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FINAL REPORT

February 2009 – October 2011

Horn Food Price Crisis Response (HFPCR) for Uganda

Funded by USAID / Office of Foreign Disaster Assistance (OFDA)



Young Boy at the Kraal

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1. Executive Summary

In 2007 and 2008 commodity price spikes shook world markets, nearly doubling prices for staples such as wheat and rice, dramatically reducing household purchasing power and threatening consumption levels for poor families worldwide. In the Horn of Africa, price spikes coincided with adverse weather conditions, leading to a spiral of asset depletion and deteriorating household conditions and spurring the USAID Office of Foreign Disaster Assistance (OFDA) to fund a handful of sister projects across Kenya, Ethiopia and Uganda designed to meet emergency needs while building long-term economic and environmental resilience. This report details the activities, achievements and challenges in implementation of the Uganda-focused Horn Food Price Crisis Response (HFPCR) project, operating in Karamoja between 2009 and 2011.

HFPCR began in February 2009 and was completed in October 2011. The project was implemented by a consortium led by Mercy Corps, with sub grantees International Rescue Committee (IRC) and Medair. Its interventions were rooted in each organization's strengths and experiences of working in the Karamoja context – Mercy Corps and Medair implemented activities in the sub-region's northern half, covering the districts of Kotido, Abim and Kaabong, while IRC implemented in the southern half of Karamoja, including the districts of Moroto and Nakapiripirit (Moroto district was later divided into Moroto and Napak districts, with most activities being carried out in Napak).

The organizations implementing HFPCR divided the program into two sectors. Sector One focused on boosting agriculture and food security, usually taking a more immediate approach to providing short-term humanitarian assistance focused on household food security and responses to disease outbreaks. Sector Two focused on improving economic and market performance, building long-term productive assets and improving the performance of micro and small enterprises involved in food trading and agro-processing. This two-fold approach was selected as a response to a few concerns. First, there was a need to build resilience and productive capacity in the short-term, which was thought at the time to be best effected through direct assistance to poor agricultural and pastoralist households. Second, a gradual but important shift away from decades of humanitarian support was taking place in Karamoja, and HFPCR offered an opportunity to further this shift through longer term interventions that built infrastructure and services (such as mechanized tillage and finance) promoting long-term development for Karamojong producers. Mercy Corps and IRC worked across both objectives, with Medair working on Objective One until its exit from Uganda in 2010.

The following are some of HFPCR's achievements:

1. Supporting **4,000** farming households with direct provision of seed inputs and equipment, and training on basic agronomic practices to **3,642** farmers to ensure increase in production
2. Training **151** Community Animal Health Workers, and providing start up kits
3. Vaccination and Treatment of **472,899** livestock, sheep and goats on Contagious Bovine Pleuro Pneumonia (CBPP) and Peste de Petite Ruminants (PPR) in collaboration with district veterinary offices and the Ministry of Agriculture, Animal Industry and Fisheries
4. Training of **6,417** livestock owners on basic herd management practices
5. Establishing **41** VSLAs reaching **1,018** community members (443 females), generating **\$23,167** in savings from November 2010 to May 2011, and facilitating **355** loans to VSLA members, with an average loan size of **\$37**;

6. Establishing and building capacity of **11** Local Economic Development Committees (LEDCs)
7. Supporting **20** enterprises within strategic value chains with cash and in-kind grants for agro-processing machinery, beehives, and butchery housing
8. Facilitating access to finance for **12** enterprises through a loan guarantee with Stanbic Bank
9. Supporting construction of **21** LEDC-prioritized pieces of market infrastructure
10. Working with farmer groups and individuals on subsidized tractor tillage services focused at increasing production to a much commercial level

During the project's 30-month duration the operating context changed considerably. Coming out of drought and food price spikes, the years 2010 and 2011 saw steadily improving harvests due to good rains that bolstered household production across the sub-region. Also significant, the small-arm-driven insecurity that had plagued the sub-region for decades fell as a result of government disarmament and NGO-fostered conflict mitigation efforts – roads that were nearly impassable due to fears of ambush in 2009 were heavily traveled in 2011, allowing for a much higher level of trade and agricultural production in HFPCR target areas, such as Sidok sub-county in Kaabong district. The good rains and improving security provided the ideal backdrop for HFPCR, allowing productive assistance provided by the project to take root and build long-term household capacity. Improving conditions also encouraged greater freedom of movement, which in turn allowed for the use of project-renovated assets, such as the Kanawat cattle market in Kotido sub-county. Without a counterfactual it is impossible to attribute causality to HFPCR's activities, but baseline and endline surveys and a bevy of focus group discussions, detailed in a separate HFPCR Final Evaluation report, point to the project's lasting impact in its target sub-counties. A handful of conclusions and lessons learned, drawn from that evaluation and listed at the end of this Final Report, summarize the project's larger impacts and provide advice for future projects working in similar contexts.

In sum, HFPCR was timely and its activities were contextually relevant. Most importantly, it made a big push for implementing more market-oriented development programming in a sub-region traditionally blanketed with humanitarian aid. Its loan guarantee and tillage service pilots, for example, showed that market-oriented development can work in Karamoja, (with a few important tweaks). Since that is the case, the future of development in the sub-region belongs to smart, systemic interventions that can create long-term, sustainable impacts in economic opportunities and behavior for Karamojong agriculturalists and pastoralists.

2. Program Overview:

SECTOR #1 Agriculture & Food Security	Stabilize and protect assets of the most vulnerable populations in targeted areas through the provision of essential humanitarian assistance that stimulates and links to economically productive value chains				
Beneficiaries Targeted	65,519		Budget	\$1,457,198	
Beneficiaries Reached	68,350 ¹	104%	Amount Spent	\$1,495,200	86%
Geographic Area (s)	Karamoja region, Kaabong, Abim, Kotido, Moroto, Nakapiripirit				
Sub-Sector: Seed system & agriculture inputs					

¹ Each household is composed of 7 individual family members in Karamoja

INDICATORS	BASELINE	TARGET	PROGRESS (to date)	
<i>Increase in number of months of food self-sufficiency due to distributed seed systems/agricultural input for beneficiary families</i>	4.75	6.25	8.3	133%
<i>Number of people benefiting from seed systems/agricultural input activities</i>	NA	5,000	7,225	145%
<i>Actual number of hectares (ha) planted</i>	NA	1,660	1,778	107%
Sub-Sector: Livestock				
<i>Number of animals benefiting from or affected by livestock activities</i>	NA	18,000 ²	31,530	175%
<i>Number of people benefiting from livestock activities</i>	NA	4,200	7,357 ³	175%
Sub-Sector: Veterinary Medicines and Vaccines				
<i>Number of CAHWs trained</i>	NA	150	151	101%
<i>Number of beneficiaries provided equipment</i>	NA	150	151	101%
<i>Number of veterinary interventions, treatment and vaccinations administered</i>	NA	3 ⁴	3	100%
<i>Number of animals treated or vaccinated</i>	NA	450,000	472,899	105%
<i>Number of private pharmacies supported</i>	NA	5	4	80%
SECTOR #2 Economy and Market Systems	Rebuild livelihoods and promote economic development through productive activities that create and diversify household assets, complimented by strategic demand-side market linkages to support priority sectors and strategies.			
Beneficiaries Targeted	3,111 direct	Budget	\$3,542,802	
Beneficiaries Reached	6,547(HH) %210.	Amount Spent	\$3,282,544	77%

² The average number of livestock per HH in Karamoja is 30 (NAADS report)

³ References to the number of HH

⁴ The program will emphasize three important diseases (CBPP, CCPP, PPR)

)	4%		
Geographic Area (s)	Karamoja region, Kaabong, Abim, Kotido, Moroto, Nakapiripirit			
Sub-Sector: Economic Asset Development Recovery				
INDICATORS	BASELINE	TARGET	PROGRESS (date)	
<i>Number of people assisted through Economic Development activities</i>	n/a	311,183 indirect ⁵	74,668 indirect	24%
<i>Number and percent of people utilizing economic assets created to support their livelihood pattern</i>	n/a	3,111 (10% of total Beneficiaries)	2,263 direct	73%

3. Implementation Updates by Objective

Sector 1 – Agriculture and Food Security

Objective 1: Stabilize and protect assets of the most vulnerable populations in targeted areas through the provision of essential humanitarian assistance that stimulates and links to economically productive value chains

Activity 1.1 - Asset-building / Cash for Work (CFW)

Assistance under Sector One included short term support intended to effectively help extremely economically vulnerable households boost their income. Using accepted practices in cash-for-work, including setting daily rates just below standard fulltime wages (around UGX 4,000) and mandating that at least 50 percent of workers are male (otherwise most workers tend to be overworked women sent my male heads of households to labor), HFPCR built 51.4 km of roads and three micro dams. This activity was closely coordinated with local governments to select beneficiaries and identify priorities for road and microdam development.

Geographical Location	Project Type	# of Km's Completed	# Beneficiaries benefited
Abim, Awach SC	Road construction (Abuk to Pader)	16	565
Kaabong, Karenga SC	Road construction (Pire to Lobalangit)	9.5	634
Kotido, Kacheri SC	Road construction (Kacheri to Losakucha)	7.5	810
Kotido, Kacheri SC	Road construction (Losakucha to Lobanya)	18.4	466
		# of Micro dams completed	# of Beneficiaries
Kaabong Rural	Micro Dam (Losogolo and Lomeris)	2	530
Kaabang, Kapedo SC	Micro dam	1	507

⁵ Refers to direct and indirect individual beneficiaries

Kotido, Kacheri SC	Micro dam	2	551
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The Losakucha to Lobanya road fell under LED programming, as it was identified and the management of building the road was supported by the relevant LEDC. The rest of the activities listed in the table above were planned by HFPCR.

Activity 1.2 - Asset-building /Inputs for Work

Over the life of the project, 4,114 farmers participated in the originally designed Inputs for Work activity, implemented by IRC in Moroto (Napak) and Nakapelimoru, in which farmers cleared land in exchange for receiving seeds and tools. Those farmers who benefited from this activity over the life of the program received 54,005 kg of seeds and cleared 1,371 acres of land to fulfill their obligation. The table on the right lists the types of seeds distributed.

Seeds Type	Quantity Distributed(Kg)
Maize Longe 4	6,340
Maize Longe 5	6,890
MILLET - PESE 1	305
Sorghum Sekedo	780
Groundnut Serenut 2	810
Groundnut Serenut 4	25,275
Simsim Sesemi II	830
Sunflower Sunfola	51
Beans K132	7,585
Sorghum Epuripur	1,200
Greengram-Secow2	3,080
Cow peas Kunde	59
Cow peas-CP 1"white"	800
Total	54,005

In 2011, in an effort to boost agricultural productivity on a broader scale, Mercy Corps under HFPCR contracted tractors, oxen and labor crews to provide tillage services for farmer groups and individuals with the capacity to produce at a commercial level. The tillage service functioned on a cost share basis, with HFPCR contributing 65 percent of the cost of tillage, or UGX 55,000 (approximately USD 25) of the total cost of UGX 85,000 per acre for mechanized tillage. This was an increase over the original estimate of UGX 60,000 per acre, negotiated upward by contractors in the face of a nationwide fuel price spike. In order to tap higher commercial potential, farmers needed to own at least 10 acres to be eligible for participation in the program. However, the project faced significant constraints in providing access to mechanized tillage as contractors from outside the sub-region performed unreliably, failing to appear at their designated work areas on time and bringing low quality machines that frequently broke down, leading to extensive downtime and a significant amount of farmer frustration. As a result, contractors under the program providing tractors tilled only 407 out of an intended 1500 acres as of the end of June. Their contracts were canceled at that point, while HFPCR reached out to farmers to share the cost of quickly contracting oxen and labor gangs to open land that had been left to wait for the tractors.

This experience was a learning opportunity, pointing toward the need to develop a local supply of mechanized tillage services. HFPCR demonstrated farmer willingness to pay for at least a portion of the cost of the service, but failed to find any contractors within Karamoja and no reliable contractors from outside the sub-region. In the future, actors (including HFPCR) should focus on building local capacity by providing financial access, leading to the acquisition of reliable new or used machines by local businesspeople.

Activity 1.3: Training on improved agronomic practices

In the 2010 planting season (April-June 2010), the IRC Agriculture Officers with support from 15 community based trainers (CBTs), trained 3,342 farmers (1,045 in Napak and 2,297 in Nakapiripirit districts). In the 2011 planting season, the IRC increased that a number to a total of 3,642 farmers (1,218 in Napak and 2,424 in Nakapiripirit districts). The CBTs participated in a five day training of trainers (TOT) in February 2010 and a refresher in March 2010 in

preparation to support the Agriculture Officers in conducting the trainings with the farmers. Specific training topics offered to farmers were in three phases;

- Phase 1: Land preparation, seeds selection, planting methods, and seed rates (ie, how to ensure optimal plant population via optimal seed rate per acre);
- Phase 2: Pest and disease control and weeds management; and
- Phase 3: Post harvest handling techniques.

Each training phase lasted approximately two hours for each farmer group comprised of 15-30 members. The table below shows the common practices of participating farmers before and after the trainings;

Main Farm Activities	Common Practices (Before Agronomy Training)	Adopted Practices (After Agronomy Training)
Site selection & land preparation	<ul style="list-style-type: none"> ▪ Repeatedly grew the same crop in the same garden ▪ Land roughly prepared, and weeds not properly subdued 	<ul style="list-style-type: none"> ▪ Strategic rotation of crops to allow nutrient regeneration ▪ Finer land preparations, and weeds subdued further
Seed selection & planting	<ul style="list-style-type: none"> ▪ Repeat use of seed over five generations, thus low yields ▪ Mainly broadcasted seeds, and different seeds in same hole when mix cropping ▪ Optimal seed rate per acre was never considered 	<ul style="list-style-type: none"> ▪ Used 1st generation seed, to be changed after 4th generation ▪ Line planting adopted, and when mix cropping, different crops are planted in different holes ▪ Seed rate per are considered, be it broadcasted or line planted
Weeds & weed control	<ul style="list-style-type: none"> ▪ Gardens rarely weeded, but left at the mercy of weeds ▪ Weeds outcompeted crops due to poor land preparation 	<ul style="list-style-type: none"> ▪ Majority weed at least once; weeding twice is recommended ▪ Finer fields ensure that weeds are less dominant to crops
Pest & disease control	<ul style="list-style-type: none"> ▪ Pest and diseases mainly carried with old seeds and repeated growing of same crop in the same garden 	<ul style="list-style-type: none"> ▪ Lower rates of pest and disease infestation as a result of using new seeds and varying crops on a particular garden

Activity 1.4 – Training Of Community Animals Health Workers.

HFPCR focused on building the capacity of community animal health workers (CAHWs) in the region to improve animal health. CAHW capacity building was done jointly with strong collaboration with district veterinary officers (DVOs) and MAAIF in the animal health sector. Residential trainings for CAHWs were conducted for six days in disease identification and reporting, diagnosis and treatment, benefits of prevention over treatment, and the cross cutting theme of conflict mitigation and reconciliation. A total of **151 CAHW's** were trained during these sessions. CAHW's in the northern half of Karamoja worked under the umbrella of associations, including the Jie Community Animal Health Worker Association (JICAHWA) for Kotido, Dodoth Community Animal Health Worker Association (DOCAHWA) in Kaabong district and Abim Community Animal Health Worker Association (ACAHWA) in Abim. Project-supported CAHWS were provided with started up kits that included buddizos, scalpels, short hoof hammers, knapsack sprayers, automatic drenching guns, and reusable needles, among other items. Many of the CAHWs have since then been administering services to local livestock owners in the various villages on a fee-for-service basis. They have also worked closely with their respective DVO offices and a lead association in the south which coordinates with the DVO.

Geographical Location	# CAHW's Trained and Supported
Kotido	30
Abim	30
Kaabong	30

Nakapiripirit	31
Napak	30
TOTAL	151

Activity 1.5 – Support to Private Pharmacies (vet shops).

To enhance service delivery of in the animal health sector, HFPCR sought to boost the supply of veterinary products across the target area. In the southern half of Karamoja, the IRC supported three private vet shops to increase their efficiency and expand their outreach via a co-investment that included construction materials (cement and paint) to upgrade/renovate the shop itself in accordance to the minimum standards required by the National Drug Authority (NDA), while the vet drug shop proprietor(s) contributed funds to pay for the labor to work on the shop upgrading constructions. In addition, the IRC procured three 125CC motorcycles fitted with metallic lockable carriers and vaccine cold boxes, to be donated to these three vet drug shops. These motorcycles enhance the mobility of the vet drug shops, and thus became more able to deliver mobile services to remote locations within their respective sub-counties, especially on market days when livestock owners have cash to pay for their livestock services. The supported vet shops were thus able to expand their outreach to provide livestock services to remote rural areas and to be able to a service the supply needs of other CAHWs based out in the remote rural areas.

In the Northern region, Mercy Corps worked with JICAHWA to help them access finance under a loan guarantee program with Stanbic Bank. After a process of business plan and loan application development, assisted by Mercy Corps staff, JICAHWA accessed a UGX 20 million in 2011, allowing them to restock their drug shop. Since taking out the loan JICAHWA has made all repayments and has increased its turnover at its drug shops from once per year to four times per semester. CAHWs in the association also received refresher trainings on business management, disease identification and treatment. In the recent year, 2011 there has been lower disease incidence in the region, attributed at least partly to the vigilance and response by the community Animal health workers down at the community level including both the kraals and manyattas.

Activity 1.6 – Vaccination and Treatment activities

HFPCR's mass vaccination activities were undertaken in response to outbreaks of CBPP, CCPP and PPR. The project between 2009 and 2010 coordinated with DVOs to provide logistical support including expenses related to transportation of vaccinators, meals, stipends for both the vaccinators and technical staff, fuel for cold storage, and others expenses. Working through DVOs and CAHWs, HFPCR sought to develop an appreciation among livestock owners for the utility of prevention over treatment – with the former being five times cheaper than the latter. Discussions with CAHWs indicate that most livestock owners still prefer treatment to out-of-pocket prevention although some progress has been made with the training of livestock owners to understand the importance of disease prevention among their livestock.

Overall, there has been an increase in the treatment services provided by CAHWs with **9,754 cattle, sheep and goats treated** for the diseases ranging including *Anaplasmosis, East Cost fever, Babeflosis, Heart water, Foot Rot and de-worming*, though this number is likely under-reported as it relied on communication with as many CAHWs as HFPCR could contact to gather the information. Previously the region was highly dependent on services from government and donor funds to carry out such treatments, but HFPCR through its support to CAHW capacity improved the ability of local service providers to bring this service on a sustainable, commercial basis to local livestock owners.

Lastly, in order to facilitate the vaccination process and future independent CAHW-provided animal vaccination and treatment, HFPCR in consultation with respective DVOs identified strategic livestock corridors where the program constructed eight cattle crushes.

DISTRICT	# Cattle Vaccinated against CBPP	# Shoats Vaccinated against PPR	# Goats Vaccinated against CCPP
Kotido	49,808	-	-
Abim	21,482	11,903	-
Kaabong	103,816	42,505	-
Napak	10,359	117,267	59,053
Nakapiripirit	19,156	23,425	14,125
TOTAL	204,621	195,100	73,178

Objective #2: Economy and Market Systems - (LED Planning)

"Rebuild livelihoods and promote economic development through productive activities that create and diversify household assets, complemented by strategic demand-side market linkages to support priority sectors and strategies".

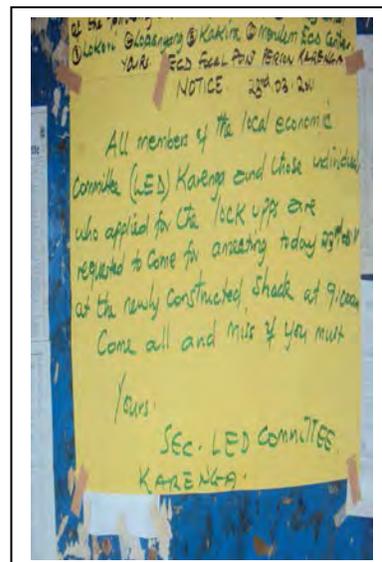
Objective Two of the program built on top of the agricultural and food security-focused interventions under Objective One to build long-term productive infrastructure and provide enterprise development support that promoted a more sophisticated microeconomy in the sub-region. This approach centered on LEDCs, which offered HFPCR access points for community-led planning of infrastructure development and other activities.

Activity 2.1- Local Economic Development (LED) Planning

To prioritize the selection and improve the sustained local management of economic development activities, HFPCR used the LED approach, adopted from the World Bank methodology for rural development. In August 2009, Mercy Corps' Economic Development Director conducted an in-depth training for HFPCR staff on the LED approach, enabling program staff to facilitate LEDC formation and LED planning and implementation. This process included:

- Supporting communities to identify LEDC members
- Conducting Local Economy Assessments to understand LED options and priorities
- Developing the LED strategy of options into a readable strategy
- Implementing the LED strategy and providing Budget support to selected projects
- Reviewing the LED strategy developed against progress

With this completed, the program staff moved to the different sub counties to conduct introductory meetings and mobilize for community sensitizations that covered community members including local government officials, the business community, and women, youth and elders. By the end of this process, 11 LED committees consisting of nine members each were formed across the project area.



The 11 LED committees in the different sub counties conducted economic assessments in their respective sub counties in order to identify economic development priorities that could viably be addressed and included in the LED strategy. Program staff trained the LEDCSs to familiarize

them with the different assessment tools, then provided close support throughout the implementation of assessments. This resulted into a number of priorities being identified, though the majority of priorities related to infrastructure. A three-day LED strategy development workshop was held for each of the eleven LED committees to organize the findings of the assessments into strategies, with the first (and sometimes the second) highest priority selected for support by HFPCR.

Project staff also encouraged the LEDCs to solicit for funding for the other priorities, based on the assessment they conducted. Review meetings with the LEDCs were conducted in 2011 to compare progress against their operational plans for the different projects being implemented. At that point HFPCR staff also provided refresher training on asset management and monitoring.

Activity 2.2- Local Economic Development- Market Infrastructures

From the different priorities identified for funding by the LEDCs, the program supported productive assets that had high potential to benefit the wider community by providing economic opportunities. The projects (listed below) included cattle markets, commodity markets, produce stores, a road, and supporting assets like latrines and drying slabs to support crop and livestock production.

HFPCR Market Investment Projects			
S/No	District	Sub County	Project
1	Kotido	Kotido Town Council	Kanawat Cattle Market (Veterinary office, perimeter fence, five loading ramps, water trough and one cattle crush)
2	Kotido	Kotido Town Council	Commodity (Four market shades)
3	Kotido	Kacheri	Produce store (Two drying slabs, rain water harvesting system and latrine attachment)
4	Kotido	Kacheri	Kokoria Cattle Market (Veterinary office, perimeter fencing, three loading ramps, one cattle crush and a latrine attachment)
5	Kotido	Kacheri	18.4 Km road (Losakucha to Lobanya)
6	Kotido	Kacheri	Four Water Troughs to support livestock production
7	Kaabong	Kaabong Town Council	Commodity Market (Four market shades, two rain water harvesting systems and a latrine attachment)
8	Kaabong	Kaabong Rural	Two Water Troughs to support livestock production
9	Kaabong	Kapedo	Four Commodity Market shades (with a Latrine attachment)
10	Kaabong	Kapedo	Two Water Troughs to support Livestock production
11	Kaabong	Karenga	Four Commodity Market shades with Latrine attachment
12	Kaabong	Karenga	Four Water Troughs to support Livestock production
13	Abim	Morulem	Produce Store (with two drying slabs and Latrine attachment)

14	Napak	Lokopo	Lokopo Cattle Market (Loading ramp and Latrine attachment)
15	Napak	Lokopo	Commodity Market
16	Napak	Iriiri	Commodity Market shade with latrine attachment
17	Napak	Iriiri	Slaughter Slab rehabilitation
18	Nakapiripirit	Namalu	Commodity Market
19	Nakapiripirit	Mourita	Commodity Market with Latrine attachment
20	Nakapiripirit	Nakapiripirit Town Council	Commodity Market
21	Nakapiripirit	Kakomongole	Produce store with drying slab and latrine attachment

The opportunities created as a result of the productive investments are varied, ranging from permanent employment gained to reducing post harvest losses, increasing on the local government's revenue, stimulating trade between communities, increasing production in the greener belts to stimulation of the local economy. (*Refer to the Evaluation report on data*)

Activity 2.3- Enterprise Development Projects

In August 2009, Mercy Corps conducted a value chain analysis across the whole geographic target area to understand the potentials and gaps within value chains that have a direct contributor to efforts in both Objectives One and Two. The analysis looked at both livestock and crop production, identifying various gaps that could provide a basis for interventions.

In an attempt to improve market access for local producers, in 2009 the consortium facilitated a "Karamoja Investor Round Table Meeting" that explored business opportunities for producer associations, model farmers individual entrepreneurs/ trader associations, processor, input suppliers, financing institutions and local technical assistance providers. The meeting was attended by two input suppliers, three processors, two export buyers, one financial institution, one agricultural market information supplier, and business development services provider, and 27 producers.

To carry support down to the enterprise level, the project held community sensitization meetings at the parish level and HFPCR partnered with the Karamoja Private Sector Foundation to map potential enterprises with business proposals in the line of the value chains identified. A total of 538 enterprises were mapped in the process and asked to apply for support from the project. A total of 262 businesses applied for support, and 106 applicants were selected. Selected enterprises included agro-processors, crop producers, livestock processors, and cereal traders.

Support was provided to different enterprises depending on their line of business and sustainability of interventions. A total of 16 private agro processing enterprises were supported with machinery, and their cost share was to construct the shelter for housing the machinery. The machines included flour grinding machines, groundnut pasting machines, and sunflower oil processing machines. Four of these machines were granted to businesses in the southern area, while 12 were granted to businesses in the northern area. The program followed suit by providing technical training on the maintenance and business management skills to enhance skills on record keeping, profit and loss analysis. These businesses estimated that they are generating more \$3,128 per month, with 40 percent of the income going to operational costs.

The program worked in the apiary sector, where there is high but underutilized potential for good quality honey from Karamoja. Two groups of 64 beneficiaries in the northern districts were supported with 170 Modern Kenya Top Bar Hives and equipment including bee smokers, drinkers, harvesting jackets and air tight buckets. The program also facilitated training on apiculture with an experienced entomologist from the region, including group management and basic business plan development. The groups approached harvesting period with an expected two metric ton harvest, estimating an income of \$3,500 per season. Two butchery enterprises were also supported HFPCR through cash grants to improve their facilities and sanitation.

HFPCR also facilitated enterprise development with a partnership with Stanbic Bank, developing a small loan guarantee pilot whereby Mercy Corps guaranteed 70 percent of loans disbursed under the facility. After an excessively long process (detailed in the HFPCR Final Evaluation), 12 enterprises were able to receive an approximately UGX 150 million in loans. The businesses included JICAHWA, cereal traders, and agricultural and livestock processors, all which borrowed to obtain working capital that would help them increase turnover. HFPCR undertook capacity building on financial management for these enterprises prior to receipt of loan funds. The program staff continued to monitor the progress of the enterprises with most of them measuring progress towards repayment. However, Stanbic unfortunately made almost no effort to educate borrowers about loan terms and made only one visit to meet with delinquent borrowers. As a result, by the time of writing this report a few businesses were having challenges making periodic repayments. Most of the businesses appreciated the mode of facilitation in building their relationship with the bank, but had deep suspicions about Stanbic. In the future it will be important for development projects to promote competition in financial services by encouraging more banks and microfinance institutions to enter Karamoja.

Lastly, in the southern region, the program employed the Village Savings and Loan Association (VSLA) approach with the intention of increasing household income. Forty-one VSLAs were established, trained and supported with toolkits that included cash boxes with three locks, ledger books, stamp pads, calculators, money bags and assorted stationeries. By the program's close, all savings groups were still operating. A total of 1,018 beneficiaries have been reached through this scheme and as of end of May a total of \$ 23,167 was accumulated in savings while the payout was due to the end of the year. This has provided alternatives to borrowing and savings from within and acted as a strong stimulant to self reliance by generating innovative business plans and ideas.

4. Monitoring and Evaluation

Monitoring

Program monitoring has been constantly carried by the different stakeholders in the community with monitoring and evaluation officers for the different implementing agencies collecting and analyzing data. Program staff from Mercy Corps and the IRC also conducted field visits to each others' areas of operation, helping them troubleshoot some of the challenges different agencies were experiencing during the implementation.

Evaluation

In 2010, Mercy Corps conducted an internal Sustainability Evaluation of HFPCR mid-way through the project. Conducted by the organization's Economic and Market Development Support Director, that analysis provided a handful of recommendations for ensuring the sustainability of activities, including LEDC management. At the program's end, HFPCR partners also conducted an internal evaluation of the overall program to assess the project's

performance and impact, to extract lessons learnt to inform future programming in Karamoja. This evaluation is detailed in the HFPCR Final Evaluation.

5. Coordination

INTERNAL

- **Monthly Program Review and Planning Meeting:**

Throughout the course of the program, the consortium members would hold planning meetings within programs teams to review progress which were later shared in quarterly consortium meetings. These meetings were useful for sharing experience but should have been held more frequently, as approaches between Mercy Corps and the IRC diverged increasingly as the project went forward.

- **Quarterly Consortium Meeting:**

The consortium would meet on a quarterly basis to assess progress toward program goals.

EXTERNAL

- **Monthly Cluster Coordination Meetings:**

The consortium has been fully represented at the different cluster meetings ranging from the food security and livelihood sector working group, District Disaster Management Committee, Karamoja-focused interagency meetings at the regional and national levels. The HFPCR consortium consistently pushed for a more sustainable, market-oriented approach at these meetings.

- **Parish/Sub County Coordination meeting:**

Parish/Sub county coordination meetings have not been very effective due to inconsistent, sporadic meeting coordination by lower local governments. However, HFPCR closely coordinated with and informed the different stakeholders at the grass roots and kept them updated about project activities. The consortium also coordinated with different agencies working in the respective sub counties on intervention to ensure streamlined activities with no duplication. This was well received at all levels.

6. Challenges

After nearly half a century of dependency on food aid and other humanitarian initiatives, HFPCR's development-focused was challenged by community expectations of handouts and other immediate assistance. This situation was further complicated by the unsustainable approaches characterizing other agency programming, which tended to work in opposition to more market-oriented initiatives.

Karamoja's widespread sense of dependency extends to the private sector, where businesses (including contractors) have been weakened by competition with handouts. This has significantly hindered the quality and capacity of service delivery within the region.

Competition for local skilled labor resulted into a high rate of turnover among implementing agency staff, due to the increase in opportunities by the different agencies joining the region.

Insecurity has improved but remains a major concern, despite the efforts by the Government of Uganda, there are still a number of incidences ranging from raids, ambushes, and theft, limiting the mobility for implementers.

The road networks within the region have remained very fragile and susceptible to weather-related closure, cutting residents off from other parts of the country and hindering program implementation.

Uganda as a country has been affected by staggering inflationary rates which has seen the prices for basic commodities in the country double in terms of pricing and created some previous budgetary constraints for planned activities, especially with financial institutions.

7. Conclusion and Lessons Learned

Key findings and Conclusions around Objective 1

1. Sorghum, maize, groundnuts, beans and sunflower are still the five dominant crops grown in target districts. Sorghum is the most widely grown crop in terms of acreage planted and diversity of households growing it. The amount of land allocated to each of the crops has on average increased by five fold, the largest increase being for groundnuts (eight fold). There is more likely possibility for commercialization of sorghum and groundnuts.
2. The program has contributed to improving household wealth for both direct and indirect. Participants attributed the improvement in wealth to project activities such as agricultural production training and promotion of savings through village savings and loan associations. There was also a general increase in crop harvests that allowed households to restock assets like livestock and hence afford daily household necessities.
3. There has been significant improvement in food security and self reliance as uncovered by the changes in two standard food security scores: Household Dietary Diversity Score (HDDS) and Months of Adequate food provisioning. There has been a significant increase in house holds' dietary diversity score at the program sites, from 3.0 to 6.6 food groups at baseline and endline, respectively. Despite the improvements, neither of the average scores in either northern or southern Karamoja satisfies the desired minimum score of 8 food groups. This shows the need for continued support to food security programs in Karamoja. With similar trend in months of reported inadequate food access (May, June, July being the most) at both baseline and endline, the average number of Months of Adequate Household food Provisioning also increased from 5 to 8 months at baseline and endline, respectively.

Key findings and Conclusions around Objective 2

4. The Local Economic Development (LED) approach for selecting enterprises was informed by broad value chain assessments and a midterm sustainability review. The approach was efficient and most of the public assets established will likely be sustained since they were locally prioritized and are managed by local stakeholder committees.
5. Nevertheless, some LED projects could benefit a few individuals rather than the intended wider benefit to communities. Some of the projects have been individualized or there were no procedures for the community to share the returns. In some cases, proceeds from assets such as produce stores were used to pay for committees' sitting allowances while proceeds from market shades were not regularly or uniformly collected from individuals, nor were they transparently managed.
6. The Karamojong economic context is rudimentary, but more conventional economic development activities, such as financial access and buyer-producer linkages, are still feasible with the incorporation of a few lessons. A loan guarantee with Stanbic Bank saw mixed success in its provision of working capital for traders, butchers, and a CAWH

association, with some failures and some dramatic winners. A large mechanized tillage program achieved only partial results due mostly to a dearth of local service providers. An attempt to link Abim-based sorghum producers to breweries buying white sorghum failed due to the lack of active Karamojong market intermediaries. In short, HFPCR proved that non-relief development is possible in Karamoja, while generating a long list of lessons on how to achieve it.

7. Community access road construction is difficult to make sustainable, as communities and local government are reluctant or incapable of ensuring proper maintenance and repair. Development actors should carefully consider the potential benefits of road construction support, and at the least limit their assistance to opening new roads for hitherto inaccessible communities rather than supporting period maintenance and repair.
8. Market access for Karamojong farmers remains a very difficult objective to achieve owing to the inconsistency of existing buyers. HFPCR's attempt to link Abim-based sorghum farmers to East Africa Breweries via Africa Farm Services failed because Export Trading Group closed Africa Farm Services without warning, leaving Abim farmers without options for selling white sorghum to the brewing market. Future efforts to improve market access should focus on building the network of trader/agents required to guarantee farmer access to a variety of market channels, allowing them to select the best prices and protecting them from the effects of the withdrawal of one or even a handful of buyers.
9. Future efforts to improve the sophistication of local agro-processing should focus on improving local capacity to market and service processing machines. The fact that HFPCR implementers were purchasing and transferring these machines meant that the approach to building the agro-processing capacity differed little from the last few decades of handout-oriented relief, and did little to develop local capacity to repair these machines in the inevitable event of breakdown.