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**Uganda Agricultural Productivity
Enhancement Program (APEP)**
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Fourth Annual Work Plan
October 2006 to September 2007



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Fourth Annual Work Plan

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LIST OF ACRONYMS

ABSP II	Agricultural Biotechnology Support Program II (USAID)
ABDC	AgriBusiness Development Component (of ASPII/DANIDA)
ASPSII	Agricultural Sector Programme Support (DANIDA)
ACDI/VOCA	Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance
AGOA	African Growth and Opportunity Act
APEP	Agricultural Productivity Enhancement Program
ARDC	Agricultural Research and Development Centre (NARO)
ASPS II	Agriculture Sector Programme Support (DANIDA)
ATAIN	Agribusiness Training and Input Network
BBW	Banana Bacterial Wilt
CAEC	Continuing Agricultural Education Centre
CBOs	Community-Based Organizations
CDO	Cotton Development Organization
CERUDEB	Centenary Rural Development Bank
CET	Common External Tariffs
CIAT	International Center for Tropical Agriculture
CO	Contracting Officer
COMPETE	Competitive Private Enterprise and Trade Expansion project (USAID)
CoP	Code of Practice
CORI	Coffee Research Institute
CT	Conservation Tillage
CTO	Cognizant Technical Officer
CWD	Coffee Wilt Disease
DANIDA	Danish International Development Agency
DCA	Development Credit Authority (USAID)
DCs	Depot Committees
DfID	Department for International Development (UK)
EAC	East African Community
EAFCA	East African Fine Coffee Association
EU	European Union
FEWS NET	Famine Early Warning System Network project (USAID)
GDA	Global Development Alliance
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIFAP	Global Crop Protection Association
GIS	Geographic Information Systems
GMO	Genetically Modified Organism
GoU	Government of Uganda
HO	Home Office
ICRAF	International Center for Research in Agro Forestry
ICT	Information and Communications Technology
IEE	Initial Environmental Examination
IEHA	Initiative to End Hunger in Africa
IFAD	International Fund for Agricultural Development
IFDC	International Fertilizer Development Corporation
IFPRI	International Food Policy Research Institute
IITA	International Institute of Tropical Agriculture
IPM	Integrated Pest Management
IPM CRSP	Integrated Pest Management Collaborative Research Support Program
ISNAR	International Service for National Agricultural Research
ISP	Integrated Strategic Plan
ISTA	International Seed Testing Association
ITI	International Technology Investment, Ltd.
LOP	life of project
M&E	Monitoring and Evaluation
MD	Managing Director (APEP)
MAAIF	Ministry of Agriculture, Animal Industry & Fisheries

LIST OF ACRONYMS (CONTINUED)

MEMS	Monitoring and Evaluation Management Services
MFI	micro-finance institution
MoU	Memorandum of Understanding
MSU	Michigan State University
MTCS	Medium-Term Competitiveness Strategy
MUFA	Makerere University Faculty of Agriculture
NAADS	National Agricultural Advisory Service
NARO	National Agricultural Research Organization
NARS	National Agricultural Research System
NCBA/CLUSA	National Cooperative Business Association/Cooperative League of the USA
NBC	National Biosafety Committee
NGO	Non-Governmental Organization
NRI	Natural Resources Institute
NUCAFE	National Union of Coffee Agribusiness and Farm Enterprises
NUECO	Northern Uganda Eco Organic Ltd
OECD	Organization for Economic Cooperation and Development
OGS	Out grower Scheme
PBS	Program for Biosafety Systems (USAID)
PEAP	Poverty Eradication Action Plan
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
PIR	Project Intermediate Results
PMA	Plan for Modernisation of Agriculture
PMP	Performance Monitoring Plan
PMU	Project Management Unit
PO	Producer Organization
PRIME	Productive Resource Investments for Managing the Environment
RATES	Regional Agricultural Trade Expansion Support (USAID)
RATIN	Regional Agricultural Trade Intelligence Network
RF	Results Framework
Rural SPEED	Rural Savings Promotion & Enhancement of Enterprise Development project (USAID)
SACCO	Savings and Credit Co-operatives
SAF	Strategic Activities Fund
SAARI	Serere Agricultural and Animal Research Centre
SCAA	Specialty Coffee Association of America
SCOPE	Strengthening the Competitiveness of Private Enterprise project (USAID)
SCRIP	Strategic Criteria for Rural Investments in Productivity (USAID)
SME	Small and Medium-Sized Enterprises
SO	Strategic Objective
SOMED	Support Organisation for Micro Enterprise Development
STTA	Short-Term Technical Assistance
TA	Technical Assistance
TASO	The AIDS Support Organization
TMG	The Mitchell Group
ToT	Training-Of-Trainers
UBL	Uganda Breweries Limited
UCDA	Uganda Coffee Development Authority
UCE	Uganda Commodity Exchange
UCIL	Uganda Crop Industries Limited
UFEA	Uganda Flower Exporter's Association
UGCEA	Uganda Ginners and Cotton Exporters Association
UGTL	Uganda Grain Traders Limited
UNADA	Uganda National Agro-inputs Dealers Association
UNCST	Uganda National Council of Science and Technology
UNBS	Uganda National Bureau of Standards
UNEP	United Nations Environment Programme
UPTOP	Uganda Program for Trade Opportunities and Policy (EU)
USAID	United States Agency for International Development
USTA	Uganda Seed Traders Association
UWA	Uganda Wildlife Authority
VANEX	Uganda Vanilla Exporters Association
WFP	World Food Program

INTRODUCTION

This fourth annual work plan covers the period from October 1, 2006 through September 30, 2007. The USAID APEP technical team conducted a work planning workshop during the week of September 11, 2006. Participants included the expatriate technical assistance (TA) team, their local counterparts, a representative from the Chemonics Home Office PMU, and representatives from USAID Rural SPEED, Uganda commodity sector stakeholders, and USAID. Further comment was then received on the draft document submitted to USAID.

The team reviewed USAID APEP goals and strategies including strategic challenges, the Results Framework, and Life of Project (LOP) outputs expected from USAID APEP. From these discussions, and progress achieved to-date, implementation strategies for each program objective were developed by commodity sub-sector and key activities identified. These were then elaborated by the TA team and their local counterparts to include resource requirements, and realistic benchmarks. Comments were solicited during the workshop and after production of the draft document.

Below, we present an overview of USAID APEP, the strategic challenges, the program organizational structure, and the Results Framework. In the section that follows, we give a brief narrative description of the work plan organized by program objectives that are linked directly to the Results Framework; and Project Management, Monitoring and Evaluation. There are 14 objectives.

Program Description

USAID APEP aims to expand rural economic opportunities in the agricultural sector by increasing food and cash crop productivity and marketing. USAID APEP builds on sector successes with added emphasis on creating economies of scale that catalyze transformation of agriculture from low input/low output, subsistence farming to commercially competitive agriculture. USAID APEP addresses targeted commodities and related systems; production-to-market transactions; improvements in input distribution and financial services, technology transfer, and Producer Organizations (POs); and development of competitive agricultural and rural enterprises.

The project is consistent with the Government of Uganda (GoU) Poverty Eradication Action Plan (PEAP), Plan for Modernisation of Agriculture (PMA), and the Medium-Term Competitiveness Strategy (MTCS).

USAID APEP uses a commodity and intervention selection system to identify market-driven opportunities and allocate resources; and to guide its selection of commodity focus and interventions. During the fourth work plan year, USAID APEP will focus on the following sub-sectors: coffee (primarily Robusta and to a limited extent Arabica), cotton, grains and oilseeds, flowers, vanilla and bananas. USAID APEP has two additional components that address biotechnology and biosafety concerns as well as agricultural education.

USAID APEP will continue to build on and use proven approaches to support agricultural competitiveness and commercialization. These include working with business and industry leaders to design corporate structures to reach producers and work with producers to respond and organize themselves. USAID APEP will also continue to work with producer organizations to develop and strengthen linkages, management systems, and revenue streams.

Strategic Challenges

During the work planning process, a number of strategic challenges were identified:

- **Resource envelope:** During 2006, USAID experienced budget cuts that impacted SO7. Under USAID APEP, the budget reductions affected project personnel, SAF, training and sub-contracts. Life of Project (LOP) targets remain unchanged. Therefore, resources have to be allocated judiciously to achieve results. Leveraging from other SO7 partners, development partners and clients will be pursued.
- **Technical assistants (TAs):** As a result of the budget cuts, USAID APEP will be experiencing a reduction in TA. The SAF Manager, Anne Milligan, completed her tour in June 2006, as scheduled. Commodity Commercialization Director, Daniel de Reuck, and Producer Commercialization Director, Michael Mailloux, will be terminated October 31, 2006. In addition, Biotechnology Advisor, Tilahun Abebe completes his tour in June 2007. Short term technical assistants (STTA) will continue to be used on a demand-driven basis.
- **Remaining cropping and crop marketing seasons.** End of project for USAID APEP is July 08, 2008. Beginning with the 4th annual work plan, there will be one production and marketing season for cotton, 2007/08. In the case of seasonal crops (grains and oilseeds) there will be 2 cropping seasons (2007A and B) and 3 crop marketing seasons to be reported (for 2006B plus 2007A and B crops). For the perennial crops, market reporting can continue through April, 2008.
- **Life of Project (LOP) targets.** USAID APEP is a completion-type contract. With reasonable international commodity prices and crop growing conditions, USAID APEP has a reasonable likelihood of achieving the project targets of a 40% increase in household incomes of USAID APEP supported households; 250,000 households supported by USAID APEP; 80,000 on-and off-farm jobs created; and 600 on- and off-farm enterprises created.
- **Sustainability:** The clients have expressed gratitude to USAID APEP interventions in enhancing agricultural productivity and supply response. USAID APEP has focused on viable agribusiness opportunities – with an in-built sustainability element. Key to post-USAID APEP is sustainability of the USAID APEP model – where households continue to practice productivity enhancing farming, and where there are strong corporate linkages with producer organizations. Clients are likely to internalize more of the costs of the interventions, and other development partners are also emulating the USAID APEP model.

Organizational Structure

The organizational structure of USAID APEP is shown in Exhibit I. USAID APEP is headed by a Managing Director (MD) who acts as the chief-of-party. A monitoring and evaluation specialist works directly with the MD to implement the project performance monitoring plan. The technical core of the project comprises four units: the Commodity Commercialization Unit, the Business Expansion Unit, the Program Services Unit, and a cross-cutting Technical Support Unit:

- The **Commodity Commercialization Unit** team chooses commodities and interventions in consultation with the rest of the team, they oversee the “national business and marketing development strategies” of the “national business” commodities, and they work directly with the private sector, as well as public sector and donor representatives in planning. The unit staff is divided across two portfolios. Portfolio A includes cotton, grains & oilseeds, while Portfolio B includes coffee, flowers, vanilla and banana (matooke).

- The **Business Expansion Unit** offers supporting, specialized technical assistance services and coordination to the Commodity Commercialization Unit in PO management and commercialization.
- The **Program Services Unit** houses the Strategic Activities Fund (SAF) management and project administrative services.
- A cross-cutting **Technical Support Unit** covers biotechnology and biosafety, agribusiness finance, agricultural input supply and agricultural commercialization-focused education and training.

The Chemonics Home Office (HO) provides contract management and support services through a Program Management Unit (PMU) that liaises directly with the MD. The chart shows the structure of USAID APEP as of November 1, 2006.

Results Framework

The USAID APEP Results Framework (RF), developed jointly between the USAID APEP design team and USAID/Uganda, is presented in Exhibit II. This RF encapsulates the implementation approach of USAID APEP and is used to guide the project work-planning and results monitoring and reporting.

At the highest level of the USAID APEP RF is SO7—Expanded Sustainable Economic Opportunities for Rural Sector Growth. This is the project goal. While USAID APEP contributes significantly to this goal, it does so through the project's sub-objective—increased commercialization of targeted commodities. To achieve the project sub-objective that will lead to the achievement of SO7, USAID APEP works through three project intermediate results (PIRs). These are:

- Increased enterprise efficiencies
- Increased on-farm productivity
- Improved enabling environment

These PIRs are further supported by sub-PIRs as shown in the RF. In this work-planning, we address each sub-PIR as an objective. In the following section, we present details of the FY06 work plan organized by PIR and objectives. In each, we present the program strategy, activities for the plan year, resources required, and benchmarks for measuring achievements at semi-annual reporting periods.

Exhibit I: USAID APEP Organizational Structure

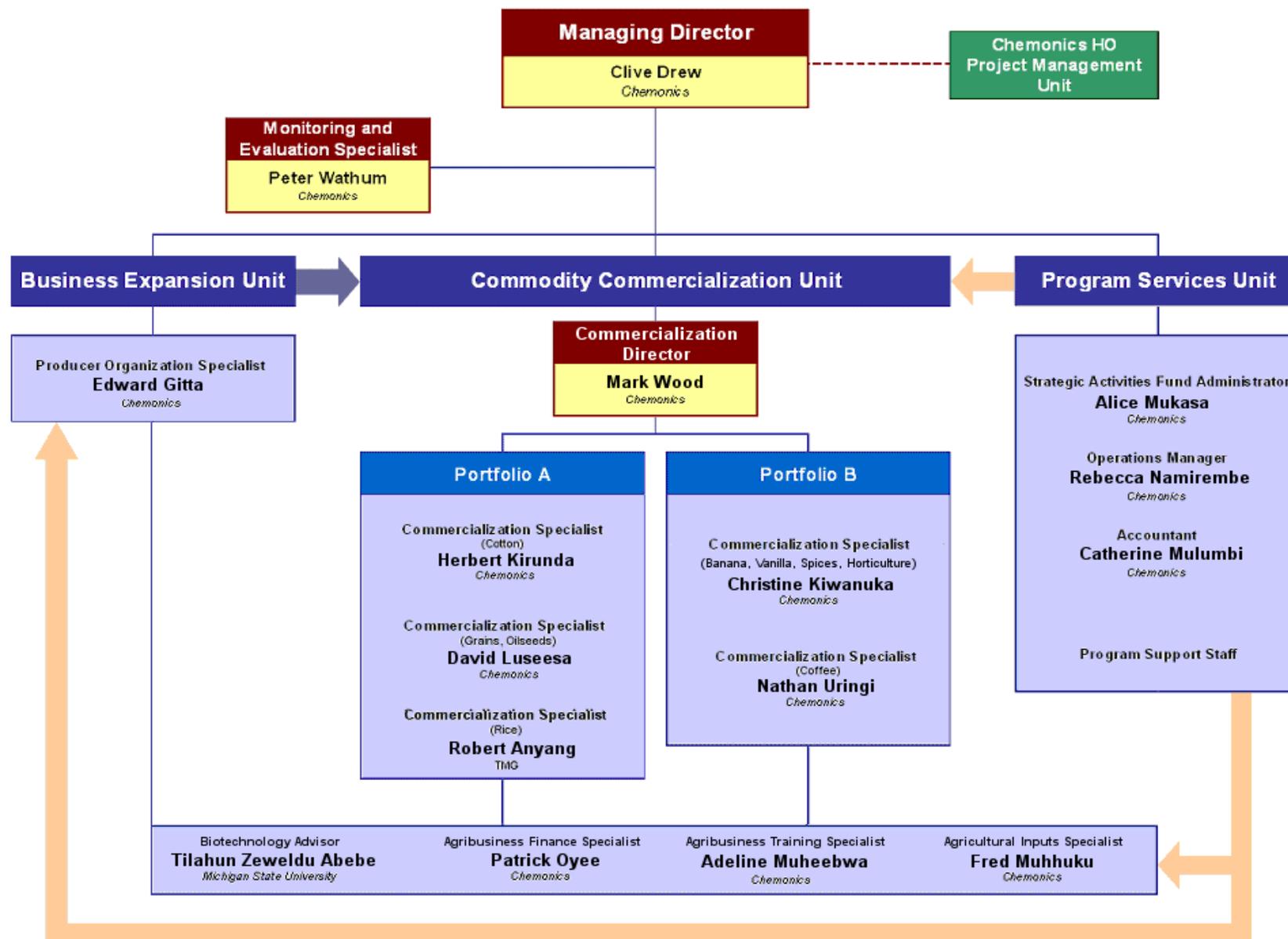
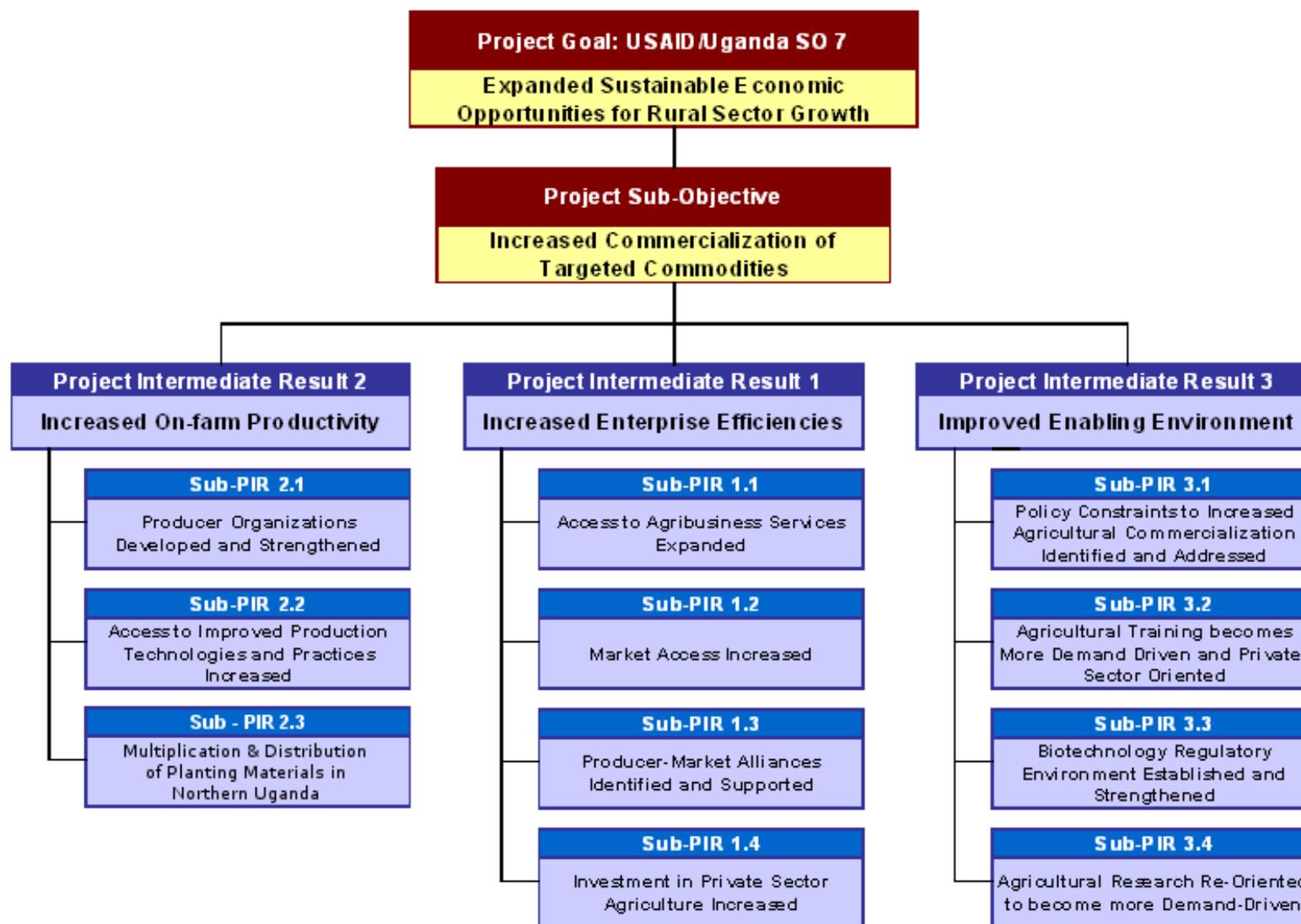


Exhibit II: USAID APEP Results Framework



WORKPLAN 2007

PIR 1: INCREASED ENTERPRISE EFFICIENCIES

LOP 600 new off-farm enterprises
LOP 60% Change in the total gross revenue received by off-farm enterprises

An important strategy to achieving the USAID APEP goal is working with enterprises to increase their capabilities to support commercialization and participation in commercialization of agricultural commodities. PIR 1 is designed to address this part of the commodity chain. Objectives 1 to 4 are designed to generate results that contribute to the achievement of this PIR.

Objective 1: Expand Access to Agribusiness Services

LOP 400 Input suppliers providing services to USAID APEP-supported farmers and groups

LOP 30 Local credit service points providing commercial agricultural credit
LOP 45% Change in total amount of commercial agricultural credit provided

- **Strategy:** Increased access to agribusiness services, including input delivery and financial services, implies working on both the supply and demand sides. During the year, USAID APEP will work with individual farmers and farmer groups to promote increased use of and demand for appropriate services and inputs. USAID APEP will also work with service providers to improve their capability to deliver quality services to clients. This will result in increasing efficiencies of market linkages that contribute to increased business efficiencies for the overall commodity chain. Particularly important will be the continued development of the rapidly changing cotton input supply systems. This intervention is critical to quality seed distribution and adoption. Activities in regard to improving access to rural finance will continue to be emphasized. This will focus on the strengthening of producer organizations, commercial farmer associations, and their depot committees. During this last full work plan year emphasis will be placed on corporate partners who have adopted the extension methodology of the project to ensure that they are able to continue at least the core of the partnership activity in the absence of the direct USAID APEP TA following the project close out. Additional emphasis will be placed on the rapid development of producer organisations which will increasingly provide important agribusiness services to growers and corporate clients. This will focus on the strengthening of producer organizations, commercial farmer associations, and their depot committees.
- **Activities:** The development of input stockists will continue to be a focus under USAID APEP. Building on the successes during the last work plan year, USAID APEP will continue to work with Uganda National Agro-inputs Dealers Association (UNADA) to further train at least an additional 100 input stockists in basic stock handling, product knowledge, marketing and safe use. A conscious effort is being made to develop "Regional Distributors" from the existing stockists based in some of the regional towns using a combination of training and the credit guarantee scheme. This will continue through technical oversight and newly trained rural stockists will be linked to these regional distributors. USAID APEP will continue to encourage Depot Committees (DCs) to undergo stockist training and to establish input shops. This is an area of growth in the input supply system that will also ensure that information and quality training continues to raise the level of proficiency at the input supply–farmer interface.

Provision of market information is vital in enhancing market transparency and improving the business environment. The monthly newsletter, done in collaboration with USAID

APEP sub-contractor, IFDC, is one such mechanism. This activity will continue and efforts will be made to keep improving its quality, like expanding on the international market information. Distribution will also be improved by utilizing the UNADA network.

In recognition of the increasing financial needs throughout each commodity value addition chain stimulated by USAID APEP technology, corresponding support to the financial service providers must always continue to ensure better redress of the inherent rural financial service dilemma. This support will lead to at least 5 new (cumulative 32) financial service provision points (such as bank branches and UNADA credit centers) created. Financial service outreach shall be expanded through appropriate advocacy, guidance and capacity building of financial service providers to commence or expand activities in USAID APEP operational areas. On the other hand, capacity building of financial institutions providing agricultural production credit shall continue through target commodity education, information sharing, linkage to appropriate clientele and relevant TA to be done in collaboration with USAID Rural SPEED where possible. In addition, USAID APEP shall continue to promote the savings culture in its operational areas through a deliberate linkage of saving services wherever possible.

Through these service points and improved linkages to farmers, the project is anticipating at least US\$1,500,000 in rural credit advanced by these facilities to small holder producers. Financial services will also be strengthened in collaboration with USAID Rural SPEED at the off-take end of the chain. USAID APEP will establish a clientele of bankable farmers (through training) and link them to credit service points. The USAID APEP ideology in regards to production finance is based on the clear understanding that sustainable agricultural lending is dependant on the appropriateness of the financial package and the prudent identification of potentially profitable farmer clientele.

Structured Commodity Trade Finance shall continue to be expanded using the available Grain Collateral Management DCA Guarantee that was jointly designed by the USAID Mission, USAID Rural SPEED and USAID APEP. USAID APEP, in collaboration with USAID Rural SPEED shall continue to provide the vital TA to the participating Banks (Standard Chartered, Stanbic and Barclays) and the qualifying traders throughout the tenor of the guarantee. The recently passed Warehouse Receipts Bill is expected to create enormous financing opportunities for farmers as it now furnishes the necessary legal framework for pre-marketing discounting, by financiers, of stored produce, as required in Structured Commodity Trade Financing. USAID APEP shall continue to collaborate with the Uganda Commodity Exchange (UCE), the implementers of the European Union (EU) funded Warehouse Receipts Project, to ensure its clients access the envisaged benefits as soon as possible.

USAID APEP will continue working with CDO and Quton, a private company, to produce cotton seed in the designated 8 production zones by supporting efforts through demonstrations plots in the Seed Multiplication Segregated Areas. All the Lead Ginners will play a central role in planting at least 5,000 ha of BPA 2002 variety to cater for the 2008/09 cotton season plantings. It is anticipated that work with the industry will improve the quality of seed produced. Germination and purity testing will be discussed as a possible improvement to the seed production system as will the introduction of appropriate seed dressings to improve early pest management and seedling viability for the 2008/09 planting season.

To ensure the prompt availability of inputs whose demand has been stimulated by the USAID APEP technology transfer program, financial guarantee support using the existing PL-480/ATAIN guarantee funds shall be provided to appropriate input suppliers to facilitate their access to credit facilities for procurement of these inputs. USAID APEP

will continue to work with at least 5 existing and new input suppliers to enable them procure the required inputs.

Credit to USAID APEP agro-input stockists shall continue to be promoted using the existing PL-480/ATAIN guarantee funds currently being used for the UNADA stockist credit guarantee program. The program is intended to ease the inherent financial impediment of stockists through access of inputs on credit from willing suppliers whose risks are mitigated under the scheme. At least 100 rural stockists are expected to receive guarantee support during the year.

The envisaged expansion of coffee production lending is reliant on the extension of the successful CERUDEB Banana lending program to coffee production by virtue of the inherent and compatible Banana/Coffee farming system. USAID APEP will provide technical assistance to CERUDEB in form of training of Loan staff and target coffee farmer sensitization and linkage. This program is expected to benefit coffee farmers in the major producing districts in Western Uganda, where at least \$100,000 in agricultural credit will be extended.

Through the existing SAF agreement, USAID APEP will continue to provide financial support to VANEX for the broadcast of weekly radio programs in Central, Eastern and Western regions that focus on improved production, productivity and quality of Vanilla. Extension support will also be provided through the 8 regional coordinators and 60 VANEX extension workers linked to demonstration sites, for continuous training activities in at least three different regions of the country.

- **Resources:** USAID APEP TA, SAF, STTA, USAID Rural SPEED, PL-480, Banks, Private firms and associations, NAADS, CDO.

Benchmark 1.1:	At least 100 new input supply stockists (cumulative 400) trained and linked to suppliers by 9/30/2007
Benchmark 1.2:	At least 12 agri-input stockist monthly newsletters (cumulative 33) produced and distributed by 9/30/2007
Benchmark 1.3:	At least 5 new agricultural financial service provider branches (cumulative 32) providing services to USAID APEP clients by 9/30/2007
Benchmark 1.4:	At least US\$1,500,000 in agricultural credit extended to USAID APEP small holder clients by 9/30/2007
Benchmark 1.5:	At least 3 banks supported to provide structured trade finance to grain traders by 9/30/2007
Benchmark 1.6:	At least 5,000 ha cotton seed produced by the private sector by 9/30/2007
Benchmark 1.7:	At least 5 input suppliers receive guarantee support by 9/30/2007
Benchmark 1.8:	At least 100 rural stockists receive guarantee support by 9/30/2007

Benchmark 1.9: At least \$100,000 in agricultural credit extended to coffee farmers by 9/30/2007

Benchmark 1.10: Vanilla extension support continues to be provided in at least 3 regions by 9/30/2007

Objective 2: Increase Access to Markets

*LOP 50 Agribusiness enterprises engaged in processing
LOP 100% Change in the total value of products after processing
LOP 100 Firms involved in regional and international exports of agricultural products*

- **Strategy:** This objective focuses on strengthening and developing competitive marketing strategies so that Uganda's products reach local, regional, and international markets. Improved efficiency activity interventions will focus on: productivity at the farm-level; quality at the farm or business levels; and organizational efficiencies. The approach will help link established groups of producers – more importantly producer organisations - more directly with markets where possible, develop and implement grades and standards and ensure that producer incentives are realized to sustain efforts to improve quality. In addition to farm level support, this objective will seek to promote better quality, traceability and reliability from the farm level in order to service markets better. The synergy between quality enhancement and productivity increase will be emphasized to ensure sustainable development of the Uganda agricultural sector.

In conjunction with USAID Rural SPEED, USAID APEP will develop a price stabilization hedging option for consideration by the ginners association. This option will be provided by one of the international banks operating in Uganda with a long local track record in cotton financing. It is anticipated that such an option, if acceptable, will be in place before the 2007-8 crop cycle.

USAID APEP will provide TA to all its commodity exporter clients to enable them meet requirements in the regional and international markets. Targeted export commodities include green coffee, cotton lint, flowers and cuttings, cured vanilla beans, sesame grain and maize grain. As volumes of USAID APEP commodities increase, corporate partners will continue to receive technical support as they develop markets for the commodity.

- **Activities:** During the year, at least 7 new agro processors will be engaged in the commodity systems under USAID APEP activity. It is anticipated that one new ginnery will emerge over the work plan year in the Busoga region, 2 new agro-processing activities will be stimulated under the coffee component and 3 new processing activities will emerge under the rice component. Under the A.K Oils and Fats partnership, an additional oil milling plant will be established in Lira to cope with the increased requirement for processing out of the sunflower production activity. USAID APEP will continue to support existing and new agro processors through technical guidance and training of farmers, traders and processing companies' staff on quality issues. Additional financial support in terms of leveraging through USAID APEP partners will be sought to achieve the desirable outcomes.

The core activity in regard to developing production, sourcing and marketing plans shall be the strengthening of the production-market linkage between small holder growers (and specifically for the fourth work plan year, with a significantly increased producer organization portfolio) and corporate partners in coffee and the organic cotton sub-

sectors. Since new entrants will have little internal capacity to deal with farmer linkages at the outset, early guidance will be key to their success in dealing with the growers. Accordingly, USAID APEP will provide technical guidance to 3 new agribusiness firms to develop production, sourcing and production plans.

Increased public attention to food safety and the desire for evidence of assurance by some of the major coffee international markets have continued to drive Coffee Sustainability from hitherto niche market into the mainstream international market. USAID APEP will continue to provide TA and financial support to Ibero (U) Ltd, Ankole Coffee Processors Ltd and Kawacom (U) Ltd to extend training to the smallholders towards productivity and compliance to sustainability standards. In addition to continued support provided to already over 7,000 registered sustainability smallholder coffee farmers producers, USAID APEP through the SAF program will provide financial and technical support to collaborative enterprises for the expansion program into some additional coffee growing districts of Uganda in terms of sustainable production as well as registration and compliance with the sustainability standards. It is anticipated that by the end of the fourth work plan year, at least 10,000 smallholder coffee farmers will be provided with technical and market standards guidance.

With SAF support, UFEA will continue to provide useful market information and analysis and disseminate information through various sources, including their website. Figures showing monthly export volumes for roses and chrysanthemum cuttings and an update of the activities within the flower industry are part of the reports. At least 10 market analysis reports shall be produced and disseminated during the work plan year.

USAID APEP TA, together with VANEX, will maintain a database of international buyers liaising with them regularly to keep them informed of the industry developments. VANEX shall provide monthly market information and analysis reports and, where appropriate, disseminate them through its website and other avenues.

In response to dynamic international market requirements, a guideline to the growers, processors and exporters with reference to quality during production and processing has been laid down in the vanilla Code of Practice (CoP). Continuous training in implementation of the CoP will be extended to vanilla growers and processors through VANEX. USAID APEP will also provide technical assistance to Costco/Danisco to extend training to selected vanilla farmers towards good agricultural practices in relation to improved production, quality and market acceptability and Fair Trade.

In working with the producer-market chain, a cumulative 61 exporter firms will be supported. It is anticipated that there will be a new participant in the cotton export activity under the Bon Holdings Zone. TA will support this company in developing its procurement plan to drive its initial export targets.

- **Resources:** USAID APEP TA, STTA, USAID Rural SPEED, international trading houses, SAF, and Uganda exporter associations.

Benchmark 2.1:	Technical and market linkage support provided to at least 7 new agro-processors (cumulative 45) by 9/30/2007
Benchmark 2.2:	Technical guidance provided to 3 new agribusiness firms to develop production, sourcing and marketing plans by 9/30/2007
Benchmark 2.3:	Coffee sustainability technical and market standards guidance provided to at least 3,000 new smallholders (cumulative 10,000) by 9/30/07

Benchmark 2.4:	At least 10 flower market analysis reports produced by 9/30/2007
Benchmark 2.5:	At least 6 vanilla market analysis reports produced by 9/30/2007
Benchmark 2.6:	The Vanilla Code of Practice incorporated into vanilla training programs by 9/30/2007
Benchmark 2.7:	At least 1 new exporter firm (cumulative 61) assisted by 9/30/2007

Objective 3: Identify and Support Producer-Market Alliances

*LOP 25 USAID APEP supported firms managing outgrower schemes
LOP 125,000 farmers involved in integrated outgrower schemes*

- **Strategy:** This objective focuses on fostering linkages between producers and the rest of the commodity market chain. USAID APEP will continue to work in two main areas - at the business or large association level, and at the producer level through DC and PO commercialization to build producer-market linkages. Quality standards, buyer requirements, and other market chain support activities will be emphasized. The strategy will focus on individual commodity chains and link the various partners in the supply chain in order to forge formal or semi-formal marketing alliances. Success with a more rapid development process for the establishment of producer organisations has opened up a unique opportunity for the project to enhance producer-market alliances. The 2005-06 activity with cotton has highlighted the mutual benefit to be derived from much increased PO development. This provides a strategic opportunity for corporate partners to deal with large numbers of growers.
- **Activities:** There will be continued strengthening of the existing as well as establishing new collaborations with outgrower scheme (OGS) companies such as Kaweri Coffee Farmers Alliance, MTL with a view to refining their respective POs and improving linkages with coffee exporters as well as input suppliers. The major activities will include farmer registration, targeted extension activities, input supply and output procurement as well as field support programs. Through this activity, at least 20,000 new (70,000 cumulative) coffee growers will be more closely linked with coffee processors and exporters. USAID APEP will continue to promote and facilitate the establishment of exporters' field site coordination through which there will be joint management of training, marketing, monitoring and evaluation of smallholder-exporter relationships as well as input suppliers.

The International Specialty Coffee market is growing at a significant rate and continues to have a great potential of attractive premium for the participative origins. In collaboration with the coffee industry in Uganda, USAID APEP will contribute to the promotion of Uganda coffee entry into Specialty Market through linkage and specialty market information acquisition and dissemination. USAID APEP collaboration with USAID RATES and SCAA will facilitate training in Arabica coffee specialty programs for the Uganda small coffee holders through regional and global coffee market information.

Through access to farmers at Producer Organization (PO) and at Enterprise levels, USAID APEP will continue assisting farmers with appropriate technologies and best practices to significantly improve their yields, quality and reduce unit cost of production.

USAID APEP will directly support a minimum of 2,000 demonstration plots in this regard. Through strengthened producer-market alliances, farmers will enjoy the benefits of bulk marketing in at least 3 zones, Teso, Lango and Tororo. This will enhance their linkage to the ginners and enable the ginners to continue working with large numbers of individual farmers through the PO mechanism. It is estimated that an addition 10,000 (cumulative 130,000) growers will be supported by the industry through provision of extension services in partnership with USAID APEP and others.

The Mukwano and Sanyu oilseeds out-grower programs will continue to receive support through PO strengthening as well as the Rural Buying Centre Model in support of commodity aggregation. It is anticipated that at least 60 rural buying centers will be established through these partnerships. This will result in at least 33,500 growers continuing to engage in the Mukwano and Sanyu out grower relationships.

Conventional sesame work will continue in West Nile with Olam (U) Ltd and UNO Trading Co. Ltd/CARE International partnerships as the exporting firms. Specific targeted activities will continue through 2 well-established organic sesame exporters; Shares! (U) Ltd and Outspan Enterprises Ltd, operating in Apac, Oyam and Lira districts. Outspan Enterprises will also be supported with its activities in Kaberamaido, Dokolo and Amolatar districts. It is anticipated that at least 12,000 existing sesame farmers will be linked to these exporters. Due to the increased competition in this sub-sector and the success of the rapid PO development work, it is anticipated that there will emerge, during the year, improved firm-farmer linkages for this commodity.

Seed growers will continue to receive support during the work plan year, through training and technical oversight. The formal seed sector is undergoing consolidation and internal restructuring. Some companies have acquired own farms and are mechanizing to increase efficiency. So there is generally no expansion of the outgrower schemes. However, the cotton industry is still expanding and quality seed production is receiving closer attention, especially as the private sector takes over full responsibility. Much of the anticipated 1,000 new seed growers will, therefore, come from cotton seed production.

Barley has been receiving support by USAID APEP, in partnership with Uganda Breweries Ltd and UGTL, working with the Kapchorwa Commercial Farmers Association (KACOFA) and its attendant POs and DCs. During the work plan year, USAID APEP will continue to play its role as technical and facilitating partner with at least 2,500 barley producers being linked to one agribusiness enterprise, UBL. PO development work will be a key driver in improving volume, value and quality of barley from this intervention.

- **Resources:** USAID APEP TA, STTA, SAF agreements, PL-480 Title II, regional USAID programs, private firms and associations.

Benchmark 3.1:	At least 20,000 new assisted coffee farmers (cumulative 70,000) linked with coffee exporters by 9/30/2007
Benchmark 3.2:	At least one training event in specialty coffee conducted in collaboration with RATES and SCAA by 9/30/2007
Benchmark 3.3:	At least 10,000 new USAID APEP assisted cotton farmers (cumulative 130,000) linked with cotton ginners by 9/30/2007
Benchmark 3.4:	At least 35,000 existing USAID APEP assisted sunflower farmers engaged with at least 2 sunflower processing firms in OGS by 9/30/2007

Benchmark 3.5:	At least 60 sunflower rural buying centers established under USAID USAID APEP-Mukwano partnership by 9/30/2007
Benchmark 3.6:	At least 12,000 existing USAID APEP assisted sesame farmers engaged with at least 4 sesame exporting firms by 9/30/2007
Benchmark 3.7:	At least 1,000 new USAID APEP assisted seed growers (cumulative 5,000) linked with 5 seed marketing firms and cotton ginners by 9/30/2007
Benchmark 3.8:	At least 2,500 barley producers linked with 1 agribusiness firm through 1 intermediary by 9/30/2007

Objective 4: Increase Investment in Private Sector Agriculture

*LOP US\$6,000,000 in resources leveraged by USAID APEP
LOP 125 Public/Private partnerships developed by USAID APEP*

- **Strategy:** Increased private investment and exports in the agricultural sector is critical to Uganda's economic growth. This objective involves activities supporting investment in private sector agriculture. During the fourth work plan year, USAID APEP will continue to provide the catalyst to such investments, promoting and actively seeking out opportunities for investment in the selected commodity sub-sectors. Investments may take the form of new installations/plants, expansions, improvements in processing capacity, or general value addition activities. The bulk of the leveraged investment comes through the SAF partnership where partners, stimulated by SAF support, invest their own resources. Additional investment comes from clients taking the next steps to invest additionally beyond the initial SAF partnership. In addition, USAID APEP will continue to leverage other donor resources in support of private sector activities. It is anticipated that NAADS, the Royal Netherlands Government and others will support USAID APEP activities by direct contribution to private sector partners who are willing to continue developing farmer outreach. Such support leverages the technical support provided by USAID APEP and in addition reinforces the sustainability of the USAID APEP initiated work in that such support is likely to continue after the close of USAID APEP in 2008.
- **Activities:** USAID APEP in collaboration with the coffee industry will continue to support the promotion of increased sustainable production of washed Robusta which fetches premium on international market as well as the existing production of Arabica through central pulping stations. USAID APEP will provide TA and financial assistance to facilitate a smooth and efficient cherry-collection system and provide technical training for increased quantity and quality as well as facilitate acquisition of appropriate drying technology to enhance the ability of the enterprises to handle washed coffees. At least 2 new investments are expected in the coffee sub-sector.

Through USAID APEPs concerted efforts with ginners and an increased farmer base, 2 investments will be attracted in the cotton sub-sector. In conventional cotton, Mutuma Commercial Agencies Ltd will refurbish the defunct formerly Busoga Growers Union ginnery in Iganga District. Investments will take the form of installations of gins, oil mill, improvements in storage capacity and support of field extension programs with farmers. In organic cotton, a new consortium – Northern Uganda Eco Organic will result in increased investment over the work plan year. Bo-Weevil, an existing organic cotton client, has received financing indication for a totally new organic certified cotton gin in

Lango. It is likely that this new investment will be initiated, if not completed, during this work plan year.

At least 2 new rice mills – Uganda Upland Rice Company and Support Organisation for Micro Enterprise Development (SOMED) in Masindi and Hoima, and 1 distilling company – Megalis Distillers, are expected to be installed during the work plan year. The 3 agribusiness firms will receive technical support and market linkage from USAID APEP, in addition to the 4 existing investments being supported in the grains sub-sector.

It is anticipated that there will be at least one new investment in the agri-inputs sector. For sometime, one of the challenges we have been trying to solve is to have at least one major fertilizer importer to set up business in Kampala so that reasonable stocks of fertilizers can be held in-country. Discussions to that end have been ongoing between FICA and USAID APEP.

For Uganda's floriculture industry to remain competitive in both regionally and internationally environment, there is a need to improve on its bases of competition, improve quality, production efficiency, and increase export volumes and values. Through SAF (to be awarded to targeted interventions), USAID APEP will support flower investment geared towards building on competitive strategy focusing on either investing in high altitude rose production or diversification of product range to meet dynamic market demands. It is anticipated that at least one grower will establish a new investment in the floriculture sub-sector.

The expected investments are worth about US\$2 million.

- **Resources:** USAID APEP TA, STTA, SAF, Private firms and associations.

Benchmark 4.1:	At least 2 new investments (cumulative 8) in the coffee sub-sector in place by 9/30/2007
Benchmark 4.2:	At least 2 new investments (cumulative 6) in the cotton sub-sector in place by 9/30/2007
Benchmark 4.3:	At least 3 new investments (cumulative 7) in the grains sub-sector in place by 9/30/2007
Benchmark 4.4:	At least 1 new investment (cumulative 3) in the agri-inputs sub-sector in place by 9/30/2007
Benchmark 4.5:	At least 1 new investment (cumulative 3) in the flowers sub-sector in place by 9/30/2007

PIR 2. INCREASED ON-FARM PRODUCTIVITY

LOP 33% change in value per unit of targeted commodities marketed

Another important pre-requisite to achieving the project sub-objective of increased commercialization of targeted commodities is the transformation of a significant number of Ugandan farmers from subsistence farming to profitable commercial enterprises. Production efficiency increases are important to sustain this transformation. They may be obtained in a number of ways, including productivity or yield increases through improved farming practices

and proper application of appropriate inputs; product cost reductions through better planning and organization to achieve economies of scale; improved quality of commodities; and added value through improved harvest and post-harvest techniques and product transformation. Initiatives for multiplication and distribution of planting materials in Northern Uganda are included in this PIR. Objectives 5 and 6 are designed to generate results that contribute to the achievement of PIR 2.

Objective 5: Strengthen and Develop Producer Organizations

LOP 200 Depot Committees developed and strengthened

- **Strategy:** USAID APEP will continue to focus on addressing the key weaknesses and constraints facing Producer Organizations (POs) and their secondary tier Depot Committees (DCs) including lack of organizational, planning and managerial skills, lack of a commercial orientation and business skills, lack of access to credit, lack of access to markets, and little influence and control over extension and research information. Emphasis will continue to be placed on PO and DC management training, financial and bookkeeping training, farmer-to-farmer extension, membership management and incentives, credit management and savings, and developing capacities to handle bulk procurement of inputs and bulk marketing. All POs will also be guided to work together under DCs to bulk meaningful volumes and benefit from economies of scale. POs and their DCs will continue to be guided to open up and manage commercial bank accounts to boost transparency and ensure security for all business transactions conducted by members through the DCs.

During the period addressed by this work plan, USAID APEP will further strengthen the capacity of the corporate partners to take lead in PO development activities. Stronger emphasis will be placed on equipping corporate field staff with skills that enable them guide the process of institutional development. Both POs and their DCs will continue to be guided to achieve greater economies of scale through bulk marketing and bulk input supply activities.

It should be noted that Objective 5 and Objective 3, "Identify and Support to Producer-Market Alliances" go hand-in-hand as the commercialization of POs and their DCs is a critical means towards the development and strengthening of successful outgrower schemes.

- **Activities:** At least 400 new coffee POs will receive organizational and managerial skills to enable establishment of a viable business oriented producer organizations. All the cumulative 1,428 coffee POs will receive marketing training from PO trainers to carry out marketing functions including bulk input procurement and commodity marketing, record keeping, and control of crop quality.

At least 2,060 new cotton POs will receive step by step group training imparting skills that guide POs to screening members, develop by-laws, develop a common vision, and select leader democratically. The USAID APEP PO Trainers and Corporate Field Staff will take lead in this activity. All cumulative 2,376 cotton POs will receive business/marketing training including bookkeeping, quality control, annual and marketing budgets, marketing steps, cost benefit analysis to enable members carry out marketing functions and mobilize farmers ensure that recommended farm practices are adhered to by the farmers.

At least 610 (cumulative 1,463) grains POs shall be trained and encouraged to undertake bulk input procurement and produce marketing. All will receive

business/marketing training including bookkeeping, quality control, annual and marketing budgets, marketing steps, cost benefit analysis to enable members carry out marketing functions and mobilize farmers ensure that recommended farm practices are adhered to by the farmers.

At least 140 new (cumulative 296) DCs shall be trained and encouraged to conduct bulk input supply and marketing activities. Depot Committees will continue to serve as central points for business transactions.

At least 120 DCs shall be assisted to have formal buyer contracts. This will involve guiding DCs to undertake formal contracts and linking them to formal buyers of agro-produce and suppliers of agro-inputs.

At least 840 POs working under at least 30 DCs will be established and trained to conduct marketing activities with Northern Uganda Eco Organic Ltd (NUECO) in organic cotton and organic sesame produce. All organic products PO will receive step by step group training imparting skills that guide organic farmers to be screened, inspected and certified as organic. All POs will also receive organic crop production technical training including recommended agronomic practices and post harvest handling through a well laid out demonstration program support ed by NUECO together with the USAID APEP commodity commercialization specialist.

- **Resources:** PO Specialist and team, USAID APEP TA, STTA, SAF, private sector firms, PMA.

Benchmark 5.1: At least 400 new coffee POs (cumulative 1,428) trained and conducting bulk input supply and marketing activities by 9/30/2007

Benchmark 5.2: At least 2,060 new cotton POs (cumulative 2,376) trained and conducting bulk input supply and marketing activities by 3/31/2007

Benchmark 5.3: At least 610 grains POs (cumulative 1,463) trained and conducting bulk input supply and marketing activities by 9/30/2007

Benchmark 5.4: At least 140 new Depot Committees (cumulative 296) trained and conducting bulk input supply and marketing activities by 9/30/2007

Benchmark 5.5: At least 120 Depot Committees assisted to have formal buyer contracts by 9/30/2007

Benchmark 5.6: At least new 840 organic product POs (cumulative 840) trained and conducting bulk input supply and marketing activities with NUECO by 9/30/2007

Objective 6: Increase Access to Improved Production Technologies and Practices

LOP 150,000 producers using improved production technologies and practices

- **Strategy:** For all commodities under USAID APEP, production enhancement will continue to be carried out through demonstration activities. The majority of field

extension workers are now from the farming community as site coordinators or are “graduating” lead farmers working within established or newly formed POs and directly oversee demonstration sites. The demonstration sites form the core of the technology transfer mechanism of USAID APEP, and hence the key to productivity enhancements. The size, site and management structure of the demonstrations vary from commodity to commodity, but all focus on production, harvest and post harvest aspects to enhance efficiencies. Each demonstration site will continue to focus strategically on the “see the difference” principle, with unit cost of production as the foundation of technology support and adoption.

More and more, the private sector is taking on a greater role in site coordinator selection and lead farmer training as they work towards fully absorbing this critical activity into their business models. In many cases now, site coordinators (who still receive limited financial support from USAID APEP) are receiving additional incentives from the corporate partners (in mainly oil seeds and cotton) as marketing commissions. This means that they are becoming fully fledged components of the production marketing structures.

Due to funding constraints, there will be a considerable reduction in demonstration activity for several of the commodities, cotton and grains in particular. The strategy will be to continue seeking other collaborators to join in the demonstration program activities by direct support to the program through the corporate partners.

- **Activities:** USAID APEP in collaboration with the coffee industry will continue to promote the increased production and export of “natural washed Robusta coffee” which demands a premium over natural processed coffees on the international market. Jointly with a private coffee exporter through the SAF, appropriate smallholder natural washed coffee technology compatible with existing farming system in the country will be procured and operationalised. USAID APEP will make contributions in terms of financial resources and TA for drying facilities, and PO institutional development to enhance cherry collection and training of the machine operators.

USAID APEP will continue to work with the Coffee Research Institute (CORI) and IITA to enhance current artificial fertilizer recommendations for coffee-banana intercrop to better address the crop requirement and corresponding nutrient requirements. Through the SAF, APEP will provide financial support for collaborative work with IITA for improved fertilizer recommendations in banana and banana-coffee cropping systems.

USAID APEP TA in collaboration with the coffee industry and local authority extension staff will continue to promote, through 1,500 demonstration sites, combinations of affordable coffee production and post-harvest technologies. The major improved coffee technologies will include both inorganic and available organic fertilizers, methods of weed control, coffee bush management and proper methods of harvesting as well as good post-harvest handling techniques. The existing 45,000 collaborative farmers through the demonstration sites will be exposed to these practices. USAID APEP will provide the basic coffee demonstration inputs such as secateurs, inorganic fertilizers, pruning saws as well as the maintenance of the demonstration sites.

At least 2,500 demonstration sites will be directly supported by USAID APEP to continue exposing 50,000 farmers to improved cotton production management practices throughout the 8 designated production zones. Approximately 2,000 demonstration sites will go into conventional cotton and the 500 will go into organic cotton under Northern Uganda Eco Organic (NUECO) and Boweevil. The 2 organic corporate partners will take the lead.

In collaboration with Mukwano Agro Industries and Sanyu Agro Industries Ltd, USAID APEP will continue to provide technical support to at least 12,000 additional farmers through 600 sunflower demonstration sites. Activities will include holding field days, field visits and local training events. In addition to the farmers directly supported by the USAID APEP funded demonstrations, USAID APEP TA will extend technology enhancements that shall reach more than 30,000 cumulative growers anticipated to be part of the production programs during the work plan year.

Upland rice will continue to receive support through training and demonstration of a refined upland rice technology package to the farmers through USAID APEP partners. The farmer extension guide produced for upland rice production in 2006 will be translated into 4 major local languages in Uganda in collaboration with Africa 2000 Network (A2N) Uganda. Through such collaboration, at least 12,000 rice farmers will be reached with improved rice production practices.

USAID APEP will work with Olam (U) Ltd and UNO Trading Co. Ltd/CARE International/ Nile Pro Consult Ltd in West Nile and Outspan Enterprises Ltd and Shares! (U) Ltd to establish 600 sesame demonstration sites in Lira, Apac, Oyam, Kaberamaido, Dokolo and Amolatar districts. Through these sites at least 12,000 farmers will be exposed to improved sesame production techniques.

Through SAF support, VANEX will maintain the 60 vanilla demonstration sites. Regular training in improved production techniques will be conducted by the 8 regional coordinators and 60 extension workers. Through these vanilla outreach programs, and other avenues, at least 10,000 vanilla producers will be exposed to improved production techniques.

Through the SAF, USAID APEP will continue supporting IITA to carry out collaborative work on improved agronomic management practices focusing on refined fertilizer recommendations taking into account the different agro-ecological zones, alternative de-sucker management and field techniques for rapid multiplication of clean planting materials. This should result in at least one new farming practice disseminated to growers.

The Banana program will continue to receive support through training and demonstration of improved production technologies. At least 10,000 banana producers will be trained at about 215 demonstration sites and other avenues.

USAID APEP in collaboration with IFDC will continue to fine tune fertilizer recommendations for key commodities. These recommendations were developed for coffee, cotton, maize and bananas but they have never been endorsed by stakeholders. At the same time, work is going on at IITA to develop recommendations for coffee and bananas, which will be harmonized with those developed by IFDC. Once they are accepted by stakeholders, an IFDC expert will train USAID APEP TAs on how to use the computer model to modify the recommendations on the basis of more detailed data on soils and economic aspects. Issues of environmental concern identified in the USAID APEP IEE will continue to be incorporated into recommendations. For fertilizers, this includes product knowledge, safe and effective use and handling, and measures to avoid leaching and runoff.

Through training, TA visits, demonstration and technology transfer as well as input supply and market linkages, at least 50,000 additional (cumulative 130,000) farmers will adopt improved production technologies in the country by the end of the work plan year. The technologies will include aspects of proper crop husbandry practices, improved planting materials and use of recommended agro-chemicals and fertilizers, and improved post-harvest operations.

- **Resources:** USAID APEP TA, SAF, private firms, NUECO, NAADS, Commercialization teams, STTA, donors.

Benchmark 6.1:	At least 1 wet coffee processing technique (cumulative 2) refined by 9/30/2007
Benchmark 6.2:	Improved coffee-banana fertilizer recommendations refined by IITA by 9/30/2007
Benchmark 6.3:	At least 45,000 existing coffee farmers exposed to improved production techniques through 1,500 demonstration sites by 9/30/2007
Benchmark 6.4:	At least 50,000 existing cotton farmers exposed to improved production techniques through 2,500 demonstration sites by 9/30/2007
Benchmark 6.5:	At least 12,000 new sunflower farmers exposed to improved production techniques through 600 USAID APEP supported demonstration sites by 9/30/2007
Benchmark 6.6:	At least 12,000 upland rice farmers exposed to improved production techniques through 600 upland rice demonstration sites by 9/30/2007
Benchmark 6.7:	At least 12,000 existing sesame farmers exposed to improved production techniques through 600 sesame demonstration sites by 9/30/2007
Benchmark 6.8:	At least 10,000 existing vanilla growers exposed to improved production techniques through the vanilla outreach program 9/30/2007
Benchmark 6.9:	At least 1 new improved banana farming practice (cumulative 4) disseminated by 9/30/2007
Benchmark 6.10:	At least 10,000 existing banana farmers exposed to improved production techniques through 215 banana demonstration sites by 9/30/2007
Benchmark 6.11:	Refined fertilizer recommendations for at least 4 key USAID APEP commodities developed and disseminated by 9/30/2007
Benchmark 6.12:	At least 50,000 additional farmers (cumulative 130,000) adopting USAID APEP demonstrated improved technologies and practices by 9/30/2007

PIR 3. IMPROVED ENABLING ENVIRONMENT

LOP 10 Key policy and institutional constraints alleviated

To support activities carried out under PIRs 1 and 2, there are certain policy, regulatory or bureaucratic issues, as well as cross-cutting issues that USAID APEP should address. PIR 3 is designed to support these activities, which aim to address and alleviate constraints to increasing commercialization of agricultural commodities. Objectives 7 to 10 are designed to generate results that contribute to the achievement of PIR 3.

Objective 7: Identify and Address Agricultural Policy Constraints

LOP 15 Key policy constraints addressed

- **Strategy:** This objective continues to cover the identification and provision of support to mitigate policy, regulatory and bureaucratic bottlenecks to targeted commodity production and marketing. Policy and regulatory change is beyond USAID APEP's manageable control; however USAID APEP can support efforts through and to partners by providing expert opinion, guidance, and issue profiles. Policy interventions take enormous time and effort to resolve. USAID APEP will take care not to become totally engaged in any of the processes, but will leverage industry and public sector (donor and GoU) in order to address the issues.
- **Activities:** In the last reporting year, USAID APEP engaged an STTA to develop training manuals for use in training private sector seed inspectors. The actual training itself is supported by ASPS II and is on-going. There are still some technical issues to be addressed so as to enable effective execution of inspection services by private inspectors. One such challenge is the development of variety descriptors which are used in inspection. USAID APEP will work with other collaborators to address this issue. USAID APEP will engage STTA to work with the industry and develop the descriptors.

Although rice production is increasing and the commodity continues to be promoted by a number of private firms and public sector institutions, a number of policy issues remain unattended to. These include EAC member adherence to the Common External Tariff (CET) arrangement as well as quality standards as they pertain to local and regional market development. The pre-test of the rice specification and standards from India Agricultural Marketing has been completed within the rice processing industry in Uganda. USAID APEP will, through the rice stakeholders industry and warehouse receipt system, organize a workshop to adopt or propose better new grading standards for Ugandan rice industry. Other activities will involve training of farmers, traders and rice processing companies. USAID APEP will provide technical input as appropriate.

The common external tariff system for rice continues in force to stimulate EAC rice production. The results are clear as imports have declined and local producer prices remain firm despite weak international prices. Continued engagement with the industry is essential to keep data and information flows effective. The oil seed sector is also likely to develop some form of tariff to support local production, and USAID APEP will be called upon to support this debate.

- **Resources:** USAID APEP TA, STTA, Donors, GoU, Private sector.

Benchmark 7.1: Variety descriptors developed for private seed sector, in partnership with ASPS II, to develop capacity for inspection by 9/30/2007

Benchmark 7.2: Rice quality standards adopted by the industry by 9/30/2007

Objective 8: Stimulate Demand Driven Commercial Agricultural Training

LOP 200 Individuals completing internships with private sector firms
LOP 365,000 Individuals trained in private sector agriculture disciplines

- **Strategy:** As stated in the PMA, Uganda's challenge is to develop education and outreach programs that are increasingly farmer-driven and farmer-oriented while also increasing the participation of the private sector. USAID APEP will continue to assist the GoU agencies and institutions to provide more demand-driven commercially oriented formal and informal educational programs; supporting private sector training and outreach initiatives; and providing commercially oriented project training delivered directly by USAID APEP or by partners and SAF awardees. The Internship activities of the project have gained momentum and the quality of intern placements has improved. USAID APEP will continue to support effective industry placement of MUFA interns.
- **Activities:** The internship program that has to date placed 150 students with local agribusinesses will be continued during the work plan year. Fifty (50) Makerere University Faculty of Agriculture (MUFA) interns will be screened and selected using the same criteria from previous years. Interns will be placed in time for full completion of the third round of private sector internships by June 2006. This will bring the number of interns placed with private firms and public sector institutions to at least 200.

Cotton is a host to many pests that if not controlled, could result in up to 50% yield loss. USAID APEP in collaboration with CDO and UGCEA will support at least 2 pest management training courses (industry request more than this) to equip participants with skills in pest and predator identification, scouting techniques and spray timings. The underlying principal is to continue creating awareness of pest management, spray timing and safe and effective use.

Seed business is science-based but technical skills in seed technology are short in the industry. A series of training courses will be run in partnership with ASPSII and MAAIF involving the private sector seed industry to develop technical capacity in seed inspection. Arrangements are already in advanced stages. At the same time, other avenues will be explored in USAID APEP training program to send identified personnel on short courses in identified institutions. At least 3 seed company personnel will benefit from this activity during the year.

During the work plan year, USAID APEP will continue with implementation of its formal educational plan with MUFA. By end of the work plan year, the three PhD candidates placed at US universities will have returned to continue their PhD research under this "sandwich program." USAID APEP will continue funding the 6 MSc and 2 PhD scholarships at MUFA.

Through SAF, UFEA in collaboration with Makerere University Continuing Agricultural Education Centre (CAEC) will continue with capacity building of middle management in the flower industry. At least 16 individuals will complete the Applied Tropical Floriculture

course. This course will feature intensive on-farm training activities in Uganda, Kenya and the Netherlands.

Several local short-term training of farmers and extension agents will be conducted across all the USAID APEP commodity sub-sectors. Through these informal training events, a cumulative total of 230,000 participants will be trained in various agricultural disciplines.

USAID APEP will also provide training to selected bank staff involved in agricultural lending to enhance their efficiency in agricultural production lending. This shall be done in collaboration with USAID Rural SPEED and ASPs II/DANIDA, where at least 20 agricultural bank staff will be trained in agricultural lending.

Following on from the IEE, environmental management modules will be developed and implanted through all commodity technology transfer mechanisms. In response to the recommendations made under the USAID APEP PERSUAP, at least 6 pesticide safe-use trainings shall be conducted across all commodity chains. USAID APEP will collaborate in refining the guidelines for input use around protected areas. The agreed guidelines will be used to develop joint activities with UWA in consultation with USAID PRIME/W.

- **Resources:** USAID APEP TA, USAID Rural SPEED, STTA, SAF, MUFA faculty, UWA, USAID PRIME/W, Private sector.

Benchmark 8.1:	50 new MUFA internships (cumulative 200) placed with private firms and public sector institutions by 9/30/2007
Benchmark 8.2:	At least 2 pest management training courses held in collaboration with UGCEA by 9/30/2007
Benchmark 8.3:	At least 3 seed company personnel attend short courses on seed technology by 9/30/2007
Benchmark 8.4:	2 PhD candidates (cumulative 3) complete course work at US universities by 8/31/2007
Benchmark 8.5:	3 MSc candidates placed at MUK complete course by 9/30/2007
Benchmark 8.6:	3 MSc and 2 PhD candidates enrolled in degree programs at MUK by 9/30/2007
Benchmark 8.7:	At least 16 new participants (cumulative 48) from floriculture industry complete the Applied Tropical Floriculture course by 6/30/2007
Benchmark 8.8:	At least 230,000 participants (cumulative) locally trained in various agricultural disciplines through USAID APEP's training events by 9/30/2007
Benchmark 8.9:	At least 20 agricultural bank staff trained in agricultural lending practices by 9/30/2007

Benchmark 8.10: USAID APEP technology packages realigned to address IEE concerns by 9/30/2007

Benchmark 8.11: At least 6 pesticide and fertilizer safe-use trainings conducted by 9/30/2007

Objective 9: Establish and Operationalize Biotechnology Regulatory Environment

*LOP 3 Biotechnology and Biosafety regulations improved
LOP Biosafety committee has capacity to review applications for trials*

- **Strategy:** Biotechnology applications in agriculture have the potential to maximize productivity. Biotech crops can increase productivity, reduce pesticide, fuel, and water usage, promote commercialization of smallholder agriculture, and tackle nutrition issues in malnourished communities. USAID APEP activities in biotechnology are supported by other initiatives, including the Program for Biosafety Systems (PBS) and Agricultural Biotechnology Support Program II (ABSP II). USAID APEP TA activities will continue to focus on three areas of biotechnology support. These include the strengthening of the biotechnology and biosafety regulatory and policy framework; strengthening of the National Biosafety Committee (NBC); and provision of managerial, technical and financial support to agricultural biotechnology research and technology transfer undertakings in Uganda.
- **Activities:** Biotechnology and biosafety related activities shall include providing technical support in biosafety and biotechnology regulatory systems when needed and strengthening the National Biosafety Secretariat through the ongoing SAF support and USAID APEP TA.

USAID APEP shall assist in the implementation of biotechnology and biosafety communication and outreach strategies and action plan, and the organization of biotech study tours for relevant stakeholders, which may include representatives of civil society, policy makers, legislators, scientists, journalists, farmers, processors, traders and consumers. This activity will be carried out in collaboration with PBS-Uganda and other partners.

Research and technology transfer activity under USAID APEP will provide collaborative and coordinating support towards effective implementation of biotechnology research and technology transfer activities in Uganda. USAID APEP shall serve as a catalyst in providing support for technology transfer opportunities such as GM cotton. USAID APEP will build on the initiatives of the cotton stakeholders by providing assistance on proposal preparation and negotiation documents for technology transfer of *Bt* and herbicide tolerant (HT) traits. The target is to have confined field testing underway in FY07.

Following on from the success of India tour, one external study tour shall be arranged for key biotech stakeholders in collaboration with PBS-Uganda during the work plan year.

- **Resources:** USAID APEP TA, STTA, SAF, Donors, GoU, NARO, UNCST, ABSPII-Uganda, PBS-Uganda, local and international public and private sector institutions, multinational biotech firms.

Benchmark 9.1: Technical and financial assistance provided towards strengthening the National Biosafety Secretariat at the UNCST by 9/30/2007

Benchmark 9.2:	Technical assistance provided towards final approval of national biotechnology and biosafety policy and regulatory framework by the Uganda Government in collaboration with PBS and UNCST by 9/30/2007
Benchmark 9.3:	Technical support provided towards approval of Biosafety Bill by 9/30/2007
Benchmark 9.4:	Technical support provided towards implementation of Biotech and Biosafety Communication and Outreach Strategy and Action Plan in collaboration with PBS-Uganda and UNCST by 9/30/2007
Benchmark 9.5:	Biotech Cotton technology transfer and confined field testing underway by 9/30/2007
Benchmark 9.6:	One external study tour completed for key biotech stakeholders in collaboration with PBS-Uganda by 9/30/2007

Objective 10: Stimulate Demand Driven Agricultural Research

LOP 25 Research contracts implemented by public sector

- **Strategy:** As with commercially oriented agricultural education and training, the GoU challenges the PMA and private sector to develop farmer-driven, commercially oriented agricultural research. USAID APEP's mandate is to help in this process. USAID APEP's role is to determine with the various commodity sectors the real research needs of each sector. These needs will be met by linking demand for the results of such research to the respective industries. This linkage will serve to stimulate continuing relations between research service providers (public and private) and the demand for results. As USAID APEP is nearing its closure, research activities under the project will not be long-term, generating results within 1 year at a maximum.
- **Activities:** Through the SAF, USAID APEP is supporting INIBAP to carry out on-farm research on Banana Bacterial Wilt disease. The research is focusing on validation of BBW control options and demonstration of rehabilitation of heavily diseased plantations. An economic viability analysis of the different control measures will be conducted, and a technology package on cost-effective control of BBW developed and disseminated to banana farmers through trainings and other events.

Through the SAF, IITA is being supported to enhance banana productivity by disseminating new hybrids to farmers. These hybrids have been incorporated with resistance to nematode and black sigatoka. Multiplication, planting, assessing and evaluation of the hybrid performance in Masaka, Rakai, Mpigi and Mukono where black sigatoka and nematodes are very prevalent, will be continued during the work plan year. At least 2,000 farmers will receive new high yielding and disease resistant banana varieties.

In the coffee stakeholders' workshop held in Kampala in September 2006, Robusta Coffee Wilt Disease (CWD) was identified as one of the most serious diseases that has

badly affected the industry in general and the small coffee farmers in particular. It is estimated that the wilt has been responsible for the destruction of over 40% of Rubusta coffee bushes and hence poor export performance. USAID APEP will explore the possibility of CORI undertaking on-farm trials of the available CWD resistant materials using coffee demonstration training sites of the USAID APEP collaborative farmers. USAID APEP will provide support for the maintenance of the on-farm CWD resistant trial demonstration plots. Emphasis will be placed on CORI's ability to provide the industry with the preliminary findings on the on-farm trial demonstration by September 30, 2007.

The coffee industry has identified pest and diseases as the major factors contributing to the low productivity of Arabica coffee in Uganda. According to the industry, the losses caused by the two factors to the small farmers are between 30% - 50%. USAID APEP in collaboration with MTL, Makerere University, CORI and IPM/CRSP are undertaking a pilot farmer participatory IPM coffee research in Arabica coffee fields in the districts of Sironko, Mbale, Bududa and Manafa to identify and characterize the prevalent diseases and pests in order to identify and develop an IPM Arabica coffee package. USAID APEP will continue to provide TA and financial support to demonstration sites used for the biological monitoring and identification of the pest as well as the coordination of the research activities. The outcome of the refined IPM package will be disseminated to industry as a tool for training farmers.

Research in flowers will focus on on-farm trials of rose varieties at a higher altitude. The purpose of this activity is to set up a small trial greenhouse of different rose varieties to determine their performance in terms of yield and quality.

The sunflower research contract for 2006/07 will include a NARO-private sector collaborative evaluation of sunflower hybrids as well as evaluation of bird repellants. Ongoing work at SAARI and on-farm activities will be intensified with a view to identifying suitable hybrid sunflower varieties that can be demonstrated through established partnership with Mukwano.

USAID APEP TA, through private companies and NARO will participate in testing and final release of technologies such as bird shield repellent for upland rice and sunflower, and new varieties and new herbicides for weed control. The rice planters and harvesters imported by the private firms were tested in 2006 and modifications made. USAID APEP, in collaboration with its partners (ASPS II and NAADS) will continue to promote the implements for wider adoption by farmers in Uganda.

- **Resources:** USAID APEP TA, STTA, SAF, UNIBAP, NARO, IPM/CRSP, ASPS II, NAADS, Private sector facilities and firms.

Benchmark 10.1:	1 technology package on cost-effective control of BBW developed and disseminated by 9/30/2007
Benchmark 10.2:	At least 3 new banana hybrid disseminated to 2,000 farmers in 4 banana growing districts by 9/30/2007
Benchmark 10.3:	1 preliminary CWD coffee resistant strain research findings made available by 9/30/2007

Benchmark 10.4:	A least 1 Arabica coffee IPM package developed and refined by 9/30/2007
Benchmark 10.5:	1 flowers research contract completed by 9/30/2007
Benchmark 10.6:	1 sunflower variety development research contract established by 9/30/2007
Benchmark 10.7:	At least 2 new rice production technologies tested by 9/30/2007

PROGRAM MANAGEMENT

Project Management, Monitoring and Evaluation are integral parts of the project. There are four essential components to USAID APEP management: SAF management, environmental compliance, monitoring and evaluation, and project administration.

Strategic Activities Fund Management

The Strategic Activities Fund (SAF) under USAID APEP complements core project activities and contributes to achieving the project sub-objective of increased commercialization of targeted commodities. The SAF will continue to serve as a leveraging tool by providing funds for direct interventions to awardees as part of larger targeted opportunities, maximizing resources available to Ugandan partners. Support through SAF local contracts, grants, cost-sharing agreements, and purchase orders will continue to be provided to public sector institutions, associations, businesses, NGOs, and individuals whose proposed activities meet USAID APEP's eligibility and evaluation criteria, as well as contribute to project results.

Objective 11: Implement an Effective SAF Program

- **Strategy:** By leveraging SAF resources, USAID APEP will continue to target opportunities for strategic intervention with clients and partners. The technical team and SAF Administrator will continue to identify activities within USAID APEP's commodity portfolio that will contribute to the program's overall objective. SAF awards will be issued and governed according to the procedures established in the SAF Instruction Manual and the SAF Operations Manual. Since the amount to be awarded during the year will be scaled down, emphasis shall be placed on monitoring SAF awardees and establishing their continuity post-USAID APEP. In addition to developing cost-sharing relationships with clients, the SAF Administrator will continue to foster strategic alliances with private sector partners. Practically the remaining SAF envelope will be committed by 31 December 2006, in order to cover both planting seasons for all the commodities by February 2008.
- **Activities.** Throughout the upcoming period, the SAF office will continue to work with SAF clients to ensure that existing programs are effectively carried out to completion. The SAF Administrator will monitor the progress of ongoing activities through client site visits and technical and financial reports. As SAF agreements are completed, the SAF office will adhere to USAID policies and procedures in order to close-out each contract. SAF activity reports shall thus be prepared and submitted to USAID as scheduled.

The SAF office and technical team will continue to review and evaluate applicant proposals as they are received. The SAF Administrator will work with applicants to develop substantive proposals that are results-oriented and focused on achievable benchmarks. The remaining SAF amount is expected to be committed by June 2007.

- **Resources.** USAID APEP TA, SAF clients, donor partners, USAID CTO/CO.

Benchmark 11.1: SAF activities report submitted by 10/31/2006 and 4/30/2007

Benchmark 11.2: At least an additional \$480,000 (cumulative \$3,700,000) of SAF committed by 09/30/2007

Environmental Compliance

As per the contract Section 3.3 and in accordance with 22 CFR 216, Chemonics has to include in the annual work plan, a section on environmental compliance that outlines the mitigation plan for the work plan year for all activities that were identified in the IEE as having a negative determination with conditions.

Objective 12: Implement and Maintain an Environmental Compliance and Mitigation Plan

- **Strategy:** As guiding documents, USAID APEP has an Initial Environmental Examination (IEE) with categorical exclusions and a negative determination with conditions that apply to: pesticide use, requiring a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP); fertilizer inputs; biotechnology applications, including biosafety; introduction of new seed varieties; training on safe use of pesticides and fertilizers; and an environmental review process for SAF awardees. These include mitigation and monitoring measures. Environmental compliance cuts across all IRs and sub-IRs and this objective synthesizes the reporting.
- **Activities:** As a commitment to the guidelines of the IEEs, all USAID APEP technological packages that will support lead farmers through distributed demonstration kits must be in conformity to IEEs standards for both conventional and organic products. Various actions will be carried out during the work plan year, such as phasing out recommendations of certain pesticides guided by the PERSUAP. The following table summarizes some of the specific actions that will be undertaken in this work plan year.

Replacement product	Commodity Targets	Replacing (by date)	Activity in the 2006-7 work plan year
Imidacloprid (Confidor)	Coffee	Chlorpyrifos (Dec 07) Carbosulphan (Apr 08) Fenitrothion (Apr 08)	Finalize CORI recommendation and promote in Arabica and root mealybug problem areas.
Imidacloprid (Confidor)	Banana	Chlorpyrifos (Dec 07)	Use in demonstration plots as chemical control of banana weevil in addition to pseudostem trapping.
Imidacloprid (Gaucho seed dressing)	Cotton	Dimethoate (June 07) Bronopol (Apr 08)	Follow up yield results from Masindi trial activity and promote for at least limited commercial uptake for 2007-8 plantings.
Malathion	Coffee	Chlorpyrifos Dec 07)	Promote where scale and mealybug are problems - finalize rate and introduce as a product in the coffee package during 2007.

Carbaryl	Coffee, Sesame	Chlorpyrifos (Dec 07) Dimethoate (Dec 07)	Promote through demonstration activity where scale and mealybug are problems - finalize rate and introduce as a product in the coffee package during 2007.
Acephate	Coffee, Cotton, Upland Rice, Barley	Profenophos (Apr 08) Fenvalerate (Apr 08) Fenitrothion (Apr 08) Cypermethrin (Apr 08) Deltamethrin (Apr 08) Diazinon (Apr 08)	Receive samples of newly formulated and packaged acephate in Q1 and initiate promotion in conjunction with the supplier in seasonal and perennial crops during the work plan year.
Dithianon	Coffee	Copper oxychloride (Apr 08) Fluazinam (Apr 08)	Continue to follow recommendation for this product with a view to inclusion of this treatment for CBD by the end of the work plan year.
Acetamiprid	Cotton	Dimethoate (June 07)	Receive samples of newly registered Acetamiprid in Q1 and initiate promotion in conjunction with the supplier in seasonal and perennial crops during the work plan year.
Thiamethoxam (Cruiser)	Cotton	Dimethoate (June 07) Bronopol (Apr 08)	Participate in supplier - industry promotional meetings during this year to encourage early adoption of the product as an alternative in cotton seed treatment. This is essential as the industry moves to farmer payment for seed.
Spinosad	Cotton	Profenophos (June 08) Fenvalerate (June 08) Fenitrothion (June 08) Cypermethrin (June 08) Deltamethrin (June 08) Diazinon (June 08)	Project to procure limited volumes during 2006-7 season in order to raise awareness and promote Spinosad as an option. Early adoption in the organic sector is critical and work with international certifiers to support this product will assist in its inclusion into the POP for organic cotton.
Azadiractin (Neemoil)	Cotton, Coffee	Chlorpyrifos (Dec 07) Dimethoate (Dec 07)	Take the experience with Azadiractin application in organic cotton during 2005-6 and determine effectiveness for possible promotion in conventional crops.
Dazomet	Banana	Ethoprop (Dec 07)	Receive commercial samples for testing in areas where farmers have used other nematicides.

Both pesticides and inorganic fertilizers are being increasingly utilized by commercial growers across all sub-sectors. It is critical that the users of these technologies are continually informed as to the safe and effective use of these products. Partnerships with the Global Crop Chemical Association (Crop Life) and others will continue to be used as a vehicle to supporting this work. External safe use trainers will be engaged through crop life to deal with the ongoing requirement for this type of training. The training will be directed towards farmers, site coordinators, depot committee managers, and other persons deemed fit. As the USAID APEP project draws to a close, the strategy over this final work plan year will be that all corporate partners will have at least one safe and effective use trainer in-house. This will give each corporate partner the ability to continue training after the close out of the USAID APEP project.

As a requirement, all of the USAID APEP SAF awardees will continue to report on environmental compliance as agreed upon during the third work plan year. In addition USAID APEP TA will continue inspection during the normal course of delivering TA to determine compliance with environmental and mitigating actions agreed upon.

Since the finalization of the PERSUAP for USAID partners, USAID APEP has been working to stimulate the testing and release by the Agricultural Chemicals Board of pesticides with improved health and safety data. To this end, USAID APEP will work to include at least 2 new releases into the cotton program for the 2008/9 crop. These are

likely to be Acetamiprid for sucking pests which is approaching final release as well as improved awareness of the utility of Acephate and Spinosad (particularly for organic producers).

Guidelines developed in conjunction with USAID PRIME/West were incorporated into the safe use training programs for the third work plan year. These will continue to be refined for ease of application. A local short term expert will be retained to assist in this exercise, in addition to compiling a summary of the recommended pest control practices acceptable to MAAIF & NARO. The expert will also develop monitoring programs and action thresholds to guide pesticide usage in all major crops. Once these are developed they will be printed and circulated as widely as possible.

- **Resources.** USAID APEP TA, STTA, SO7 implementing partners, UWA, USAID PRIME/W.

Benchmark 12.1:	USAID APEP technology packages continued to be realigned to address IEE concerns and PERSUAP recommendations by 9/30/2007.
Benchmark 12.2:	At least 10 pesticide and fertilizer safe-use trainings conducted by 9/30/2007
Benchmark 12.3:	All SAF awardees environmental reviews completed by 9/30/2007
Benchmark 12.4:	At least 2 pesticides approved for cotton usage in accordance with PERSUAP recommendation by 9/30/2007
Benchmark 12.5:	Guidelines on pesticide usage refined and disseminated in conjunction with USAID PRIME/W by 9/30/2007

Monitoring and Evaluation

Monitoring progress and evaluating results are key management functions in USAID APEP. Performance monitoring is an on-going process that allows USAID APEP and USAID managers to determine whether or not the project is making progress towards its intended results.

Objective 13: Implement and Maintain an Effective Monitoring and Evaluation System

- **Strategy.** The M&E system is based on an impact design linking activities to desired outcomes and impacts. This design is reflected in the USAID APEP RF presented in the first section of this work plan. To achieve results, the USAID APEP RF is used to guide this annual work plan. The M&E system is intended to provide the foundation for tracking the project's delivery of expected outputs and quantitative impacts to measure progress, as well as support USAIDs M&E needs by providing input to the mission's SO 7 and associated IR indicators. USAID APEP will continue to use a distributed approach to M&E where all project team members and partners are responsible for collecting M&E data in their technical areas. The M&E Specialist will coordinate this effort and consolidate all data collected and generate aggregate data for the M&E indicators. Close liaison will be maintained with the USAID SO7 team and Monitoring and Evaluation Management Services (MEMS).

- **Activities.** During the work plan year, the M&E system will be updated to meet USAID M&E needs as well as ensuring the flexibility that allows other USAID APEP TA to input data. In the middle of the work plan year, USAID APEP will prepare a semi-annual M&E report. The M&E Specialist, with support from the project TA, will establish a working relationship with data providers within the various sub-sectors with a view to regularly updating industry-wide data. Such data will be utilized to gauge project performance.

One field data verification/impact study will be conducted towards the end of the work plan year. The focus of the verification will be on economics of production and the resultant benefits of technology adoption. If funds are available, one impact study shall be conducted with the support of STTA.

The M&E Specialist in consultation with the project TA will undertake regular field assessment to ensure that USAID APEP is making good progress towards achieving its LOP goals and targets. Early successes and lessons learned will be highlighted and disseminated to the relative stakeholders. At least ten impact stories will be prepared and disseminated.

- **Resources.** USAID APEP TA, Chemonics home-office M&E STTA, MEMS and SO7 M&E appointee.

Benchmark 13.1:	M&E system updated and made consistent with SO7 requirements by 09/30/2007
Benchmark 13.2:	Secondary data collected and updated by 9/30/2007
Benchmark 13.3:	At least one verification/impact study conducted by 09/30/2007
Benchmark 13.4:	At least 10 USAID APEP impact stories produced by 9/30/2007

Project Administration

Chemonics places great emphasis on providing effective administrative and logistical support to all field program; as well as assuring contract compliance. A home-office Project Management Unit (PMU) is assigned to each project. This unit comprises a project supervisor who works closely with the field-based chief-of-party in all aspects of contract management; a project administrator who liaises directly with the field-office operations management to provide administrative and logistical support; and an assistant project administrator. Chemonics is committed to supporting USAID APEP so the project will achieve results on schedule, within budget and in compliance with all applicable rules and regulations. The Chemonics Home Office PMU is not a direct cost to USAID APEP, except where there are specific field assignments, pre-approved by the CTO.

Objective 14: Provide Effective Contract Administration

- **Strategy:** The PMU will continue to work closely with the project office to assure contract compliance, to assist with regular contract reporting, and to provide financial analysis for management.
- **Activities.** The home office PMU and project office administrative and management staff will work together to maintain effective systems for contract management. The PMU will assure all contractually required reports are prepared properly and submitted to USAID on time. The PMU, in conjunction with the MD, will also conduct an annual performance evaluation of project staff in November 2006.

- **Resources:** USAID APEP MD, administrative staff, home-office PMU.

Benchmark 14.1:	Financial reports and pipeline analyses provided to USAID quarterly, by 12/15/2006, 03/15/2007, 06/15/2007 and 09/15/2007
Benchmark 14.2:	VAT payment and reimbursement report provided to USAID by 11/17/2006 and 04/16/2007
Benchmark 14.3:	3 rd annual project progress report submitted to USAID by 10/31/2006
Benchmark 14.4:	Semi-annual project progress report submitted to USAID by 4/30/2007
Benchmark 14.5:	Annual property report submitted to USAID by 10/31/2006
Benchmark 14.6:	5 th annual work plan for FY07 submitted to USAID by 9/30/2007