



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
AGRICULTURE CLUSTER DEVELOPMENT PROJECT  
APPROVED ON APRIL 9, 2015  
TO  
REPUBLIC OF UGANDA

AGRICULTURE GLOBAL PRACTICE

AFRICA REGION

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## ABBREVIATIONS AND ACRONYMS

ACDP	Agriculture Cluster Development Project
ATAAS	Agricultural Technology and Agribusiness Advisory Services
EVS	e-Voucher System
e-VMS	e-Voucher Management Agency
GoU	Government of Uganda
ICT	Information and Communication Technology
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
PCU	Project Coordination Unit
PIM	Project Implementation Manual



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

**BASIC DATA**

**Product Information**

Project ID P145037	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 09-Apr-2015	Current Closing Date 31-Mar-2022

**Organizations**

Borrower Republic of Uganda	Responsible Agency Ministry of Agriculture, Animal Industry and Fisheries
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**Project Development Objective (PDO)**

Original PDO

The development objective is to raise on-farm productivity, production, and marketable volumes of selected agricultural commodities in specified geographic clusters.

**Summary Status of Financing**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-56110	09-Apr-2015	26-Sep-2016	23-Jan-2017	31-Mar-2022	150.00	12.58	139.40

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No



## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### A. Background and Project Status

#### 1. Background

The Agriculture Cluster Development Project (ACDP) is financed by an International Development Association (IDA) credit (IDA Cr. No. 5611-UG) of US\$150 million that was approved by the Board on April 9, 2015. The Financing Agreement (FA) was signed on September 26, 2016, after long delays in getting parliamentary ratification; and the project became effective on January 23, 2017. The Project Development Objective (PDO) is *“to raise on-farm productivity, production, and marketable volumes of selected agricultural commodities in specified clusters.”* The project consists of four components, namely: (a) Support for Intensification of On-Farm Production; (b) Preparation for Water Management Investment; (c) Market Linkages, Post-harvest Handling, Storage, and Value Addition; and (d) Project Management, Policy, Regulatory, and ICT functions of Ministry of Agriculture Animal Industry and Fisheries (MAAIF).

#### 2. Status of the project

After a very slow start, the pace of project implementation has picked up over the last six months. It took nearly 22 months from the Board approval of the project to effectiveness. To date, the project implementation structures, including the Project Coordination Unit (PCU), National Project Steering Committee (NPSC), National Technical Committee (NTC), Cluster Multi-Stakeholder Platforms (CMSP), and the District Coordination Teams (DCTs) in the five pilot clusters and 18 districts are in place and functional. The Grievance Redress Mechanism (GRM), including committee structures at district and sub-county levels has been established. Members of the grievance redress committees have been trained on the GRM. The GRM will be fully operational once the micro project sites have been identified. The start-up activities for ACDP, which were funded under the Agricultural Technology and Agribusiness Advisory Services (ATAAS) Project are work in progress. These include: (a) establishing and piloting an e-Voucher scheme for agro-inputs access and/or provision; (b) undertaking pre-feasibility studies for proposed irrigation schemes; and (c) undertaking preparatory activities for the formation and operation of clusters, and identification of access road chokes and potential sites for community primary stores. The e-Voucher Management Agency (e-VMA) to establish and manage the e-Voucher System (EVS) is in place. Pre-feasibility studies for irrigation schemes are most likely to be completed by end of June 2018. However, other key start-up activities, including the establishment of the matching grant for the EVS, identification of access road chokes, and potential sites for community storage facilities are still to be completed. Except for the e-VMA, other startup activities were scheduled to be completed by the closing date of ATAAS project, which is June 25, 2018. The registration of farmers who will benefit from the EVS has been launched and is progressing well in the five pilot districts. Installation of the underlying infrastructure that includes ICT hardware (server system, computers, laptops and accessories), to support the various ICT Platforms, including the Local Area Network (LAN), that is linking MAAIF campuses has been concluded. The procurement of the surveillance systems, Hybrid power systems as well as fire suppressing systems for the central server room is at advanced contracting stage. Procurement of other goods (e.g. motor vehicles, motor cycles, and office furniture) are at Best Evaluated Bid (BEB) notice, while procurement of consultancies (e.g. technical assistance), and rental of office space are at advanced contracting stages. Procurement is hence currently rated Moderately Satisfactory (MS). The disbursements rate stands at 8.48 percent (about US\$13 million out of the available credit of US\$150 million) which is very low, but is expected to increase to 15 percent by end of September 2018, when most of the ongoing procurement



contracts are delivered. Financial management performance is rated Moderately Satisfactory (MS), and the associated risk as Substantial largely due to slow implementation and low disbursement rate.

The overall project performance has been rated Unsatisfactory (U) in both progress towards achievement of the PDO and implementation progress (IP) for the last 6 months. Both the Bank task team and MAAIF management agree that this poor project performance is attributed to four key factors: (i) delays in getting parliamentary approval (nearly 18 months after the World Bank Board approval) and meeting the conditions of project effectiveness; (ii) delays in procuring and appointing the e-VMA due to limited capacity of MAAIF to implement EVS; (iii) unclear roles and responsibilities of the MAAIF's technical departments, which are implementing the project; and (iv) the slow decision-making processes stemming from the complex institutional arrangements for implementing the project, including multiple layers of reporting and overlapping mandates.

Financial Management. There are no pending audit reports nor outstanding fiduciary or safeguard issues. The quarterly Interim Financial Reports have been submitted on time and quality of these reports is satisfactory and meets Bank standards. The external audit has been conducted in line with International Audit Standards. Audit reports have been submitted on time as indicated in the Financing Agreement, and the reports were unqualified with no major reservations.

## **B. Rationale for Restructuring**

This is a second Level 2 restructuring of the project. The first Level 2 restructuring was undertaken following a request by the GoU dated November 21, 2016, to modify the effectiveness condition related to the appointment of an e-VMA, who will be responsible for up to US\$85 million of project proceeds. Its procurement process was complex and required extensive preparatory activities, including stakeholder engagement to be completed beforehand. Thus, it was clear that it was not feasible to complete the procurement process of an e-VMA by the original effectiveness deadline of January 17, 2017. As a result, the effectiveness condition on the appointment of e-VMA was broken into two parts. Part A required MAAIF to: (i) develop a plan for stakeholder engagement on the E-Voucher Scheme; (ii) finalize the bidding documents for the e-VMA and obtain the Bank's approval; and (iii) prepare a detailed e-Voucher plan on identification, selection and registration of participating farmers and input dealers. Part B was a disbursement condition that MAAIF appoints and deploys an e-VMA. The project was declared effective on January 23, 2017, after GoU had fulfilled the Part A of the effectiveness condition. To date, Part B has also been fulfilled by the GoU.

The objectives of this second Level 2 restructuring of ACDP are to improve project implementation performance and increase its disbursement rate. The restructuring aims at: (a) addressing the remaining key constraints listed above; and (b) responding to a request from the GoU dated May 29, 2018, to: (i) reorganize project components and activities to simplify technical design, and realign it with the current sector strategies and priorities; (ii) revise the sequence of project activities within components and synchronize implementation between components to achieve targeted results by project closing date; and (iii) make changes to institutional and implementation arrangements, clarifying roles and responsibilities of the various MAAIF technical departments to streamline decision-making processes.

The second Bank Implementation Support Mission (ISM) undertaken from November 27 – December 1, 2017, the Technical Mission of February 26 – March 2, 2018, and the third ISM of April 16 – 27, 2018, raised serious concerns regarding the poor project implementation performance and low disbursement rate. An action plan for turning around the project performance that was agreed during the technical mission, helped to improve the project implementation performance. Nonetheless, the Bank task team felt that the project needed to be restructured for the following reasons: (i) the changing operational environment of the project, since its approval by the Bank, including the launch of the new agricultural extension policy, strategy and operational guidelines, which opens up the participation of non-state actors in the provision for advisory services; (ii) the infestation of the Fall Armyworm (FAW) that is affecting the priority



commodities of the project, particularly maize, rice, cassava and beans, which has spread to all districts in the Republic of Uganda, and needs to be managed strategically; (iii) the need to strengthen the agricultural statistics capacity of MAAIF to provide data and information that are vital for strategic sector planning and policy decision-making; and (iv) the need to accommodate the startup activities that were budgeted under the ATAAS project, but could not be completed before its closing date of June 25, 2018.

Despite the delays in project effectiveness and slow implementation progress, this Level 2 project restructuring does not envisage partial cancellation of the IDA credit proceeds. This is because the excess credit proceeds will be absorbed by: (i) startup activities that were to be financed under the ATAAS project, but will not be completed before its closing date of June 25, 2018 (e.g., farmer registration, capacity building of agro-inputs dealers, establishment of the matching grant for the EVS, identification of access road chokes and potential sites for community storage facilities, development of the various functional platforms such as e-Extension, e-Monitoring and Evaluation, e-Statistics, e-Markets, e-Certification, and e-Geoportal); and (ii) new project activities, which are key to the success of the ACDP, including: (a) support to strengthening the agricultural statistics capacity (e.g., data and information collection, analyses, and reporting or dissemination); (b) management of the FAW (e.g., surveillance and control, research on natural enemies or biological control, integrated pest management (IPM), and efficacy of insecticides); and (c) strengthening of the regulatory frameworks (e.g., registration and accreditation of seeds, fertilizers and pesticide importers and stockists), and market intelligence (e.g., analysis of prevailing and trends in production, market prices, and demand and supply of the five project supported commodities). The IDA credit proceeds are reallocated among the restructured project components (see Table 1) to finance these startup activities not completed under the ATAAS project, and new strategic sector priorities. The changes due to the Level 2 restructuring of ACDP that were proposed in the MAAIF's Issues Paper and agreed during the third ISM are summarized in Section II below.

## II. DESCRIPTION OF PROPOSED CHANGES

### A. Proposed Changes

#### 1. Simplification of project technical design

**Component 1. Support for Intensification of On-Farm Production.** The objective of Component 1 is to support intensification of on-farm production of five priority commodities namely, maize, cassava, beans, rice and coffee. For eligible farm households, support under this component continues to be in the form of: (i) a time-bound, partial and diminishing matching grant to help finance the purchase of key inputs and on-farm storage (sub-component 1.1); and (ii) targeted training in the most effective use of inputs (sub-component 1.2). In addition, support is provided to MAAIF to strengthen its capacity to collect, analyze, and provide information on agricultural input markets, and to offer capacity building services to input suppliers (sub-component 1.3). There are slight modifications under each of the sub-component as briefly described below.

While Component 1 remained largely unchanged it was agreed to add new activities to Sub-component 1.2 and rationalize activities under Sub-component 1.3 to clarify roles and responsibilities of implementing departments.



**Sub-component 1.1. e-Voucher Program.** There are simplifications to this sub-component relating to: (a) mechanisms for selection of e-Voucher beneficiaries; and (b) value of subsidies and eligibility criteria. Instead of testing alternative ways of working with the Rural Producer Organizations (RPOs), as summarized in Table A.3.1., Page 63 of the Project Appraisal Document (PAD), the e-vouchers will be provided to all members of RPOs judged to be in the top 65 percent in terms of capacity and performance; and are within a specific farm size category (i.e., 0.5 ha to 2.0 ha). This is basically the second option among the four listed in Table A.3.1. of the PAD. An e-Voucher will have an accumulated value equivalent to US\$180.00 at the prevailing exchange rate. The eligibility criteria for the e-Voucher, namely land ownership, will be applied flexibly towards potential female and youth beneficiaries. For example, instead of “land ownership”, “access to land” will be considered as one of the eligibility criteria for these beneficiary groups (other criteria, namely willingness to pay and get training remain the same). The target will remain to have at least 50 percent of e-voucher beneficiaries to be women.

**Sub-component 1.2. Capacity Building for Target Beneficiaries and Farmer Organizations.** The original sub-component 1.2: *Training for Recipients of e-Voucher Support* has been renamed as “*Capacity Building for Target Beneficiaries and Farmer Organizations.*” The original sub-component aimed at providing focused training to participating households on the use of the purchased inputs and post-harvest storage options to ensure their most effective on-farm use. The assumption made at the design of ACDP was that the capacity of RPOs, whose roles included the selection of e-voucher beneficiary farmers, would have been developed under the ATAAS project. Given that this activity was not carried out fully under the ATAAS project, during implementation of the e-voucher scheme, training will not be limited to the recipients of e-voucher alone. The capacity building activities have been expanded to include: (a) forming and/or strengthening new and existing farmer organizations where these do not exist and/or are too weak, so that they effectively participate in the e-Voucher scheme; and (b) piloting (in five pilot districts) the government’s new extension strategy that was developed under the ATAAS project, and rolling it out to the 42 districts of the ACDP. Key elements to be piloted will include: (i) Information and knowledge database; (ii) e-Extension; (iii) Quality assurance; and (iv) Performance evaluation and monitoring of extension service.

**Sub-component 1.3. Development of Agricultural Input Markets.** This sub-component was simplified by limiting its activities to the development of the capacity of the supply side of the agricultural input markets to operate effectively and to scale up to meet the expanding demand for inputs. The support will continue to be strengthening the MAAIF’s capacity to collect, analyze and provide practical and timely market information to stockists, input suppliers, farmers’ associations, and other participants in the supply side of the inputs markets. Therefore, this sub-component will focus only on: (a) capacity-building activities to strengthen the agro-dealers’ distribution networks and their input control systems and to cover training areas listed as (i) – (iv) in Paragraph 11, Page 43 of the PAD; and (b) promotion and facilitation of bulking of demand for imports of appropriate fertilizer and agro-chemical supply. The following activities previously under this sub-component will be moved to the new Component 3 – Policy, Regulatory and Institutional Support, mainly because they need to be implemented at the national level, including: (a) establishment of a market intelligence function; (b) systematic surveys of the number and capacity of inputs producers and producer organizations; (c) systematic monitoring, reporting and bulking of farmers’ demand for inputs; and (d) development and implementation of an accreditation program for input suppliers to become partners in e-Voucher scheme.

**Component 2. Value Addition and Market Access.** Originally, this was Component 3 – Market linkages, Post-harvest Handling, Storage, and Value Addition. Component 3 was found to be too complex to be effectively implemented by the districts. It was also felt that post-harvest handling and storage activities were part of value addition. Therefore, Component 3 was renamed as Component 2 - Value Addition and Market Access to align and sequence its activities with Component 1 - Support for Intensification of On-Farm Production. The new Component 2 still aims to support activities and investments to improve marketing and post-harvest handling of farm produce; and support measures to eliminate bottlenecks and trouble spots in rural access roads critical for the movement of farm produce to markets. Under Component 2, MAAIF will build the capacity of the Area-based Commodity Cooperative Enterprises (ACCes) and RPOs to



effectively perform value addition and become marketing agents (aggregators) of farm produce from their affiliate farmer organizations.

**Sub-component 2.1. Capacity Building for Producer Organizations and Value Chain Actors.** The original Sub-component 3.1 has been renamed Sub-component 2.1 - Capacity Building for Producer Organizations and Value Chain Actors. Unlike the original Sub-component 3.1, which was solely focusing on market knowledge and intelligence, the new Sub-component 2.1 has much broader focus. This sub-component focuses on building the capacity and institutional development of Producer Organizations, including the Area-based Commodity Cooperative Enterprises (ACCEs), RPOs and farmers co-operatives: (a) to manage their business enterprises effectively; and (b) to scale up their operations. The new Sub-component 2.1 combines all activities under the old *Sub-component 3.1 (Market Knowledge and Intelligence for the Selected Commodities)* and the old *activity 3.3(a)* – capacity building for apex farmers’ associations at the national level; and old *activity 3.3(b)* – capacity building for local farmers’ associations at local level.

**Sub-component 2.2. ACCE-level Warehousing, Value addition and Marketing.** This sub-component has been derived from the original Sub-component 3.3. The main objectives of strengthening the capacity of farmers’ cooperatives and associations to manage their business enterprises effectively, scale up their operations and to improve their profitability remain the same. However, the new Sub-component 2.2 has been simplified by moving activities under the old *activity 3.3(a)* and *3.3(b)* to the new Sub-component 2.1. Therefore, the new Sub-component 2.2 will only include activities under the old Sub-component 3.3(c), which finances physical investments. Under the new Sub-component 2.2, the project will support investments of locally based farm cooperatives and associations in community-level post-harvest handling, grading, bulking and storage, and processing for value addition. The mechanism for this support will be a matching grant to finance two-thirds of the cost of the purchase of equipment and facilities needed to scale up and improve the effectiveness with which the ACCEs are able to carry out these functions, including construction of community primary storage facilities. Building on experience from the Competitiveness and Enterprise Development Project (P130471), the matching grants for co-financing activities under this sub-component will be managed by competitively recruited independent entity. The subprojects to be supported under the matching grants will be selected based on business plans prepared by the eligible farmers’ cooperatives and associations. The matching grants management entity will undertake independent screening and evaluation of the business plans to determine their technical, socio-economic, financial viability and environmental sustainability.

**Sub-component 2.3. Farm Access Roads and Choke Points at Community Level.** This Sub-component will include all activities under the old *Sub-component 3.2*. The objective is to provide support to each cluster to make improvements in existing farm access roads, while focusing on eliminating key choke points that regularly impede the inflow and outflow of agricultural inputs and commodities, respectively. The clusters will prioritize and package the works in relatively larger lots to have sufficient economies of scale and attract competent contractors. The procurement of the civil works will be done by the Project Coordination Unit (PCU) and bidding documents will include provisions for environmental and social safeguards, particularly those aiming at addressing the Gender Based Violence (GBV) and Violence Against Children (VAC). In case the lots do not attract private construction firms because they are uneconomical, the force account procurement method will be used i.e. works undertaken by the construction team of the district engineering department. The Bank transport specialist will be included in the task team to ensure quality of works. The Grievance Redress Mechanism (GRM), which is in place, will be used to register complaints that have been submitted by project-affected people and how they are resolved, including the GBV and VAC complaints.

**Component 3: Policy, Regulatory and Institutional Support.** This new Component 3 has been created by combining the old Component 2 (*Preparation for Agricultural Water Management Investments*), old Sub-component 4.2 (*Capacity Building for Policy and Regulatory Functions*), and the emerging sector priorities (*Strengthening the Agricultural Statistical Capacity and Management of Fall Armyworm*). It was felt that the new Component 3 should support investments that create an enabling environment for delivering the project and prepare the future infrastructure investment programs. Thus, the new Component 3 is designed to put in place institutional frameworks to support key MAAIF functions. These



will include strengthening policy formulation and regulatory functions of various technical departments of MAAIF; strengthening the Agricultural Statistics Capacity; and strengthening the capacity to manage Fall Armyworm infestation.

**Sub-component 3.1. Policy and Regulatory Functions.** Under this sub-component emphasis will be given to strengthening the regulatory capacity of MAAIF. The project will support activities to increase MAAIF's effectiveness in carrying out its role with respect to policy and regulatory regimes affecting agricultural input and output markets. This will include supporting infrastructure, such as accredited laboratories for analyses of agricultural inputs (e.g., seed, fertilizers, and agro-chemicals), and providing equipment and human resource needed for effective regulatory system. Some activities that were formally mapped under Sub-component 1.3 will be addressed here. These include: (a) establishment of the market intelligence system aimed at enabling suppliers to better anticipate and respond to projected farmers' demand for inputs; and (b) development and implementation of an accreditation of input suppliers to become partners in e-Voucher scheme. Sector studies for policy formulation, such as for mechanization and agricultural insurance will also be undertaken.

**Sub-component 3.2. Agricultural Water Management Investments.** This sub-component is the old Component 2. It has been brought under Component 3 because it focuses on preparing priority future infrastructure investments, which could be financed under different project and programs. As per the old Component 2, support under this sub-component will include: (i) preparation of studies and designs for irrigation and drainage infrastructure, including internal and access roads to selected schemes for lowland rice; (ii) formation and training of Water User Groups for irrigation schemes to promote sustainable water resources management practices, and operations and maintenance of irrigation infrastructure; (iii) integrated soil and water management for irrigation areas and associated buffer zones, including watershed protection; and (iv) the capacity development of MAAIF's water for production unit. This sub-component could also support studies and the development of irrigation models for smallholder irrigated coffee. MAAIF will work in close collaboration with the Ministry of Water and Environment in undertaking activities. The Bank team will also include an irrigation specialist from the Water Global Practice to ensure that the technical designs are feasible, and they are incorporated in the future support.

**Sub-component 3.3. Agricultural Statistics.** This new sub-component has been added as part of the emerging sector priorities. The MAAIF's agricultural statistical capacity, including for data collection, analysis and reporting is weak. As a result, there is inadequate reliable agricultural statistics for planning and decision-making purposes. Thus, this new sub-component will support investments, including ICT equipment and Human Resource (HR) required to strengthen the capacity of the Agricultural Statistics Unit (ASU) in MAAIF. This would include developing the system for collecting data at the national and district levels, analyses and dissemination. It will also support efforts to link ASU's data with the Uganda Bureau of Statistics. Under this sub-component, all administrative data; surveys including systematic surveys of the number and capacity of inputs producers and producer organizations and systematic monitoring and transparent reporting on farmers and efforts to bulk their demand for inputs, formally under Sub-component 1.3; sector studies; pest and diseases surveillance data; and any other sector data will be undertaken under the leadership of ASU. The Bank's Development Impact Evaluation (DIME) team will provide necessary capacity building support for ASU.

**Subcomponent 3.4. Management of Fall Army Worm.** This is also a new sub-component responding to the emerging sector priorities. To date, Fall Army Worm (FAW) infestation has been confirmed to cover over 90 percent of Uganda. The pest is known to attack many species of plants, including the five priority commodities supported by ACDP. It is estimated that 450,000 metric tons (valued at US\$192 million) of maize were lost in 2017. GoU has made the FAW management one of its top priorities. Therefore, support under this sub-component will include continued surveillance and mapping of FAW infestation, research on Integrated Pest Management (IPM) of FAW (including the search for natural enemies for biological control purpose), testing of various agro-chemicals for controlling FAW, and purchase and distribution of chemicals to combat FAW during outbreaks.



**Component 4: Coordination and Management, and ICT Platform.** This component has also been simplified by moving investments related to the policy and regulatory support for MAAIF to Sub-component 3.1. The resulting new Component 4 is leaner and more focused on providing supporting services to the three technical components. The new Component 4 aims at financing the incremental operating costs for the PCU, CMSPs and DCUs; undertaking monitoring and evaluation activities and impact evaluation studies; and developing and implementing web-based, geo-tagged ICT platforms for learning, knowledge management and stakeholders' feedback.

**Sub-component 4.1. National, Cluster and District Coordination.** This remains unchanged with the PCU providing overall coordination of the project. The NPSC continues to provide overall oversight and guidance to the project, while CMSPs and DCUs provide fora for planning, dialogue, and participatory priority setting at the cluster and district levels, respectively.

**Sub-component 4.2. Monitoring and Evaluation and Impact Evaluation.** In the old Component 4, the monitoring and evaluation (M&E) and impact evaluation (IE) activities did not feature prominently. Therefore, this new subcomponent has been introduced due to urgent need for building M&E and IE capacity within MAAIF to closely track project performance and produce evidence-based reports to inform timely corrective decision-making. The sub-component will support the collection of data, analysis and reporting on project implementation performance. The subcomponent will also support IE studies to evaluate the transformational impact of the project and inform policy decision-making process.

**Sub-component 4.3. Web-based, Geo-tagged ICT Platforms.** This is a simplified sub-component aiming at promoting the use of disruptive digital technologies (e.g., e-Extension, e-Monitoring and Evaluation, e-Statistics, e-Markets, e-Certification, and e-Geoportal) to transfer and disseminate production, climate, market and advisory information to the stakeholders. It has been simplified by moving M&E and IE activities, as well as learning and knowledge management, and stakeholders' feedback from the old Sub-component 4.3 (*Developing an ICT-based Agricultural Information Platform for MAAIF*).



**DIAGRAM 1. THE PROPOSED REARRANGEMENT OF COMPONENTS**

Original Project	Direction	Proposed restructuring
Component 1. Support for Intensification of On-Farm Production		Component 1. <b>Supporting Intensification of On-Farm Production</b>
1.1. e-Voucher Program	→	1.1. e-Voucher Program
1.2. Training for Recipients of e-Voucher Support	→	1.2. Capacity Building for Target Beneficiaries
1.3. Support for the development of agricultural inputs markets	→	1.3. Development of Agricultural Input Markets
Component 2. Preparation for Water Management Investment		Component 2. Value Addition and Market Access
2.1. Preparation of Studies and Designs for Irrigation and Drainage Infrastructure	↘	<b>2.1. Capacity Building for Producer Organizations and Value Chain Actors</b>
2.2. Formation and Training of Water Users' Groups	↘	2.2. ACCE-level Warehousing, Value addition, and Marketing
2.3. Integrated Soil and Water Conservation/ Management	↘	2.3. Farm Access Roads and Choke Points at Community Level
Component 3. Market Linkages, Post-harvest Handling, Storage, and Value Addition		Component 3. Policy, Regulatory and Institutional Support
3.1. Market Knowledge and Intelligence for the Selected Commodities	↘	3.1. Policy and Regulatory Functions
3.2. Farm Access Roads at Community Level	↘	3.2. Agricultural Water Management Investments
3.3. ACCE-level Warehousing, Value Addition, and Marketing	↘	<b>3.3. Agricultural Statistics</b>
		<b>3.4. Management of Fall Army Worm</b>
Component 4. Project Management, Policy, Regulatory, and ICT functions of MAAIF		Component 4. Coordination and Management, and ICT Platform
4.1. Project Management and Coordination at National, Cluster, and District Level	→	4.1. National, Cluster and District Coordination
4.2. Capacity Building for Policy and Regulatory Functions of MAAIF	↘	<b>4.2. Monitoring &amp; Evaluation and Impact Evaluation</b>
4.3. Developing an ICT-based Agricultural Information Platform for MAAIF	→	4.3. Web-based, Geo-tagged ICT Platforms

1

## 2. Changes to Component Costs

The total of USD150 million will be reallocated as described in the table below.

<sup>1</sup> Highlighted subcomponents indicate new additions.



Table 1: Revised Project Cost by Component (USD, Million)

<b>COMPONENT 1: SUPPORT FOR INTENSIFICATION OF ON-FARM PRODUCTION</b>	<b>85</b>	<b>COMPONENT 1: SUPPORT FOR INTENSIFICATION OF ON-FARM PRODUCTION</b>	<b>85</b>
1. E-Voucher Program	79	1. E-Voucher Program	79
2. Training for Recipients of e-Voucher Support.	5	2. Capacity Building for Target Beneficiaries	5.5
3. Support for the development of agricultural inputs markets	1	3. Development of Agricultural Input Markets	0.5
<b>COMPONENT 2: PREPARATION FOR AGRICULTURAL WATER MANAGEMENT INVESTMENT</b>	<b>5</b>	<b>COMPONENT 2: VALUE ADDITION AND MARKET ACCESS</b>	<b>45</b>
1. Preparation of Studies and Designs for Irrigation and Drainage Infrastructure	3.3	1. Capacity Building for Producer Organizations and Value Chain Actors	1.8
2. Formation and Training of Water Users' Groups	0.7	2. ACCE-level Warehousing, Value addition, and Marketing	27.2
3. Integrated Soil and Water Management for Irrigation Areas and Associated Buffer Zones	1	3. Farm Access Roads and Choke Points at Community Level	16
<b>COMPONENT 3: MARKET LINKAGES, POST HARVEST HANDLING, STORAGE AND VALUE ADDITION</b>	<b>45</b>	<b>COMPONENT 3: POLICY, REGULATORY AND INSTITUTIONAL SUPPORT</b>	<b>10</b>
1. Market Knowledge and Intelligence for Selected Commodities	1	1. Policy and Regulatory Functions	2.0
2. Farm Access roads at Community Level	16	2. Agricultural Water Management Investments	5
3. ACCE-Level Warehousing, Value Addition and Marketing	28	3. Agricultural Statistics	2.0
		4. Management of Fall Army Worm	1
<b>COMPONENT 4: PROJECT MANAGEMENT, POLICY, REGULATORY AND ICT FUNCTIONS OF MAAIF</b>	<b>15</b>	<b>COMPONENT 4: PROJECT COORDINATION AND ICT PLATFORM</b>	<b>10</b>
1. Project Management and Coordination at National, Cluster and District Level	9	1. National, Cluster and District Coordination	5.18
2. Capacity Building for Policy and Regulatory Functions of MAAIF	3	2. Monitoring & Evaluation and Impact Evaluation	2.0
3. Developing an ICT-based Agricultural Information Platform for MAAIF	3	3. Web-based, Geo-tagged ICT Platforms	2.82
<b>TOTAL PROJECT COST INCLUDING CONTINGENCIES</b>	<b>150</b>		<b>150</b>



### 3. Institutional and Implementation Arrangements

The project design provided for a two-level leadership in the national level project coordination; a Project Coordinator heads the Project Coordination Unit (PCU) while a Task Manager assumes overall responsibility for coordinating the management of the project and reporting to the Permanent Secretary. This duplication in the global project coordination and reporting arrangement has created significant delays and inertia in the decision-making process. To streamline the project decision-making processes, the position of task manager and project coordinator will be merged into a senior-level project coordinator. This position will be assigned to a senior MAAIF officer on a full-time basis. He or she will hold a position high enough to report directly to the Permanent Secretary. The PC's performance will be appraised and assessed based on project performance. Given the size of the project, a position of a deputy project coordinator will be established in the PCU to support the Project Coordinator in the day to day administration and management of the project.

### 4. Changes to implementation schedule

The assumption made at the design stage was that the post-harvest investment activities under Component 3 would commence in Year 3, when e-voucher interventions have piloted and rolled out. However, for better sequencing of activities between components and synchronization of implementation considering the remaining time to project closure, the proposed restructured Component 2 (formally Component 3) activities will require to be initiated early to ensure a seamless linkage among intensification of production, value addition and market access. Once the farmers begin to harvest higher crop yields, challenges of postharvest handling and improved market access will need to be addressed immediately. Therefore, the timelines for component 2 - matching grant activities for value addition and market access - will be brought forward to closely follow the on-farm production intensification activities (e-voucher activities). The following Gantt chart (Fig. 1) shows the revised sequence of project activities to be piloted first in the 5 pilot project clusters, and rolled out sequentially in all clusters.

### 5. Changes to results indicators

Two PDO indicators and one intermediate indicator have been revised as follows. PDO indicator #1: both baseline and target figures have been revised to 1.1 and 1.6 respectively, correcting the error in the unit of measurement. PDO indicator #5-1: Female beneficiaries target has been revised to 30% from 50%, reflecting Uganda's constitution which applies 30 percent as the required gender representation. Intermediate indicator #1: Area under improved technology has been revised to 182,100 (ha) from 450,000 to reflect the correct conversion from 450,000 acres to hectare.

Table 2: Revised Project Results Indicators

	Indicator	Original	Revision
POD #1	Yields of (MT/ha) of selected commodities (maize, rice, beans, cassava, and coffee) for the participating households (Metric ton)	Baseline : 1100 Target : 1600	Baseline: 1.1 Target: 1.6
PDO # 5-1	Female beneficiaries (Percentage)	Target: 50%	Target: 30%
Intermediate # 1	Area under improved technology (seeds, fertilizer, etc.) (Hectare)	450,000	182,100





### III. SUMMARY OF CHANGES

	Changed	Not Changed
Change in Results Framework	✓	
Change in Components and Cost	✓	
Change in Institutional Arrangements	✓	
Change in Implementation Schedule	✓	
Other Change(s)	✓	
Change in Implementing Agency		✓
Change in DDO Status		✓
Change in Project's Development Objectives		✓
Change in Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Disbursement Estimates		✓
Change in Overall Risk Rating		✓
Change in Safeguard Policies Triggered		✓
Change of EA category		✓
Change in Legal Covenants		✓
Change in Financial Management		✓
Change in Procurement		✓
Change in Economic and Financial Analysis		✓
Change in Technical Analysis		✓
Change in Social Analysis		✓
Change in Environmental Analysis		✓

### IV. DETAILED CHANGE(S)

#### RESULTS FRAMEWORK

#### Project Development Objective Indicators



Yields of (MT/ha) of selected commodities (maize, rice, beans, cassava, and coffee) for the participating households  
 Unit of Measure: Metric ton  
 Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	1.10	1.10	1.60	Revised
Date	30-Jun-2016	24-May-2018	31-Mar-2022	

Increase (%) in maize, rice, beans, cassava, and coffee production by participating farms in the project areas  
 Unit of Measure: Percentage  
 Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	50.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	

Increase (%) in total maize, rice, beans, cassava, and coffee production in project area  
 Unit of Measure: Percentage  
 Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	50.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	

Increase (%) of marketed produce for selected crops (maize, rice, beans, cassava and coffee) by the participating ACCEs in project area.  
 Unit of Measure: Percentage  
 Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	50.00	No Change
Date	30-Jun-2015	28-Dec-2017	31-Mar-2022	

Direct project beneficiaries  
 Unit of Measure: Number  
 Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	450000.00	No Change
Date	30-Jun-2015	28-Dec-2017	31-Mar-2022	



Female beneficiaries  
Unit of Measure: Percentage  
Indicator Type: Custom Supplement

	Baseline	Actual (Current)	End Target	Action
Value	25.00	25.00	30.00	Revised

**Intermediate Indicators**

Area under improved technology (seeds, fertilizer, etc.)  
Unit of Measure: Hectare(Ha)  
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	182100.00	Revised
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	

Percentage of farmers/a using improved agricultural technology (seeds, fertilizer, pest protection, small scale irrigation equipment, etc.) among the targeted beneficiaries  
Unit of Measure: Percentage  
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	65.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	

No of participating farm households using post-harvest technology inputs  
Unit of Measure: Number  
Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	300000.00	No Change
Date	30-Jun-2015	28-Dec-2017	31-Mar-2022	

Number of farmers reached through ICT innovations  
Unit of Measure: Number  
Indicator Type: Custom



	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	444000.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	
<b>Level of satisfaction with ICT initiatives</b>				
Unit of Measure: Percentage				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	90.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	
<b>Profit-cost ratio for supported commodities (in UGX)</b>				
Unit of Measure: Percentage				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	1.70	1.70	1.53	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	
<b>Number of pre-feasibility studies for irrigation schemes completed</b>				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	22.00	No Change
Date	31-Mar-2015	28-Dec-2017	31-Mar-2015	
<b>Number of designs for irrigation rehabilitation and expansion schemes completed</b>				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	22.00	No Change
Date	30-Jun-2015	28-Dec-2017	31-Mar-2022	
<b>% of ACCEs and apex producer organizations with improved operating capacities</b>				
Unit of Measure: Percentage				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action



Value	0.00	0.00	100.00	No Change
Date	30-Jun-2015	28-Dec-2017	31-Mar-2022	
<p>% increase in volume (MT) of selected commodities marketed by ACCEs in the targeted areas  Unit of Measure: Percentage  Indicator Type: Custom</p>				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	60.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	
<p>Additional volume of storage capacity established through the project (MT)  Unit of Measure: Metric ton  Indicator Type: Custom</p>				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	100.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	
<p>% of supported ACCEs having significantly invested in post-harvest and/or marketing (more than US\$5,000)  Unit of Measure: Percentage  Indicator Type: Custom</p>				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	30.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	
<p>Number of road bottlenecks fixed  Unit of Measure: Number  Indicator Type: Custom</p>				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	100.00	No Change
Date	30-Jun-2015	28-Dec-2017	24-Mar-2022	
<p>Functional national platform for exchange of market information and negotiation between ACCEs and wholesale traders and agribusiness (# yes)  Unit of Measure: Yes/No  Indicator Type: Custom</p>				
	Baseline	Actual (Current)	End Target	Action



Value	No	No	Yes	No Change
Date	31-Mar-2015	28-Dec-2017	31-Mar-2015	
% of functional committees Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	100.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	
% of district/national technical and financial reports timely and adequate Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	50.00	No Change
Date	30-Jun-2016	28-Dec-2017	31-Mar-2022	
<b>3.</b> Percent (%) of result monitoring indicators reported on time as outlined in the M&E plan Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	100.00	No Change
Date	31-Mar-2015	28-Dec-2017	31-Mar-2015	
<b>4.</b> Percent (%) of annual audit recommendations implemented Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	100.00	No Change
Date	31-Mar-2015	28-Dec-2017	31-Mar-2015	



**COMPONENTS**

<b>Current Component Name</b>	<b>Current Cost (US\$M)</b>	<b>Action</b>	<b>Proposed Component Name</b>	<b>Proposed Cost (US\$M)</b>
Component 1: Support for Intensification of On-Farm Production	85.00	No Change	Component 1: Support for Intensification of On-Farm Production	85.00
Component 2: Preparation for Agricultural Water Management Investment	5.00	Revised	Component 2: Value Addition and Market Access	45.00
Component 3: Market Linkages, Post-Harvest Handling, Storage and Value-Addition	45.00	Revised	Component 3: Policy, Regulatory and Institutional Support	10.00
Component 4: Project Management, Policy, Regulatory, and ICT functions of MAAIF	15.00	Revised	Component 4: Coordination and Management, and ICT Platform	10.00
<b>TOTAL</b>	<b>150.00</b>			<b>150.00</b>