increasing production and export of high value products

The project is to achieve these objectives by providing support to private exporters and traders through a vertically integrated "commodity systems" approach. The project is also expected to contribute directly to USAID/Kampala's SO1, "Increased Rural Household Income"

The IDEA Project is being implemented through an institutional contract with Chemonics which began in April, 1995 and is scheduled to terminate on September 30, 1999. The project can be extended an additional five years based on favorable performance and availability of funds. It is anticipated that a full evaluation will be carried out in year 3 which will provide the necessary input for a decision on extending the project.

**B Purpose of This Evaluation**

The purpose of this evaluation is to examine the progress of the project to date and to make recommendations for future planning and implementation. The evaluation will be used to fine tune on-going implementation of activities, identify where the project is having its greatest impact and to identify where progress has been less than anticipated.

**C Overview of the Evaluation Process**

The evaluation was initiated with field visits and consultations held in Uganda from February 3 - 14. The evaluation team visited IDEA project field activities in both the Eastern and Western regions of Uganda which covered a good cross-section of project clients involved in both low value and high value production. The team was also able to meet with input suppliers, grain merchants and other private sector people involved in providing services to the horticultural industry. While in Kampala, the evaluation team was also able to meet with representatives from Government, Makerere University, the National Agricultural Research Organization, and other donor agencies. The team spent considerable time with the IDEA ADC team and USAID reviewing and discussing observations and recommendations.

Prior to departure the team held a debriefing with IDEA project team members, USAID and GOU representatives to discuss preliminary findings. A draft report was submitted to USAID and the IDEA team for comments, which have been incorporated in this final report.

The evaluation team consisted of

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With assistance from

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## II Project Performance

### A Progress Toward Achieving Project Outputs

The project outputs as specified in the "Amplified Project Description" include the following

- \* Producers of selected commodities will have improved knowledge of techniques to increase crop quality and yields
- \* Exporters will be able to initiate or expand NTAE activities
  
- \* NTAE exporters and producers will have improved knowledge of agribusiness planning and management and access to sources of funding
- \* Commodity specific market information systems will be established or improved and sustainable
- \* Private/public sector entities will be multiplying and distributing improved maize and bean seeds
- \* Associations will be facilitating growth in NTAEs and acting as effective advocates for a better NTAE policy and regulatory environment
- \* MU Faculty of Agriculture will be able to provide long term and short term training to support the growth of NTAEs

General observations based on field visits indicate that the project is making excellent progress on some of these outputs. The evaluation team noted that while the IDEA project benefits from previous investments in pioneering NTAEs and in creating a favorable policy environment, the project has successfully built upon this foundation, expanding the volume, value and mix of NTAE commodities. The project has proven that high and low value producers can

compete in export markets and that the vertically integrated "commodity systems" approach works. The project has been successful in establishing output market contacts and in increasing the number of buyer agents which has allowed exporters to initiate and expand NTAE activities. In focus areas where they are working, the project has successfully identified the 'sub-sector characteristics' needed for HV commodities to be competitive. This has contributed to improvement in the quality of export commodities and Uganda's competitiveness in HV export markets. In addition, there is evidence that the project has been able to improve and increase the linkages between NTAE producers and service providers (mainly input providers and transportation services).

The project has also been successful in improving the availability of market information for both LV and HV producers and exporters. Many of the ADC clients interviewed stated that this information has been beneficial, noting that in some cases it has directly assisted in negotiating better prices. The evaluation team observed that while the project had been successful in establishing market information systems for both LV and HV commodities, there was now a need to focus on expanding the dissemination and utilization of this information. Recommendations are provided below.

Areas where impact has been less than expected include

- \* Business and Financial Linkages, especially in the area of sourcing capital
- \* Strengthening the capacity of associations to provide services to their members
- \* The "Visiting Professor" component of the MU education and training component

The evaluation team feels that these deficiencies are more a result of inherent weaknesses in collaborating institutions which were not identified during project design, rather than implementation short-falls. These problems, along with options for solutions, are discussed in more detail in Section III, on "Issues Which Need to be Addressed".

## 1 Relevance of These Outputs

The relevance of these outputs in terms of the project's overall objectives needs to be reviewed. The evaluation team feels that these outputs do not reflect the true objectives, challenges and opportunities of the project and that adjustment are needed.

Much more tangible outputs which indicate numbers of producers, exporters and other service providers to be impacted by the project should be developed. Similarly, establishing targets for numbers of commodity market information systems as well as public and private sector entities multiplying and distributing improved maize and bean seed is recommended. Also new outputs need to be established for the Association Development and the Business and

Finance components based on a reorientation of these activities  
One option to consider is to revise the outputs through a performance based arrangement with the institutional contractor

**B Progress Toward Achieving Project Purpose--"Increase Production and Marketing of Selected NTAEs"**

It is the intention of the project that IDEA's interventions will lead directly to increased production of specific NTAEs by rural men and women and will ensure that what is produced is exported. The project description specifies that the achievement of the project purpose will be measured by

- \* Increase export value and farmgate value of maize and beans,
- \* Increase export value of high value commodities,
- \* Increase in number of smallholders and hired laborers involved in production of high value commodities, and,
- \* At least 40% of high value producers, outgrowers, hired labor and exporters assisted by the project are women

There is evidence of a supply response to market opportunities which have been identified by ADC and there are indications of good opportunities for growth. In both the LV and HV components good progress has been made in implementing the market-led commodity systems approach and in linking producers with traders/exporters, input suppliers and other service providers.

On the LV side there is evidence that project interventions such as, field demonstrations, field days, follow-up extension activities, and improving support service linkages, are leading to the adoption of improved technologies (improved seed varieties, better husbandry practices, better post harvest handling) which are resulting in increased labor productivity and increased yields of maize and beans. Informal interviews conducted with farmers and traders during the course of this evaluation seemed to validate this. As the adoption of these improved technologies increases it is certainly likely to lead to increases in the export and farmgate returns of maize and beans (assuming generally favorable climatic conditions). Project estimates indicate that farmgate value of maize could increase from around US\$ 28,000 per HA, to between US\$ 85,000 to US\$ 135,000. Similar increases could be obtained for beans.

While we are unable to say whether this has been achieved to date or not, it can be said that the achievement of intermediate results such as, technology packages developed, numbers of field demonstrations, field day attendance, seed multiplication activities, and market information dissemination would indicate that good progress is being made towards this purpose. The only concern the evaluation team had in this area is that present project resources (staffing and financial) are really limiting the extent to which these technology packages can be disseminated and utilized. Hence, the team recommends that the long term technical assistance on LV crops be extended for the LOP. In addition, recommendations on how the project might leverage additional support outside of the project are provided below.

On the high value side, the project is already exceeding its LOP targets for increasing the export value of HV crops. While part of this must be attributable to momentum which was underway before IDEA was started, the project has made good progress in making its contribution to expanding the value, volume and participation in HV NTAEs.

There is good evidence that the number of smallholders engaged in HV NTAEs has increased, however, there is concern regarding the ability of smallholder farmers to sustain progress they have achieved and to take full advantage of the market opportunities which have been created. Ensuring that these small farmers succeed is going to require continued efforts which will limit the extent to which the project can assist in the adoption of new HV commodities given present resources.

The number of hired laborers involved in the production of HV crops has no doubt increased. The growth in the cut flower sub-sector alone, which provides 100-300 jobs per 3 to 6 ha farm, is significant, estimated to be around 2,900 (the question here would be how much of this can be attributed to the IDEA project). Employment in fruits and vegetables is estimated to be around 4,500 while employment in essential oils and spices is around 34,000. Field interviews conducted during this evaluation with ADC clients indicated that growth in the less capital intensive HV NTAEs were leading to new employment opportunities in the areas of handling and packaging, on-farm extension services and management, and general farm labor activities.

There is some evidence that the increases in employment is providing work opportunities for disenfranchised groups (e.g. female-headed households). Women involvement in project assisted activities is estimated to be about 65% for cut flowers, 75% for fruits and vegetables and from 70% to 80% for essential oils and spices.

#### C Progress Toward Achieving Project Goal--"Increasing Incomes"

By increasing and diversifying exports, the project is expected to contribute to increased foreign exchange earnings AND increased incomes of men and women producers, exporters and other related service providers. It is anticipated that farmers who sell their incremental production (the additional amount produced as a result of project interventions) to an exporter at a profit will have increased income. While producers of some high value crops will not be smallholders, higher production levels of these crops will require an increase in hired labor (which may increase rural wage rates), which will also contribute to the project goal.

The project is providing relatively low levels of resources on capital-intensive clients (such as flower growers) and much higher levels of assistance on more labor-intensive crops (such as chilies, vanilla, passion fruit, maize and beans).

#### 1 High Value

There is no doubt that incomes have increased due to increases in HV crop

exports in the areas of focus, cut flowers, fruits and vegetables, and essential oils and spices. By increasing cut flower exports, in addition to generating substantial income increases to a small number of employers, a large number of income increases have been realized through increased employment. Although there is not enough known about trade-offs at the household level to accurately estimate the amount, the fact that people are leaving what they were doing to undertake jobs in the cut flower sector is probably a good indication that they perceive it to be an improvement over what they were doing before. There is some evidence of shifting employment between sectors (e.g. moving from manufacturing jobs to french bean processing). However, given the general high level of unemployment in Uganda it is probably safe to conclude that this sub-sector is having a net positive impact on income earnings.

The production of fruits, vegetables, essential oils and spices is primarily being undertaken by large numbers of small farmers. Income increases are realized by these farmers through access to markets which allow them to receive higher net returns per land and labor than before. While anecdotal evidence supports the fact that this is happening, again it is not documented well enough to provide estimates of how much incomes are actually increasing for these producers. While we could estimate production costs and returns, we don't know enough about what other activities are being foregone to allow households to undertake these activities. Still, assuming farmers are rational, their willingness to seek and adopt the production of these HV crops is a good indication they are doing so because they are realizing income benefits.

## **2 Low Value**

Income increases as a result of an increase in low value crop exports are likely to arise from an increase in the adoption of technologies which increase labor and land productivity. Estimates provided by the project indicate that net income per HA could increase by 2 to 3 times if recommended practices are adopted. As mentioned earlier there is good evidence that farmers are adopting improved technology packages promoted by the project and that impact is mainly limited by the project resources available to promote them.

## **3 Exporters and Service Providers**

There is a good indication that there will be increased income in the support service industries due to increased demand for these services. There are already signs of increased activity for traders/exporters, transporters and input suppliers. There is also an increase in demand for technical expertise in the production of NTAEs.

### **D Other Issues**

#### **1 Linkages to Other USAID Activities**

The evaluation team observed that opportunities for strengthening linkages to other USAID activities (PL480, Coop Bank, ANEPP, PRESTO) need to be exploited.

The project has made good progress in establishing a working relationship with ACIDI. Attempts by the project to work with Coop Bank and EPAU have been less fruitful. However, the project team should be encouraged to continue to explore opportunities with ACIDI to provide field assistance to support the low value component, perhaps looking for other opportunities to work with the COOP Bank in supporting NTAE development and improving linkages with EPAU to provide more NTAE focused policy analysis (see below)

## 2 Policy Environment

Regarding the overall policy environment the evaluation team noted the following

- \* Customs clearance was NOT an issue people complained about
- \* Cold storage IS still an issue but it looks as though the private sector will soon be allowed to set up units near the airport
- \* Taxes on inputs is still a problem for the industry, which effects the competitiveness of Uganda's exports
- \* Regional Trade Policy Support--there are ongoing efforts to harmonize trade policies and to reduce/remove trade barriers which support project objectives (Secretariat for East Africa Cooperation, COMESA, REDSO--SD/PSGE Regional Trade Initiatives)
- \* Policy Support Through EPAU--EPAU's main focus is on support to implementation of the National Food Security Strategy, although public sector investment, credit policy and trade policy analysis could potentially benefit NTAE sector as well

It was noted that the IDEA team has made efforts to collaborate more closely with EPAU, but they still seem to be out of step with one another. There may be room to strengthen collaboration on the LV side at least. The IDEA team may consider looking to other institutions, such as The Economic Policy Research Center, for broader NTAE policy analysis support

## 3 Environmental Impacts

There is a need to look more closely at environmental impacts, especially in the cut flower sub-sector. The evaluation team observed run-off water with obviously high chemical content running out of one of the rose farms directly into an adjacent swamp. It was noted that the project is collaborating with the National Environmental Authority and is completing environmental reports. However, anecdotal evidence indicates that more needs to be done

## 4 APDF

There are questions regarding the need for APDF resources. Although APDF assistance was highly utilized and productive under ANEPP-OCAP, no resources have been used under IDEA. Given the scarcity of resources under the project,

it probably makes sense to reallocate some of these resources. Options to consider include using part of the APDF funds to contribute to the Consultant's Access Fund through the BAF component or to increase the project's field level presence. The IDEA team, and USAID, may want to consider replicating some of the positive activities which were utilized previously under the OCAP/APDF arrangement.

### III Issues Which Need to be Addressed

#### A Association Development

As noted earlier, one of the project areas where performance has been less than anticipated is in association development. The evaluation of the association development efforts of the IDEA Project have identified two key issues for this component of the project.

- \* The assumption underpinning the design of the association strengthening component of the project is not correct or has not been validated.

Assumption: broad based commodity or group associations could be developed in the medium term to provide support services, and ensure the continuity of ADC type services for NTAEs.

- \* The contribution of this component to sustained increases in rural incomes has been minimal, even though project targets have been met.

Two years of effort has clearly established that the fundamental design assumptions were not correct. This fact does not come as a surprise to the IDEA Project team. As noted by ADC staff, even though targets and benchmarks have been met there is no evidence that these targets have created the conditions for, or contributed to, increasing rural incomes. Prior to the evaluation, ADC staff had already put in considerable effort to examine the options and prospects for future activities that could make a significant contribution to influencing rural incomes. This discussion draws heavily on the preliminary thinking of ADC staff about how this component might be reoriented, almost immediately with the current years' work plan.

The following comments focus on performance, constraints to/or concerns for success, future directions and opportunities, and recommendations.

#### 1 Findings Regarding Performance

- \* ADC is exceeding project targets regarding the number of associations assisted.
- \* Significant effort has been put into the support of commodity based associations, especially high value commodities.
- \* These associations are very weak and lack the capacity, resources, infrastructure and purpose to provide support services.

- \* Strengthening commodity trade associations to provide support services, if possible, will be a long term effort
- \* Significantly less attention has been given to strengthening community based associations and collaborative efforts conceived with improving market access and efficiency of marketing efforts
- \* Opportunities do exist to improve linkages with efforts to increase rural incomes, especially through community based associations and collaborative efforts

Based on ADC technical and progress reports, it appears that a preponderance of effort has been focused on commodity based associations for HV commodities. Among the commodity associations assisted or reviewed by ADC there are several important ingredients missing to make associations viable. This includes the lack of a member owned strategy, lack of mechanisms, skill and/or will to mobilize resources from members, lack of jointly formulated action plan, and lack of common purpose among association members for the raison d'etre of the association. Further, given the status of these associations it was not possible to assess if they can effectively and responsibly handle financial resources.

On the other hand, members of commodity associations often felt very strong that they did want services regarding market information and production practices critical to the success of their firms. And individual firms did note that ADC services in making information and technical advice available did improve the performance and profitability of their firms. The evidence is quite strong that ADC is filling a critical niche in Uganda to improve access to and use of services, information and innovations necessary to support growth in NTAEs. In many ways, ADC is providing an example of what an association could and should do to support market based agricultural development efforts.

The concern for and status of association development, especially commodity associations, is strategically important to the success of the IDEA Project because it was largely assumed at the outset of the project that associations could take over ADC's role in strengthening firms and providing support services for NTAEs. There is now broad consensus that associations do not currently have the capacity to do this. And, given the progress that has been made to date from a fairly aggressive effort to strengthen commodity based associations, it is unlikely that they will have the capacity within the next ten years.

A significant area of concern not given attention by the Association Strengthening unit is the formation of public and private associations or strategic alliances to ensure support services are available. In fact, this is being done through the high and low value units. The efforts of these other units could provide some insights about what could be done, strategically, by the Association Strengthening unit of ADC.

The approach to commodity trade association development taken by ADC to date, appears to be based on the notion that commodity associations are coherent entities with clear common cause. And, given this, the challenge is to increase membership, increase income of associations to pay for services, and improve skills of association technical staff to provide services. While these may be important ingredients for a successful association, there is little evidence that this formula is appropriate for Ugandan associations at this time.

Commodity or sectoral associations in Uganda face a number of unique challenges to successfully provide services to members that are geographically dispersed across different communities and districts. Because members are geographically dispersed it makes it very difficult for members to communicate or collaborate with one another in shaping a joint effort or association service plan. And, it means that providing services to members can be a costly undertaking. The infrastructure to really make this viable is not there and may be prohibitively expensive to create from member contributions alone.

Understanding the needs for successfully engaging in and measuring success for each type of network could help bring a focus to strategies to strengthen associations. The targets of the ADC efforts appear to be focused on having fully functional collaborative efforts managed by associations. More realistic targets may be to strengthen associations, first, to be able to fully provide and share information, and, possibly, able to support exchange of items such as inputs, etc. In sum, a conscious effort needs to be made to form a pilot effort to test an approach to strengthening commodity associations before this is broadly promoted within Uganda. At the same time, a minimal level of effort will need to be put into maintaining linkages with associations that have already been contacted. But until there is a clearer understanding of how to strengthen associations, there is little rationale to use extensive project resources to work with the commodity associations.

While association strengthening efforts have focused largely on HV commodity based associations, it appears that relatively little attention has been given to community based associations and collaborative efforts related to LV NTAEs. Community based associations typically have members that are rural based, with relatively poorer access to information and political influence than the commodity based associations. However, it is geographically easier for a technical agent to serve a community based association.

During the evaluation a number of innovative efforts in the LV program attempting to improve community based marketing were reviewed. These efforts offer considerable promise to directly and significantly influence rural incomes if they are broadly extended and used. Broadly extending these efforts is beyond the current ability of the LV unit because of staffing limitations. It is, however, well within the mandate and concerns of the Association Strengthening and Business and Finance units. In some cases this community based effort may not be through formal associations, but rather, through collaborative efforts that are promoted and facilitated through NGOs, cooperatives or other groups. These efforts also obviously have close linkages with the business and finance elements of the project. The issue is not to atomize by drawing boxes around the efforts between the Association Strengthening and Business and Finance components, but rather to more sharply

focus on those efforts with firms and groups that offer the greatest prospects for sustainably improving the incomes of rural households

In addition to formal associations, group efforts that offer some significant promise in influencing access to services, inputs and technical advice, which is a fundamental concern of the association strengthening efforts include outgrower schemes, community based associations and input supply outlets

The input supply agents emerging in districts and rural markets are typically part of a larger distribution system. Working with input supply agents as a group could be both possible and practical. In sum, efforts to engage and strengthen the linkages between the Association Strengthening unit and the LV unit need to be encouraged to extend the pilot efforts now being tested by the LV unit

A key challenge the Association Strengthening unit faces, along with the rest of ADC, is the development of a capacity to sustain the efforts initiated by ADC and the IDEA Project. As noted earlier, the original assumption was that associations would fill this role. If this is unlikely, as now appears to be the case, an alternative needs to be developed. One option may be for the association strengthening staff to work with the program management of ADC to help formulate a sustainability plan for ADC. At present ADC is filling a niche and the demand for services from ADC is projected to exist well beyond the life of the IDEA Project. In light of this, it would be wise to take early steps to formulate a sustainability plan. And, given that ADC is largely filling the functions of an association as envisaged in the original design, it may be appropriate to do some inward analysis, using the skills of the Association Strengthening unit to address this issue. This is discussed later in this report

### 3 Future Directions and Options to Increase Success/Impact

- \* Increase level of effort with low value commodity unit, to strengthen community based marketing agents and associations to more broadly demonstrate/ promote marketing (product quality) package and input supply. This would increase the number of marketing or buying locations that the package is demonstrated and promoted in, and, increase access to a and use of finance by these community based marketing associations. It could directly impact on incomes by increasing producer prices for maize, beans and other LV produce, decrease producer prices for production inputs, and, increase the number and profitability of marketing firms
- \* Increase the level of effort in assisting with input supply network development. This could include improving the business and technical skills of private and NGO stockists, seed multiplication firms/groups, transport firms and others involved in input supply markets for low and high value NTAEs at the community and district level. This could contribute to increasing incomes by increasing profitability of the firms, increasing the number of firms, and increased access to NTAE agricultural inputs
- \* Support development of outgrower schemes in selected commodities in conjunction with low and high value teams

- \* Formulate and implement a focussed pilot effort to strengthen one or two associations
- \* Assist with the formulation of a plan and means to mobilize resources to sustain ADC as an African-led association, and, extend ADC innovations and efforts through focused pilot schemes (See discussion on ADC sustainability)
- \* Assist with the formulation of mechanisms to support joint public-private collaboration/efforts in strengthening associations and support services for NTAE efforts

#### 4 Recommendations

- \* Refocus efforts on the unit to increase linkages with and direct influence on rural incomes
- \* In formulating this years' work plan review, select and focus on activities and options that have the greatest prospects for impact
- \* Continue close support role for LV and HV programs and strengthen linkages with them to identify prospective client associations and firms
- \* Assist the ADC program management unit to formulate a plan and identify conditions necessary for ADC to become an African-led association, and to create a method to mobilize local and international resources to sustain ADC over a ten year period

#### B Business and Finance Linkages

The evaluation team has identified two key issues for this component of the project

- \* The program design assumptions underpinning this component of the program are incorrect or not yet validated Assumptions

Improving business planning and management practices of firms would lead to increased access to and use of finance by NTAE firms

There is finance available, but it can not be accessed because of business planning

- \* The program needs to be focused on efforts that more directly influence NTAE firm access to and use of finance, which may require (a) validation of approach(es), (b) refocusing efforts

A fundamental assumption of the BAF component is that improving business planning and management practices would lead to increased access to and use of finance by NTAE firms A large number of firms have been assisted, but, at present, few firms assisted have actually received the financing needed to

increase their NTAE exports. This raises two concerns. First, the indicators or targets (i.e., number of firms assisted) do not adequately reflect or capture progress in meeting necessary conditions to increase access to and use of finance. This would strongly argue for a redefinition of the results expected from this component of the project.

Second, the lack of progress in increasing access to and use of finance draws into question the fundamental assumption that finance is available, or could be made available through other means besides the IDEA Project, to NTAE firms but can not be accessed because of business planning. This would strongly argue for a redefinition of the approach or focus of interventions supported to increase access to and use of finance to support NTAEs. ADC is fully aware of these concerns and issues and has made progress in examining them.

Further, evidence from ADC experience in working with NTAE firms indicates that there are firms that could benefit from increased access to commercial lending. The challenge is to identify innovative ways to make this happen.

## 1 Findings Regarding Performance

- \* In general, the BAF component is exceeding its targets in terms of the number of firms assisted.
- \* A consultant access fund has been established that is increasing the participation of local consulting firms in providing support services for NTAE firms and associations.
- \* There is evidence that services provided to larger input supply firms in financial management and record keeping has resulted in improved productivity of the firms. This in turn has led to increased mobilization of capital to support growth of at least one firm.
- \* The level of impact on project goals appears to be low, even though output targets have been met. While targets and benchmarks of the program have been met, this has not led to increased access or use of financing.
- \* The project has not mobilized nor does it have the available finance to leverage or attract NTAE financing.
- \* A number of opportunities to increase NTAEs have been missed because of the lack of catalytic financing for NTAE firms.

## 2 Constraints to/or Concerns for Future Success

Analysis of the circumstances surrounding access to finance indicate that "the financial sector--as an integrated, coherent, market based system is simply not working". Coupled with the fact that ADC has no money to invest directly in its clients as leverage to attracting financing, means that many opportunities to increase NTAEs have been and are being missed.

## 3 Future Directions and Opportunities

The following are a series of opportunities that may be available to ADC to strategically focus and increase the impact of efforts to strengthen and increase business and financial linkages. They are not listed in any order of priority. Further analysis may need to be done by ADC to determine the prospects for impact, which needs to include dialogue with their stakeholders on these directions

- \* Formulate and implement a pilot effort with a limited number of firms to improve business and financial management with the intent to increase collateral based lending. From the outset form a joint group oriented effort, and include firms assisted, lending institutions, training centers, ADC. It would lead to the identification of institutional and financial innovations to improve the financial performance of NTAE firms, increase skills, and provide a transparent means for monitoring the financial performance of NTAE firms and thereby build confidence of the lending institutions
- \* Provide assistance with the restructuring of commercial farm debt
- \* Assist with the formulation of a means to help ADC mobilize resources to extend ADC financing innovations
- \* Focus on formulating and validating options with good prospects to increase access to and use of finance, e.g., warehouse receipt system, export financing, etc

#### 4 Recommendations

- \* Refine outputs and benchmarks to more directly reflect progress in increasing access to and use of finance
- \* Increase level of effort on low value community based associations
- \* In formulating the current years' work plan complete analysis to define anticipated level of impact that could be expected from alternative efforts on broad based prospects for increasing NTAE firm access to and use of financing

### C Education and Training

#### 1 Issue

The contribution, influence and commitment of Makerere to IDEA program objectives is less direct than other program components

#### 2 Findings

- \* Linkages between Makerere and the agribusiness community, and NTAEs in

particular, are weak

- \* There has been slow response of faculty to adjust either curricula or course content to address agribusiness firm needs
- \* There is a disconnect in the overseas MSC component, Makerere has sufficient number of MSC staff
- \* The visiting professor program has been slow in taking off
- \* The short courses training component has received much praise by NTAE firms
- \* The intern program has had a generally positive response from firms
- \* Regional monitoring tours could help strengthen linkages among trading partners, but have not been completed

### 3 Options

- \* Makerere Faculty of Agriculture and Forestry could form a private sector agribusiness advisory committee to advise on course content and curricula development
- \* Makerere faculty are beginning to develop proposals on applied research issues that promote NTAE development, this should be encouraged and expanded if possible
- \* Makerere faculty could increase responsibility and level of effort in managing and backstopping intern program

### 4 Recommendation

- \* Reduce level of effort committed to education and training component
- \* Further focus remaining resources toward strengthening Makerere University's linkages to supporting private sector involvement in NTAEs

## D Research Linkages and Technology Flow

### 1 Issues

- \* There are insufficient linkages with focused research efforts, especially the bean and horticulture programs, to ensure the flow of profitable and sustainable technology
- \* Current research agreements do not sufficiently leverage technical and management capacity of NARO to support field activities

- \* The National Agricultural Research Organization is characterized by limited resources, low salaries, low morale and an overemphasis on attending workshops and regional fora and not enough emphasis on applied research

## 2 Options

- \* Formulate a strategic research agenda with the bean and high value programs to identify and validate performance of a stream of technology to effectively support the sub-sectors
- \* Formulate agreements with research programs to increase researcher field presence, including more direct participation with backstopping NGOs and private extension agents in support of community based demonstration and technical support
- \* Increase participation of research management in the formulation and oversight of agreements supporting commodity programs with NARO (e g , Namulonge and Kawanda Directors, and NARO M&E unit)
- \* Increase the number of contract research agreements to engage NARO staff in joint research with private agents and form these agreements at the institute level

## 3 Recommendations

- \* Improve and support strategic planning at the program level (The maize case provides an example of how to approach this )
- \* Modify and improve agreements and involve NARO research management in the process

## E Market Information Systems

### 1 Issues

- \* The linkages with market information systems that USAID is supporting in neighboring countries are weak
- \* There is insufficient attention being paid to packaging and increasing access to market information
- \* Innovative tools and approaches need to be promoted to increase district level access to information systems
- \* The information system needs to be broadened to include input market information to stimulate and promote investments in input supply

## 2 Options

- \* Request REDSO/ESA and AFR/SD to establish a protocol, possibly through FEWS, to exchange market information through key USAID collaborators in neighboring countries
- \* Develop a list or inventory of district based transporters and traders and make available market reports to these agents This can be completed through district agents now collecting and supplying marketing information to ADC
- \* Formulate and test information kiosks at the district level
- \* Integrate input market information variables into the current output market survey
- \* Provide input and output market reports to a larger number of research agents and NGOs (Expand distribution list of market information system)

## 3 Recommendation

- \* In formulating this years' work plan examine options to design and focus efforts that increase access to and use of market information among NTAE firms, in particular at district level

## F Monitoring and Evaluation

The project has a good system in place for carrying out monitoring and evaluation This includes a full-time staff person who has this responsibility There are, however, a few things the project could do to strengthen the M&E efforts

### 1 Issues

- \* Both the low-value and high-value components conduct numerous training sessions The M&E Unit should continue to follow-up on the effectiveness of these various training programs, which will help improve IDEA's training efforts as well as evaluate overall effectiveness
- \* The M&E unit should continue to follow-up on field demonstrations as well This will help the Unit play a stronger role in Project strategic thinking
- \* The M&E unit should continue efforts to integrate the Project's M&E system and the Mission's SO1 M&E system For example, the project produces semi-annual progress reports of IDEA's activities It may be necessary, however, to extract from these reports pertinent information in a more concise form for the AID audience The Mission's SO1 team is currently thinking about how best to design and implement their M&E system and this is a good opportunity for the project and the mission to work together

- \* The Project's M&E is moving in the right direction by emphasizing household-level impacts, but it is not clear that the Project's current efforts will completely capture these dynamics. The M&E function should be institutionalized within the various components of the project. Linkages with the GOU's National Monitoring System, Surveys, as well as with research organizations should be strengthened to help formulate the project's research agenda.

## 2 Recommendations

- \* Increase the flow of information between the M&E Unit and other Project Units
- \* Continue follow-up on field demonstrations
- \* Strengthen the integration between the Project's M&E system and the Mission's SO1 M&E system
- \* Institutionalize the M&E function within the various components of the project

## IV Future Directions

### A Strategic Planning

#### 1 Commodity and Client Focus

##### Issue

What is the appropriate commodity/client focus in the short-term, to achieve immediate results, and in the longer term, to sustain broad-based economic growth?

##### Discussion

There is a strategic role for both high and low value commodities within an NTAE portfolio and more broadly within a broad-based, market-oriented, economic growth strategy. Both commodity focus areas offer the potential to increase rural income and employment and to stimulate economic development.

To date, the project has employed a flexible strategy which has allowed resources to be directed in areas where ADC staff felt they could have the greatest impact. While it is recognized that this flexibility is important, as the allocation of resources within the project becomes more competitive it is equally important to develop a more formalized strategy. For example, as noted earlier, there is good evidence that the number of smallholders engaged in HV NTAEs has increased, however, there is concern regarding the ability of these farmers to sustain this progress. Ensuring that these small farmers succeed may limit the extent to which the project can assist in the adoption

of new HV commodities or work with other client groups

The evaluation team feels the current mix of commodities (and level of ADC effort/resources devoted those commodities) appears to be appropriate to get immediate impact. However, the question remains, is it the appropriate mix to sustain growth and stability of foreign exchange earnings and rural household income?

Other crops that might be considered on high value side are tree crops and on low value side sesame and cassava

#### **Recommendation**

- \* Carry out the analysis needed to inform a forward looking NTAE growth strategy which clearly articulates a rationale for commodity and client priorities

## **2 Achieving Broad-Based Impact from the ADC Approach**

### **Issue**

There is certainly evidence of a supply response to market opportunities that have been identified by ADC and there are indications that strong growth potential exists. However, there is some concern as to whether rural households are constrained in their ability to respond to these new opportunities. What is needed to sustain and expand ADC's obvious success and thereby have a more broad-based impact on rural household incomes?

### **Discussion**

ADC has been successful in identifying technologies developed by the agricultural research system and developing innovative mechanisms for 'transferring' these production technologies to farmers in targeted areas through their field demonstration plot program

ADC has leveraged existing institutional structures and identified promising channels for linking farmers with reliable suppliers of quality inputs (e.g. Sukura network of rural community-based stockists, village-based bean multiplication programs as a women's association activity). Increased number of private input supply stockists and have established outgrower and women's association schemes to multiply bean seed

ADC has also been successful in identifying output market innovations to improve the quality of farmgate output and the linkages with commodity traders and exporters. This has led to increases in market efficiency and has yielded higher returns to farmers (e.g. Ujima network)

### **Options for Increasing Impact**

- \* Intensify efforts within areas of geographic focus (demonstration plots, input supply, and output marketing)

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- \* Increase the adoption rates of households participating in maize/bean demonstration plots Particular emphasis should be placed on the use of fertilizer in high population density areas (e g Iganga)
- \* Explore the relationship between fertilizer use and household labor requirements (total and timing of) and expand/clarify the demonstration plot 'message' to focus more heavily on labor productivity benefits
- \* Increase the availability of fertilizer and improved seeds at the local level by expanding the network of input suppliers/stockists
- \* Expand the 'Ujima network' output market package (i e the focus on increased quality and decreased transactions costs) to other areas
- \* Exploit the production linkages between high and low value commodities -- should not be viewed as an 'either/or' option but rather should focus more on the complementarities to maximize growth

#### Recommendations

- \* Explore options to increase ADC's field presence (e g the possible use of PL480 funds to support greater, more dedicated, NGO involvement at the district level)
- \* Explore options to improve the coordination between high and low valued activities such as joint planning at the district-level and greater emphasis on strategic research and planning
- \* Collaborate with BAF on extending input supply/output market innovations

#### B Sustainability of ADC

It is clear that for the NTAE sector in Uganda to maintain its present level of success and to continue to grow as it has done over the last few years, it is essential that services which ADC is presently providing be continued. This is especially true since the government and the private sector are not now, nor will be in the foreseeable future, in a position to provide this type of support. When IDEA was designed it was assumed that private sector associations and/or government support agencies would be developed and strengthened to the level where they could eventually fill the gap that IDEA and ADC would leave behind. A closer analysis of the situation indicates that this is not likely to happen any time soon. Hence, there is a need for ADC to give serious consideration to the sustainability of ADC-type services over the longer term. This would include

- \* Initiating stakeholder dialogue on the issue and relationships with other agents, e g , UEPB
- \* Developing a sustainability plan to address financing and governance issues for ADC

## Recommendation

- \* Assist ADC program management unit to formulate a plan and identify conditions necessary for ADC to become an African-led association, and to create a method for mobilizing local and international resources to sustain ADC over a ten year period

## V Implementation Issues

### A IDEA Staffing

Above all it should be mentioned that the evaluation team felt that the TA provided by the project has been excellent, noting that the ADC team was staffed with well qualified and hard working people (both Ugandan and expatriate) However, recommendations from this evaluation have a number of implications for project staffing, primarily looking at how more resources can be applied to the project components with the greatest potential for impact (LV and HV components) Based on this, it is felt that there is an urgent need to ensure the low value crop technical advisor be extended to the end to the project This is essential

Secondly the long term advisor for the BAF component needs to be extended through the LOP Thirdly, since the education and training component contributes least to objectives of the project, savings could be made by eliminating this long term TA position This should not reflect adversely on the current advisor, since he is doing a commendable job, however, it looks as though most of the activities yet to be completed under this component could be effectively undertaken by the very capable Ugandan TA

The other option for consideration is for the project to consider creating a position for a senior Uganda Advisor to assist the ADC team leader in promoting ADC activities This advisor would function as a spokesperson for the project, providing a higher profile of Ugandan participation and ownership This would also contribute to the longer term sustainability of ADC In addition, it would allow the present COP to contribute more of his technical expertise to the project

As mentioned earlier, the biggest constraint on the impact of the project is its field presence and coverage Hence, project impact would be greatly enhanced by adding another TA in low value crops and another on high value crops It is recognized that this may not be feasible since it would require increasing the existing contract budget level, however, it should be emphasized that this would really increase project coverage and would have added benefits that would greatly justify the additional costs In addition, it is also highly recommended that additional field assistance can be added through other complementary USAID programs, such as utilizing PL480 resources It is recommended that the IDEA Project collaborate with ACDI to hire additional Uganda field assistants who can coordinate activities at the district level This would greatly increase project coverage, and impact, and allow for more effect joint programming of activities

### B USAID

Currently the project is employing a person on a part-time basis to assist with preparing and managing grants. Some of these grants come through the project, but a number of them are through USAID/Kampala. It has been noted that the management of these grants require a significant amount of time and effort. Since the majority of these grants are outside of the project, it seems appropriate that USAID/Kampala assist in managing them. Although USAID involvement has been close and collaborative up to now, there is concern regarding the missions's ability to maintain this level of oversight when the ANR office and the Private Sector offices are merged. USAID/Kampala needs to make a concerted effort to ensure the present quality of management is maintained.

### C Contracting Issues

Based on the performance of the contractor, the potential for impact and the need to continue ADC type services, consideration should be given to extending the institutional contract beyond the present 5 year LOP. The evaluation team feels strongly that the services presently provided by the project are essential to the further development of the NTAE sector in Uganda and that it is going to be at least ten years or more before these services can be provided by the public or private sectors. Extending the contract will assist the project staff in undertaking strategic planning well into the future which will increase the overall effectiveness of the project. It will also assist ADC staff members in planning for and committing to longer-term arrangements.

In addition, since the project has already exceeded its LOP targets, USAID should consider revising the EOPs under a performance based arrangement with the institutional contractor.

## VI Conclusions and Recommendations

### A Conclusions

- \* The ADC team is making excellent progress in achieving the overall objectives of the project.
- \* The "commodity systems" approach is working and the project should continue its private sector NTAE client focus.
- \* It can be said that the achievement of intermediate results such as, technology packages developed, number of field demonstrations, field day attendance, seed multiplication activities, and market information dissemination would indicate that good progress is being made toward achieving the project purpose.
- \* On the high value side, the project is already exceeding its LOP targets for increasing the export value of HV crops. While part of this must be attributable to momentum which was underway before IDEA was started, the

project has made good progress in making its contribution to expanding the value, volume and participation in HV NTAEs

- \* The only concern the evaluation team had in the achievement of the project purpose is that present project resources (staffing and financial) are limiting the extent to which technology packages can be disseminated and utilized
- \* There is good evidence that the number of smallholders engaged in HV NTAEs has increased, however, there is concern regarding the ability of smallholder farmers to sustain progress they have achieved and to take full advantage of the market opportunities which have been created
- \* Ensuring that these small farmers succeed is going to require continued efforts which will limit the extent to which the project can assist in the adoption of new HV commodities given present resources
- \* Income increases as a result of an increase in low value crop exports are likely to arise from an increase in the adoption of technologies which increase labor and land productivity
- \* There is a good indication that there will be increased income in the support service industries due to increased demand for these services
- \* The production of fruits, vegetables, essential oils and spices is primarily being undertaken by large numbers of small farmers. Income increases are realized by these farmers through access to markets which allow them to receive higher net returns per land and labor than before
- \* More information is needed to determine what trade-offs are being made at the household level in order to more accurately capture income impacts
- \* The evaluation team observed that opportunities for strengthening linkages to other USAID activities (PL480, Coop Bank, ANEPP, PRESTO) need to be explored in more detail
- \* There is a need to look more closely at environmental impacts, especially in the cut flower sub-sector
- \* There are questions regarding the need/utilization of APDF resources
- \* Of the various IDEA Project components, the Association Development and Business Finance components need the greatest amount of attention from a redesign point of view. Two years of effort has clearly established that the fundamental assumptions for these components were not correct
- \* The contribution, influence and commitment of Makerere to IDEA program objectives is less direct than other program components
- \* There are insufficient linkages with focused research efforts, especially the bean and horticulture programs, to ensure the flow of profitable and sustainable technology
- \* Current research agreements do not sufficiently leverage technical and

management capacity of NARO to support field activities

- \* The project has a good system in place for carrying out monitoring and evaluation, however, there are a few things the project could do to strengthen the M&E efforts
- \* Additional field assistance is needed to help coordinate activities at the district level
- \* Project impact would be greatly enhanced by adding another TA in low value crops and another on high value crops, however this would require adding additional funds to the project

## B Recommendations

- \* Explore options to increase ADC's field presence (e.g. the possible use of PL480 funds to support greater, more dedicated, NGO involvement at the district level, continue to leverage funds from resources such as the Cocoa Development Project) It is recommended that the IDEA Project collaborate with ACDI to hire additional Uganda field assistants who can coordinate activities at the district level
- \* Explore options to improve the coordination between high and low value activities such as joint planning at the district-level and greater emphasis on strategic research and planning
- \* In formulating the current years' work plan, complete analysis to define anticipated level of impact that could be expected from alternative efforts on broad based prospects for increasing NTAE firm access to and use of financing. Select and focus on activities and options that have the greatest prospects for impact
- \* ADC program management unit should formulate a plan and identify conditions necessary for ADC to become an African-led association, and to create a method to mobilize local and international resources to sustain ADC over a ten year period
- \* Carry out the analysis needed to inform a forward looking NTAE growth strategy
- \* Improve and support strategic planning at the program level
- \* In formulating this years' work plan examine options to design and focus efforts that increase access to and use of market information among NTAE firms, at district level in particular
- \* Refine outputs and benchmarks to more directly reflect progress in increasing access to and use of finance
- \* Collaborate with BAF on extending input supply/output market innovations
- \* Refocus efforts of the Association Development unit to increase linkages

with and direct influence on rural incomes

- \* Increase level of effort on low value community based associations
- \* Continue close support role for LV and HV programs and strengthen linkages with them to identify prospective client associations and firms
- \* Reduce level of effort committed to education and training component
- \* Modify and improve research agreements and involve NARO research management in the process
- \* Increase the flow of information between the M&E Unit and other Project Units
- \* The resources allocated for APDF assistance should be cut by at least half and reallocated to either the BAF component for the Consultant's Access Fund or in areas which will increase the project's field presence
- \* The team recommends that the long term technical assistance on LV crops and the BAF component be extended for the LOP
- \* Savings could be made by eliminating the long term TA position for the Education and Training Component
- \* The project should consider creating a position for a senior Uganda Advisor to assist the ADC team leader in promoting ADC activities
- \* USAID should consider increasing project resources to add one long term TA in low value crops and another on high value crops
- \* USAID should provide assistance in preparing and managing grants, at least for those funded through USAID, outside of the project budget
- \* Consideration should be given to extending the institutional contract beyond the present 5 year LOP
- \* USAID should consider revising the EOPs under a performance based arrangement with the institutional contractor

## APPENDIX A

### Bibliography

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1995 IDEA project document

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October 1996 IDEA project document

Small Scale Production Possible Solutions and Budgets IDEA project  
document

APPENDIX B

List of Persons Contacted

<u>Name/Institution</u>	<u>Place</u>
USAID/Kampala Staff	Kampala
IDEA Project Staff	Kampala & Field
IDEA Steering Committee	Kampala
Eastern Uganda	
Nile Roses	Mukono
Uganda Flower Growers Assoc	Mukono
Frigocan	Jinga
Vanilla Farm	Jinga
Iganga Green Ladders Vanilla Coop	Iganga
Cocoa Growers	Iganga
Maize and Beans Farmers	Iganga
Peace Corp Volunteer	Iganga
Dist Agricultural Officer	Iganga
Namayemba Buying Center	Namayemba
Agric Input Supply Business	Mbale
Numerous Buying Centers	Mbale Area
Coop Bank	Mbale
Western Uganda	
Nsimbe Estates	Masaka Road
Coseda Farms	Mpigi
Hortexa	Mpigi
Hortuga	Masaka
Mubuku Irrigation Scheme	Kasese
MAAIF Officer	Kasese
Mubuku Farmers Coop Society	Kasese
Reco Industries	Kasese
UNFA--Dist Coordinator	Kasese
Extension Coordinator	Kasese
Bean Production Area & Buying Centers	Kichwamba
CEI stores	
Bean Exporter	Kasese Area
Maize Exporter/Trader	Kasese Area
Kingo Women's Coop	Kingo
Asparagus Farm	Outside Kampala

<u>Name/Institution</u>	<u>Place</u>
NARO	Namulonge

Makerere University	Kampala
Ministry of Agriculture	Entebbe
Ministry of Planning and Economic Development	Kampala
Ministry of Trade and Industry	Kampala
UEPB	Kampala
Commercial Farmer's Assoc	Kampala
Lira Millers	Kampala
CEI	Kampala
Joseph Matovu-Chillie Exporter	Kampala
World Bank	Kampala
WFP	Kampala
FEWS	Kampala
Peace Corps	Kampala
ACDI	Kampala

## APPENDIX C

### Statement of Work

#### IDEA Project Evaluation

##### Introduction

USAID/Uganda intends to carry out a two week program which has a two-fold purpose. In the first instance the external team of three individuals will examine the progress to date related to the implementation of the IDEA Project and make appropriate recommendations for future planning and implementation. The second task under this activity will be to examine opportunities for the Mission to participate in the AID/W proposed Promoting Food Security Initiative and to advise on high priority areas for the Mission to consider should resources become available under this initiative. The external team will consist of two individuals from AID/W and one individual from REDSO. The team will be complemented by staff from USAID/Uganda. The activity more fully described below will be carried out during the period of February 3-15, 1997.

##### Background

The Investment in Developing Export Agriculture (IDEA) project technical assistance team began implementation activities nearly two years ago in April, 1995. IDEA was approved for an initial five year implementation period with an additional five year contract possible depending on progress and funding availability. It is anticipated that a full evaluation will be carried out in year three which will provide the necessary input for a decision on extending the project for an additional five years. This current proposed exercise is primarily to fine tune on-going implementation activities and identify where the project is having its greatest impact and where progress has been less than anticipated. This action would be advisable under any circumstances but given increasingly tight financial resources, it has become even more critical. IDEA is providing technical assistance, training, research, commodities and other export development services for exporters, producers, associations and related service firms and institutions such as Makerere University and the National Agricultural Research Organization (NARO) to increase the production and marketing of selected low value and high value non-traditional agricultural exports. The low value export component includes applied research, seed multiplication and distribution and extension to increase yields. Support will be provided to improve market information and assistance to commodity exporters in establishing market contacts in order to strengthen the export marketing system. The high value program will work primarily with exporters and, through them, with producers of selected commodities and will include research activities, development of market contacts and commodity specific market information systems, assistance in financial planning and management and specialized technical assistance and training in production and post harvest handling techniques. The high value component is being implemented by the Agribusiness Development Center (ADC). It is anticipated that over time the ADC will become very closely linked to the new restructured Uganda Export Promotion Board.

"Promoting Food Security" (PFS) as proposed is a 10-year, \$100 million

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initiative consisting of two basic elements increased resources, primarily for agricultural development and research, and a more efficient use of existing resources PFS is targeted at Africa, with more than 75 percent of the funds dedicated to that continent The balance of the funds will support a range of agricultural research and policy reform, whose application will benefit not only Africa, but other developing regions as well Also integral to the strategy is maintaining a floor of \$60 million annually for Title III food aid in Africa Key areas for the new resources would include

- \* Policy Reform
- \* Agricultural research worldwide, but with special focus on Africa
- \* A focus on food aid for development purposes linked with a continued effort to prevent crises before they happen, and,
- \* A selected effort to improve rural infrastructure The initiative will mobilize U S , international, and African centers of expertise in support of agricultural research and extension services, agricultural policy analysis and reform, and agricultural enterprise partnerships These activities will be carried out in collaboration with organizations such as U S land grant universities, Collaborative Research Programs (CRSPs), the International Agricultural Research Centers of the Consultative Group on International Agricultural Research (CGIAR), U S universities, U S agribusiness, the non-governmental organization community, and the agricultural cooperative sector In the first year of operation it is proposed that the initiative will target nine African countries Uganda is one of the initial nine countries Because of this potential opportunity for increased resource levels and expanded programming, and because of the close linkage with two major mission activities--IDEA and ANEP--it is only prudent that the Mission begin planning for this program

#### Discussion

Based on the above background the external evaluation team will address the following issues/points In general terms an assessment should be made of progress by ADC against the following projected project outputs

- \* Producers of selected commodities will have improved knowledge of techniques to increase crop quality and yields
- \* Exporters will be able to initiate or expand NTAE activities
- \* NTAE exporters and producers will have improved knowledge of agribusiness planning and management and access to sources of funding
- \* Commodity specific market information systems will be established or improved and sustainable
- \* Private/public sector entities will be multiplying and distributing improved maize and bean seeds
- \* Associations will be facilitating growth in NTAEs and acting as effective advocates for a better NTAE policy and regulatory environment
- \* MU Faculty of Agriculture will be able to provide long term and short term training to support the growth of NTAEs

Additionally the team should review the overall consistency of the project

goal and purpose with the overall GOU strategies for export diversification and economic growth and with the USAID 5 year strategy under S01

In more specific terms the team will examine the following issues

#### A Low Value Crops

- \* How many maize and bean varieties have been screened, demonstrated and disseminated ? What has worked well and what hasn't and why
- \* To what extent have low-input agricultural production packages been developed and what has the impact been
- \* Assess progress, if any, in regard to private sector involvement in improved seed multiplication and distribution
- \* Even though the emphasis is on low input systems assess both need for fertilizer and other hightech inputs and involvement by the private sector to date
- \* The assumption was that improved cultural practices could make a significant difference in yields Has this been tested and what have been the results?
- \* To what extent has the private sector or NGOs become involved in farm level extension programs ?
- \* Is there any evidence that project activities through improved marketing may have affected food security negatively at the household level ?
- \* How successful has the collaboration with the National maize and bean programs been ?
- \* Comment on complementarity with other USAID and other donor programs Can more be done ?
- \* How well have the M&E systems been developed and what do they show about increased rural incomes ?
- \* Assess the impact on women farmers and comment on how things might be done differently or better
- \* Identify unexpected accomplishments or benefits as a result of the program
- \* Examine opportunities for new crops for export or if focus currently is on target
- \* Assess the impact of working with Peace Corps Volunteers
- \* Has the project utilized applied IPM technology through collaboration with organizations like CRISP?

#### High Value Crops

- \* Analyze progress to date on introduction of new crops
- \* Analyze expansion of existing crops (acknowledging the base at start of project)
- \* How successful has the concept of contract research been--why or why not ?
- \* How successful has the project been in identifying new markets for new high value crops ?
- \* To what extent has Makerere University and NARO been involved in contract research for HV crops and reasons for success or lack of
- \* Identify efforts to improve quality standards of export commodities at both production and post harvest levels
- \* Assess the impact on increased rural incomes, food security and employment Include large operations, smallholder and laborers

- \* Assess impact on women farmers
- \* Is there evidence of complementarity with other USAID or donor efforts?
- \* Has the project effectively monitored environmental concerns such as chemical contamination, soil erosion, etc
- \* Is there an adequate M&E system in place to monitor results/impacts ?
- \* Assess the impact on women farmers and comment on how things might be done differently or better if at all
- \* Identify unexpected accomplishments or benefits as a result of the program
- \* Examine opportunities for the new crops for export or if focus currently on target
- \* Assess the impact of working with Peace Corps volunteers
- \* Has the project utilized applied IPM technology through collaboration with organization like CRISP

#### Market Information

- \* Market information was seen as a key factor in the success of expanding NTAEs Comment on progress and results What is in place ?
- \* To what extent is the system(if existing)useful to producers, traders and exporters ? Why or why not
- \* To the extent a marketing information system has been developed, how well is it linked with other information systems including regional systems ? Are there opportunities for expanding this critical component ?

#### Business and Finance

- \* Evaluate the level of assistance provided by ADC to firms requiring business plans, financial deal making, etc Were local consulting involved in the process ?
- \* How many associations have strengthened through ADC and how successful has this effort been in the sense of capacity building and sustainability ?
- \* Has ADC been successful in brokering joint ventures between local and external firms ?
- \* Assess the impact this component has had on both the low and high value export efforts
- \* Has this component had any significant impact on finance constraints facing both producers and exporters?

#### Education & Training

- \* Both formal (university classroom) and non-formal (external field level) training were seen as very important to the success of the project Assess the impact to date
- \* Identify other programs carried out in collaboration with MU that have had a positive impact on project objectives
- \* Assess MU and MAAIF participation in training programs, including workshops, seminars, etc
- \* Identify opportunities that may have been overlooked in project design and implementation that would allow this component to have

significant impact on meeting project objectives

#### Other Issues

- \* Determine the need for any changes in commodity or geographic focus for the project
- \* Determine where the project can leverage its scarce resources with other USAID funded projects, including future projects, and other donor projects
- \* Having assessed the involvement of women in the project to date, identify increased opportunities/strategies for greater involvement Also identify the serious constraints to realizing this objective
- \* What are the opportunities in the area of agroprocessing ?
- \* To what degree has the project influenced the policy agenda in regard to the diversification and promotion of NTAEs ?
- \* What should be the role of the ADC and the USAID Mission in supporting the Uganda Export Promotion Board ? How critical is this institution to overall project objectives ?
- \* For both high and low value crops examine how successful the project has been in developing forward and backward linkages

In regard to the PFSI the evaluation team should examine opportunities for utilization of additional resources that might become available to the Mission and recommend specific areas in order of priority that are consistent with and complement our agricultural portfolio and SOI objectives This of course must be done within the context of the PFSI but also with the thought of deepening and strengthening our overall portfolio The team will be expected to justify their recommendations, particularly as related to other on-going Mission, national and international organizational programs In the final analysis the proposed activities must fit within the integrated and systems approach that the Mission has developed for its agricultural program

#### Outcome

The assessment of IDEA and pre-planning for the PFSI will begin on February 3 and conclude on February 15 Mr Joe Carvalho of REDSO will serve as overall team leader A debriefing will be scheduled for Friday, February 14 and a draft report will be left with the Mission at that time Comments on the draft by USAID Mission and IDEA staff will be submitted to Mr Carvalho by February 21 and a final report submitted to the Mission by March 7, 1997 A draft schedule of field visits and other appointments will be prepared by Mission and IDEA staff in advance and will be reviewed by the team prior to their arrival in country Transportation and other logistical requirements will be the responsibility of USAID and/or IDEA