

## Uganda

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### **National Oil Palm Project Supervision Report**

Mission Dates: 04/09/2023 - 20/09/2023

Document Date: 17/10/2023

Project No. 2000001484

Report No. 6615-UG

East and Southern Africa Division  
Programme Management Department



## Abbreviations and Acronyms

<b>AWPB</b>	<b>Annual Workplan and Budget</b>
<b>BUL</b>	<b>Bidco Uganda Ltd.</b>
<b>CARs</b>	<b>Community Access Roads</b>
<b>COREC</b>	<b>Coffee Research Centre</b>
<b>EIA</b>	<b>Environmental Impact Assessment</b>
<b>FFB</b>	<b>Fresh fruit bunches</b>
<b>FLP</b>	<b>Farmer learning platform</b>
<b>GLTN</b>	<b>Global land tool network</b>
<b>ISSD</b>	<b>Integrated Seed Sector Development</b>
<b>KDLG</b>	<b>Kalangala District Local Government</b>
<b>KOPGA</b>	<b>Kalangala Oil Palm Growers Association</b>
<b>KOPGT</b>	<b>Kalangala Oil Palm Growers Trust</b>
<b>MAAIF</b>	<b>Ministry of Agriculture, Animal Industry and Fisheries</b>
<b>MFPED</b>	<b>Ministry of Finance, Planning &amp; Economic Development</b>
<b>MoJ</b>	<b>Ministry of Justice</b>
<b>MWT</b>	<b>Ministry of Works and Transport</b>
<b>NAADS</b>	<b>National Agricultural Advisory Services</b>
<b>NaCRRRI</b>	<b>National Crops Resources Research Institute</b>
<b>NARO</b>	<b>National Agricultural Research Organisation</b>
<b>NaSARRI</b>	<b>National Semi-Arid Resources Research Institute</b>
<b>NEMA</b>	<b>National Environmental Authority</b>
<b>OPUL</b>	<b>Oil Palm Uganda Ltd.</b>
<b>OSSUP</b>	<b>Oilseed Sub Sector Uganda Platform</b>
<b>OWC</b>	<b>Operation Wealth Creation</b>
<b>PMU</b>	<b>Project Management Unit</b>
<b>SACCO</b>	<b>Savings and Credit Cooperative Organization</b>
<b>UBOS</b>	<b>Uganda Bureau of Statistics</b>
<b>UGX</b>	<b>Ugandan Shilling</b>
<b>UNBS</b>	<b>Uganda National Bureau of Standards</b>
<b>VCDP</b>	<b>Value-chain development plan</b>
<b>VODP</b>	<b>Vegetable Oil Development Project</b>
<b>VODP2</b>	<b>Vegetable Oil Development Project Phase 2</b>
<b>ZARDIs</b>	<b>Zonal research development institutes</b>

## A. Project Overview

Region:	East and Southern Africa Division	Project at Risk Status:	Not at risk
Country:	Uganda	Environmental and Social Category:	High
Project Name:	National Oil Palm Project	Climate Risk Classification:	Moderate
Project ID:	2000001484	Executing Institution:	Ministry of Agr, Animal Industry and Fisheries
Project Type:	Rural Development	Implementing Institutions:	Ministry of Agr, Animal Industry and Fisheries
CPM:	Mohamed El-Ghazaly		
Project Director:	Connie Magomu Masaba		
Project Area:	Buvuma, Mayuge, Kalangala, Masaka and Kalungu Districts		

Approval Date:	16/04/2018	Last audit receipt:	14/03/2023
Signing Date:	29/11/2018	Date of Last SIS Mission:	15/09/2023
Entry into Force Date:	01/03/2019	Number of SIS Missions:	9
Available for Disbursement Date:	29/08/2019	Number of extensions:	0
First Disbursement Date:	13/09/2019	Effectiveness lag:	11 months
MTR Date:	not available yet		
Original Completion Date:	31/03/2029		
Current Completion Date:	31/03/2029		
Financial Closure:	not available yet		

## Project total financing

<b>IFAD Financing breakdown</b>	IFAD	\$75,820,000
	East and Southern Africa Division	\$1,210,000
<b>Domestic Financing breakdown</b>	Beneficiaries In-kind	\$500,000
	National Government (add)	\$200,000
	Beneficiaries	\$17,208,000
	National Government	\$25,582,000
<b>Co-financing breakdown,</b>	Private Sector Foreign	\$90,622,000
<b>Project total financing:</b>		<b>\$211,142,000</b>

## Current Mission

Mission Dates:	04/09/2023 - 20/09/2023
Days in the field:	6
Mission composition:	Mohamed El-Ghazaly Country Director and Mission Leader, Institutions and Access to Finance; Chiara Romano Co-Team Leader, Gender, Targeting and Alternative Livelihoods; Billy Ghansah, Oil Palm Agronomy; Richard Kabuleta, Monitoring and Evaluation; Benedict Okana, Infrastructure Engineer; Paxina Chileshe Environment and climate change; Nathalie Gebrayel, Procurement Specialist; James Muturi, Financial Management Specialist
Field sites visited:	Buvuma and Kalangala

## B. Overall Assessment

Key SIS Indicator #1	∅	Rating	Key SIS Indicator #2	∅	Rating
Likelihood of Achieving the Development Objective		4.07	Assessment of the Overall Implementation Performance		4.0

Effectiveness and Developmental Focus		4	Project Management		4
Effectiveness		4	Quality of Project Management		4
Targeting and Outreach		4	Knowledge Management		4
Gender equality & women's participation		4	Value for Money		4
Agricultural Productivity		N/A	Coherence between AWPB and Implementation		4
Nutrition		N/A	Performance of M&E System		4
Adaptation to Climate Change		4	Social, Environment, and Climate Standards requirements		4

Sustainability and Scaling-up		4	Financial Management and Execution		4
Institutions and Policy Engagement		4	Acceptable Disbursement Rate		2
Partnership-building		5	Quality of Financial Management		4
Human and Social Capital and Empowerment		5	Quality and Timeliness of Audit		4
Quality of Project Target Group Engagement and Feedback		4	Counterparts Funds		5
Responsiveness of Service Providers		4	Compliance with Loan Covenants		5
Environment and Natural Resource Management		4	Procurement		4
Exit Strategy		4			
Potential for Scaling-up		4			

<b>Relevance</b>		<b>5</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

The National Oil Palm Project (NOPP), jointly designed by IFAD and the Government of Uganda between November 2016 and July 2017 was approved by the IFAD Executive Board in April 2018. The project development objective is to *sustainably increase rural incomes through opportunities generated by establishment of an efficient oil palm industry that complies with modern environmental and social standards*. NOPP has a total project outlay of USD 210.442 million, with IFAD loan of USD 75.820 million, IFAD grant of USD 1.210 million, GOU funding of USD 25.582 million, private sector funding of USD 90.622 million and beneficiary contribution of USD 17.208 million. NOPP became effective on 1 March 2019 and the project completion date is 31 March 2029.

IFAD fielded a Supervision mission focusing mainly on: (i) review of progress on recommendations made during the Implementation Support Mission held in March 2023; (ii) review of progress on implementation of the 2022/23 AWPB and review the draft 2023/24 AWPB for alignment with the recommendations and pace of implementation; (iii) review of progress on programmes components including focus on cross-cutting issues (targeting and gender); Safeguard Instruments (e.g. Environmental and Social Impact Assessments); strengthening of VSLAs, access to finance and financing instruments to ensure sustainability of interventions (for both oil palm growers and livelihood groups).

The mission commenced from the 4<sup>th</sup> of September 2023, with an entry meeting with PMU and MAAIF. The mission visited both Buvuma and Kalangala Hubs along with the NOPP team and interacted in depth with the community, farmer organisations, livelihood groups and VSLAs, Buvuma Oil Palm Growers Cooperative (BOPGCO), Oil Palm Buvuma Ltd (OPBL), Oil Palm Uganda Limited (OPUL), Kalangala Oil Palm Growers Trust (KOPGT), National Agriculture Research Organisation (NARO) among other key stakeholders. The mission also visited the NARO Research Station in Namulonge.

The mission expresses its sincere thanks to the PMU and MAAIF for their support and collaboration.

### Key Mission Agreements and Conclusions

- Over the last year, NOPP has made significant progresses: a) the flow of funds and expenditure has improved; b) performance management and leadership trainings were held, as well as M&E trainings and environmental and safeguards trainings; c) connectivity of roads concluded and those passing through forests and HCV/HCS identified; d) A livelihood strategy and economic models have been developed and linkages with Micro Finance Institutions and Commercial Banks established, including groups assessment e) a strategy to ensure access to reflow from the project is still ongoing as well as revising the MoU with OPBL.
- The Environmental and Social Impact Assessments (ESIAs) for Mayuge Hub has been submitted to NEMA for review while those for Masaka Hub (Masaka, Kalungu and Kyotera) are yet to be submitted pending mapping of smallholders including respect to wetlands and forest reserves. While NEMA conducts the review, it is recommended that appropriate channels, location and timing for the disclosure of the ESIAs for the project affected population are agreed with NEMA for these and subsequent ESIAs.
- The GoU has delayed significantly in the hand-over of land required for the private sector in Buvuma, which in turn affects the speed of planting, nursery planning, and the mill establishment, and therefore the viability of the smallholders planting. On the nucleus the main bottleneck has been lack of available land free of encumbrance.
- The yield trends show that yields cultivated by OPGs have not been improving compared to OPUL with a gap of 7 tons in the period 2019-2022. KOPGT needs to ensure that a long-term sustainability strategy is in place (agronomy, replant, governance system etc). Furthermore, fertilizer application is critical and requires expertise to recommend farmers on dosage.
- To further improve the M&E system, the project needs to prioritize the conversion and migration of all existing data sets onto the project MIS to operationalize it as a one stop centre for all the project data at activity, output and outcome level.
- In terms of financing, the amounts disbursed for IFAD loan is USD 17,656,471.52 representing 23.29% disbursement level with a cumulative absorption of 19%. The Mission has assessed the overall project performance as moderately satisfactory and is confident that actions taken along with additional recommendations proposed by the mission will improve project performance by end of year and beyond.
- The mission recommends the PMU to implement clear plans for improvement of performance, for which recommendations have been made, and these action plans will be monitored monthly by IFAD for the next months. Below are presented the key recommendations to expedite project implementation.

Agreed action	Responsibility	Agreed date
ESIAs revision and submission timelines: Revise ESIAs for the Masaka Hub incorporating comments and prepare for NEMA submission	ESHO/ ESIA consultants	30 October 2023
Translate summaries of approved ESIAs and ESMPs for disclosure at District and Sub-County Headquarters	PMU/ District Natural Resources Officer	Ongoing

Long term sustainability strategy developed for Kalangala	PMU and KOPGT (management and Board)	March 2024
Roll out of the Project MIS: Complete the conversion and migration of all the project data and start using the MIS for all project M&E activities by 31 December 2023. Present the complete MIS to the ICO	M,E & KM Manager	15 January 2024
Counterpart contribution funds requirements: Prepare a funding gap for the activities under counterpart funds and inform MoFPED to explore budget revisions during the upcoming budgeting cycle.	FAM – PMU, MAAIF, MoFPED	October 2023

## D. Overview and Project Progress

### 8. Component 1. Scaling-up smallholder oil palm development

9. Component 1 can be rated as moderately successful due to total area planted so far and the infrastructure development. There are however areas of concern related to land availability for nucleus and smallholder plantings due to issues of land ownership recommendations have been provided on the way forward.

### 10. Sub-component 1.1. Development of smallholder oil palm plantations

11. **OPG Planting:** Total area planted for OPG is 1,304 ha, comprising 733 ha of farmers with less than 2ha plantings and 571 ha of farmers with more than 2 ha. Since the planting area for smallholders of 2,500 ha was to be completed by the end of calendar year 2023 to achieve the total planting target for Buvuma, it is proposed that commercial farmers' area is added to the smallholder planting target but not eligible for development loans above 2 ha. This will enable the assurance to the private sector to commence the oil mill construction while NOPP fast track the identification of land for the smallholder. This means the targeted planting area to be completed by Dec 2023 for smallholders is not achievable.

12. NOPP should complete the survey and inventory of available land for smallholder farms under or equal to 2ha to complete planting the smallholder target ha on Buvuma by mid-2025. However, if the land inventory for smallholder under 2 ha is noticed to be unachievable by June 2024, NOPP should flag this and ensure that it is communicated and alternative solutions provided like use of outlying Islands or other Hubs. This has implications for budgetary planning for farm loans and roads construction as well ESIA's.

13. **MoU performance.** On June 20th, 2022, MAAIF - NOPP signed an Agreement (MoU) with Oil Palm Buvuma Limited (OPBL) for supply of inputs (seedlings, fertilizers, agrochemicals) and provision of plantation establishment services to smallholders in Buvuma. A review of the MoU performance shows the following positives aspects: lining of farmers' fields for holing and planting, supply of seedlings, supply and application of fertilizers and agrochemicals especially insecticides for specific pests identified, training on ablation and other practices. However, the following elements in the MOU needs to be improved or renegotiated. OPBL indicated in a formal letter that they could not execute the construction of farm roads as agreed in the current MoU, hence the farm roads are being constructed under force on Account procurement mode. Among others, trainings under responsibility of OPBL are not being executed and needs to be done yet to be done. It was also found that OPBL has not been able to provide consistent transport services for input and labour supply timeously.

14. There have also been delayed payment for services rendered by OPBL which are increasingly causing distrust to NOPP by the investor though there are extenuating factors causing the delay like the issue of payments for services rendered to commercial farmers.

15. A formal system of quarterly meetings between PMU and OPBL should be used to track performance and changes in the MOU.

16. **Kalangala Oil Palm Growers Trust (KOPGT) update.** Total area planted with oil palm has increased from achieved area of 4848 ha under VODP2 to 5,844 ha of which the achieved 4,848 are largely mature and being harvested. The mission notes that more areas are being planted with oil Palm on both Bugala and outlying Islands. Care must be taken to ensure farmers are identified and traceability data are provided to ensure no planting in buffer zones forest etc.

17. **FFB production trends.** FFB production has been increasing over the years since the harvesting started but most of the production increase can be attributed to expansion in area and age of trees. Yield analysis between KOPGT and OPUL shows a yield gap of about 7 tons between 2019 and 2022 (see details in the Technical Annex). This has been the result of several factors including non-implementation of host of agronomic advice including manuring. Regular fertilizer application in oil palm is important due removal of nutrients in the harvest which needs replacement as the tree is perennial. As the data shows between 2020 and 2022 fertilizer application in KOPGT has been low due to non-availability of fertilizer and non-adherence to agronomic advice.

18. **Sub-Component 1.2. Development of OPG organizations:** The Buvuma Oil Palm Growers Cooperative Society Limited (BOPGCo) membership has increased to 612 (154 females and 458 males). In Mayuge Hub, as part of the preparations for implementation, NOPP conducted pre-registration training for Mayuge Oil Palm Growers Association for its transformation into a cooperative. Construction of fertilizers stores at Buvuma have been advertised and the contractor is expected to commence work

by March 2024.

Agreed action	Responsibility	Agreed date	Status
Fertilizer recommendations should be done by expertise from NARO in conjunction with OPUL.	KOPGT	Continuous	Agreed
KOPGT should look at a sustainable funding arrangement for fertilizer application for farmers.	KOPGT	March 2024	Agreed
Regular Field audits to be done by Field officers and checked by NARO have to be undertaken regularly to ensure an objective assessment of field conditions.	KOPGT Management	Continuous: every quarter.	Agreed
Budget provision for the Capacity building (training and exposure) required for PMU and extension agents on Palm Oil Agronomic Practises.	PMU	March, 2024	Agreed

### 19. Sub-component 1.3. Establishment of support infrastructures

20. **Access Road construction.** The contractor fully mobilized and commenced work on the 4 km access road on 24<sup>th</sup> Jan 2023 and had completed the construction of road formation, swamp filling done for 0.41km at an average height of 2m, graveling done over the whole length of 16.4km with good quality gravel, installed a total of 375 meters of 600mm, 900mm and 1200mm culverts and installed road side and miter drains. The field visit confirmed that the actual construction was according to the design of the road as specified in the contract. The overall physical progress stood at 88% and remaining 12% works included completing culvert installation including head-walls construction at culverts already sunk and the construction of a 200m long short masonry wall on the downside of the catch water drain. The quality of work was observed to be satisfactory so far.
21. To finalize the process for the construction of 30.6 Km of access road so that the completed bid document is submitted to IFAD for a no objection to proceed with the procurement of the contractor.
22. **Farm Roads:** About 17,000 m<sup>3</sup> of borrow materials have been used to build the access and farm road links: for back-filling excavations especially in culvert installation, raising swamp crossings and graveling. Whereas this would have ordinarily created huge and dangerous hollows and steep escarpments at the borrow sites, in Buvuma Island, the borrow pits are located on hills. Therefore, the rehabilitation of the borrow pits should majorly involve replacing of the vegetative soils that had been stripped off before the extraction of the borrow materials and trimming of the fringes of the pits to ensure a smooth transition into the borrow area.
23. A total of 18 farm road links in the 1<sup>st</sup> phase, totaling 32 Km was constructed. The quality of the work which was completed to 90% was noted to be satisfactory. The remaining 10% of the work included sinking of culverts and construction of head walls.
24. The Project Engineer was in the process of preparing the schedule of requirements for the construction of up to 70KM of farm roads, However, the funds available in the budget can only construct 10KM. Since PMU has built 32KM of farm road links in first phase in six months from February to August 2023, it is evident that the unit can construct at least 64 KM of the roads in twelve months in the second phase. Therefore, more funds should be availed
25. **Landing Sites:** Improvement to the two temporary landing sites has been completed by UNRA at Kiyindi on the mainland and at Kirongo on Buvuma Island. the landing sites need to be put under a strict maintenance program to ensure that they continue to serve effectively.
26. The contracts for design and build for the two new ferry landings sites were terminated when the contractors had done about 25% of the work at Kiyindi and 34% at Bugala.. However due to inadequacy of funds the completion of the landing sites will not be implemented.
27. **Sub-Component 1.4. Private sector-led infrastructure development.** Farm road development by the investor was being done in an incremental mode where he only opens up tracks for planting oil palm Where chock points develop he devises means of opening the road temporarily to allow his activities progress at that time. This mode of construction may be good for him because he has his road construction equipment at his disposal for deployment whenever and wherever needed.

Agreed Action	Responsibility	Agreed Date	Status
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The contractor for the access road should ensure that approaches to all culverts are gently and sufficiently raised to match the new road level at the culvert after the fill, to avoid giving a sharp rise and falls at the culvert crossings	Contractor Project Engineer	23rd January 2024	Agreed
The Project Engineer should finalize the process of preparing bid document for constructing the next phase of access roads for submission to IFAD for a no objection to proceed with the procurement of the contractor.	Project Engineer /Procurement	September 30, 2023	Agreed
More funds should be availed to PMU to construct more farm roads to service the areas where much plantation activities are taking place in the AWPB.	MoFPED,MAAIF,PMU	Continuous	Agreed

28. **Component 2. Livelihoods diversification and resilience.** The component is moderately satisfactory. Key progresses are observed in relation to gender, targeting and social inclusion. Constraints in implementation are in the area of environment and Natural Resources and also livelihood development (e.g. access to finance). Among other issues observed: delay in on boarding of consulting/ training agencies; high dependence on local government departments often lacking staff and capacity; not regular data flow on progress after livelihoods training.
29. **Subcomponent 2.1: Alternative Economic Opportunities.** As against the target of 23,922 beneficiaries to be supported in alternative livelihoods and access to economic opportunities, the project reached cumulatively 2,799 beneficiaries, corresponding to 11.7 % of the final target for the 4 Hubs. So far training services have been delivered in Kalangala and Buvuma Hubs. In Kalangala the outreach is 1,577 beneficiaries (41%) out of 3,777 final targets, while in Buvuma the final target is 3,942 and so far, 1,222 beneficiaries have been reached out (30%). Trainings include (among others) agriculture intensification, vocational skills training (targeting 122 youth) labor gang training, tree planting. Based on the implementation progresses the component is likely to achieve the target set for the two Hubs. Activities promoted are pro-poor and of interest for the target groups. In line with the targeting strategy they comprise very poor as well as economically active poor.
30. As per agreed actions from previous mission, economic models have been developed; linkages with SACCOs and Commercial Banks established and assessment of the groups conducted. As a result 31 mature groups were identified and trained in Business Plan preparation by PMU. It is observed that VSLAs need to be strengthened and the current system observed by the mission requires restructuring. An assessment of the VSLAs system is planned and it is expected that results will inform which modalities and structure can be set to strengthen the VSLAs to properly serve their members. Development of Proper poor financial products is also recommended.

Agreed action	Responsibility	Agreed date	Status
To train extension staff on the new livelihood models and reporting requirements (M&E team to provide reporting template)	Operations Manager M&E Officer	October 2023	Agreed
Assessment and remodelling of VSLs in line with enterprise models for livelihood activities.	PMU / APSEDEP	November 2023	Agreed
Develop financial products suitable for beneficiaries of Livelihood activities, especially for women	PMU	December 2023	Agreed

31. **Sub-Component 2.2.** Activities are progressing well, with a total of 1,290 mentees trained. Mentors received training in GALS methodology, Gender Trainings, food and nutrition Training, HIV/AIDS awareness approaches and enterprise selection and Income Generation Activities. NOPP conducted an assessment of the household mentoring Programme (July 2023) and positive changes were observed in increased inclusion and improved social empowerment of vulnerable groups, specifically women.
32. The project in partnership with Ministry of Lands, Housing and Urban development has conducted sensitization exercise at DLG and Community level for 2,039 people in Buvuma on Land tenure issues. Furthermore, the project facilitated training on land management issues to key stakeholders. Despite efforts several gender issues persist, including low awareness of women on land rights. There is need to strengthen this aspect and additional sensitisation events organised targeting OPG and non-OPG households for both men and women.
33. Four Grievance Redress Committees (GRC) have been formed with total number of 52 members (11 women) receiving the

necessary basic trainings to perform their role. The GRC met in Buvuma expressed concerns due to the lack of communication with District Local Government coordinating the land acquisition and compensation activities. The gaps limit their knowledge on progresses about complaints so to be able to close the feedback loop. Fuhrer details, recommendation, actions are provided in the section on *target group engagement and feedback* (below).

Agreed action	Responsibility	Agreed date	Status
Prepare publication and dissemination materials for HH mentoring success stories	OM, CKM	February 2024	Agreed
Provide training and sensitisation sessions on women land rights targeting OPG and non OPG as part of training plan.	PMU	February 2024	Agreed

34. **Sub-Component 2.3. Environment, Natural Resources, Health and Safety.** Achievements under this sub-component are the restoration and demarcation of 642ha, which is 67% of the annual target. Cumulatively 672ha have been restored and demarcated representing 11.6% of the overall target. The achievement remains low particularly the area under restoration (72.6ha), which will be improved through nurseries that have been established on Buvuma Island. More nurseries for indigenous species would need to be established on the Bugala island in Kalangala to expedite the restoration activities for the outlying islands. Arguably there is more land under climate resilient practices if the practices at farm level can be captured.
35. The Environmental and Social Impact Assessments (ESIAs) for Mayuge Hub have been submitted to NEMA for review while those for Masaka Hub (Masaka, Kalungu and Kyotera) are yet to be submitted pending mapping of smallholders including with respect to wetlands and forest reserves. While NEMA conducts the review, the disclosure of the ESIs at the local level need to be ensured in a location and language understandable to the project affected populations.
36. Of concern in the Masaka Hub is the presence of Nabajjuzi wetland system, which is a Ramsar site. This entails close monitoring to ensure agricultural activities are not undertaken in the wetland system demarcated boundaries. The strict observance of the Ramsar site boundary also applies to Sango Bay under OPUL.

Agreed action	Responsibility	Agreed date	Status
Strengthening of Kalangala and Buvuma LECs Facilitate implementation of Action Plans developed by the LECs	EHSO/ District Natural Resources Officer	31 December 2023	Agreed
Biodiversity monitoring Explore available tools for monitoring of biodiversity and identify one that is suitable for NOPP	EHSO, M&E Officer/INGO	31 December 2023	Agreed

### 37. Component 3. Oil Palm Sector Development Framework

38. **Sub-component 3.1. Policy and institutional support for national oil palm sector development.** Following the last implementation support mission in March 2023, the Regulatory Impact Assessment (RIA) report was completed in May 2023. The project should prepare for the stakeholders' validation workshop before submission to MAAIF top management. In terms of institutional support, an MOU between MAAIF and UDBL was signed and a credit line of Ush 11.6 billion was approved to finance 1,000 hectares for commercial farmers.
39. **Sub-Component 3.2. Strengthening of national capacity for oil palm research:** The following activities have been identified for strategic implementation. **Adaptive trials.** Under research, the project has identified and planted 23 acres of oil palm adaptive trials to evaluate their yield performance. Trial establishment is on-going with 5 types exhibiting Fusarium wilt resistance, Ganoderma tolerance, short growth and drought tolerance traits in Kagulube and Kayunga blocks in Kalangala. The research team should organize sensitization trainings for oil palm stakeholders including; District agricultural staff, oil palm extension officers and farmers and NARO including exchange experiences.
40. **Research Staff remuneration.** In the last mission it was recommended that PMU should review the research staff salaries and report to IFAD for consideration, this has not been effected yet, hence the need for it to be considered because NARO staff salaries have been enhanced. In order to motivate the project staff, their salaries need to be enhanced according to their qualifications to match with those of NARO.
41. **Water deficit study.** The contractor submitted his proposal and NaCRRRI contract committee is evaluating the proposal the consultant submitted for approval. Funds for this activity needs to be re-instated in the budget to enable the work to be undertaken in the next quarter.

Agreed action	Responsibility	Agreed date	Status
Incorporate agreed new indicators for measurement of research activities	NARO and PMU ME &L Manager	October 2023	Agreed
Research staff remuneration to be augmented	PMU of NOP and NARO	October 2023	Proposed
Improve the capacity of research team and other actors on Oil Palm providing necessary trainings	NARO and MAAIF	Ongoing	Agreed

42. **The IFAD Crisis Response Initiative.** IFAD received a request from the Ministry of Finance, Planning and Economic Development for grant financing of USD 5,053,513 under the IFAD Crisis Response Initiative (CRI) for enhancing resilience of households in the oil palm growing communities against the adverse effects of the Russia-Ukraine crisis through improving their food and income security. IFAD approved the grant financing and a draft NOPP Financing Agreement Amendment Letter was sent to the Ministry of Finance, Planning and Economic Development on 21 July 2023. As the Government approval processes are underway, the PMU should establish the necessary systems to ensure rapid roll out of the CRI activities. It was agreed that the PMU will submit monthly reports on the CRI Grant implementation from its date of effectiveness.

Agreed action	Responsibility	Agreed date
<b>CRI rollout:</b> Submit monthly reports to IFAD on the implementation of the CRI activities	Project Manager, Operations Manager	Continuous

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Roll out in Kalangala</b> While waiting for the results of the detailed study, commence roll out in Kalangala the interventions with market potential identified in the situation analysis exercise. Target only non-OP households for initial three years.	PM, OM	09/2020
<b>Tie up with bank for oil palm financing</b> Explore the possibility with banks for managing the loan portfolio of development, based on seedling and input arrangements with OPBL. Work with the commercial bank to develop commercial oil palm finance product to be lent directly by banks instead of whole sale lending to trusts.	PM, OM, Institutions and enterprise officer	12/2020
<b>ACF facility for ten-year loan product</b> Interact with ACF, Bank of Uganda along with the interested bank to develop ten-year loan product at reasonable interest rate.	PM, OM, Institutions and enterprise officer	12/2020
<b>Thorough investigation on lower SH yields</b> Conduct an appraisal of all causes of low OP yield in SH and propose corrective actions	Agronomist/NARO Research team /OPUL	03/2021
<b>Complete the compensation for lands handed over to OPBL and ensure removal of squatters</b>	PMU	10/2021
<b>Dividend Policy draft developed by KOPGT</b> To be shared among stakeholders and also shared with IFAD	PMU	10/2021
<b>Work with Equity/Opportunity bank</b> Work with Equity/Opportunity/Stanbic bank for individual lending to large farmers with a) moratorium of 4 years, b) loan term of 10 years c) not more than 12% ROI	PM, Institutions and credit officer	12/2021

<p><b>Discussions and agreements with banks</b></p> <p>Since adequate financing of livelihood plans is fundamental need PG VSLA lending need more financial partners. Discuss and agree with other banks in the island for lending to PG VSLAs</p>	PMU ( Operations manager, Institutions and credit officer,	01/2022
<p><b>Time bound role transfer in Kalangala institutions</b></p> <p>Expedite the registration of revised trust deed and ensure time bound transfer of staff and responsibilities from KOPGT to the SOPGCO.</p>	PM, IEDFO, KOPGT	03/2022
<p><b>Payments to farmers</b></p> <p>NOPP needs to expedite the release of payments to SH farmers for land clearing and maintenance</p>	NOPP	06/2022
<p><b>Plastic waste</b></p> <p>Ensure all plastic waste from Oil Palm planting is collected and returned to OPBL for recycling/disposal</p>	OPBL, DNRO	06/2022
<p><b>Environment and Social Impact Assessment</b></p> <p>Expedite the completion and submission of the ESIA for the Masaka/ Kalungu districts to focus on the indicative smallholder planting area</p>	EHS officer, ESIA consultant	07/2022
<p><b>Land disputes</b></p> <p>NOPP and the District Local Government need to rapidly resolve all remaining land disputes on land provided for the nucleus estate to OPBL</p>	District, MAAIF	09/2022
<p><b>Forest Protection and Rehabilitation</b></p> <p>Work with NFA to enhance protection of the forest reserves on Bunyama and initiate rehabilitation activities in degraded areas in conjunction with local village and oil palm growers.</p>	EHS officer, DNRO, NFA, KOPGT	09/2022
<p><b>Environment and Social Impact Assessment</b></p> <p>Expedite the completion and submission of the ESIA</p>	EHS officer, ESIA consultant	09/2022
<p><b>Management of HCV/HCS in Nucleus estate</b></p> <p>A map of the HCV and HCS areas identified in the lands provided to OPBL should be prepared and shared with NOPP and District and demarcated on the ground and actively managed for those sites under management control of OPBL</p>	OPBL	10/2022
<p><b>Wetland Initiative</b></p> <p>Develop and fund an initiative to support wetland conservation in and around the Masaka Hub with key stakeholders</p>	EHS Officer, BIDCO, MAAIF, Wetland Department	10/2022
<p><b>International NGO Partner</b></p> <p>Expedite the procurement process for International NGO Partner</p>	Procurement Officer, Operations Manager	11/2022
<p><b>IFAD Board Approval for new Hubs</b></p> <p>Update schedule for IFAD EB presentation by December 2022, to accommodate new hubs to be presented to the September 2023 IFAD EB. Ensure action taken in timely manner to Implement and review and update progress monthly.</p>	NOPP, IFAD	12/2022

<p><b>Management of oil palm planting data</b></p> <p>The data related to Oil Palm, planting, lining, pegging, number of trees, fertilizer to be updated on a real time basis.</p>	Operations Manager and Agronomist	12/2022
<p><b>Oil palm aging and nutrition</b></p> <p>Finalise determination of oil palm bunch maturity in Kalangala GPS mapping of the identified Leaf sampling units in Kalangala as part of the data base to be developed for oil palm nutrition</p>	NARO	12/2022
<p><b>MAAIF and MOFPED to ensure reflows to project finance</b></p> <p>MAAIF to engage MOFPED to increase the ceiling of GoU funds allocated to NOPP to include the reflows to finance oil palm.</p>	PS, MAAIF, PM	03/2023
<p><b>MAAIF and MOFPED to ensure reflows to project finance</b></p> <p>MAAIF to engage MOFPED to increase the ceiling of GoU funds allocated to NOPP to include the reflows to finance oil palm.</p>	PS, MAAIF, PM	03/2023
<p><b>Landing sites canceled contracts</b></p> <p>Amounts spent under these incomplete contracts are refunded to IFAD and revert to the NOPP Loan account, making the same available for when the landing site contracts are re-bid for construction.</p>	Project Manager	04/2023
<p><b>Revise MOU with OPBL to include emergent productivity related issues and Development loan also to include emergent costs</b></p> <p>Since farmers in Buvuma are facing a number of challenges a) rodents, b) termites, c) yellowing of leaves requiring magnesium application etc., the MOU with OPBL to be revised if necessary to address these issues and costs to be included under development financing arrangement.</p>	PM, Operations manager,	04/2023
<p><b>Fund flow to the project</b></p> <p>NOPP and MAAIF to review the internal processes for sanction and ensure adequate delegation at various levels for smooth funds flow for timely implementation.</p>	PS MAAIF, PM,NOPP	04/2023
<p><b>Revise MOU with OPBL to include emergent productivity related issues and Development loan also to include emergent costs</b></p> <p>Since farmers in Buvuma are facing a number of challenges a) rodents, b) termites, c) yellowing of leaves requiring magnesium application etc., the MOU with OPBL to be revised if necessary to address these issues and costs to be included under development financing arrangement.</p>	PM, Operations manager,	04/2023
<p><b>Proposals to be funded out of OPUL dividends</b></p> <p>The Institution development consultant to develop a template for project proposal development and assessment including technical, economic, financial, social aspects apart from value for money considerations for financing out of dividends.</p>	KOPGT, MAAIF	05/2023
<p><b>Proposals to be funded out of OPUL dividends</b></p> <p>The Institution development consultant to develop a template for project proposal development and assessment including technical, economic, financial, social aspects apart from value for money considerations for financing out of dividends.</p>	KOPGT, MAAIF	05/2023

<p><b>Dynamic leadership for Kalangala Institutions</b></p> <p>Work with the Ministry to ensure dynamic and proactive leadership of the three Kalangala institutions. PMU to continue to back stop Kalangala institutions; from 2024, the institutions to pay for any consultancy and other charges. Inform the institutions and work out clear action plans.</p>	PM, IEDFO, KOPGT, SACCO	06/2023
<p><b>Compensation Payments in OPBL lands</b></p> <p>Expedite the outstanding payments to tenant farmers and others in the lands provided to BIDCO for the nucleus estate, to free up land for planting.</p>	Project Manager, MAAIF	06/2023
<p><b>HR integration in Buvuma Co operative</b></p> <p>Learning from the experience in Kalangala, the integration of hub staff in the cooperative to start early in a phased manner with the HR reporting to the board, salary payments to be embedded in AWPB of the cooperative, staff work to be jointly monitored by the board along with PMU etc.,</p>	PM, IEDFO	07/2023
<p><b>Adequate financing for livelihood producer groups</b></p> <p>Since internal savings of VSLAs are inadequate to finance the business plans of households fully, leverage funds to groups through revolving funds from the project, PDM and bank finance.</p>	PM, Operations manager, IEDFO	08/2023
<p><b>Adequate financing for livelihood producer groups</b></p> <p>Since internal savings of VSLAs are inadequate to finance the business plans of households fully, leverage funds to groups through revolving funds from the project, PDM and bank finance.</p>	PM, Operations manager, IEDFO	08/2023
<p><b>Environmental Impacts of oil palm farming and production.</b></p> <ul style="list-style-type: none"> <li>• NOPP to carry out value chain-wide impacts, from planting to oil processing including impacts on critical habitats and all waste management issues.</li> </ul>	EHS Officer NOPP, MAAIF, IFAD, PM, NEMA	08/2023
<p><b>The Project Engineer should finalize the process of preparing bid document for constructing the next phase of access roads for submission to IFAD for a no objection to proceed with the procurement of the contractor</b></p>	Project Engineer /Procurement	09/2023
<p><b>ESIAs revision and submission timelines: Revise ESIAs for the Masaka Hub incorporating comments and prepare for NEMA submission</b></p>	ESHO/ ESIA consultants	10/2023
<p><b>Counterpart contribution funds requirements:</b></p> <p>Prepare a funding gap for the activities under counterpart funds and inform MoFPED to explore budget revisions during the upcoming budgeting cycle.</p>	FAM – PMU, MAAIF, MoFPED	10/2023
<p><b>To train extension staff on the new livelihood models and reporting requirements (M&amp;E team to provide reporting template)</b></p>	Operations Manager M&E Officer	10/2023
<p><b>Incorporate agreed new indicators for measurement of research activities</b></p>	NARO and PMU ME &L Manager	10/2023
<p><b>Research staff remuneration to be augmented</b></p>	PMU of NOP and NARO	10/2023
<p><b>Assessment and remodelling of VSLs in line with enterprise models for livelihood activities.</b></p>	PMU / APSEDEP	11/2023

<p><b>Data flow on progress of VSLAs/producer groups</b></p> <p>Institutionalise the progress tracking in VSLAs/producer groups in terms of numbers of members-initiated activity, scale of activity, production, marketing, income and profits and in the case of VSLAs in terms of their membership, savings, credit and pay out etc.,</p>	PM, IEDFO , M&E manager	12/2023
<p><b>MAAIF and MOFPED to ensure reflows to project finance</b></p> <p>PMU to discuss with MAAIF and MOFPED options to set up by Dec 2023 a revolving fund.</p>	PS, MAAIF, PM	12/2023
<p><b>MAAIF and MOFPED to ensure reflows to project finance</b></p> <p>PMU to discuss with MAAIF and MOFPED options to set up by Dec 2023 a revolving fund.</p>	PS, MAAIF, PM	12/2023
<p><b>Training and capacity development for senior management</b></p> <p>Structured team building events through external facilitation by Organisation development consultants to be organised for PMU and Hubs. Senior NOPP management to undergo structured trainings on leadership and personal development.</p>	PS MAAIF, PM	12/2023
<p><b>Develop financial products suitable for beneficiaries of Livelihood activities, especially for women</b></p>	PMU	12/2023
<p><b>Strengthening of Kalangala and Buvuma LECs Facilitate implementation of Action Plans developed by the LECs</b></p>	EHSO/ District Natural Resources Officer	12/2023
<p><b>Biodiversity monitoring Explore available tools for monitoring of biodiversity and identify one that is suitable for NOPP</b></p>	EHSO, M&E Officer/INGO	12/2023
<p><b>Roll out of the Project MIS:</b></p> <p>Complete the conversion and migration of all the project data and start using the MIS for all project M&amp;E activities by 31 December 2023. Present the complete MIS to the ICO</p>	M,E & KM Manager	01/2024
<p><b>The contractor for the access road should ensure that approaches to all culverts are gently and sufficiently raised to match the new road level at the culvert after the fill, to avoid giving a sharp rise and falls at the culvert crossings</b></p>	Contractor Project Engineer	01/2024
<p><b>Prepare publication and dissemination materials for HH mentoring success stories</b></p>	OM, CKM	02/2024
<p><b>Provide training and sensitisation sessions on women land rights targeting OPG and non OPG as part of training plan.</b></p>	PMU	02/2024
<p><b>Long term sustainability strategy developed for Kalangala</b></p>	PMU and KOPGT (management and Board)	03/2024
<p><b>KOPGT should look at a sustainable funding arrangement for fertilizer application for farmers.</b></p>	KOPGT	03/2024
<p><b>Budget provision for the Capacity building (training and exposure) required for PMU and extension agents on Palm Oil Agronomic Practises.</b></p>	PMU	03/2024

<p><b>Land use planning</b></p> <p>Instead of focusing only on oil palm for land use planning integrate alternate uses of land to ensure food security and nutrition and alternate livelihoods.</p> <p>Deadline: Ongoing</p>	PM, OM	
<p><b>Institutional structure of farmer organisations in new hubs</b></p> <p>Form only two organisations – trust and co-operative in new hubs; financial services by co-operatives has to be need based and where possible forge linkages with commercial bank branch for financial services.</p>	PM, Operations manager	
<p><b>Strengthen agronomic</b></p> <p>on various cultural practices such as pruning, pests and diseases and on the importance of reducing broom making to reduce nutrient exports</p>	OOPGT/NARO	
<p><b>Unregulated planting materials</b></p> <p>Unregulated planting material being planted by farmers Kalangala in Buvuma should be stopped immediately.</p>	NARO KOPGT	
<p><b>Hub team</b></p> <p>Hub team to document the lessons/challenges with the MoU with OPBL to allow subsequent hubs to learn from the current model</p>	CKMO, Hub Manager – Buvuma,	
<p><b>Household mentees to be target group of alternate livelihoods</b></p> <p>Since increase in income sources and income is a priority need of mentees, these HHs to be prioritised for alter nate livelihoods initiative</p>	IEDFO	
<p><b>Policy/Strategy work in Oil Palm Sector</b></p> <p>NOPP PMU to be the coordinating entity on this work, to ensure that duplication/ mis-utilization of resources by other parties are minimized</p>	M&E Manager, NOPP PMU	
<p><b>Disease and pest management</b></p> <p>Finalise pathogenicity experiment to sequence and identify virulent Fusarium isolates.</p> <p>Continued surveillance, identification and management of both major and currently minor diseases of oil palm in Uganda.</p> <p>Continue with surveillance of oil palm pests in Kalangala and develop integrated oil palm weevil management strategies through the use of different traps and suitable cultural practices.</p>	NARO	
<p><b>Unregulated planting materials</b></p> <p>Unregulated planting material being planted by farmers Kalangala in Buvuma should be stopped immediately and any farmer continuing to plant unregulated material should be barred from the cooperative. NARO to sensitise farmers on recommended material on use.</p>	NARO BOPGCO	
<p><b>PMU to continue the use Force Account for farm roads</b></p> <p>PMU should continue to use the force account mechanism to deliver the farm road construction. The PMU should however, at all times during implementation follow the PPDA requirements for using the force account modality. The progress and continuous suitability of this method of delivery should be reviewed annually.</p>	PMU, Project Engineer	



<p><b>Roads passing through sensitive areas.</b></p> <p>Complete the connectivity of access roads that are passing through Forests and HCVs/HCS areas etc. under strict environmental requirements to protect the sensitive areas. road contracts should include- extra environmental requirements, like stone pitching of drainage channels. This may require revision of contract.</p>	EHS Officer NOPP, BDLG, NFA, WMD, NEMA BIDCO	
<p><b>Development and Implementation of Safeguards Instruments.</b></p> <ul style="list-style-type: none"> <li>Initiate the disclosure of the Safeguards Instruments at IFAD and in-country. (Involve NEMA for In-country disclosure)</li> </ul>	EHS Officer NOPP, MAAIF, IFAD, PM, NEMA	
<p><b>Environmental Impacts of oil palm farming and production.</b></p> <ul style="list-style-type: none"> <li>A Rapid Environmental Assessment for Alternative Livelihoods to be undertaken.</li> </ul>	EHS Officer NOPP, MAAIF, IFAD, PM, NEMA	
<p><b>PMU to continue the use Force Account for farm roads</b></p> <p>PMU should continue to use the force account mechanism to deliver the farm road construction. The PMU should however, at all times during implementation follow the PPDA requirements for using the force account modality. The progress and continuous suitability of this method of delivery should be reviewed annually.</p>	PMU, Project Engineer	
<p><b>Roads passing through sensitive areas.</b></p> <p>Complete the connectivity of access roads that are passing through Forests and HCVs/HCS areas etc. under strict environmental requirements to protect the sensitive areas. road contracts should include- extra environmental requirements, like stone pitching of drainage channels. This may require revision of contract.</p>	EHS Officer NOPP, BDLG, NFA, WMD, NEMA BIDCO	
<p><b>Development and Implementation of Safeguards Instruments.</b></p> <ul style="list-style-type: none"> <li>Initiate the disclosure of the Safeguards Instruments at IFAD and in-country. (Involve NEMA for In-country disclosure)</li> </ul>	EHS Officer NOPP, MAAIF, IFAD, PM, NEMA	
<p><b>Environmental Impacts of oil palm farming and production.</b></p> <ul style="list-style-type: none"> <li>A Rapid Environmental Assessment for Alternative Livelihoods to be undertaken.</li> </ul>	EHS Officer NOPP, MAAIF, IFAD, PM, NEMA	
<p><b>Translate summaries of approved ESIA's and ESMPs for disclosure at District and Sub-County Headquarters</b></p>	PMU/ District Natural Resources Officer	
<p><b>Fertilizer recommendations should be done by expertise from NARO in conjunction with OPUL.</b></p>	KOPGT	
<p><b>Regular Field audits to be done by Field officers and checked by NARO have to be undertaken regularly to ensure an objective assessment of field conditions.</b></p>	KOPGT Management	
<p><b>More funds should be availed to PMU to construct more farm roads to service the areas where much plantation activities are taking place in the AWPB.</b></p>	MoFPED, MAAIF, PMU	
<p><b>Improve the capacity of research team and other actors on Oil Palm providing necessary trainings</b></p>	NARO and MAAIF	
<p><b>CRI rollout</b></p> <p>Submit monthly reports to IFAD on the implementation of the CRI activities</p>	Project Manager, Operations Manager	

## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

Effectiveness

Rating: 4

Previous rating: 4

#### Justification of rating

43. The implementation pace of the project has increased since the previous implementation support mission. Under component 1, the cumulative area under smallholder oil palm in Buvuma has increased to 1,304 hectares (52% of the 2,500-ha smallholder target in Buvuma) as at the end of June 2023. The Fund Manager has been contracted which will speed up mobilization of the out growers. Under component 2, the progress is slower overall, with 2,799 households trained in income generating activities (12% of the targeted 23,922) while the number of households that are being mentored remained at 1,144 (14% of the targeted 8,066). A clear strategy for implementation of Alternative Livelihoods has been developed which will speed up implementation of the component activities.

#### Log-Frame Analysis & Main Issues of Effectiveness

Outcome 1 of Sustainable supply chains for oil palm growers established has a target of 9,887 smallholder oil palm growers selling FFBs to processors. With yield expected in the next one and a half years and the oil palm mill yet to be constructed, this indicator is currently not measured. In Buvuma, acreage planted under the smallholder scheme has reached 1,304 hectares (52% of the targeted 2,500 hectares) which has been planted by 562 smallholder farmers (33% female). The project has also constructed 43.3 kms of farm and access roads (3% of the targeted 1,580 kms) and the CPO milling capacity has remained at 40 mt/hr in Kalangala only (40% of the targeted 100 mt/hr).

Outcome 2 is household livelihoods diversified and resilience increased and the annual outcome survey that will be conducted will measure this outcome. Under the output of households enabled to take up alternative economic opportunities, 2,799 households were trained in income generating activities including vegetable production, piggery, poultry, labour gangs, vocation skilling and tree planting (12% of the targeted 23,922) while the number of households that are being mentored remained at 1,144 (14% of the targeted 8,066).

Outcome 3 is enabling environment created for sustainable scaling up of oil palm investment. Under the output of policy and institutional arrangements for OP sector development established, the Ministry with support of IFAD completed the first Regulatory Impact Assessment Draft Report which now awaits consultations at the national level before it is finalized. The output on strengthening the national oil palm research capacity has also progressed well with new adaptive oil palm trials established in Northern Uganda and West Nile, maintaining the existing adaptive trials and management of oil palm pests and diseases in Buvuma and Kalangala.

The Mission noted that overall, progress on project implementation is slow and this is largely because only one of the envisaged four implementation Hubs is effective. Now that the ESIA of Mayuge has been finalized and Masaka is at an advanced stage, which were a requirement before rolling out project implementation to the other Hubs, the necessary steps in partnership with NEMA should be fast tracked to finalize the disclosure exercise and roll out project implementation to the other Hubs. The last ESIA for Mukono-Buikwe Hub is in the early stages of procurement (at the level of request for expression of interest).

A careful review of the log frame revealed some inconsistencies between the version in the project design report and the version that was presented in the Annual Report that was presented to the Supervision Mission. Further review also revealed some inconsistencies between the versions in the Project Implementation Manual and the Targeting Strategy. The Project M&E team revealed that the inconsistencies were a result of previous discussions during Missions in 2019 and 2020 which recommended review of the project logical framework due to some inconsistencies found in the project cost tables. This process was however never concluded. It has therefore been agreed that the Project will have one last comprehensive review of the project logical framework and ensure consistency with the project cost tables and submit it to IFAD for review and No Objection. Clear justifications should be presented for any proposed change. In the meantime, the original project logical framework in the PDR should continue to be used in all the project documents.

Actions	Responsibility	Deadline	Status
Review and finalize the project logical framework Finalize the review of the project log frame and submit it to IFAD for No Objection	M,E and KM Manager	31 December 2023	Agreed

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Expedite appointment of International NGO</b> The appointment of the International NGO Partner should be expedited by immediately issuing an EOI and finalising the TOR and RFP to enable rapid contracting.	Project Manager and EHS Officer	01/2022
<b>Review and finalize the project logical framework</b> Finalize the review of the project log frame and submit it to IFAD for No Objection	M,E and KM Manager	12/2023
<b>Review and finalize the project logical framework</b> Finalize the review of the project log frame and submit it to IFAD for No Objection	M,E and KM Manager	12/2023

## Development Focus

### Targeting and Outreach

Rating: 4

Previous rating: 4

#### Justification of rating

44. The targeting is rated as moderately satisfactory. The M&E provide gender and age disaggregation and a targeting strategy is in place. The methodology is considered solid and providing clear details and criteria for a proper pro-poor targeting, especially for Component 2. The mission observed that beneficiaries selected for livelihood activities (or non-Oil Palm Growers) are in line with profiling of AL target group, with majority being vulnerable households, women, youth and also people living with HIV. Proper mobilisation was conducted and explanation of criteria provided to the communities. Targeting of oil Palm Growers beneficiaries (Component 1) requires attention. The mission suggests to provide evidence and rationale for inclusion of smallholder households with land above 2 Ha.

#### Main issues

The project reached out to 6,746 beneficiaries' households (3,577 men, 3169 women and 1103 youth). This represent 17.4% of households outreach achievement (38,728). Women represent almost 50% of total beneficiaries and youth 16%. The outreach of non-Oil Palm Growers organized in livelihood groups is 4,043 beneficiaries against 23,922 final target; targeted Oil Palm Growers (OPG) correspond to 2,706 (comprehensive of both hubs) against a target of 9,887 with 839 women in Kalangala (out of 2144) and 186 in Buvuma (out of 562 smallholders). Number of women's presence in non OPG is higher (up to 70%) as compared to women OPG (40% in Kalangala and 32% Buvuma). In both cases women's presence is above 30%. Outreach table presented include reporting about men, women, youth.

The Targeting strategy is solid and provide clear details and criteria for a proper pro-poor targeting, especially for Component 2. Beneficiaries selected are in line with profiling of AL target group (non OPG) with majority being vulnerable households, women, youth and also people living with HIV.

Targeting of beneficiaries (OPG) in component 1 requires attention. The targeting strategy provides indication on the upper limit (2 ha or 5 acres) for area of oil palm per household to be supported by the Project development loan financi The loan is to support existing or prospective smallholder OP producers. As of today, OPG includes smallholder and also commercially oriented farmers with land holding varying from less than 1 ha to 10 ha and above. Number of smallholder farmers with land below 2 Ha is 562, while farmers with land above 2 Ha correspond to 186. Project team expressed concern about presence of smallholders farmers (land size below 2 Ha) in Buvuma to be able to be achieve the total number of hectares for OP planting (2,500 ha). Discussion was held on the possibility to include additional commercial farmers (or better off farmers) with land above 3 ha and provide support package up to 2 Ha. The mission takes note of the concerns expressed to reach the adequate plantation size (being the overall target for the project 19,700 Ha in 4 hubs), however it is recommended that evidence is in place to substantiate the concern on land availability from smallholders below 2 ha.

There should be evidence showing how the quotas of smallholders vs commercial farmers are determined. In order to do so, the project team shall have data on OPG average land size and be able to set quotas (or targets) on how many smallholder below 2 Ha exists and are eligible as OPG and then justify the additional commercial farmers with land size above 2 ha to achieve the target for plantation. Funding arrangements for commercial farmers to be able to expends beyond the 2 hectares should be provided. The project will only provide support package up to 2 ha.

Going forward the project should focus on increasing outreach and strengthening the outreach to the target group.

<b>Actions</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
Map out OP producers (smallholders vs commercial farmers) and provide average land size by category to be used as evidence for targeting	Hub Manager, Project Surveyor	December, 2023	Agreed

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Map out OP producers (smallholders vs commercial farmers) and provide average land size by category to be used as evidence for targeting</b>	Hub Manager, Project Surveyor	12/2023
<b>Map out OP producers (smallholders vs commercial farmers) and provide average land size by category to be used as evidence for targeting</b>	Hub Manager, Project Surveyor	12/2023

**Gender equality & women's participation**

**Rating: 4**

**Previous rating: 4**

#### Justification of rating

45. Gender is rated as moderately satisfactory. The mission recognizes the great progresses and relevance of activities conducted under Component 2, especially on Household Mentoring and GALS whose effectiveness has been assessed by the mission and is also documented in number of success stories. Women represent overall almost 50% of total beneficiaries, and they are mainly engaged in traditional livelihood activities (up to 70%). Most of the activities are progressing well, however the mission noted that key gender gaps require attention and additional efforts to achieve a satisfactory rating. Gender issues are observed in: (i) limited access to suitable financial services, (ii) low awareness and insufficient gender enabling measures to support women during land acquisition process.

#### Main issues

46. NOPP Progress report provides disaggregated numbers showing women's presence in non-oil Palm growers (up to 70%) targeted under Component 2 and Oil Palm Growers (40% in Kalangala and 32% Buvuma) targeted under Component 1. In both cases women's presence is above 30%. Information on gender outcomes were not adequately addressed in the progress report.

47. Women are mainly involved in traditional livelihood activities outside oil palm production and at subsistence level, they are also organized in Village Saving and Credit groups. The mission interacted with very vulnerable women who lost their traditional livelihoods and required support from the project for livelihood recovery and food security. Furthermore, women organized in groups need access to stronger financial services, in line with the economic models presented in the livelihood strategy. This is key for women economic empowerment.

48. Relevance of activities provided under C2 is very high to address gender issues and ensure positive progresses towards Gender Equality and Women's Empowerment, including positive path towards gender transformation through the HHs methodology. The mission found that presence of women is low in key committees: e.g. Grievance Redress Committee (GRC) in Buvuma where women account for 11 out of 52 (21%). It is recommended that in general women should be at least 30% representative/leaders in decision making bodies and relevant committees.

49. Household mentoring activities are progressing well, with a total of 1,290 mentees trained. Mentors received training in GALS methodology, gender trainings, food and nutrition training, HIV/AIDS awareness approaches and enterprise selection and income generation activities. The mission assessed that implementation of the methodology is correct and interest from mentees is very high. The project has graduated 180 HHs (Buvuma) and will soon graduate 120 from Mayuge and 150 from Kalangala, however 840 HHs are progressing on a slower path and still require more mentoring. The Project will identify 140 Champions each one to be responsible for 3 HHs. This step is key to ensure sustainability of the intervention and outreach (8,066 households mentored).

50. NOPP conducted an assessment of the household mentoring Programme (July 2023) and positive changes were observed in increased inclusion and improved social empowerment of vulnerable groups, specifically women, in development activities. Additional information are reported and documented in 12 success stories. The stories contain information that can be refined and used for publication (e.g. to prepare a booklet/ catalogue for dissemination among implementers as well as 2 success to be posted on the IFAD gender blog. A template for reference is in Annex 4). As part of the recommendation provided, it is recommended that 50% stories are about women.

51. Despite positive progresses challenges persist. Gender inequality issues are found, specifically on reported cases of women unable to receive any economic benefit/ compensation from the land acquisition. The Grievance Redress Committee (GRC) should be involved in the sensitization of the land compensation claimers, in order to provide awareness raising on gender equality and encourage households to consider enabling measures such as: (i) compensation value transferred to a joint bank account; (ii) participation in activities using GALS at community level during sensitization. It is recommended that a gender focal person (possibly a women member of the GRC) is appointed in the GRC and trained to properly handle similar cases.

<b>Actions</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
Gender Focal points (women) appointed in GRM and trained to handle gender related cases	PMU	December 2023	Agreed
Apply tools from GALS methodology during awareness and sensitisation at community level, specifically directed to households of land claimers	PMU	Continuous	Agreed

Extra effort to Increase overall number of women in decision making bodies/leaders and representative at minimum 30%	PMU	March 2024	Proposed
Report Number of Women headed Households in LogFrame	PMU/M&E	Continuous	Agreed
At least 50% of success stories produced on Mentoring programme should be about women	PMU/M&E	February 2024	Agreed
Improve reporting on Gender outcomes as part of the Progress Report	PMU/M&E	Continuous	Proposed

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Gender Focal points (women) appointed in GRM and trained to handle gender related cases</b>	PMU	12/2023
<b>Gender Focal points (women) appointed in GRM and trained to handle gender related cases</b>	PMU	12/2023
<b>At least 50% of success stories produced on Mentoring programme should be about women</b>	PMU/M&E	02/2024
<b>At least 50% of success stories produced on Mentoring programme should be about women</b>	PMU/M&E	02/2024
<b>Extra effort to Increase overall number of women in decision making bodies/leaders and representative at minimum 30%</b>	PMU	03/2024
<b>Extra effort to Increase overall number of women in decision making bodies/leaders and representative at minimum 30%</b>	PMU	03/2024
<b>Apply tools from GALS methodology during awareness and sensitisation at community level, specifically directed to households of land claimers</b>	PMU	
<b>Report Number of Women headed Households in LogFrame</b>	PMU/M&E	
<b>Improve reporting on Gender outcomes as part of the Progress Report</b>	PMU/M&E	
<b>Apply tools from GALS methodology during awareness and sensitisation at community level, specifically directed to households of land claimers</b>	PMU	
<b>Report Number of Women headed Households in LogFrame</b>	PMU/M&E	
<b>Improve reporting on Gender outcomes as part of the Progress Report</b>	PMU/M&E	

**Agricultural Productivity**

**Rating: N/A**

**Previous rating: 4**

#### Justification of rating

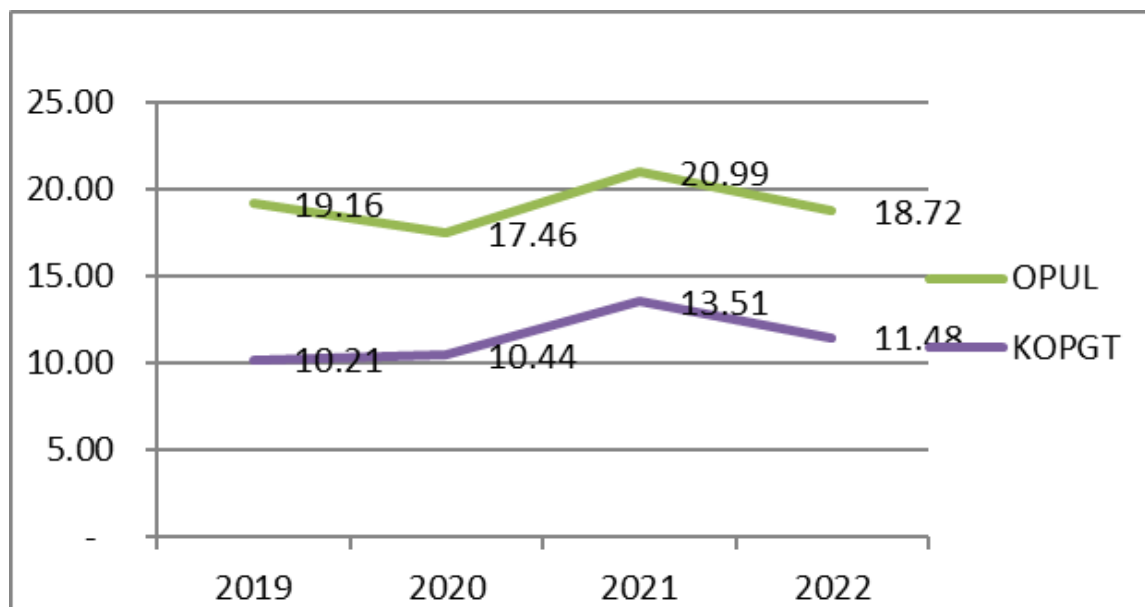
52. The Buvuma plantings for the smallholder is at 1304 ha as against a planned ha of 2500 ha by end 2023 and nucleus plantings area is at 2028 ha less than 50% of the planned 5000 ha and the project is already 4 years. At this rate the planted area for NOPP might not be achieved if efforts are not doubled to recover. In addition, the smallholder FFB yield per ha for Kalangala has been lower than that of the nucleus over the years and this is illustrated by the fact that between 2019 and 2022 the annual difference was around 7 tons of FFB per ha.

#### Main issues

Buvuma planting for smallholder of 2500 ha were supposed to have been completed by the end of 2023 and given the rate of farmer/land mobilisation that is not possible this year. In addition the nucleus plantation is not getting the planned unencumbered land from the GoU resulting in delayed planting of the planned area to less than 50% for the nucleus which has implications for planning for nursery seedlings imports as there are at least 1700 equivalent of seedlings getting over grown and increasing the seedlings unit costs. This may delay the mill construction if the total area planted is not achieved on time.

In Kalangala, the yield for the nucleus is been higher than that of the smallholder area over the years as illustrated in the graph below. The main reason for the difference has been non adherence to agronomic advise by the smallholders and little or no fertiliser application especially since 2018 due to unavailability and non-application of fertiliser as well as cost implications to the farmer. Recommendations have been included under section on Component 1 and greater explanation is provided in the technical annex.

**Graph showing the yields between nucleus and smallholder in Kalangala 2019-2022**



**Nutrition** **Rating: N/A** **Previous rating: 4**

**Justification of rating**

53. The project in partnership with the Buvuma District Local Government facilitated a food and nutrition training in four sub-counties with the objective of re-enforcing specific nutrition related practices and behaviours to change habits that contribute to poor health. A total of 949 (M 522, F 427, Y 346) individuals attended the 3-day training on food and nutrition. The household mentors and mentees were purposively included. Since children are normally given one meal per day, Latrine coverage is low in all areas covered and despite the availability of fruits, families don't consume them often, the training addressed these issues. Changes in practices need to be measured.

**Main issues**

54. The key concern is the availability of land for growing of food crops to ensure adequate nutrition. The last mission in May 2022 noted that in some villages, there appears to be limited agricultural land left for food production. Some villages are surrounded by central forest reserves, local forest reserves, lake buffer, wetlands, HCV/HCS and nucleus estate leaving little or no land remaining for growing of food crops. In many cases the community used to cultivate land in areas purchased and leased to OPBL for oil palm cultivation. These areas have been taken over and planted by OPBL – the communities are facing a challenge. It is important to make a rapid assessment of the availability of agriculture land in the villages on the island and determine any challenges for food production or nutrition. In these villages – NOPP should be careful not to support oil palm smallholder development which could worsen the situation and instead focus on developing alternative livelihood and food sources. The project is carrying out the rapid assessment.

Actions	Responsibility	Deadline	Status
<b>Food Security</b> Identify villages on Buvuma which may face challenges for food production as a result of development of parts of village for oil palm nucleus estate and out-growers considering the allocation of land for protection for Forests, lake buffer, HCV and wetlands. Work with Local government to verify and take action where necessary to avoid local food shortage.	NOPP, BIDCO, BDLG	January 2023	Agreed

**Adaptation to Climate Change** **Rating: 4** **Previous rating: 4**

**Justification of rating**

55. Adaptation to climate change is not a main objective of NOPP, emphasis is placed on mitigation. The restoration and demarcation of forest and planting of palm trees contribute to climate change mitigation. Identified climate change risks include

rainfall variability, droughts and floods. The climate change adaptation measures that are already being adopted and need to be promoted systematically to build the resilience of NOPP beneficiaries and their livelihoods, include planting drought tolerant materials, management practices on the farm for soil and water conservation e.g. basins around the palm trees and use of cover crops for moisture retention. The road infrastructure development includes drainage into farms to improve water infiltration and retention for farming activities.

**Main issues**

- 56. The focus of NOPP is on perennial crops and therefore though the climate change related risks faced by beneficiaries and their livelihoods are known, adaptation measures are not systematically being promoted through the project activities. The land reported under climate resilient practices can beneficially include farm land where soil and water conservation techniques are being applied. This would require monitoring of the farms and the extent of adoption of these practices by the farmers. Extension officers would need to be trained to be able to capture the relevant information and consolidate it.
- 57. The monitoring of the farms and areas under climate resilient practices would ensure the dissemination of the adaptation measures more systematically by extension officers and also raise the awareness of the benefits of these measures among farmers. The INGO that is now on board, Solidaridad, can also support the dissemination of the adaptation measures through the Best Management Practices and build the capacity of farmers to enhance adoption.
- 58. The land under climate resilient practices has an ambitious target of over 5,000ha, however most of the target is aimed at demarcation of forests. More efforts should be made in restoration of degraded forests and protecting the forests from further degradation. The Green House Gas emission trends of the project and the land use change analysis to be done by the INGO will inform where the further efforts on restoration are required.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Scale up climate adaptation measures</b></p> <p>Further effort is needed to scale-up climate change adaptation measures and mainstream them into the work of the project and enhance outreach and communication to targeted communities and local governments on climate change related risks.</p>	<p>Environment, Health and Safety Officer Other component leads</p>	

**b. Sustainability and Scaling up**

<b>Institutions and Policy Engagement</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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**Justification of rating**

- 59. The Regulatory Impact Assessment (RIA) was completed in May 2023 which is a clear development from last mission. The project has also engaged with several banks to attract commercial financing for oil palm production for farmers who are not benefitting from the development loan. The project is also working with KOPGT for supporting the farmers in Kalangala hub and insuring the sustainability aspects are in place. NOPP has conducted 1 Oil Palm stakeholders engagements platform in Kalangala

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>National Oil Palm Policy</b></p> <p>Start the process to develop a National oil palm policy and appropriate administrative controls through a Multistakeholder process ( over 18-24 months).</p>	<p>MAAIF/Steering Committee/PMU</p>	<p>03/2020</p>

<b>Partnership-building</b>	<b>Rating: 5</b>	<b>Previous rating: 5</b>
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**Justification of rating**

- 60. The project shows good partnership with Private Sector (OPBL), farmers' organisations and District Local Governments in Buvuma, Kalangala and Mayuge. Strong collaboration continues with ministries and agencies at national level, i.e. MAAIF, NEMA, NARO. The MoU with OPBL has been concluded, and has been found to require some changes which has been agreed that there will be a quarterly review of MoU performance and agree changes going forward. The project has concluded a partnership with UDB for providing commercial financing for oil palm development.

**Main issues**

<b>Actions</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
<p>Review MoU Performance on a quarterly basis</p>	<p>PMU</p>	<p>Continuous</p>	<p>Agreed</p>

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Partnership with other agencies</b> Establish partnership with other agencies with ongoing projects related to alternative livelihoods and community welfare in the targeted districts. Deadline: Continuous	PMU/ MAAIF	
<b>Review MoU Performance on a quarterly basis</b>	PMU	
<b>Review MoU Performance on a quarterly basis</b>	PMU	

**Human and Social Capital and Empowerment**

**Rating: 5**

**Previous rating: 4**

#### Justification of rating

61. The project presents a strong social inclusion approach, especially under Component 2, in line with the targeting strategy. Community level sensitisation have been conducted reaching 6,753 beneficiaries. Vulnerable groups such as people with HIV/AIDS are included in livelihood groups and HIV/AIDS community sensitization organized. Socially high-risk households have been targeted by the mentorship programme and during field visits a positive feedback was shared on how the Programme helped increasing confidence and empowerment. Youth are also mobilized during HIV/AIDS seminars (437 participants) and GALS training developed targeting 233 beneficiaries (100 women, 88 men and 48 youth) for households planning.

#### Main issues

62. Community level sensitisation on HIV/AIDS, Gender and Nutrition have been organised and targeted a total of 6,735 participants: 1700 gender; 3889 Food and Nutrition; 1,165 HIV/AIDS respectively. Based on final target (30,837) the percentage achieved is 21.8%. The mission interacted with Youth Alive NGO is responsible for this set of actions and the mission found that the quality of services in this respect is adequate. The mission participated in one event and found that a large number of youths were mobilised for HIV/AIDS sensitisation event. Youth met shared a positive feedback about activities promoted and asked for more involvement in activities related to agribusiness. The mission recommended that link is created between youth mobilised and trained by Youth Alive and activities under Component 2. Development Agents/Hubs team should join this event and promote NOPP activities to check interest from youth side.
63. The project introduced the following GALS tools to develop participatory visioning and planning skills: (i) Resource Map(ii) Vision Road Journey; (iii) gender balanced Tree; (iv) Income Increase Tree (v) Social empowerment map; (iv) Challenge action tree and (vii) increasing income tree. Based on experiences shared during field visits, women showed a positive perception of the changes is related to a more equitable work balance in the home, greater voice in household decision-making, a fairer share of economic benefits, improved food security and nutrition and reduction in domestic violence. Beneficiaries started using GALS tools in their household planning.
64. The mission recommends the use of visioning tool during community consultation and planning process to guide community discussions, ensuring inclusiveness for all beneficiaries. Furthermore, in light of gender gaps identified in relation to women accessing land compensation, the mission recommend that GALS tools can be used to target households engaged in that process. This recommendation is captured in the gender section.
65. Under vocational skilling, the project is targeting 2,500 beneficiaries (500 per hub) for promotion of self-employment of youth and women. A total of 122 beneficiaries have been trained (50% young girls). Of the graduates, 73% are already either employed or self-employed and earning on average UGX 200,000 per month. A total of 11 graduates were retained by the polytechnic in Kalangala for further training to attain National Certificates. The mission interacted in Kalangala with a group of youth graduated (both young men and women). It was observed that youth interviewed found employment/self-employment and shared many ideas on their future aspirations and plans. The mission found that it is important that the training curriculum is inclusive of business coaching sessions, especially those aiming at self-employment. PMU informed that this planned for future vocational and skills training cycle. A service provider is already onboard and will provide Business Development service as required during skills development trainings.

**Quality of Project Target Group Engagement and Feedback**

**Rating: 4**

**Previous rating: 4**

#### Justification of rating

66. Consultation mechanisms, in the form of information and awareness campaigns, have been adopted by implementing partners to ensure the inclusion of beneficiaries' views and needs. Farmers and Producers groups/associations are formed where feedback on project services and quality is also provided. Challenges in the Grievance Redress Mechanisms and Feedback related to land acquisition exercise have been observed.

#### Main issues

67. The Grievance Redress Committees (GRC) met in Buvuma expressed concerns due to the lack of communication with District



Local Government coordinating the land acquisition and compensation activities. The gap limits their knowledge on progresses about complaints so to be able to close the feedback loop (being majority of complaints related to Land Valuation and Compensation). The hub project team should facilitate communication between the two parties as responsiveness of the district local government need improvement. The GRC expressed the need to improve capacity in the area of Alternative dispute resolution and knowledge on the Legal framework for land ownership in Uganda and having access to translated version of land act. PMU will ensure proper dissemination of the document and provide training as required. The GRC should be involved in the sensitization of the land compensation claimers, in order to provide awareness raising on gender equality and encourage households to consider enabling measure (other actions under gender section).

Actions	Responsibility	Deadline	Status
Capacitate GRC to increase awareness on equitable share originating from the compensation process.	PMU	February 2024 and Continuous	Agreed
PMU will ensure proper dissemination of the documents needed and provide training as required for strengthening capacity of GRC	PMU	February 2024	Agreed

**Responsiveness of Service Providers** **Rating: 4** **Previous rating: 4**

**Justification of rating**

68. On June 20th, 2022, MAAIF - NOPP signed an Agreement (MoU) with Oil Palm Buvuma Limited (OPBL) for supply of inputs (seedlings, fertilizers, agrochemicals) and provision of plantation establishment services to smallholders in Buvuma. The MoU performance shows some positives like, lining of farmers' fields for holing and planting, supply of seedlings, supply and application of fertilizers and agrochemicals especially insecticides for specific pests identified, training on ablation and other practices. Some of the MOU elements needs to be improved or renegotiated.

**Main issues**

- 69. The farms roads could not be done, trainings for Hub staff on oil agronomy, inconsistent transport services for input and labour supply are not timeous from the side of OPBL.
- 70. There were issues with the service provision from OPBL due to various reasons including the delayed payment for services rendered by OPBL which are increasingly causing distrust to NOPP by the investor though there are extenuating factors causing the delay like the issue of payments for services rendered to commercial farmers which is being addressed with the signed new MOU between OPBL, famers organization in Buvuma, NOPP and the Uganda development bank for the funding of the commercial farmers plantings.

Actions	Responsibility	Deadline	Status
A formal system of quarterly meetings between PMU and OPBL should be used to track performance and changes in the MOU	PMU	Continuous	Agreed

**Environment and Natural Resource Management** **Rating: 4** **Previous rating: 4**

**Justification of rating**

71. The impact of NOPP activities on environment and natural resources management is not yet fully being monitored. Thus far only water quality is monitored by Department of Water Quality Management under Ministry of Water and Environment through monthly and quarterly water samples. Thus far the trends show that all parameters tested are within acceptable limits. Habitat loss, conversion of land uses and biodiversity loss are currently not being monitored due to the delays in recruiting the INGO, Solidaridad. At farm level, measures such as the placement of palm fronts as contours on sloping land following pruning and cover crops can be promoted to prevent soil erosion. Cover crops such as nitrogen fixing legumes and composting of the empty fruit bunches also enhance soil fertility.

**Main issues**

Solidaridad is now on board and will hold an inception meeting in October 2023. Their ToRs focus on the support of farmers in meeting the RSPO standards, monitoring of the buffer zones, dissemination of best management practices and monitoring of key parameters on land use change and habitat as well as biodiversity loss. It will be important for Solidaridad to build the capacities of the extension and district environment officers in the monitoring of the key parameters to ensure sustainability on the monitoring activities.

In addition to the monitoring of land use change and the demarcation of forests, consideration could be given to the provision of forest

corridors particularly on the private land that is being converted into palm oil growing zones. This will require engagement of the private land owners as the current rates of conversion of land to palm oil farming has resulted in a decrease in the land under forest cover on the islands where planting has progressed.

Monitoring of buffer zones will also be enhanced through the INGO capacities. Currently notices are provided to those farmers who encroach on buffer zones. Action taken following the notices needs to be reported to continue to deter the encroachment. The buffer zones have the additional challenge of previous encroachment where farmers in these areas do not use fertiliser and agro-chemicals as part of the standard operating procedures (SOPs). However, adhering to the SOPs requires continuously monitoring of the framing practices in these areas.

The results of the water quality tests illustrating the parameters being with acceptable limits is corroborated with results from health centres where no outbreak of waterborne disease has been evident. As the areas under palm oil expand the number of samples will also be increased and any changes in the water quality trends will need to be addressed.

Charcoal production continues to be a challenge on forest management as communities on Buvuma and the outlying islands rely on fuel wood. Various options including community woodlots, carbon credit schemes, efficient cook stoves and more efficient kilns are under consideration to address the challenge. Communities will need to be fully engaged in prioritising the options, which also offer opportunities for youth employment for example in the production of efficient cook stoves.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Environmental assessments</b> Environmental assessments of the Mayuge and Masaka Hubs need to be expedited	PMU	03/2020
<b>Fine tune the TOR/implementation arrangements for ESIA and SEA for Hubs</b> Incorporate comments from the mission into the TOR or a guidance paper to be provided to the consultants to ensure coordination and avoid duplication.	NOPP (ESHO)	01/2021
<b>Resolve remaining challenges related to the HCV/HCS assessment for Buvuma</b> BIDCO/OPBL and NOPP should work together to understand and find solutions to the current challenge arising from the development constraints linked to the earlier HCV/HCS assessment and find a practical solution to this challenge, including, if necessary, hiring an international expert	BIDCO/OPBL, NOPP/IFAD	03/2022
<b>Immediate Action to address urgent environmental issues in Kalangala</b> Immediate action to be taken by local government, NOPP and BIDCO to protect and rehabilitate forests, wetlands and coastal buffers on Bugala, Bunyama and Bubembe Islands.  Deadline: July 2020 to initiate	PMU, KOPGT, DNRO NFA, NEMA, OPUL	

**Exit Strategy**

**Rating: 4**

**Previous rating: 4**

#### Justification of rating

72. The project is yet to finalize the Exit strategy, however the 4P approach and linkages with private sector within NOPP ensures a proper exit plan for the investment. DLGs are involved in the alternative livelihoods and the project is already putting in place farmers' organisations like cooperatives which are expected to carry on support to farmers.

#### Main issues

73. The 4P approach of NOPP ensures a clean exit strategy for the investments. The project is already putting in place farmers' organisations like cooperatives which are expected to carry on support to farmers with strong linkages with private sector for efficient support services. The partnership with UDB and other banks for financing of oil palm farmers is a sustainable exit strategy. Involvement of NARO in oil palm research also will ensure continued support of research for the growth of the sector.

74. While there are strong elements of exit strategy being implemented, a clear document articulating exit strategy of the project and its various activities and buy in of the exit strategy by different stakeholders is a priority.

<b>Actions</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>

<b>Exit strategy</b> in consultation with key stakeholders develop the exit strategy for all core activities that are being implemented	PM	March/ 2023	agreed
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**Potential for Scaling-up** **Rating: 4** **Previous rating: 4**

**Justification of rating**

75. Building on the success for VODP2 and the work implemented in Kalangala, GoU is already planning to expand the similar model in other appropriate locations using the 4Ps model introduced by IFAD. NOPP is scaling up oil palm production in some of the favourable agro-ecological conditions in the country based on the nucleus estate-smallholder model, which has provided a framework for a sharing of incentives and risks with the attention to environmental and social safeguards and mitigation measures.

**c. Project Management**

**Quality of Project Management** **Rating: 4** **Previous rating: 4**

**Justification of rating**

76. Project Management remains moderately satisfactory. The Project Steering Committee (PSC) had their second meeting which discussed project performance and approved the Annual Work Plan and Budget (AWPB) for financial year 2023/2024. There is evidence of more regular backstopping and follow up by the PMU to ensure they are fully up and running. Weekly meetings are held by the section heads and staff meetings held monthly. The Project Manager also provides an update on the project performance weekly to the Permanent Secretary - MAAIF which is a good practice. Some contracts for staff have expired while others expire end of September and end of December 2023. Timely appraisal of staff performance should be done to ensure efficiency in the contract renewal process.

**Main issues**

The quality of Project Management has continued to improve with each of the Heads empowered to take a lead on the planning, implementation follow up and reporting under their respective components. The second project Steering Committee sat and approved the AWPB for FY 2023/2024 and had very engaging discussions with the project on how to improve performance. There is more clear segregation of duties at the PMU and each staff has a performance plan for each financial year specifying their deliverables which forms the basis of their annual appraisals. The PMU holds monthly meetings and the Section Heads meet every Monday. The Project Manager is also expected to send the Permanent Secretary a report every Friday which compiles all the key activities done in the week and the planned activities of the following week.

The performance of District Local Government has generally started to improve with more timely reporting and more evidence of engagement with the targeted beneficiaries especially under the Alternative Livelihoods Component. The Project provided Indicative Planning Figures to the DLGs and had planning meetings with them which resulted into them providing acceptable work plans for FY 2023/2024. It was however noted that the funds flow to the DLGs is still slow which negatively affects the pace and quality of implementation. The Project Management should continue engaging with the District Local Government to fulfil their reporting obligations (both physical and financial) and also engage MAAIF Management to improve timely processing of the funds.

Some of the contracts of the staff have expired while some contracts expire end of September 2023 and the rest end of December 2023. Three months prior to contract expiry, staff are required to inform the Permanent Secretary – MAAIF of their desire to renew their contracts if interested, which was done. Internally, the respective supervisors at the PMU have completed appraisal of the staff in their respective sections and the Project Manager has completed the appraisal of the Managers. There is need for timely conclusion of the contract renewal process to enable staff concentration on improving performance.

Actions	Responsibility	Deadline	Status
<b>Renewal of staff contracts</b> Ensure timely completion of the staff contract renewal processes	Permanent Secretary – MAAIF	31 December 2023	Proposed

**Knowledge Management** **Rating: 4** **Previous rating: 4**

**Justification of rating**

77. The project continues to implement the Communication and Management Strategy and action plan. So far, 17 success stories mainly covering interventions under the Household mentorship and agriculture intensification programs have been captured although these did not follow the simplified IFAD template on success stories which would improve their quality and enable readers to easily follow, relate, and understand the messages. The project also needs to start documentation of the smallholder oil palm beneficiaries to provide reference for future KM activities. The project also actively participates in knowledge and learning events where project performance is shared with different stakeholders.

## Main issues

78. The project continues to implement the Communication and Knowledge Management (C&KM) Strategy and action plan. The project C&KM continues to facilitate and enable the capture, exchange and uptake of knowledge on the project investments in oil palm, agriculture intensification, vocation skilling targeting the youths and environmental sustainability in the project area. The project has produced 17 success stories mainly covering interventions under the Household mentorship and agriculture intensification programs by the project. The project also shared some pictures that were taken during the capture of the success stories. The mission found this to be a good beginning in the documentation of the project results under the Alternative Livelihoods Component. The Mission introduced the project to the IFAD template on success stories which would improve the quality of the success stories and enable the reader to easily follow, relate and understand the messages. This template will be adopted by the project and one success story from each of the project investments under the alternative livelihoods' component will be documented using this template by March 2024. The Mission also notes the need to start documentation of the smallholder oil palm beneficiaries in Buvuma to have a good record of the "before" situation which will enable later documentation of the "transformation process" and the "transformation results". This documentation should be done by end of February 2024.
79. The project will host the IFAD Executive Board between 28 November and 02 December 2023 and has an opportunity to provide a platform for the NOPP beneficiaries to share their experiences. IFAD fielded a photography and filming mission in September 2023 which will provide high quality photographs and videos showcasing selected beneficiaries under the Alternative Livelihood Component in Kalangala district. One of the findings during the filming mission is that the project does not have high quality professionally captured videos and photographs of the project beneficiaries. IFAD will continue to work closely with the project to prepare for the upcoming IFAD EB visit.
80. The project has continued to organize and/ or contribute to knowledge and learning events at exhibitions and produced and disseminated a number of knowledge products including the third edition of the Oil Palm newsletter, capturing field stories from the beneficiaries, curation of field activity pictures from component officers and updating the Oil Palm Frequently Asked Questions. The project also participated in the National Agriculture Research Organization/ Makerere University Conference themed "Innovations for Enhancing Productivity and Agro-Industrialization" where a special panel discussion on "Oil Palm Opportunities in Uganda" was hosted. The Oil Palm Research team supported by NOPP shared their scientific papers during this panel.

<b>Value for Money</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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### Justification of rating

81. The Procurement activities reflect a high rate of competition done throughout the FY 2022-2023. Out of 19 "Goods" Packages only three were done using Direct Contracting representing 0.1% in value of contracts value under this category.

## Main issues

82. For the Works" category only one package was done through Direct Contracting representing 2% of the total value of contracts under this category. Even the package of " Construction of Farms Roads in Buvuma" which was cleared by IFAD to be done through Force Account method was not done through Direct contracting with the Ministry. Instead, the project did a competitive bidding for the construction material and, intends to pay incentives for the workers. For the Fuel purchased from Shell under this activity, this commodity has a fix value all over the country. This high rate of competition implies a good value for money from a procurement perspective.

<b>Coherence between AWPB and Implementation</b>	<b>Rating: 4</b>	<b>Previous rating: 3</b>
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### Justification of rating

83. The project budget performance has improved from 34% in financial year 2021/22 to 63.9% in financial year 2022/23 with a physical progress standing at 73%. This improvement was largely attributed to payment of the Letter of Credit for the Buvuma Ferry, better segregation of duties at the PMU and more timely approvals of payments by the Ministry. It was however noted that performance of some of the sub-components is still below 50% which is not satisfactory. The Project Steering Committee provided good feedback on the performance of the AWPB for financial year 2022/2023 and in the finalization of the AWPB for financial year 2023/2024. The project should ensure that all the sub-components improve performance which will result into better attainment of the project targets and deliverables

## AWPB Inputs and Outputs Review and Implementation Progress

The budget performance for the financial year 2022/2023 was 63.9% as of 30 June 2023. In terms of performance by component, under component 1, 69% of the funds were utilized; under component 2, 29.7% of the funds were utilized; under component 3, 62.4% of the funds were utilized; and, under component 4, 83.7% of the funds were utilized. A further analysis of the expenditure by component reveals that under component 1, the sub-components on "Smallholder oil palm plantations developed" (with 42% performance) and "Development of oil palm grower organisations" (with 30% performance) were not satisfactory. The component 1 performance was largely improved by sub-component 1.3 on Establishment of support infrastructure (173% performance) which included the payment of the Letter of Credit for the Procurement of the Buvuma Ferry.

Under component 2, all three sub-components had less than 50% performance with the sub-component 2.3 on "Environment, Health and Safety" performing lowest at 23%. Under component 3, all the sub-components performed fairly well with sub-component 3.1 on "Oil Palm Sector Development Framework" achieving a 69.5% performance and sub-component 3.2 on "Strengthening the National Capacity for Oil Palm Research" achieving a 57.5% performance.

The project regularly updates the AWPB report, where on a quarterly basis, the Finance and Administration Manager shares the financial performance across all planned expenditure areas with the Monitoring and Evaluation Unit which then updates the AWPB report. This was found to be a good practice through which areas that are not performing are quickly identified and the relevant action taken to ensure improved performance.

For financial year 2023/2024, the project originally submitted an AWPB with a budget of UGX 25.9 billion on 4<sup>th</sup> August 2023 after which a No Objection was provided by IFAD on 10<sup>th</sup> August 2023. However, MFPED communicated budget cuts and the project revised its AWPB to fit within the available budget of UGX 15.3 billion of which UGX 6.5 billion (42%) is budgeted for Component 1, UGX 2.2 billion (14%) is budgeted for Component 2, 0.7 billion (4%) is budgeted for component 3 and 6.1 billion (39%) is budgeted for Component 4.

The revised AWPB was approved during the second sitting of the Project Steering Committee which is a good practice as it ensures ownership of the budget activities by all the key project implementation partners. The AWPB submission was however after the set target of January 2023 during the Implementation Support Mission of March 2023. This was intended to ensure that the IFAD No Objection would be received before the start of the financial year on 1 July 2023 to ensure continued implementation of project activities. For the FY 2024/2025, the project should ensure that the AWPB is submitted to IFAD for review and No Objection by end of May 2024 which will provide sufficient time for the review and No Objection process before the start of the financial year on 1<sup>st</sup> July 2024.

To further improve performance in Financial Year 2023/2024, the PMU will submit semi-annual performance (July to December 2023) and annual performance reports (January to June 2024) to IFAD in January 2024 and July 2024 respectively to provide timely updates on the AWPB execution. An appropriate report format will be agreed between IFAD and the PMU by end of October 2023.

Actions	Responsibility	Deadline	Status
<b>Timely submission of the AWPB</b> Ensure the AWPB for FY 2024/25 is submitted for IFAD NO by 31 May 2024	Project Manager	31 May 2024	Agreed
<b>Follow up AWPB Execution</b> Submit semi-annual and annual performance reports to IFAD	Project Manager	31 January 2024 and 31 July 2024	Proposed

**Performance of M&E System** **Rating: 4** **Previous rating: 4**

#### Justification of rating

84. The project has rolled out the M&E manual, data collection tools, back to office tools, the AWPB plan and reporting tools and the performance report template. The project has profiled all the beneficiaries under the oil palm and alternative livelihoods components including the household mentees using MS Excel. Data is collected by the implementing partners and verification is done by the M&E team at the project. A matrix on actions developed from M&E verification visits is being updated capturing actions taken. The project now needs to prioritize the conversion and migration of all existing data sets onto the project MIS to operationalize it as a one stop centre for all the project data at activity, output and outcome level.

#### M&E System Review

The monitoring of project outputs and outreach continues to improve with the profiling of all the project beneficiaries under the oil palm and alternative livelihood components, and all the household mentees although this is still done in MS Excel databases and using among others, Kobo-collect tools. The data is collected in partnership with the implementation partners (hub extension workers for oil palm, district local governments for alternative livelihoods and household mentors for the mentees) who have been provided with simple data collection tools. The project has also rolled out the GIS based garden and tree mapping exercise in Buvuma and is capturing coordinates of all the project beneficiaries living close to the environmentally sensitive areas. The geo-coordinates for all the project infrastructure including farm and access roads, office buildings and fertilizer stores have been captured and mapping of the buffer zones and forest reserves is underway.

Joint quarterly M&E visits were rolled out by the technical and M&E Officers and the Mission was able to review the reports from these visits, matrix on M&E recommendations and actions taken to improve performance. The segregation of duties among the M&E unit staff continues to provide the technical teams will sufficient M&E support.

The project now needs to prioritize the conversion and migration of all existing data sets onto the project MIS to operationalize it as a one stop centre for all the project data at activity, output and outcome level. All future data collection, cleaning, analysis and report generation will be directly on the system with both online and offline functionalities activated. The Mission carried out some tests of the MIS, reviewed and made proposals on the MIS manual and how the MIS can be further improved to ensure it provides the relevant outputs and reports to ensure timely planning and decision making. It was agreed that all the pending work on the MIS including uploading the MS Excel databases and testing of all the MIS components should be completed before end of December 2023 after which it will be presented to the IFAD Country Office on 15 January 2024.

The project produced farm models for the different investments under the alternative livelihood components and these have been

incorporated in the training of the project beneficiaries. Even as the MIS is being operationalized, more emphasis should be put on capturing the outcomes especially under the investments under the Alternative Livelihood components. Some of the MS Excel tables capture information on sales/ incomes but a more systematic capture of the outcomes needs to be done through periodic outcome studies (both qualitative and quantitative). It was agreed that beginning December 2023, the project will start carrying out outcome studies for the agriculture intensification and VSLA investments in Buvuma.

<b>Actions</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
<b>Roll out of the Project MIS</b> Complete the conversion and migration of all the project data and start using the MIS for all project M&E activities by 31 December 2023. Present the complete MIS to the ICO	M,E and KM Manager	15 January 2024	Agreed
<b>Tracking project outcomes</b> Carry out an outcome study for the investments under agriculture intensification and VSLAs in Season B 2023	M&E Officer	15 February 2024	Agreed

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>M&amp;E Plan</b> Development of an M&E plan with environmental and social related impacts.	ME&L Manager and EHS officer	01/2020
<b>MIS Roll out</b> Ensure timely completion and roll out of the MIS	M,E and KM Manager	06/2023
<b>MIS Roll out</b> Ensure timely completion and roll out of the MIS	M,E and KM Manager	06/2023

**Social, Environment, and Climate Standards requirements**

**Rating: 4**

**Previous rating: 4**

#### Justification of rating

85. Overall NOPP activities are being conducted in adherence to the SECAP. The ESIA's are being produced with overall good quality albeit delayed as only one has been approved. Four ESIA's have been prepared however the integration of climate change has not been effectively done in these reports. In addition, the ESIA's require strengthening with clarity on the scope considering the nucleus estate, mapping of smallholders, Greenhouse gas emission estimates and integration of soil suitability study results. Rapid Environmental and Social Assessments are being conducted for the access roads and ESMPs are being implemented. The current gap is on the environmental and social analysis for the farm roads, which needs to be addressed with support from the District officers.

#### SECAP Review

The approval of ESIA's is a condition for the initiation of activities in the various Hubs. Therefore, delays in conducting the assessments and processing the reports for approval adversely impact NOPP implementation progress. Thus far NEMA has approved one ESIA for Buvuma Hub, the one for Mayuge Hub is under review, while the ones (Masaka, Kalungu and Kyotera) for Masaka Hub are yet to be submitted. The ESIA for the final hub is in the initial procurement stages. Comments have been shared with the consultants following IFAD's review of the ESIA's for Maguye and Masaka Hubs. The reports for Masaka Hub will be revised before submission to NEMA. For Mayuge Hub the comments provided will be used in the revision of the report when incorporating any comments from NEMA.

A key issue is the disclosure of the ESIA's, which based on national regulations entails NEMA deciding on the need for a public hearing during their review of the report. As such, for the ESIA's that have been approved so far, no disclosure was done at the site of the project intervention. Discussions were held with NEMA representatives on this issue, which is a requirement under the SECAP. NEMA requested a letter be sent seeking approval for the disclosure in the local language at the District and Sub-county level. Once the letter is submitted, NEMA will provide an official response to the request. A positive response from NEMA will initiate action from the NOPP team to translate and disclose documents at the local level. A negative response will entail further engagement with NEMA to find a compromise that ensures adherence to the SECAP. Disclosure of the reports on the IFAD website was authorized and 120 days has elapsed since the posting for Mayuge and Masaka Hubs.

For the farm roads, in lieu of the rapid assessments, the District Environmental Officers and Community Development Assistants can support integration of environment and social considerations in the road's development. The Officers and Assistants will need to be informed when the roads are being identified and facilitated to participate in the exercise.

The Strategic Environmental Assessment that has been commissioned is timely to inform future Government investments in oil palm given the ambition to expand to 51 Districts. It will also be useful in the post ESIA for the NOPP investments.

#### d. Financial Management & Execution

**Acceptable Disbursement Rate** **Rating: 2.0** **Previous rating: 2**

##### Justification of rating

86. Automated rating based on IFAD disbursement data

##### Main issues

87. The project became effective in November 29, 2018 and hence it is in its about to finish year 5 of implementation. The current active sources of funds for the project, which are being channeled through IFAD are IFAD Loan and IFAD grant. IFAD loan disbursement is USD 17,656,471.52 representing 23.29% disbursement level with a cumulative absorption of 19%. The PDR schedule shows should be currently at 47% absorption hence the project is substantially behind planned implementation. There is no disbursement yet made on the grant. The grant is expected to be start disbursing since recruitment of an INGO that would handle grant activities has been recently concluded.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Include all financing sources in FY 2023/2024</b>  Include private sector and beneficiary funds in the AWPB for the financial year 2023/2024.  Not yet complete. The issues included in Aide Memoire and a new date set	FAM	10/2023

**Fiduciary aspects**

**Quality of Financial Management** **Rating: 4** **Previous rating: 4**

##### Justification of rating

88. The quality of financial management is assessed as moderately satisfactory. While the financial management arrangement is adequate for the project, there have been significant delays in submission of financial reports by NARO and implementing districts. On KOPGT, there are significant long-outstanding financial management recommendations that are yet to be fully implemented. The overall absorption is at 19% while the operating costs is currently at 49% utilization. With the delayed implementation of activities, the remaining operating costs allocation may be inadequate hence the need to keenly monitor its utilization.

##### Main issues

89. **Financial management arrangement.** Project Finance Management is carried out by an experienced team that has been handling the project since its commencement. The Budget preparation is aligned with national procedures, and there is adequate segregation of duties in place. The following issues requiring management actions were noted:

- Delays in submission of quarterly reports by implementing entities.** The MoU signed with implementing partners provides that financial reports should be submitted to PMU within 15 days after the end of the quarter. There have been significant delays in submission of financial reports by the implementing entities. For instance, for the quarter, ended 30 June 2023, NARO submitted financial report on August 16, 2023 which meant it had one month delay as the required submission date was July 15, 2023. Buvuma and Kalangala are yet to submit their report for quarter ended 30 June 2023 hence currently have two months delays.
- Delays in processing payments for farmers loans.** The latest payment for farmers loans was made in December 2022 and only covered the period up to June 2022. These is a contributing factor to credit & guarantee being at 4% absorption. A fund manager has been appointed which is expected to hasten the payments processing. However, key processes still would be carried out by farmers organization/trust hence crucial to streamline these processes.
- Risks of budget overrun on operating costs.** While the overall absorption is at 19%, the operating costs is currently at 49% utilization. The other categories are credit & guarantee funds at 4%, works at 7% and goods, service and inputs at 23%. With the delayed implementation of activities, the remaining operating costs allocation may be inadequate hence the need to keenly monitor its utilization.
- Long-outstanding unimplemented recommendations on KOPGT.** There are significant long-outstanding financial management recommendations that are yet to be fully implemented. These includes unaudited accounts for the financial years FY 2019/20, 2020/21, 2021/22 and the just ended financial year 2022/23; delayed operationalization of the SAP RSM system; Delayed reconciliation of growers' accounts and inadequately updated stores ledgers. Similar observations have been made by Ministry's Internal audit hence need urgent implementation and keen monitoring to prevent the issues from recurring.
- Loan** The financing agreement provided that the borrower will ensure that repayments of development loans, including from

VODP2, are recycled to finance further loans to smallholder oil palm growers. It provides that the reflows are to be ring fenced within a mechanism acceptable to the fund and included within the scope of the project external audit. Reflows recovered and remitted to consolidated funds as at January 2023 was **Ugx 51.9 billion**. These funds are remittances from 2019 of which no funds have been released from consolidated funds for utilization on project activities. A ring-fenced mechanism for depositing the loans reflows has also not been finalised.

90. **Implementation of prior mission recommendations.** The following recommendations were made from the review done in March 2023.

- Post transactions into Sage Pastel on a timely basis
- Submit an IFR in order to access funds required to finance activities for the period January to December 2022
- Include costs incurred by Private Sector and Beneficiaries in the project financial statements
- Include private sector and beneficiary funds in the AWPB for the financial year 2023/2024
- develop strategies to control operating costs expenditure pending revision of cost tables at MTR

91. The prior-period recommendations have been implemented except for the inclusion of private sector and beneficiaries' contribution in the project financial statements and AWPB for 2023/24. The non-inclusions is attributed to challenges in data collection from private sector players as described in section on counterpart financing. Regarding strategies for operating costs reduction, there are some measures taken but there are still delays in project activities which means operating costs is being absorbed at a higher rate than other investment activities.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Financial reporting by implementing agencies</b></p> <p>Follow up and caution the implementing agencies to ensure there are regular financial reporting even if there are no payments made during the reporting period.</p>	FAM - NOPP	09/2023
<p><b>In-kind contribution</b></p> <p>Finalize the development of the tool for budgeting and measuring in kind contribution from government, private sector and beneficiaries and ensure it is captured in the accounting system and is carried out regularly. There should be clear procedures on which departments will be providing which details, the reviews and approval procedures and these data be collected and recorded at least on quarterly basis with adequate reference documents filed accordingly.</p> <p>Update - Nov. 2022 mission: Not yet done; the mission shared an example of computation of IKC with the project.</p> <p>Update - March 2023: An MS Excel based tool was developed to capture in kind contributions On a quarterly basis, the FAM should get details from the Private Sector partners and Beneficiaries on the parameters indicated in the tool and record such contributions in the financial management system through journal vouchers.</p>	PMU	10/2023
<p><b>Operationalisation of SAP in all key areas</b></p> <p>Hasten the operationalisation of SAP to the key areas of Farmers loans, inventories and core finance which will greatly improve on accuracies and reconciliations of both inventories and farmers loans balances.</p> <p>Update - Nov. 2022 mission: This is in progress - installation is currently ongoing. System development of phase 2 to integrate farmer loans, inventory management and core finance is ongoing.</p> <p>Not yet done. A new date set</p>	KOPGT Board	10/2023
<p><b>KOPGT action plan</b></p> <p>Prepare a comprehensive action plan that incorporate all issues for KOPGT arising from various reviews carried out and ensure these are implemented as per agreed timelines.</p>	KOPGT/ NOPP	10/2023
<p><b>Reflows</b></p> <p>Hasten the design of mechanism for utilisation of reflows recovered and ensure these funds are available for project activities as per financing agreement.</p>	PM - NOPP	10/2023



<p><b>Loans reflows</b></p> <p>Have a ring-fenced mechanism for depositing the loans reflows and deposit the amounts of UGX 29,111,938,104 (approximately USD 7.868m) already recovered and remitted to consolidated fund and the subsequent recovery of UGX 11,602,922,031 (USD 3.143m) which is being held at commercial Bank Stanbic with KOPGT.</p> <p>Update - Nov. 2022 mission: Continue engagement with MoFPED to obtain authorisation (Appropriation in Aid) to draw funds recovered from VODP2 farmer loans from the Consolidated Fund and use it to finance activities of the project.</p> <p>Update - March 2023 mission: The total reflows deposited into the consolidated fund as at 13th March 2023 was Shs.51,946,738,104 (Approximately USD 14,039,658). Ministry of Finance will be engaged to allocate the Shs.51 billion as a Revolving Fund, instead of Appropriation in Aid, since the Appropriation in Aid approach was discontinued by government of Uganda. As per PDR, loan reflows are to be managed by the Uganda Oil Palm Growers' Trust (UOPGT). However, the UOPGT is not yet in place due to absence of a policy framework for its establishment. The M&amp;E team reported progress towards having the policy in place. It was recommended that the PMU should continue ensuring that reflows collected are submitted to the consolidated fund on a quarterly basis, as the process to establish the UOPGT are being undertaken. When the UOGT is in place, the UOPGT shall manage the reflows as a revolving fund in line with provisions under Section 23 of the Uganda Treasury Accounting Instructions 2017.</p>	<p>FAM, PM and PS - MAAIF</p>	<p>12/2023</p>
<p><b>External Audit for KOPGT</b></p> <p>Hasten the selection of external auditor and ensure the backlog audits is promptly finalised. Moving forward, the Board should endeavor to always have up to date external audits.</p> <p>Update - Nov. 2022 mission: engagement letter for the audit already signed - dated 5 December 2022. Draft report will be due on 10 February 2023 according to the audit engagement letter.</p> <p>Not yet done. A new date set.</p>	<p>KOPGT Board</p>	<p>12/2023</p>

**Quality and Timeliness of Audit**

**Rating: 4**

**Previous rating: 5**

**Justification of rating**

92. Audit report and management letter received on time, and meet IFAD's requirements.

**Main issues**

93. The audit report and management letter were submitted on time and are satisfactory. The audit was performed by Uganda's SAI, and performed in accordance with ISSAIs.

94. However, there are some recurrent issues that has considered for 2022/23 audit report.

95. - The notes to the financial statements are not fully informative, as they do not cover the project expenditures. In the future, please ensure to cover all material information disclosed by cross referenced notes.
- The statement attached does not provide the total of cash receipts for the period, which is not in line with IPSAS Cash Basis 1.3.12, as it includes the sum of the balance carried forward and the cash receipts of the period in a single total. In the future, please ensure to include in a separate line the total amount of cash received during the reporting period.
  - According to IPSAS Cash Basis 1.7.8, material differences between the budget and actual should be explained by note of disclosure. This did not happen, and the note 3 to the financial statements only refers to the table of comparison and do not provide any explanation on the reasons of the deviations. In the future, please ensure to provide through cross referenced notes the explanation of such variances.
  - The authorization date is not disclosed, in breach of IPSAS Cash Basis 1.4.5. In the future, please ensure to always disclose the authorization date.

96. Finance Officer to follow up to ensure full implementation by 2023.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>1. Management of Loan Recoveries</b></p> <p>Government of Uganda extended loans to farmers under the Vegetable Oil Development Project-2 (VODP-2) amounting to UGX.53.1Bn for vegetable oil production. The VODP-2 project closed in the financial 2019/2020 and was succeeded by the National Oil Palm Project (NOPP). Loans disbursed under the VODP Project were supposed to be recovered under the NOPP project and create reflows to grow the Project and avail funds for more Palm oil farmers. I reviewed the status of loan recoveries under VODP and noted the following</p> <p>Non-remittance of Loan recoveries to the Consolidated fund Article 3 (h) of the tripartite agreement between GOU (MAAIF), Oil Palm Uganda Limited and the registered trustees of Kalangala Oil Palm Growers Trust requires the trust to refund to Government the resources of the scheme repaid by the smallholders and out growers within one year of receipt or utilize such resources as may otherwise be agreed by the Government, the trustees and IFAD.</p>	Project Coordinator	01/2023

#### Counterparts Funds

Rating: 5

Previous rating: 4

#### Justification of rating

97. The Government counterpart contribution for the just ended financial year 2022/23 was USD 1,108,108.10 which was 78% of the budget. For the current financial year 2023/24, the amount in the budget appropriated by the Parliament is Ugx 3.3 billion of which Ugx 1 billion has already been availed. However, the already finalized assessment report for land compensation for some four villages is for Ugx 6.5 billion and there are other villages being assessed which will have the overall land compensation cost at about Ugx 55 billion. The amount appropriated of Ugx 3.3 billion would therefore be inadequate.

#### Main issues

98. The contribution by the Government comprises of both cash and in-kind contributions. Counterpart contribution for the just ended financial year 2022/23 was USD 1,108,108.10 which was 78% of the budget. For the current financial year 2023/24, the amounts in the budget appropriated by the Parliament is Ugx 3.3 billion of which Ugx 1 billion has already been availed. However, the already finalized assessment report for land compensation for some four villages is for Ugx 6.5 billion and there are other villages being assessed whose overall cost estimated is Ugx 55 billion (including the Ugx 25 billion for the completed assessment). The amounts appropriated of Ugx 3.3 billion would therefore be inadequate. Land compensation is precedent activity to various other project activities hence crucial to ensure adequate funds is available when required. Regarding Private Sector contribution which was estimated at USD 90.6 million during design, there has been inconsistent data collection for the realized private sector contribution. The data on achievement has only been shared once as a single WhatsApp text indicating contribution was valued at USD 15 million. There is a need for engagement of the key stakeholders for a systematic and regular reporting on achieved private sector contribution.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Counterpart contribution funds requirements</b></p> <p>Prepare a funding gap for the activities under counterpart funds and explore budget revisions during the upcoming supplementary budget revision</p>	FAM-NOPP	10/2023
<p><b>Recording of counterpart contribution</b></p> <p>Request supporting documents from private sector to report on private sector co-finance</p> <p>Updated - Nov. 2022 mission: The project coordinator should engage the leadership of Oil Palm Buvuma Ltd (OPBL) and Bidco Uganda Ltd to request quarterly reporting of private sector contributions. Capture contributions from farmer organizations in systematic way.</p>	Program Manager, M&E Manager, FAM	10/2023
<p><b>Private Sector Contribution</b></p> <p>Engage the key private sector players to have a systematic and regular reporting of private sector contribution in an official representation/format.</p>	PM - NOPP	11/2023

#### Compliance with Loan Covenants

Rating: 5

Previous rating: 4

#### Justification of rating

99. Compliance with loan covenants is rated satisfactory (5). The mission noted that the project was being implemented in mostly compliance with financing agreement covenants, with the exception reflows issues as noted above.

**Main issues**

100. Appendix 3 provides a detailed analysis of compliance with loan covenants.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<p><b>Use of loan reflows</b></p> <p>This is an emphasis on the recommendation made from the previous mission. Procedures for access of resources related to prior and future VODP2 loan reflows (already remitted to MoFPED) for potential investment in new project Hubs under NOPP should be designed.</p>	MAAIF, IFAD MoFPED	12/2020

**Procurement**

**Procurement** **Rating: 4** **Previous rating: 4**

**Justification of rating**

101. The Procurement is rated Moderately Satisfactory (4). The Procurement processes are well documented and are compliant with the procedures. The planned activities for 2022-2023 were fully procured except for the cancelled ones. The Procurement plan is consistent with the AWPB and the CMT contains all the contracts under the projects. Three MOUs were signed as part of the project without monetary value however, it was agreed with the project to amend these MOUs in order to reflect a monetary ceiling for each. Procurement staff need to follow closely on Contract implementation.

**Procurement Review**

102. **Planning Process:** The Procurement Plan (PP) for the FY 2022-2023 received the 1st No Objection (NO) from IFAD on Nov. 4<sup>th</sup>, 2022 following several revisions. The PP was resubmitted for NO on Dec. 21 and received a second NO on January 9, 2023.

103. The planned activities of the year cleared on Nov. 4, 2023 amounted to a total of US\$ 8,169,178.374. Out of the 61 planned packages included in the cleared PP, 34 were signed representing 64% of the original planned amount, 1 is still under procurement and 26 were cancelled either for budgetary reason or for being re-linked to the MOUs already signed leaving the project with zero packages not addressed. However, the project needs to expedite the Procurement Processes. In addition, the staff contracts need to appear in the PP and the Small direct contracting exempted from individual NOs need to follow the ceiling mentioned in the PAL issued in Feb 20223.

104. **Processes and Procedures from Prequalification/Shortlisting to receipt of bids/proposals:** The Procurement process is very well documented and is compliant with the procedures. The bidding documents is well prepared and includes all the needed sections especially draft contract and the Bidders declaration Form. However, the technical specifications need to be more generic in order to allow for more competition and to safeguard the principle of Transparency. The 3 stages of evaluation are respected.

105. **Review of Process and Procedures for Bid/Proposal Evaluation and Contract Award .** The Bid/Proposal evaluation respects the 3 stages of evaluation. Bid opening, bid evaluation and NOITA are all present on file. Award and contract signature done after the expiry of the stand still period which shall start with the issuance of the NOITA letters. Evaluation results are made public through NOITA and a notice published on the notice board, however the NOITA needs to be customized for each bidder separately. Performance securities are presented as requested. Key Performance Indicators are listed in the draft contract however they are not linked to Payments.

106. A NO was thought from IFAD for the “Construction of Farms Road in Buvuma” through Force account. However, the project did a competitive bidding for the construction material, and intend paying incentives to the workers that performed the work in the ministry while they bought Fuel directly from “Shell” company.

107. **Review of Contract Management and Administration and CMT Accuracy and Timeliness:** The CMT is fully updated and contains the Contracts signed in the last 3 years including the PMU staff contracts. The payment recorded in the CMT represents 58% of the disbursement value done so far. Extra efforts are needed in the update of the CMT in order to minimize the difference between payments recorded in CMT and actual disbursement. It was noted that the 3 MOUs signed with (i) Buvuma District Local Government, (ii) Kalangala District Local Government and (iii) Mayuge District Local Government respectively have no monetary amounts linked to them while these MOUs put financial responsibilities on the project. These 3 MOUs need to be amended to reflect the amounts already incurred and the amounts to be paid. Future amounts to be paid under these MOUs should not be listed in the PP since the MOUs are already signed however, they need to be captured by the CMT. In addition, the Procurement staff need to assume their roles as Contract Managers.

108. **Review of Record Retention:** The Procurement processes are well documented. Each package has got its own file(s) which label indicates the name of the package as well as the procurement reference form the procurement plan and information is easy to retrieve. The files contain all the needed documents except for some correspondence exchanged during contract execution.

<b>Agreed action</b>	<b>Status</b>	<b>Responsibility</b>	<b>Date</b>

The three MOUs signed with (i) Buvuma District Local Government, (ii) Kalangala District Local Government and (iii) Mayuge District Local Government respectively need to be amended to reflect the amounts already incurred and the amounts to be paid. Future amounts to be paid under these MOUs should not be listed in the Procurement Plan since the MOUs are already signed however, they need to be captured by the CMT	Agreed	OM	Dec,223
NOITA needs to be customized per bidder and needs to follow IFAD Template.	Agreed	PCM	Immediate
Car maintenance need to be shown in separate packages in the Procurement plan in the absence of a framework Contract.	Agreed	PCM	September 15, 2023
The "MICRO" method regulated in Uganda Procurement Framework which allows Direct Contracting for small amounts without individual No Objection needs to be used as per the thresholds mentioned in the Procurement Arrangements Letter of the Project dated February 21. 2023	Agreed	PCM	Immediate
Key Performance Indicators mentioned in the Contract need to be explicitly linked to Payments in the corresponding contracts	Agreed	PCM	Immediate
Technical specifications need to be revised and cleared by the Procurement staff prior to issuance of the Bidding Documents	Agreed	PCM	Immediate
Amendments of signed contract need to follow IFAD's guidelines where there is no ceiling to the amendment value as long as they are justified and respect the Prior Review Threshold.	Agreed	PCM	Immediate
The PMU needs to make sure that the value of paid amounts recorded in the CMT reaches at least 70% of the total disbursement by populating the CMT with all the signed contracts so far.	Agreed	PCM	Immediate

109.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Fast track the procurement of ESIA for Mukono Hub</b>	Procurement manager	01/2023

#### e. Key SIS Indicators

<b>Likelihood of Achieving the Development Objective</b>	<b>Rating: 4.07</b>	<b>Previous rating: 4.04</b>
<b>Assessment of the Overall Implementation Performance</b>	<b>Rating: 4.0</b>	<b>Previous rating: 3.83</b>

#### F. Agreed Actions

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Overview and Project Progress</b>		

<p><b>Roll out in Kalangala</b></p> <p>While waiting for the results of the detailed study, commence roll out in Kalangala the interventions with market potential identified in the situation analysis exercise. Target only non-OP households for initial three years.</p>	PM, OM	09/2020
<p><b>Tie up with bank for oil palm financing</b></p> <p>Explore the possibility with banks for managing the loan portfolio of development, based on seedling and input arrangements with OPBL Work with the commercial bank to develop commercial oil palm finance product to be lent directly by banks instead of whole sale lending to trusts.</p>	PM, OM, Institutions and enterprise officer	12/2020
<p><b>ACF facility for ten-year loan product</b></p> <p>Interact with ACF, Bank of Uganda along with the interested bank to develop ten-year loan product at reasonable interest rate.</p>	PM, OM, Institutions and enterprise officer	12/2020
<p><b>Thorough investigation on lower SH yields</b></p> <p>Conduct an appraisal of all causes of low OP yield in SH and propose corrective actions</p>	Agronomist/NARO Research team /OPUL	03/2021
<p><b>Complete the compensation for lands handed over to OPBL and ensure removal of squatters</b></p>	PMU	10/2021
<p><b>Dividend Policy draft developed by KOPGT</b></p> <p>To be shared among stakeholders and also shared with IFAD</p>	PMU	10/2021
<p><b>Work with Equity/Opportunity bank</b></p> <p>Work with Equity/Opportunity/Stanbic bank for individual lending to large farmers with a) moratorium of 4 years, b) loan term of 10 years c) not more than 12% ROI</p>	PM, Institutions and credit officer	12/2021
<p><b>Discussions and agreements with banks</b></p> <p>Since adequate financing of livelihood plans is fundamental need PG VSLA lending need more financial partners. Discuss and agree with other banks in the island for lending to PG VSLAs</p>	PMU ( Operations manager, Institutions and credit officer,	01/2022
<p><b>Time bound role transfer in Kalangala institutions</b></p> <p>Expedite the registration of revised trust deed and ensure time bound transfer of staff and responsibilities from KOPGT to the SOPGCO.</p>	PM, IEDFO, KOPGT	03/2022
<p><b>Payments to farmers</b></p> <p>NOPP needs to expedite the release of payments to SH farmers for land clearing and maintenance</p>	NOPP	06/2022
<p><b>Plastic waste</b></p> <p>Ensure all plastic waste from Oil Palm planting is collected and returned to OPBL for recycling/disposal</p>	OPBL, DNRO	06/2022
<p><b>Environment and Social Impact Assessment</b></p> <p>Expedite the completion and submission of the ESIA for the Masaka/ Kalungu districts to focus on the indicative smallholder planting area</p>	EHS officer, ESIA consultant	07/2022

<p><b>Land disputes</b></p> <p>NOPP and the District Local Government need to rapidly resolve all remaining land disputes on land provided for the nucleus estate to OPBL</p>	District, MAAIF	09/2022
<p><b>Forest Protection and Rehabilitation</b></p> <p>Work with NFA to enhance protection of the forest reserves on Bunyama and initiate rehabilitation activities in degraded areas in conjunction with local village and oil palm growers.</p>	EHS officer, DNRO, NFA, KOPGT	09/2022
<p><b>Environment and Social Impact Assessment</b></p> <p>Expedite the completion and submission of the ESIA</p>	EHS officer, ESIA consultant	09/2022
<p><b>Management of HCV/HCS in Nucleus estate</b></p> <p>A map of the HCV and HCS areas identified in the lands provided to OPBL should be prepared and shared with NOPP and District and demarcated on the ground and actively managed for those sites under management control of OPBL</p>	OPBL	10/2022
<p><b>Wetland Initiative</b></p> <p>Develop and fund an initiative to support wetland conservation in and around the Masaka Hub with key stakeholders</p>	EHS Officer, BIDCO, MAAIF, Wetland Department	10/2022
<p><b>International NGO Partner</b></p> <p>Expedite the procurement process for International NGO Partner</p>	Procurement Officer, Operations Manager	11/2022
<p><b>IFAD Board Approval for new Hubs</b></p> <p>Update schedule for IFAD EB presentation by December 2022, to accommodate new hubs to be presented to the September 2023 IFAD EB. Ensure action taken in timely manner to Implement and review and update progress monthly.</p>	NOPP, IFAD	12/2022
<p><b>Management of oil palm planting data</b></p> <p>The data related to Oil Palm, planting, lining, pegging, number of trees, fertilizer to be updated on a real time basis.</p>	Operations Manager and Agronomist	12/2022
<p><b>Oil palm aging and nutrition</b></p> <p>Finalise determination of oil palm bunch maturity in Kalangala GPS mapping of the identified Leaf sampling units in Kalangala as part of the data base to be developed for oil palm nutrition</p>	NARO	12/2022
<p><b>MAAIF and MOFPED to ensure reflows to project finance</b></p> <p>MAAIF to engage MOFPED to increase the ceiling of GoU funds allocated to NOPP to include the reflows to finance oil palm.</p>	PS, MAAIF, PM	03/2023
<p><b>MAAIF and MOFPED to ensure reflows to project finance</b></p> <p>MAAIF to engage MOFPED to increase the ceiling of GoU funds allocated to NOPP to include the reflows to finance oil palm.</p>	PS, MAAIF, PM	03/2023
<p><b>Landing sites canceled contracts</b></p> <p>Amounts spent under these incomplete contracts are refunded to IFAD and revert to the NOPP Loan account, making the same available for when the landing site contracts are re-bid for construction.</p>	Project Manager	04/2023

<p><b>Revise MOU with OPBL to include emergent productivity related issues and Development loan also to include emergent costs</b></p> <p>Since farmers in Buvuma are facing a number of challenges a) rodents, b) termites, c) yellowing of leaves requiring magnesium application etc., the MOU with OPBL to be revised if necessary to address these issues and costs to be included under development financing arrangement.</p>	PM, Operations manager,	04/2023
<p><b>Fund flow to the project</b></p> <p>NOPP and MAAIF to review the internal processes for sanction and ensure adequate delegation at various levels for smooth funds flow for timely implementation.</p>	PS MAAIF, PM,NOPP	04/2023
<p><b>Revise MOU with OPBL to include emergent productivity related issues and Development loan also to include emergent costs</b></p> <p>Since farmers in Buvuma are facing a number of challenges a) rodents, b) termites, c) yellowing of leaves requiring magnesium application etc., the MOU with OPBL to be revised if necessary to address these issues and costs to be included under development financing arrangement.</p>	PM, Operations manager,	04/2023
<p><b>Proposals to be funded out of OPUL dividends</b></p> <p>The Institution development consultant to develop a template for project proposal development and assessment including technical, economic, financial, social aspects apart from value for money considerations for financing out of dividends.</p>	KOPGT, MAAIF	05/2023
<p><b>Proposals to be funded out of OPUL dividends</b></p> <p>The Institution development consultant to develop a template for project proposal development and assessment including technical, economic, financial, social aspects apart from value for money considerations for financing out of dividends.</p>	KOPGT, MAAIF	05/2023
<p><b>Dynamic leadership for Kalangala Institutions</b></p> <p>Work with the Ministry to ensure dynamic and proactive leadership of the three Kalangala institutions. PMU to continue to back stop Kalangala institutions; from 2024, the institutions to pay for any consultancy and other charges. Inform the institutions and work out clear action plans.</p>	PM, IEDFO, KOPGT, SACCO	06/2023
<p><b>Compensation Payments in OPBL lands</b></p> <p>Expedite the outstanding payments to tenant farmers and others in the lands provided to BIDCO for the nucleus estate, to free up land for planting.</p>	Project Manager, MAAIF	06/2023
<p><b>HR integration in Buvuma Co operative</b></p> <p>Learning from the experience in Kalangala, the integration of hub staff in the cooperative to start early in a phased manner with the HR reporting to the board, salary payments to be embedded in AWPB of the cooperative, staff work to be jointly monitored by the board along with PMU etc.,</p>	PM, IEDFO	07/2023
<p><b>Adequate financing for livelihood producer groups</b></p> <p>Since internal savings of VSLAs are inadequate to finance the business plans of households fully, leverage funds to groups through revolving funds from the project, PDM and bank finance.</p>	PM, Operations manager, IEDFO	08/2023

<p><b>Adequate financing for livelihood producer groups</b></p> <p>Since internal savings of VSLAs are inadequate to finance the business plans of households fully, leverage funds to groups through revolving funds from the project, PDM and bank finance.</p>	PM, Operations manager, IEDFO	08/2023
<p><b>Environmental Impacts of oil palm farming and production.</b></p> <p>• NOPP to carry out value chain-wide impacts, from planting to oil processing including impacts on critical habitats and all waste management issues.</p>	EHS Officer NOPP, MAAIF, IFAD, PM, NEMA	08/2023
<p><b>The Project Engineer should finalize the process of preparing bid document for constructing the next phase of access roads for submission to IFAD for a no objection to proceed with the procurement of the contractor</b></p>	Project Engineer /Procurement	09/2023
<p><b>ESIAs revision and submission timelines: Revise ESIAs for the Masaka Hub incorporating comments and prepare for NEMA submission</b></p>	ESHO/ ESIA consultants	10/2023
<p><b>Counterpart contribution funds requirements:</b></p> <p>Prepare a funding gap for the activities under counterpart funds and inform MoFPED to explore budget revisions during the upcoming budgeting cycle.</p>	FAM – PMU, MAAIF, MoFPED	10/2023
<p><b>To train extension staff on the new livelihood models and reporting requirements (M&amp;E team to provide reporting template)</b></p>	Operations Manager M&E Officer	10/2023
<p><b>Incorporate agreed new indicators for measurement of research activities</b></p>	NARO and PMU ME &L Manager	10/2023
<p><b>Research staff remuneration to be augmented</b></p>	PMU of NOP and NARO	10/2023
<p><b>Assessment and remodelling of VSLS in line with enterprise models for livelihood activities.</b></p>	PMU / APSEDEP	11/2023
<p><b>Data flow on progress of VSLAs/producer groups</b></p> <p>Institutionalise the progress tracking in VSLAs/producer groups in terms of numbers of members-initiated activity, scale of activity, production, marketing, income and profits and in the case of VSLAs in terms of their membership, savings, credit and pay out etc.,</p>	PM, IEDFO , M&E manager	12/2023
<p><b>MAAIF and MOFPED to ensure reflows to project finance</b></p> <p>PMU to discuss with MAAIF and MOFPED options to set up by Dec 2023 a revolving fund.</p>	PS, MAAIF, PM	12/2023
<p><b>MAAIF and MOFPED to ensure reflows to project finance</b></p> <p>PMU to discuss with MAAIF and MOFPED options to set up by Dec 2023 a revolving fund.</p>	PS, MAAIF, PM	12/2023
<p><b>Training and capacity development for senior management</b></p> <p>Structured team building events through external facilitation by Organisation development consultants to be organised for PMU and Hubs. Senior NOPP management to undergo structured trainings on leadership and personal development.</p>	PS MAAIF, PM	12/2023
<p><b>Develop financial products suitable for beneficiaries of Livelihood activities, especially for women</b></p>	PMU	12/2023



<b>Strengthening of Kalangala and Buvuma LECs Facilitate implementation of Action Plans developed by the LECs</b>	EHSO/ District Natural Resources Officer	12/2023
<b>Biodiversity monitoring Explore available tools for monitoring of biodiversity and identify one that is suitable for NOPP</b>	EHSO, M&E Officer/INGO	12/2023
<b>Roll out of the Project MIS:</b> Complete the conversion and migration of all the project data and start using the MIS for all project M&E activities by 31 December 2023. Present the complete MIS to the ICO	M,E & KM Manager	01/2024
<b>The contractor for the access road should ensure that approaches to all culverts are gently and sufficiently raised to match the new road level at the culvert after the fill, to avoid giving a sharp rise and falls at the culvert crossings</b>	Contractor Project Engineer	01/2024
<b>Prepare publication and dissemination materials for HH mentoring success stories</b>	OM, CKM	02/2024
<b>Provide training and sensitisation sessions on women land rights targeting OPG and non OPG as part of training plan.</b>	PMU	02/2024
<b>Long term sustainability strategy developed for Kalangala</b>	PMU and KOPGT (management and Board)	03/2024
<b>KOPGT should look at a sustainable funding arrangement for fertilizer application for farmers.</b>	KOPGT	03/2024
<b>Budget provision for the Capacity building (training and exposure) required for PMU and extension agents on Palm Oil Agronomic Practises.</b>	PMU	03/2024
<b>Land use planning</b> Instead of focusing only on oil palm for land use planning integrate alternate uses of land to ensure food security and nutrition and alternate livelihoods. Deadline: Ongoing	PM, OM	
<b>Institutional structure of farmer organisations in new hubs</b> Form only two organisations – trust and co-operative in new hubs; financial services by co-operatives has to be need based and where possible forge linkages with commercial bank branch for financial services.	PM, Operations manager	
<b>Strengthen agronomic</b> on various cultural practices such as pruning, pests and diseases and on the importance of reducing broom making to reduce nutrient exports	OOPGT/NARO	
<b>Unregulated planting materials</b> Unregulated planting material being planted by farmers Kalangala in Buvuma should be stopped immediately.	NARO KOPGT	
<b>Hub team</b> Hub team to document the lessons/challenges with the MoU with OPBL to allow subsequent hubs to learn from the current model	CKMO, Hub Manager – Buvuma,	

<p><b>Household mentees to be target group of alternate livelihoods</b></p> <p>Since increase in income sources and income is a priority need of mentees, these HHs to be prioritised for alter nate livelihoods initiative</p>	IEDFO	
<p><b>Policy/Strategy work in Oil Palm Sector</b></p> <p>NOPP PMU to be the coordinating entity on this work, to ensure that duplication/ mis-utilization of resources by other parties are minimized</p>	M&E Manager, NOPP PMU	
<p><b>Disease and pest management</b></p> <p>Finalise pathogenicity experiment to sequence and identify virulent Fusarium isolates. Continued surveillance, identification and management of both major and currently minor diseases of oil palm in Uganda. Continue with surveillance of oil palm pests in Kalangala and develop integrated oil palm weevil management strategies through the use of different traps and suitable cultural practices.</p>	NARO	
<p><b>Unregulated planning materials</b></p> <p>Unregulated planting material being planted by farmers Kalangala in Buvuma should be stopped immediately and any farmer continuing to plant unregulated material should be barred from the cooperative. NARO to sensitise farmers on recommended material on use.</p>	NARO BOPGCO	
<p><b>PMU to continue the use Force Account for farm roads</b></p> <p>PMU should continue to use the force account mechanism to deliver the farm road construction. The PMU should however, at all times during implementation follow the PPDA requirements for using the force account modality. The progress and continuous suitability of this method of delivery should be reviewed annually.</p>	PMU, Project Engineer	
<p><b>Roads passing through sensitive areas.</b></p> <p>Complete the connectivity of access roads that are passing through Forests and HCVs/HCS areas etc. under strict environmental requirements to protect the sensitive areas. road contracts should include- extra environmental requirements, like stone pitching of drainage channels. This may require revision of contract.</p>	EHS Officer NOPP, BDLG, NFA, WMD, NEMA BIDCO	
<p><b>Development and Implementation of Safeguards Instruments.</b></p> <ul style="list-style-type: none"> <li>Initiate the disclosure of the Safeguards Instruments at IFAD and in-country. (Involve NEMA for In-country disclosure)</li> </ul>	EHS Officer NOPP, MAAIF, IFAD, PM, NEMA	
<p><b>Environmental Impacts of oil palm farming and production.</b></p> <ul style="list-style-type: none"> <li>A Rapid Environmental Assessment for Alternative Livelihoods to be undertaken.</li> </ul>	EHS Officer NOPP, MAAIF, IFAD, PM, NEMA	
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<p><b>Translate summaries of approved ESIA's and ESMPs for disclosure at District and Sub-County Headquarters</b></p>	PMU/ District Natural Resources Officer	
<p><b>Fertilizer recommendations should be done by expertise from NARO in conjunction with OPUL.</b></p>	KOPGT	
<p><b>Regular Field audits to be done by Field officers and checked by NARO have to be undertaken regularly to ensure an objective assessment of field conditions.</b></p>	KOPGT Management	
<p><b>More funds should be availed to PMU to construct more farm roads to service the areas where much plantation activities are taking place in the AWPB.</b></p>	MoFPED, MAAIF, PMU	
<p><b>Improve the capacity of research team and other actors on Oil Palm providing necessary trainings</b></p>	NARO and MAAIF	
<p><b>CRI rollout</b></p> <p>Submit monthly reports to IFAD on the implementation of the CRI activities</p>	Project Manager, Operations Manager	
<b>Development Effectiveness</b>		
<p><b>Expedite appointment of International NGO</b></p> <p>The appointment of the International NGO Partner should be expedited by immediately issuing an EOI and finalising the TOR and RFP to enable rapid contracting.</p>	Project Manager and EHS Officer	01/2022
<p><b>Review and finalize the project logical framework</b></p> <p>Finalize the review of the project log frame and submit it to IFAD for No Objection</p>	M,E and KM Manager	12/2023
<p><b>Map out OP producers (smallholders vs commercial farmers) and provide average land size by category to be used as evidence for targeting</b></p>	Hub Manager, Project Surveyor	12/2023
<p><b>Gender Focal points (women) appointed in GRM and trained to handle gender related cases</b></p>	PMU	12/2023
<p><b>Review and finalize the project logical framework</b></p> <p>Finalize the review of the project log frame and submit it to IFAD for No Objection</p>	M,E and KM Manager	12/2023

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<b>At least 50% of success stories produced on Mentoring programme should be about women</b>	PMU/M&E	02/2024
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<b>Extra effort to Increase overall number of women in decision making bodies/leaders and representative at minimum 30%</b>	PMU	03/2024
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<b>Scale up climate adaptation measures</b> Further effort is needed to scale-up climate change adaptation measures and mainstream them into the work of the project and enhance outreach and communication to targeted communities and local governments on climate change related risks.	Environment, Health and Safety Officer Other component leads	
<b>Apply tools from GALS methodology during awareness and sensitisation at community level, specifically directed to households of land claimers</b>	PMU	
<b>Report Number of Women headed Households in LogFrame</b>	PMU/M&E	
<b>Improve reporting on Gender outcomes as part of the Progress Report</b>	PMU/M&E	
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<b>Sustainability and Scaling up</b>		
<b>National Oil Palm Policy</b> Start the process to develop a National oil palm policy and appropriate administrative controls through a Multistakeholder process ( over 18-24 months).	MAAIF/Steering Committee/PMU	03/2020
<b>Environmental assessments</b> Environmental assessments of the Mayuge and Masaka Hubs need to be expedited	PMU	03/2020
<b>Fine tune the TOR/implementation arrangements for ESIA and SEA for Hubs</b> Incorporate comments from the mission into the TOR or a guidance paper to be provided to the consultants to ensure coordination and avoid duplication.	NOPP (ESHO)	01/2021

<p><b>Resolve remaining challenges related to the HCV/HCS assessment for Buvuma</b></p> <p>BIDCO/OPBL and NOPP should work together to understand and find solutions to the current challenge arising from the development constraints linked to the earlier HCV/HCS assessment and find a practical solution to this challenge, including, if necessary, hiring an international expert</p>	BIDCO/OPBL, NOPP/IFAD	03/2022
<p><b>Partnership with other agencies</b></p> <p>Establish partnership with other agencies with ongoing projects related to alternative livelihoods and community welfare in the targeted districts.</p> <p>Deadline: Continuous</p>	PMU/ MAAIF	
<p><b>Immediate Action to address urgent environmental issues in Kalangala</b></p> <p>Immediate action to be taken by local government, NOPP and BIDCO to protect and rehabilitate forests, wetlands and coastal buffers on Bugala, Bunyama and Bubembe Islands.</p> <p>Deadline: July 2020 to initiate</p>	PMU, KOPGT, DNRO NFA, NEMA, OPUL	
<p><b>Review MoU Performance on a quarterly basis</b></p>	PMU	
<p><b>Review MoU Performance on a quarterly basis</b></p>	PMU	
<b>Project Management</b>		
<p><b>M&amp;E Plan</b></p> <p>Development of an M&amp;E plan with environmental and social related impacts.</p>	ME&L Manager and EHS officer	01/2020
<p><b>MIS Roll out</b></p> <p>Ensure timely completion and roll out of the MIS</p>	M,E and KM Manager	06/2023
<p><b>MIS Roll out</b></p> <p>Ensure timely completion and roll out of the MIS</p>	M,E and KM Manager	06/2023
<b>Financial Management &amp; Execution</b>		
<p><b>Use of loan reflows</b></p> <p>This is an emphasis on the recommendation made from the previous mission. Procedures for access of resources related to prior and future VODP2 loan reflows (already remitted to MoFPED) for potential investment in new project Hubs under NOPP should be designed.</p>	MAAIF, IFAD MoFPED	12/2020
<p><b>Fast track the procurement of ESIA for Mukono Hub</b></p>	Procurement manager	01/2023

<p><b>1. Management of Loan Recoveries</b></p> <p>Government of Uganda extended loans to farmers under the Vegetable Oil Development Project-2 (VODP-2) amounting to UGX.53.1Bn for vegetable oil production. The VODP-2 project closed in the financial 2019/2020 and was succeeded by the National Oil Palm Project (NOPP). Loans disbursed under the VODP Project were supposed to be recovered under the NOPP project and create reflows to grow the Project and avail funds for more Palm oil farmers. I reviewed the status of loan recoveries under VODP and noted the following</p> <p>Non-remittance of Loan recoveries to the Consolidated fund Article 3 (h) of the tripartite agreement between GOU (MAAIF), Oil Palm Uganda Limited and the registered trustees of Kalangala Oil Palm Growers Trust requires the trust to refund to Government the resources of the scheme repaid by the smallholders and out growers within one year of receipt or utilize such resources as may otherwise be agreed by the Government, the trustees and IFAD.</p>	Project Coordinator	01/2023
<p><b>Financial reporting by implementing agencies</b></p> <p>Follow up and caution the implementing agencies to ensure there are regular financial reporting even if there are no payments made during the reporting period.</p>	FAM - NOPP	09/2023
<p><b>Counterpart contribution funds requirements</b></p> <p>Prepare a funding gap for the activities under counterpart funds and explore budget revisions during the upcoming supplementary budget revision</p>	FAM-NOPP	10/2023
<p><b>Recording of counterpart contribution</b></p> <p>Request supporting documents from private sector to report on private sector co-finance</p> <p>Updated - Nov. 2022 mission: The project coordinator should engage the leadership of Oil Palm Buvuma Ltd (OPBL) and Bidco Uganda Ltd to request quarterly reporting of private sector contributions. Capture contributions from farmer organizations in systematic way.</p>	Program Manager, M&E Manager, FAM	10/2023
<p><b>In-kind contribution</b></p> <p>Finalize the development of the tool for budgeting and measuring in kind contribution from government, private sector and beneficiaries and ensure it is captured in the accounting system and is carried out regularly. There should be clear procedures on which departments will be providing which details, the reviews and approval procedures and these data be collected and recorded at least on quarterly basis with adequate reference documents filed accordingly.</p> <p>Update - Nov. 2022 mission: Not yet done; the mission shared an example of computation of IKC with the project.</p> <p>Update - March 2023: An MS Excel based tool was developed to capture in kind contributions On a quarterly basis, the FAM should get details from the Private Sector partners and Beneficiaries on the parameters indicated in the tool and record such contributions in the financial management system through journal vouchers.</p>	PMU	10/2023

<p><b>Operationalisation of SAP in all key areas</b></p> <p>Hasten the operationalisation of SAP to the key areas of Farmers loans, inventories and core finance which will greatly improve on accuracies and reconciliations of both inventories and farmers loans balances.</p> <p>Update - Nov. 2022 mission: This is in progress - installation is currently ongoing. System development of phase 2 to integrate farmer loans, inventory management and core finance is ongoing.</p> <p>Not yet done. A new date set</p>	KOPGT Board	10/2023
<p><b>Include all financing sources in FY 2023/2024</b></p> <p>Include private sector and beneficiary funds in the AWPB for the financial year 2023/2024.</p> <p>Not yet complete. The issues included in Aide Memoire and a new date set</p>	FAM	10/2023
<p><b>KOPGT action plan</b></p> <p>Prepare a comprehensive action plan that incorporate all issues for KOPGT arising from various reviews carried out and ensure these are implemented as per agreed timelines.</p>	KOPGT/ NOPP	10/2023
<p><b>Reflows</b></p> <p>Hasten the design of mechanism for utilisation of reflows recovered and ensure these funds are available for project activities as per financing agreement.</p>	PM - NOPP	10/2023
<p><b>Private Sector Contribution</b></p> <p>Engage the key private sector players to have a systematic and regular reporting of private sector contribution in an official representation/format.</p>	PM - NOPP	11/2023
<p><b>Loans reflows</b></p> <p>Have a ring-fenced mechanism for depositing the loans reflows and deposit the amounts of UGX 29,111,938,104 (approximately USD 7.868m) already recovered and remitted to consolidated fund and the subsequent recovery of UGX 11,602,922,031 (USD 3.143m) which is being held at commercial Bank Stanbic with KOPGT.</p> <p>Update - Nov. 2022 mission: Continue engagement with MoFPED to obtain authorisation (Appropriation in Aid) to draw funds recovered from VODP2 farmer loans from the Consolidated Fund and use it to finance activities of the project.</p> <p>Update - March 2023 mission: The total reflows deposited into the consolidated fund as at 13th March 2023 was Shs.51,946,738,104 (Approximately USD 14,039,658). Ministry of Finance will be engaged to allocate the Shs.51 billion as a Revolving Fund, instead of Appropriation in Aid, since the Appropriation in Aid approach was discontinued by government of Uganda. As per PDR, loan reflows are to be managed by the Uganda Oil Palm Growers' Trust (UOPGT). However, the UOPGT is not yet in place due to absence of a policy framework for its establishment. The M&amp;E team reported progress towards having the policy in place.</p> <p>It was recommended that the PMU should continue ensuring that reflows collected are submitted to the consolidated fund on a quarterly basis, as the process to establish the UOPGT are being undertaken. When the UOGT is in place, the UOPGT shall manage the reflows as a revolving fund in line with provisions under Section 23 of the Uganda Treasury Accounting Instructions 2017.</p>	FAM, PM and PS - MAAIF	12/2023

**External Audit for KOPGT**

Hasten the selection of external auditor and ensure the backlog audits is promptly finalised. Moving forward, the Board should endeavor to always have up to date external audits.

Update - Nov. 2022 mission: engagement letter for the audit already signed - dated 5 December 2022. Draft report will be due on 10 February 2023 according to the audit engagement letter.

Not yet done. A new date set.

KOPGT Board

12/2023



## Uganda

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### National Oil Palm Project

### Supervision Report

### : Logical Framework

Mission Dates: 04/09/2023 - 20/09/2023

Document Date: 17/10/2023

Project No. 2000001484

Report No. 6615-UG

East and Southern Africa Division  
Programme Management Department



National Oil Palm Project

Logical Framework

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency		Responsibility
<b>Outreach</b>	1.b Estimated corresponding total number of households members						Project records	Quarterly	Operations, MEL	Average household size of 5 members	
	Household members	10 130		193 643	9 220	33 730					17.419
	1.a Corresponding number of households reached						Project records	Quarterly	Operations MEL		
	Women-headed households	608		11 619							
	Non-women-headed households	1 418		27 110							
	Households	2 026		38 728.6	1 916	6 746					17.4
	1 Persons receiving services promoted or supported by the project						Project records	Quarterly	Operations, MEL		
	Males			107 929.5	774	3 577					3.3
	Females			46 255.5	1 142	3 169					6.9
	Young			30 837	260	1 103					3.6
	Indigenous people	0	0	0		0					
	Total number of persons receiving services	2 063	24 490	154 185	1 916	6 746					4.4
	Male			70	40						
	Female			30	60						
Young			20	14							
<b>Project Goal</b> Inclusive rural transformation through oil palm investment	District/Sub country level poverty rates (%)						UBoS; Household surveys	Annual	MEL	Average household size of 5 members	
	Central II	15.6									
	Busoga	11									
	Central I	37.5									

Results Hierarchy	Indicators						Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency		Responsibility
<b>Development Objective</b> Sustainably increase rural incomes through opportunities generated by the establishment of an efficient oil palm industry that complies with modern environmental and social standards	Household gross income for oil palm farmers in targeted areas (in UGX, nominal)							Outcome Surveys	Annual after plantation establishment	MEL	<input type="checkbox"/> Peace and stability remain favourable for rural economic growth <input type="checkbox"/> Socio-economic infrastructure and services are attracted by oil palm-generated income <input type="checkbox"/> GoU and private sector remain sensitive to inclusive and environmentally sustainable agric. Investment
	Central I	569 000									
	Central II	463 000									
	Busoga	222 000									
	Number of households receiving programme Services (*)						Project records	Quarterly	Operations, MEL		
	Number of households	2 063	24 490	30 837	2 126	6 746				21.9	
% of Environmental and Social Standards (ESS) standard being complied with (Dis aggregated by Hub)						Environmental audit	Annual	EHSO, MEL			
% Environmental and Social Standards (ESS)	30	75	100								
<b>Outcome</b> 1 Sustainable supply chains for oil palm growers established	Number of smallholder OP growers selling FFBs to processors						Project records; Farmer Organisation records	Quarterly	Operations, MEL	<input type="checkbox"/> International prices remain high enough for industry viability <input type="checkbox"/> Trade with neighbouring countries remains open	
	Number of smallholder OP growers	1 240	1 959	9 887	247	2 706					27.369
	3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered						FAO EX-ACT		IFAD ECG/FAO		
	Hectares of land	0		34 433							
	tCO2e/20 years	0		-7 035 792							
	tCO2e/ha	0		-204.3							
	tCO2e/ha/year	0		-10.2							

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency		Responsibility
<b>Output</b> 1.1 Smallholder oil palm plantations established and developed	Number of ha planted and grown by smallholder OP growers (Dis aggregated by financing source development loan-DL and self-finance-SF)							Project records, Farmer Organisation records	Quarterly	Operations, MEL	<input type="checkbox"/> GoU/private sector honour commitments to invest /g <input type="checkbox"/> Commercial farmers able to mobilize financing for expansion <input type="checkbox"/> Self-standing smallholder model (no nucleus estate) proves viable <input type="checkbox"/> Climate change does not negatively affect oil palm yields. <input type="checkbox"/> A viable institutional model for sustainable provision of TSS is established. <input type="checkbox"/> Farmers apply good agronomic practices. <input type="checkbox"/> Proper operation and maintenance for transport infrastructure (roads and ferries) is ensured.
	Number of ha planted and grown by smallholder OP growers	4 848	10 900	19 700	792	6 652	33.766				
	Percentage of Development Finance Portfolio-at-Risk							Project records, Farmer Organisation records	Quarterly	IEFO, MEL	
	Percentage of Development Finance Portfolio-at-Risk		5	5	0	2.96	59.2				

Results Hierarchy	Indicators						Means of Verification		Responsibility	Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source			Frequency
<b>Output</b> 1.2 OP Growers Organisations supported to become financially viable and provide quality services	% of OP Growers Organisations costs covered by own income (Disaggregated by Hub)							Project records; Farmer Organisation records	Quarterly	IEFO, MEL	<input type="checkbox"/> GoU/private sector honour commitments to invest /g <input type="checkbox"/> Commercial farmers able to mobilize financing for expansion <input type="checkbox"/> Self-standing smallholder model (no nucleus estate) proves viable <input type="checkbox"/> Climate change does not negatively affect oil palm yields. <input type="checkbox"/> A viable institutional model for sustainable provision of TSS is established. <input type="checkbox"/> Farmers apply good agronomic practices. <input type="checkbox"/> Proper operation and maintenance for transport infrastructure (roads and ferries) is ensured.
	% of OP Growers Organisations		20	90	0	20	22.222				
	KOPGT - Percentage (%)							Project records; Farmer Organisation records	Quarterly	IEFO, MEL	
	BOPGT - Percentage (%)							Project records; Farmer Organisation records	Quarterly	IEFO, MEL	

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency	Responsibility	
<b>Output</b> 1.3 Support infrastructures established	2.1.5 Roads constructed, rehabilitated or upgraded							Project records	Quarterly	Engineer, MEL	<input type="checkbox"/> GoU/private sector honour commitments to invest /g <input type="checkbox"/> Commercial farmers able to mobilize financing for expansion <input type="checkbox"/> Self-standing smallholder model (no nucleus estate) proves viable <input type="checkbox"/> Climate change does not negatively affect oil palm yields. <input type="checkbox"/> A viable institutional model for sustainable provision of TSS is established. <input type="checkbox"/> Farmers apply good agronomic practices. <input type="checkbox"/> Proper operation and maintenance for transport infrastructure (roads and ferries) is ensured.
	Length of roads	410	1 010	1 600	0	16.5	1.031				

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency		Responsibility
<b>Output</b> 1.4 Complementary processing capacity by private sector installed	Total CPO milling capacity installed in Uganda (in Mt/hr) (Disaggregated by Hub and by mill)							Private sector player(s)	Annual	PM	<input type="checkbox"/> GoU/private sector honour commitments to invest /g <input type="checkbox"/> Commercial farmers able to mobilize financing for expansion <input type="checkbox"/> Self-standing smallholder model (no nucleus estate) proves viable <input type="checkbox"/> Climate change does not negatively affect oil palm yields. <input type="checkbox"/> A viable institutional model for sustainable provision of TSS is established. <input type="checkbox"/> Farmers apply good agronomic practices. <input type="checkbox"/> Proper operation and maintenance for transport infrastructure (roads and ferries) is ensured.
	Total CPO milling capacity installed in Uganda	40	40	100	0	40	40				



Results Hierarchy	Indicators						Means of Verification			Assumptions		
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency		Responsibility	
<b>Outcome</b> 2 Household livelihoods diversified and resilience increased	1.2.4 Households reporting an increase in production							Outcome surveys	Annual	MEL	<input type="checkbox"/> GoU/private sector honour commitments to invest /g <input type="checkbox"/> Commercial farmers able to mobilize financing for expansion <input type="checkbox"/> Self-standing smallholder model (no nucleus estate) proves viable <input type="checkbox"/> Climate change does not negatively affect oil palm yields. <input type="checkbox"/> A viable institutional model for sustainable provision of TSS is established. <input type="checkbox"/> Farmers apply good agronomic practices. <input type="checkbox"/> Proper operation and maintenance for transport infrastructure (roads and ferries) is ensured.	
	Total number of household members				2 572	4 943						
	Households											
	Households	0	4 748	15 310	514	989	6.46					
	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices							Component reports/COI surveys	Annual	MEL		
	Total number of household members			50 000								
	Households											
	Women-headed households											
	Households			10 000								
	2.2.1 Persons with new jobs/employment opportunities							M&E Data	Annual	MEL		
	Males			4 000								
	Females			8 000								
	Indigenous people											
	Young			12 000								
	Total number of persons with new jobs/employment opportunities			12 000								
Persons with disabilities												

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency		Responsibility
<b>Output</b> 2.1 Households enabled to take up alternative economic opportunities	2.1.2 Persons trained in income-generating activities or business management							Projects records	Quarterly	IEFO, SDO, MEL	<input type="checkbox"/> GoU/private sector honour commitments to invest /g <input type="checkbox"/> Commercial farmers able to mobilize financing for expansion <input type="checkbox"/> Self-standing smallholder model (no nucleus estate) proves viable <input type="checkbox"/> Climate change does not negatively affect oil palm yields. <input type="checkbox"/> A viable institutional model for sustainable provision of TSS is established. <input type="checkbox"/> Farmers apply good agronomic practices. <input type="checkbox"/> Proper operation and maintenance for transport infrastructure (roads and ferries) is ensured.
	Males				620	1 584					
	Females				1 052	2 044					
	Young				519	931					
Persons trained in IGAs or BM (total)	0	13 922	23 922	1 672	3 628	15.166					
<b>Output</b> 2.2 Social risks mitigated through household mentoring methodology	Number of households graduating from household methodologies programme							Project records	Quarterly	SDO, MEL	Households adopt methodologies
	Number of households graduating from household methodologies programme	0	4 892	8 066	180	180	2.232				

Results Hierarchy	Indicators							Means of Verification		Assumptions	
	Name	Baseline	Mid-Term	End Target	Annual Result (2023)	Cumulative Result (2023)	Cumulative Result % (2023)	Source	Frequency		Responsibility
<b>Output</b> 2.3 Natural resources and environment in targeted project areas maintained or enhanced	3.1.4 Land brought under climate-resilient practices							Project records; Environmental audits	Quarterly/Annual	EHSO, MEL	Communities adhere to guidelines and practices as capacitated
	Hectares of land			4 000	627	672.3	16.808				
<b>Outcome</b> 3 Enabling environment created for sustainable scaling-up of oil palm investment	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment							Policy documents/stakeholder engagement platforms	Annual	M&E officer	Land acquisition and approval processes are effective
	Number		1	3	0	0	0				
<b>Output</b> 3.1 Policy and institutional arrangements established for OP sector development	Number of policy, strategy and bill for oil palm development prepared and proposed to policy makers for approval (*)							Project records	Quarterly	MEL	Parliamentary approval is achieved, timely
	Number of policy, strategy and bill for oil palm development prepared	0	2	3	0	0	0				
<b>Output</b> 3.2 Capacity building support provided to National OP research	Policy 1 Policy-relevant knowledge products completed							Project records, Journals	Annual	NARO, MEL	<input type="checkbox"/> GOU gives necessary priority to investment in research capacity for oil palm
	Number	0	15	30	0	3	10				

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### National Oil Palm Project

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### Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 04/09/2023 - 20/09/2023

Document Date: 17/10/2023

Project No. 2000001484

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East and Southern Africa Division  
Programme Management Department



## Appendix 1: Financial: actual financial performance by financier; by component and disbursements by category

**Table 2A: Financial performance by financier**

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	75,820	17,656.47	23.29
IFAD grant	1,210	-	-
Private Sector	90,622	15,000	16.5%
Beneficiaries	31,038	5,286.48	17%
Government	11,747	6,346.36	54.0
<b>Total</b>	<b>210,445</b>	<b>44,289.32</b>	<b>21%</b>

**Table 2B: Financial performance by financier by component (USD '000) as at 30<sup>th</sup> June, 2023**

Component	IFAD loan			IFAD grant			Co-financier/Private sector			Government			Domestic 1			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1	52,956	5,963.33	11				90,622	15,000	16.5	7,784	6,346.36	81.0	31,038	5,286.48	17	182,399	32,596.17	17.8
2	9,867	1,405.33	14	1,209	-					1,392						12,468	1,405.33	11.2
3	3,051	650.76	21							695						3,747	650.76	17.3
4	9,955	6,068.86	61							1,875						11,831	6,068.86	51.2
<b>Total</b>	<b>75,820</b>	<b>14,088</b>	<b>19</b>	<b>1,209</b>	<b>-</b>		<b>90,622</b>	<b>15,000</b>	<b>16.5</b>	<b>11,747</b>	<b>6,346.36</b>	<b>54.0</b>	<b>31,038</b>	<b>0</b>		<b>210,445</b>	<b>40,721.12</b>	<b>19.3</b>

**Table 2C: IFAD loan disbursements (USD, as at 30-06-2023)**

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Credit and guarantee funds	21,380,000	-	916,993.13		20,463,007	4%
II	Works	7,100,000	-	547,274.77		6,552,725	8%
III	Goods, services and inputs	31,280,000	-	7,478,361.57		23,801,638	24%
IV	Operating Costs	8,480,000	-	4,707,235.66		3,772,764	56%
V	Unallocated	7,580,000	-	-	-	7,580,000	0%
	Initial deposit			5,700,000.00	4,006,606.48		
	<b>Total</b>	<b>75,820,000</b>	<b>-</b>	<b>17,656,471.51</b>	<b>4,006,606.48</b>	<b>62,170,135</b>	

**Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement****IFAD Grant disbursements (USD, as at 30-06-2023)**

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Credit and guarantee funds						
II	Works						
III	Goods, services and inputs	1,210,000	-	0		1,210,000	0%
IV	Operating Costs						
V	Unallocated						
	Initial deposit						
	<b>Total</b>	<b>1,210,000</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>1,210,000</b>	

The has not been any disbursements made under IFAD grant as INGO that is to implement the activities under grant was yet to be contracted. This has been done and disbursements will be processed.

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### National Oil Palm Project

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### Appendix 2: Physical progress measured against AWP&B

Mission Dates: 04/09/2023 - 20/09/2023

Document Date: 17/10/2023

Project No. 2000001484

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## Appendix 2: Physical progress measured against AWP&B

Outputs & Activities	Project Indicators	Overall	Targets					Results				Annual Performance 2022/23	% Annual target achieved
			Annual target	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Out growers' oil palm plantations established	Hectares of outgrowers oil palm plantations established		1,000										
Establishment of Oil palm in Buvuma	No. of ha planted by OP outgrowers, financed by development loan and other sources	17,147	1,000	250	250	250	250	86.32	159.86		103.36	349.36	34.9%
	No. of ha for OPGs <2ha		800	200	200	200	200						
	No. of ha for OPGs >2ha		200	50	50	50	50						
	No. of farmers receiving development loans		400	200	200	200	200						
	No. of farmers receiving commercial loans		40	50	50	50	50						
Training and orientation of Hub startup team	Number of personnel trained in specialized areas		8						8			8	100%
Identification, mobilization and registration of farmers in project areas - Funds to be transferred to the District Local Governments (Buvuma, Mayuge, Masaka & Mukono/Buikwe)	Number of farmers pre-identified		2,000			1000	1000				1,490	1,490	74.5%
	Number of additional individual beneficiaries registered (female/male)		550			275	275						
	No. of additional female beneficiaries		90			45	45						
	No. of additional youth beneficiaries		90			45	45						

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	No. of meetings organized		16			8	8						
	No. of participants		300			150	150						
	Mayuge												
	No. of additional female beneficiaries		315		105	105	105						
	No. of additional youth beneficiaries		315		105	105	105						
	No. of meetings organized		9		3	3	3						
	No. of participants		1,050		350	350	350						
	Mukono/Buikwe												
	No. of additional female beneficiaries		150		50	50	50						
	No. of additional youth beneficiaries		150		50	50	50						
	No. of meetings organized		6		2	2	2						
	No. of participants		525		175	175	175						
Specialized training in oil palm agronomy (SOPs and BMPs) for Buvuma Hub staff, DLG technical team and lead farmers	No. of persons trained in OP agronomy and NOPP operations, disaggregated by age and gender		500	125	125	125	125					562	112%
Training on Maintenance of young OPG oil palms plantations in Buvuma by Hub AEOs.	No. of beneficiaries trained on OP maintenance (circle weeding, pest and disease control , Fertilizer application)		500									562	112%
Verification and Validation of planted Outgrower OP gardens	% of Hectares of OP planted inspected to assess no. of OP trees planted and OP trees surviving.	100										90%	90%



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Surveying of Outgrowers Oil Palm land	Number of outgrowers' hectares surveyed	2,500	2,000	500	500	500	500		364.37			364	18%
	BUVUMA		1,000	500		500							
	MAYUGE		1,000	500			500						
Suitability assessment for smallholder oil palm establishment	No. of hectares assessed as suitable for OP growing		6,000	1,250	1,750	1,250	1,750						
	BUVUMA		2,500	1,250		1,250							
	MAYUGE		3,500		1750		1750						
Rapid Physical Planning Assessment for Buvuma	No. of physical planning assessment reports concluded											1	100%
Community sensitization and participatory planning meetings with key stakeholders (Mukono/Buikwe & Masaka hub)	No. of participants sensitized about project implementation processes		2,000									912	46%
	BUVUMA		800	200	200	200	200						
	MAYUGE		600	150	150	150	150						
	MUKONO/ BUIKWE		200	50	50	50	50						
	MASAKA		400	100	100	100	100						
Annual & Quarterly Planning, Review and Reporting by PMU, hub and districts in IFAD & GoU formats.	No. of planning, review and reporting workshops conducted		4								1	1	25%

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Field visits on adaptive trials for Oil Palm in the new hubs and sites	No. of adaptive trials sites inspected		13	3	4	3	3						
Fund Manager recruited	No of FIs procured	1			1						1	1	100%
Airtime for Talkshows on Radio & Television	# Talkshows aired	37	5										
OPG Organizations established and strengthened	Number of OPG Organizations established and/or strengthened	10	3	1	1	1	0	0			2	2	66.7%
Formation of Mayuge Oil Palm Growers Cooperative	No. of OPG cooperatives established	5	1			1					1	1	100%
	No. of cooperative members registered		30										
Registration of Mayuge Oil Palm Growers Cooperative	No. of OPG cooperatives registered	5	1			1							
Formation of Mayuge Oil Palm Growers Trust	No. of OPG trusts formed	5	1				1						
Technical backstopping of OPG organisations in Buvuma.	No. of backstopping sessions conducted		4	1	1	1	1	1	2			3	75%
Support for Farmer Organisation membership mobilisation engagements for Buvuma Oil Palm Growers Cooperative Society Limited	No. of AGMs held		1		1							1	100%
Procurement of consultancy firm to strengthen OPG organisations in Buvuma and Mayuge	Consultancy firm contracted		1								1	1	100%
MIS software for Buvuma OPGC procured	MIS software installation	1	1										
Support to Buvuma Cooperative for mobilisation and sensitization activities	No. of new oil palm growers mobilised by the cooperative leaders	600	600	150	150	150	150					265	44%
Procurement of fireproof filing cabinet for Buvuma office	No. of filing cabinets procured										1	1	100%

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Office Equipment	No. of filing cabinets procured	4	1		1					1	1	100%	
Board meetings for BOPGT	No. of Board meetings held		8	3	2	2	1						
Access and farm roads constructed and maintained	Kilometres of access and farm roads constructed and maintained		40										
Survey, Design and Demarcation of Access and Farm Roads in Buvuma hub.	No. of km of roads surveyed and designed		40		20	20	20		29		11	29	100%
Construction of Access Roads in Buvuma.	No. of km of access roads constructed									6	8.53	14.53	88%
Construction of Farm Roads in Buvuma	No. of km of farm roads constructed									14	14.8	28.8	90%
Fertilizer stores and hub office buildings constructed	% of fertilizer stores constructed		100										
	% of office buildings constructed		100										
Construction of Fertilizer Store and Meeting Hall at Buvuma	% of fertiliser store and meeting hall constructed		20%										0%
Connection of Buvuma Hub Office to District Water Grid	% extent of water connection laid		100%								100%		100%
Design of Office block, Fertilizer Store and Meeting Hall for Mayuge Hub	% of design works completed	100%	100%										0%
Ferry for Buvuma Procured	% of ferry construction	100%	100%							100%		100%	100%
Design and build of Ferry for Buvuma	% of ferry construction	100%	100%							100		100%	100%

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Household Livelihoods diversified and resilience increased	Number of Households reporting an increase in food production (65% of those trained)	8,122	400			400							
	Number of Households reporting an increase in income from a new income generating activity(63% of those trained)	7,188	335			335							
Households Trained in agriculture intensification	No of Households trained in improved food peroduction techniques disasgregated by gender (50% W/Y)	12,513	2,455			1,226	1,229						
	Kalangala	2,051	1,590			655	661						
	Buvuma	2,179	600			570	569						
Establishment of lead farmer plots in Kalangala and Buvuma DLG (for piggery and poultry enterprises)	No. of lead farmer plots established		73			40	33			20		53	72%
	Kalangala		53			30	23						
	Buvuma		20			10	10			20			100%
Training selected beneficiaries in Buvuma and Kalangala in Best Practices for selected enterprises	No. of Training sessions conducted		146			80	66	32				32	22%
Maintenance of 5-acre plot for demonstration/multiplication in Mugoye subcounty	Maintained demonstration plot		1	1	1	1	1			1		1	100%



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Installation of a water tank at Mugoye demo site	Water tank intalled				1								
Construction of a store at Mugoye agric demo	Input store constructed		1		1								
Cycle maintenance and fuel for extension workers in Buvuma and Kalangala Households Trained in entrepreneurship and self employment	Motor vehcles & cycles serviced												
	Number of Households trained in income generating activities	11,409	1101		61	480	560						
	Kalangala		729		61	280	388						
	Buvuma		402		0	200	202						
Training beneficiaries in vocational skills in Mugoye sub county	Number of beneficiaries trained dissagregated by gender and age		61		61	0	0		61			61	100%
Consultancy for business skilling, vocational skilling and financial accessibility in Buvuma and Kalangala	Consulting Firm procured (Y/N)		1040			480	560						
	No. of beneficiaries trained in business skills		640			300	340						
	Kalangala		460			200	260						
	Buvuma		180			100	80						
	No. of beneficiaries trained and placed in vocational skills		400			180	220						
	Kalangala		180			80	100						

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	Buvuma		220			100	120						
	No. of businesses established by beneficiaries through Financial linkages(80% of those trained)		832										
	Kalangala		512			224	288						
	Buvuma		320			160	160						
Agribusiness/Farming As A Business (FaaB) training for both OPGs and Non OPGs	Number of households trained in agribusiness	30,837	1,000		1,000								
Designing Printing of farmer diary for OPGs in Buvuma and non OPGs in Kalangala	Number of Farmer diaries printed and disseminated	11,700	1,000		1,000								
TOT for extension staff and VAs on farmer diary	extension officers and VAs trained		24		24								
Drying racks for Kalangala silver fish groups	Number of silver fish drying racks disseminated		10			5	5						
Landless communities in Buvuma hub integrated into Alternative Livelihoods activities	No. of landless HHs trained in food production and income generation		850						102		102		51%
Training of landless women and youths in Buvuma town council in mushroom growing	No. of beneficiaries trained in mushroom growing		250			125	125						
allowances	Number of training sessions conducted		120			60	60						

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Training of landless women and youth in Buvuma on bee keeping and honey post harvest handling and honey processing.	No. of beneficiaries trained in Apiculture		200			100	100			309		309	154%
Training of landless communities in Kojja, Tojjwe and Bukalabati on backyard gardening of vegetables	No. of beneficiaries trained in backyard gardening		400		100	100	200			120		120	30%
Mitigation of Social Risks	Social Risks Mitigated									1	1	2	100%
Land user rights and ownership improved.	Number of persons whose user rights over land has improved - number of persons with valid proof of land ownership	16,193	500	125	125	125	125						
Households graduating from household mentoring	Number of households graduating from household mentoring programme	8,065	500	125	125	125	125						
Increased awarnesses on HIV/AIDS, gender issues and food nutrition amongst oil plam communities	Number of persons reached and accessing information on HIV/AIDS, gender and food nutrition	36,803	10,165	2,541	2,541	2,541	2,541			180		180	36%
Household mentors deployed and trained	No. of HH mentors deployed and trained	203	129										
	Kalangala		49	49	49	49	49						
	Mayuge		40	40	40	40	40						
	Buvuma		40	40	40	40	40						

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	No. of trainings conducted		6	3	0	3	0						
	Kalangala		2	1	0	1	0						
	Mayuge		2	1	0	1	0						
	Buvuma		2	1	0	1	0						
Facilitate the deployed household mentors to implement HHM in the 3 hubs of Mayuge, Buvuma, Kalangala	# of mentors facilitated and deployed		129										
	Kalangala		49										
	Buvuma		40										
	Mayuge		40										
Refresher training of Mentors on the Mentoring tools in Kalangala, Buvuma and Mayuge	# of trainings conducted on HHM tools		129		0	3	3						
	Kalangala		49	49	0	49	0				129	129	100%
	Buvuma		40	1	40	0	40						
	Mayuge		40	40	0	40	0						
community engagement in the identification of mentors by CDOs in DLG of Kalangala, Buvuma and Mayuge	# of field backstopping and support visit to mentors by DLG		12	3	3	3	3						
	Kalangala		4	1	1	1	1						
	Buvuma		4	1	1	1	1						
	Mayuge		4	1	1	1	1						



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Data collection and profiling of the new mentee households (baseline information)	# of mentee households profiled		360	180	0	0	180						
	Kalangala		160	80	0	0	80				360	360	100%
	Mayuge		100	50	0	0	50				160	160	100%
	Buvuma		100	50	0	0	50				100	100	100%
Documenting results of mentoring and impact on mentee households	# of impact stories documented		100	13	13	12	12				100	100	100%
	Kalangala		50	5	5	5	5				30	30	30%
	Mayuge		25	6	6	6	7						
	Buvuma		25	6	6	6	7						
Identification and selection of champions for replication of peer to peer mentoring in community	# of peer to peer champions selected		64	16	16	16	16						
	Kalangala		24	6	6	6	6		32			32	50%
	Mayuge		20	5	5	5	5						
	Buvuma		20	5	5	5	5						
Nucleus estate workers enrolment and training in mentoring program	# of nucleus estate workers enrolled and graduating in program Kalangala		100	0	50	0	50						
	Buvuma												
	Kalangala		50	0	25	0	25						
	Buvuma		50	0	25	0	25						



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Conduct Gender sensitisations in oil palm communities using the Gender Action Learning System (GALS)	# of sensitisations undertaken		30	9	4	8	5						
	Kalangala		10	3	1	4	2						
	Buvuma		12	3	2	4	3						
	Mayuge		8	3	1	4	0						
Conduct community sensitisation in oil palm communities on food and nutrition	# of community sensitisations held on food and nutrition		31	7	8	9	7						
	Kalangala		5	0	2	2	1			7		7	22%
	Buvuma		16	4	4	4	4						
	Mayuge		10	3	2	3	2						
Mentored Households trained on gender issues, HIV/AIDS, Food and Nutrition	No. of households' mentees trained on gender issues, HIV/AIDS, food & nutrition		1,290										
	Kalangala		490								1290	1290	100%
	Buvuma		400								490		
	Mayuge		400								400		
Conduct training and sensitisation of Mentee household Clusters in food and nutrition and HIV/AIDS	# of mentee clusters organised and sensitised on food and nutrition and HIV/AIDS		50	22	21	0	12				400		
	Kalangala		24	8	8	0	6						
	Buvuma		20	10	10	0	0						
	Mayuge		13	4	3	0	6						



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Conduct Training of Trainers for Mentors and CDOs in Food and Nutrition	# of ToT sessions conducted		3	1	1	1	0						
	Kalangala		1	0	1	0	0						
	Buvuma		1	1	0	0	0						
	Mayuge		1	0	1	1	0						
Community members sensitised on land user rights (focusing on WLR), land management and tenure security.	# of persons sensitised on land rights, land management and tenure security, disaggregated by gender and age.		500	125	125	125	125						
	# of men		350	88	88	88	88						
	# of women		150	38	38	38	38						
	# of youth men		100	25	25	25	25						
	# of youth women												
Civic education and sensitisations of communities on land matters and land rights of affected persons in the oilpalm growing areas (at district, sub county, parish and village levels).	# of sensitisation meetings conducted to assess the land tenure situations (at district, sub county, parish and villages)		13	3	4	2	5						
	Kalangala		4	2	1	1	1				5	5	38%
	Buvuma		5	1	2	0	2						
	Mayuge		4	0	1	1	2						





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Environmental Supervision and Compliance inspections in Kalangala, Buvuma and Mayuge hubs	No. of supervision inspections undertaken	4	4										
Degraded lakeshores, forests and wetlands restored	No. of ha of degraded land restored (Lakeshores, Forests & Wetlands)												





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	Number of LEC members trained	660	660										
Formation, training and backstopping of Local Environment Management Committees In Buvuma, Kalangala and Mayuge Districts in environment, health and safety aspects	No. of LEC members trained	660	660										
Number of farmers sensitized and/or trained on Environment, Health and Safety issues	No. of farmers trained		100										
Training of farmer leaders in environment and natural resources in Kalangala, Buvuma and Mayuge	No. of training sessions held	6	6	2	1	2	1						
Transfer to DLGs	Kalanagala	2	2	1	0	1	0						

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	Buvuma	2	2	0	1	0	1						
	Mayuge	2	2	1	0	1	0						
Train farmers per sub county in Buvuma (including Koja-Tojwe Conservation and Tree Planting Association (KECTPA) members) on tree nursery establishment, maintenance and management	No. of smallholder farmers trained	400	400										
Contract an implementing partner to build capacity of key stakeholders in environmental. Health and safety	% of contract implemented	100%	25%								172	172	43%
Train Kalangala, Buvuma, Mayuge and Masaka District Local Government staffs in aspects of environmental, health and safety	Number of staffs trained in Environmental, Health and Safety aspects	120	120	30	30	30	30						



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Number of office equipment procured for respective District Local Governments of Buvuma and Kalangala	Proportion of ESIA proposed mitigation measures and NEMA conditions of approval complied with (%) Buvuma		100%										
Enabling environment created for sustainable scaling-up of oil palm investment	Total value of private sector investment in oil palm sector												
Policy Documents (Regulatory Impact Assessment, Policy, Strategy with costed Implementation plan, Certificate of Financial Implication (CFI), Principles of Bill, Bill) developed	# of policy documents produced	4	1				1						
Procure and manage consultancy on Regulatory Impact Assessment	% progress of consultancy for RIA	100%	100%			75%	25%		25%	25%	40%	90%	90%
Facilitate participation of PMU, Hub, DLG and Farmer Organisation members to participate in meetings with potential bankers	# of field tours conducted for financial institutions	4	2						1			1	50%

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Strengthened National Capacity for Oil Palm Research	% increase of FFB yields achieved on demonstration plots through improved agronomy practices	10%	0%										
Oil Palm Research activities	Refer to research work plan												
Effective Project implementation	Perception of key stakeholders on project performance												
Implementation monitoring & data validation for Oil Palm Agronomy, Land Acquisition, Farmer Organisations, Infrastructural development, Alternative Livelihoods, Social Risks Mitigation, Environment and Research interventions by the PMU, Hubs, NARO, PSPs and DLGs of Kalangala, Buvuma & Mayuge	# of Monitoring reports published		28					1	1			2.00	7%
Compilation of reports - IFAD Mission, Budget Monitoring and Accountability Unit (BMAU), Externally Funded Projects (EFP) and adhoc., including field missions.	# of mission reports published	20	2		1		1	1		1		2	100%



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Sensitization of the stakeholders on project implementation activities targeting both farmers and non farmers via Radio talkshows and PR firm	# of Talkshows held	36	0								18	75%
Engagement of journalists for project publicity, through field excursions to project intervention areas and workshops.	# of articles published		15								8	53%
Publish Quarterly Newsletters	# of Quarterly Newsletter published	19	4				1			1	2	50%

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Production of branded materials for Project publicity	# of types of branded materials produced	10	10							5	5	50%
National & Regional Exhibitions	# exhibitions participated in	30	2					1	1		2	100%
Establish series of regular seminars on "hot topics" in the oil palm development field,	# Roundtables & Webinars held	10	4						1		1	25%



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### Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 04/09/2023 - 20/09/2023

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### Appendix 3: Compliance with legal covenants: status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>GC Section 7.01.</b>	The Project shall be implemented on the basis of AWPB. The Lead Project Agency shall prepare a draft Project AWPB, which shall include a detailed description of planned Project activities during the coming Project Year, a Procurement Plan, and the sources and uses of funds.	Continuous	Complied	
<b>GC Section 7.01.</b>	The Lead Project Agency shall submit the draft AWPB to the oversight body designated by the Borrower/Recipient for its review. When so reviewed, the Lead Project Agency shall submit the draft AWPB to the Fund for comments no later than 60 days before the beginning of the relevant Project Year. If the Fund does not comment on the draft AWPB within 30 days of receipt, the AWPB shall be deemed acceptable to the Fund	Continuous	Complied	
<b>GC Section 7.02.</b>	The Borrower/Recipient may open and maintain one or more Project Accounts for Project operations in a bank acceptable to the Fund, and shall identify the Project Party responsible for operating such account or accounts.	Continuous	Complied	
<b>GC Section 7.04.</b>	In order to ensure that the Project is carried out in accordance with Section 7.01, the Borrower/Recipient shall ensure that the relevant activities of its ministries, departments and agencies, and those of each Project Party, are conducted and coordinated in accordance with sound administrative policies and procedures.	Continuous	Complied	
<b>Loans reflow</b>	The borrower will ensure that repayments of development loans, including from VODP2, are recycled to finance further loans to smallholder oil palm growers. Reflows are to be ring fenced within a mechanism acceptable to the fund and included within the scope of the project external audit.	Continuous	Not-Complied	Reflows recovered and remitted to consolidated funds as at January 2023 was Ugx 51.9 billion. These funds are remittances from 2019 of which no funds have been released from consolidated funds for utilization on project activities. A ring-fenced mechanism for depositing the loans reflows has also not been finalised.
<b>GC Section 11.01.)</b>	The use of any proceeds of the Financing to pay for Taxes is subject to the Fund's policy of requiring economy and	Continuous	Complied	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>GC Section 11.01.</b>	efficiency in the use of its Financing. Therefore, if the Fund at any time determines that the amount of any such Tax is excessive, discriminatory or otherwise unreasonable, the Fund may reduce the percentages of Eligible Expenditures to be financed by the Financing.  The use of any proceeds of the Financing to pay for Taxes is subject to the Fund's policy of requiring economy and efficiency in the use of its Financing. Therefore, if the Fund at any time determines that the amount of any such Tax is excessive, discriminatory or otherwise unreasonable, the Fund may reduce the percentages of Eligible Expenditures to be financed by the Financing.	Continuous	Complied	

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### Appendix 4: Technical background analysis

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## Appendix 4: Technical background analysis

### Executive Procurement Summary of the main supervision report (Parts I and II are for public disclosure)

#### 1. Desk review of the project's contracts portfolio in the Contract Monitoring Tool before the mission

No Project's Procurement Strategy was prepared for this project. The Procurement Processes are going smoothly however the contract management part is a weak point under procurement management since the procurement staff are not being involved at this stage. Big Works contracts were procured and are under implementation, example "Procurement of a Contractor for the Construction of Access Roads in Buvuma"

#### 2. SECAP risk management

SECAP requirements have been integrated in the bidding documents. The below paragraph is drafted by the SECAP specialist in the mission.

"The SECAP has been operationalized in NOPP and reflected in the AWPB and Procurement Plan. The Environment and Social Impact Assessments (ESIAs) are being produced with overall good quality albeit delayed. Integration of climate change has not been effectively done in the ESIAs, which is a requirement given that NOPP is a moderate climate risk project and will not have a separate climate change adaptation assessment. Other common elements that require strengthening in the ESIAs include clarity on the scope considering the nucleus estate, mapping of smallholders, Greenhouse gas emission estimates and integration of soil suitability study results. Thus far NEMA has approved one ESIA for Buvuma Hub, the one for Mayuge Hub is under review, while the ones for Masaka Hub are yet to be submitted. The ESIAs for the Masaka Hub can be revised within a timeline of two weeks for each one before submission to NEMA. For the nucleus farm the approved ESIAs e.g., for Sango Bay should be shared with the NOPP ESIA consultants as this would inform the impact assessments. One ESIA for construction of a fertilizer store in Buvuma was prepared and approved by NEMA. A similar ESIA is planned to be undertaken when implementation of project activities in Mayuge commence. Rapid Environmental and Social Assessments are being conducted for the access roads and ESMPs are implemented. For the farm roads, in lieu of the rapid assessments, the district environmental officers and community development assistants can support integration of environment and social considerations".

**Performance rating: 4 – Moderately Satisfactory**

#### 3. Procurement Strategy / Procurement Planning Process

No Procurement strategy exist for the Project. The planning is done through a Procurement Plan that is consistent with AWPB and fully updated. The Plan is in accordance with IFAD template. For the FY 2023-2024, the project is using Open system for the preparation and management of procurement processes. The Procurement methods and reviews are in accordance with the LTB. All the non-cancelled activities were launched. 61 % of the originally planned amount were signed. Annex 1 details the status of activities in the procurement plan per category.

The project will shift to use the PAL dated February 2023 in this current Fiscal year 2023-2024 .

**Proposed Performance Rating:5- Satisfactory**

#### 4. Processes and Procedures from Prequalification/Shortlisting to receipt of bids/proposals

The Procurement process is very well documented and is compliant with the procedures. The Shortlisting is well prepared and managed. The bidding documents is well prepared and includes all the needed sections especially draft contract and the Bidders declaration Form. However, the technical specifications need to be more generic in order to allow for more competition and to safeguard the principle of Transparency.

**Proposed Performance Rating: 4 – Moderately Satisfactory**

## 5. Processes and Procedures for Evaluation and Contract Award

The Bid/Proposal evaluation respects the 3 stages of evaluation. Bid opening, bid evaluation and NOITA are all present on file. Award and contract signature done after the expiry of the stand still period which shall start with the issuance of the NOITA letters. Evaluation results are made public through NOITA and a notice published on the notice board, however the NOITA needs to be customized for each bidder separately. Performance securities are presented as requested. Key Performance Indicators are listed in the draft contract however they are not linked to Payments.

**Proposed Performance Rating:5- Satisfactory**

## 6. Contract Management and Administration and CMT data accuracy and timeliness

The CMT is updated and contains the Contracts signed in the last 3 years including the PMU staff contracts. The payment recorded in the CMT represents 58% of the disbursement value done so far through the life of the project. Extra efforts are needed in the update of the CMT in order to minimize the difference between payments recorded in CMT and actual disbursement. It was noted that the 3 MOUs signed Local Governments have no monetary amounts linked to them while these MOUs put financial responsibilities on the project. These 3 MOUs need to be amended to reflect the amounts already incurred and the amounts to be paid. Some deficiency was noted at the level of Contract management since the procurement staff are not involved in Contract Management.

**Proposed Performance Rating:3- Moderately Unsatisfactory**

## 7. Record Retention

The Procurement processes are well documented. Each package has got its own file(s) which label indicates the name of the package as well as the procurement reference from the procurement plan and, information is easy to retrieve. The files contain all the needed documents except for some correspondence exchanged during contract execution.

**Proposed Performance Rating:4- Moderately Satisfactory**

## II. Agreed actions (public)

[Provide a brief description of the agreed actions concerning the way forward in project implementation as per the findings of the Procurement Part of the Supervision Report- Appendix 6 and Chapter 5 of the Procurement Manual]

Agreed action	Status	Responsibility	Date
The three MOUs signed with (i) Buvuma District Local Government, (ii) Kalangala District Local Government and (iii) Mayuge District Local Government respectively need to be amended to reflect the amounts already incurred and the amounts to be paid. Future amounts to be paid under these MOUs should not be listed in the Procurement Plan since the MOUs are already signed however, they need to be captured by the CMT	Agreed	OM	Dec,223
NOITA needs to be customized per bidder and needs to follow IFAD Template.	Agreed	PCM	Immediate
Car maintenance need to be shown in separate packages in the Procurement plan in the absence of a framework Contract.	Agreed	PCM	September 15, 2023
The "MICRO" method regulated in Uganda Procurement Framework which allows Direct Contracting for small amounts without individual No Objection needs to be used as per the thresholds mentioned in the Procurement Arrangements Letter of the Project dated February 21. 2023	Agreed	PCM	Immediate
Key Performance Indicators mentioned in the Contract need to be explicitly linked to Payments in the corresponding contracts	Agreed	PCM	Immediate
Technical specifications need to be revised and cleared by the Procurement staff prior to issuance of the Bidding Documents	Agreed	PCM	Immediate
Amendments of signed contract need to follow IFAD's guidelines where there is no ceiling to the amendment value as long as they are justified and respect the Prior Review Threshold.	Agreed	PCM	Immediate

The PMU needs to make sure that the value of paid amounts recorded in the CMT reaches at least 70% of the total disbursement by populating the CMT with all the signed contracts so far.	Agreed	PCM	Immediate
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One Key recommendations that is mentioned in the Aide Memoire but was dropped inadvertently from the table of recommendations is the role of Contract Manger. The Procurement staff need to assume the role of Contract Manages in what relates to the proper and timely implementation of the contract. Their role would be to coordinate between the different stakeholders, making sure the respective roles are understood so risks can be timely mitigated.

The proposed role of the Procurement staff as a Contract Manager entails the following:

The Contract Manager monitors and assists implementation of the Contracts by:

1. Organizing a kick off meeting for the different parties and directly involved stakeholders in order to clarify the rights and obligations of each of them and to clarify the correspondence channels.
2. Making the Contract parties aware of any events and/or risks which may affect the Contract performance;
3. Monitoring Consultants Contracts' deadlines for mobilizing the Consultants, achieving implementation milestones, and submitting reports and other contractual deliverables
4. Monitoring Suppliers Contracts' deadlines in delivering goods
5. Monitoring the works progress against the original workplan
6. Preparing timely addenda for the Contracts and ensuring signature by parties, whenever necessary. The addenda is prepared in coordination with the Technical staff
7. Dealing with contractual disagreements and assisting parties with dispute resolution;
8. Following up on deliverable acceptance procedures (Provisional and Final) by making sure that acceptance committees are formed on time by the project manager and that the members of the acceptance committees are aware of their role;
9. Initiating the payment process by:
  - i. Receiving a copy of the invoice once it is submitted to the Financial Officer
  - ii. Checking that invoices are correct and in accordance with the Contract conditions and that relevant acceptance report(s) were prepared and submitted;
  - iii. Forwarding a payment request to the Financial officer together with the supporting documents (Acceptance report, etc...)
  - iv. The Financial officer shall do his/her review and request missing documents and seek approval from the Project Manager for execution of Payment

Copy of the payments document needs to be sent to the Procurement Officer to be kept in the procurement files

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### National Oil Palm Project

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### Appendix 5: Mission preparation and planning, TORs, schedules, people met

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## Appendix 5: Mission preparation and planning, TORs, schedules, people met.

### NATIONAL OIL PALM PROJECT – MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES

#### PEOPLE MET DURING NOPP MEETINGS AND FIELD VISTS WITH IFAD MISSION EXPERT ON AGRONOMY 04<sup>th</sup> – 15<sup>th</sup> SEPT. 2023

PEOPLE MET DURING IFAD MISSION TEAM AT KOPGT 9-9-2023				
S/N	Name	Designation	Gender(M/F)	Age(Youth (Y)/Adult (A))
1.	Balironda David Mukasa	General Manager KOPGT	M	A
2.	Amosi Arimo	Field Officer	M	A
3.	Ddamulira Gabriel	NARO	M	A
4.	Amogoli Otuba Moses	NARO	M	A
5.	Asiimwe Alex	NARO	M	A
6.	Charles Sembatya	NOPP Agronomist	M	A
7.	Nakiyini Lydia	Senior Credit Officer	F	A
8.	Robert Charles Aguma	EHSO -NOPP	M	A
9.	Anthony Nkwasiwe	Operations Manager	M	A
10.	Enid Twongyeirwe	KOPGT Officer	F	A
11.	Nakandi Juliet	Quality Inspection	F	A
12.	Emmanuel Mukama	NOPP-MEAL	M	A
13.	Nakanya Sarah	KOPGT	F	A
14.	Lakwonyero N Susan	NOPP-Project Manager	F	A
15.	Eunice Nakasi	KOPGT Filed Officer	F	A
16.	Bukebisi Timothy	KOPGT	M	A
17.	Plaxeda Sunday	NOPP	F	A
18.	Billy Ghansah	IFAD	M	A
19.	Mohammed El Ghazely	IFAD CPM	M	A
20.	Nakiyimba Lydia	KOPGT	F	A
21.	Angom Linda	KOPGT	F	A
PEOPLE MET AT OPUL MEETING- 6/9/2023				
22.	Jerrick Lim	OPUL Finance Manager	M	A
23.	Plaxeda Sunday	NOPP/PMU	M	A
24.	Robert Charles Aguma	NOPP/PMU	M	A
25.	Charles Sembatya	NOPP/PMU	M	A
26.	Erfana	OPUL/GIS	M	A
27.	Ofori Nartey	OPUL EHSO	M	A
28.	Ocholla sunday	OPUL- Estates Manager	M	A
29.	Bwanika Simon	OPUL	M	A
30.	Semambo Hassan	OPUL	M	Y
31.	Wamala Cylus	OPUL	M	A
32.	Justus Alikiriza	OPUL	M	A
33.	Yuda	OPUL	M	A
34.	Paxina Chileshe	IFAD	F	A
35.	Lakwonyero A Susan	NOPP/PMU	F	A
36.	Billy Ghansah	IFAD	M	A
37.	Mohamed El Ghazely	IFAD	M	A
38.	Omamba Romoko	OPUL	M	A
39.	Ddamulira Gabriel	NARO	M	A
40.	Amugoli Otuba Moses	NARO	M	A
41.	Asiimwe Moses	NARO	M	A
MEETINGS WITH IN BUVUMA TEAM 6/9/2023				
42.	Kirabira Patience	Farmer Tome-Kabugombe	F	A
43.	Kasango Fred	Buvuma Hub Manager	M	A
44.	Pamela Kyarikunda	Field Officer Buvuma T/C	F	A
45.	Anet Tumwekwase	Field Officer Busamuzi	F	Y
46.	Esabu Anthony	Field Officer Buwooya	M	Y
47.	Wilson Serunjogi	Focal Point Officer NOPP	M	A
48.	Charles Komoli Mbayo	Logistics & Inventory	M	A
49.	Sebuliba	Farmer Kabugombe -Tome	M	A

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50.	Ssengendo Vincent	Farmer Magyo Nairambi	M	A
51.	Mukasa Richard	Farmer Magyo Nairambi	M	A
52.	Kanaabi Patrick	Farmer Magyo Nairambi	M	A
53.	Mugisha Allan	Farmer Magyo Nairambi	M	A
54.	Tenywa Charles	Farmer Magyo Nairambi	M	A
55.	Namutebi Kasfa	Farmer Magyo Nairambi	M	A
56.	Mutyaba Jimmy	Farmer Magyo Nairambi	M	A
57.	Tumukunde Henry	Farmer Magyo Nairambi	M	A
58.	Tumwebaze Ronald	Farmer Magyo Nairambi	M	A
59.	Ssamanya Ronald	Farmer Magyo Nairambi	M	A
60.	Nambi Namon	Farmer Magyo Nairambi	M	A
61.	Nsubuga Moses	Farmer Magyo Nairambi	M	A
62.	Nassuna Rose	Farmer Magyo Nairambi	F	A
63.	Naigaga Fatuma	Farmer Bukinalwa	F	A
64.	Nalumansi Elizabeth	Farmer Bukinalwa	F	A
65.	Nabirye Florence	Farmer Bukinalwa	F	A
66.	Nyafono Grace	Farmer Bukinalwa	F	A
67.	Amaali Juliet	Farmer Bukinalwa	F	A
68.	Nabirye Monica	Farmer Bukinalwa	F	A
69.	Nakamyuka Robina	Farmer Bukinalwa	F	A
70.	Takobewa Zabina	Farmer Bukinalwa	F	A
71.	Mukooli Patrick	Farmer Bukinalwa	M	A
72.	Mugoowa Joseph	Farmer Bukinalwa	M	A
73.	Kyozira Shamina	Women Representative	F	A
74.	Ssesanga Bakalali	Farmer Bukinalwa	M	A
75.	Wavamuno Yona	Farmer Bukinalwa	M	A
76.	Iruha Salim Maiso	Chairperson BOPGCO	M	A
77.	Kisa Christine Balabyeki	Farmer Tome	F	A
78.	Matiya Kalange	Buvuma Town Council	M	A
79.	Tabu Stephen	Farmer Bukinalwa	M	A
80.	Ochola Emmanuel	Farmer Bukinalwa	M	A
81.	Buyinza Isma Julius	Farmer Bukinalwa	M	A
82.	Sirirwa Joone	Farmer Bukinalwa	M	A
83.	Mwanda Muzamiru	Farmer Bukinalwa	M	A
84.	Dhatemwa Muhammad Balyedhusa	Farmer Bukinalwa	M	A
85.	Kasekende Gonzaga	Farmer Kiteredde	M	A
86.	Gerrad Epai	Farmer Town Council	M	A
<b>MEETING WITH OPBL IN BUVUMA &amp; AT GOLF COURSE HOTEL KAMPALA 15<sup>th</sup> 9 2023</b>				
87.	Swad	OPBL	M	A
88.	Yenuadan Artato	OPBL	M	A
89.	Chin pi Te	OPBL	M	A
90.	Damanik	OPUL	M	A
91.	Vigneswaran ponnudarai	BIDICO/Reginal Manager	M	A
<b>MEETING WITH NARO TEAM AT NAMULONGE 15<sup>th</sup> /9/2023</b>				
92.	Amugoli Otuba Moses	NARO/NaCRRRI	M	A
93.	Anthony Nkwasiabwe	NOPP/Operations Manager	M	A
94.	Charles Sembatya	NOPP/OP Agronomist	M	A
95.	Emmanuel Mukama	NOPP/MEL	M	A
96.	Ddamulira Gabriel	PRO/NARO	M	A
97.	Nampeera Esther	SRO/NARO	M	A
98.	Billy Ghansah	IFAD Expert OP Agronomy	M	A
99.	Asiimwe Alex	RO/NARO	M	A
100.	Masika Fred Bwayo	SRO /NARO	M	A

**DRAFT PROGRAMME FOR IFAD IMPLEMENTATION SUPPORT MISSION FOR NATIONAL OIL PALM PROECT, 4-15TH SEPTEMBER 2023**

	<i>Time</i>	<b>Meeting</b>	<b>Modality</b>	<b>Details</b>	<b>Lead Participant</b>	<b>Participants - NOPP</b>	<b>Participants - IFAD</b>
		<b>8.30- 9.00 am</b>		Meeting	Start up meeting with PS	<b>PM</b>	<b>ALL</b>
<b>Monday,4th September 2023</b>	9.00 - 9.30am	Presentations and Discussions	Meeting	Review ISM programme	PM	PMU, Hub Manager	ALL
	9.30 - 1:00 pm ( Transition and a working Tea Break included)	Presentations and Discussions	Meeting	NOPP Progress Presentation & Presentation on Mission recommendations and oil palm research presentation.	PM	PMU, Hub Manager	ALL
	1:00 - 2:00pm		Lunch Break	<b>LUNCH</b>	PM	PMU, HM	ALL

				Sub-components 1.1, 3.2	Project Agronomist	Sembatya Charles Anthony Nkwasiwe Dr. Gabriel Ddamulira Kasango Fred	Billy Ghansah
	2:00 - 5:00pm	Gender, targeting and Alternative Livelihoods and Institutions and Access to Finance	Breakout Sessions	Sub-components 1.2, 3.1	IEDFO	Plaxeda Sunday Susan Lakwonyero	Chiara Romano
				Sub-components 2.1, 2.2		Plaxeda Sunday Anthony Nkwasiwe Susan Lakwonyero	Mohamed El-Ghazaly
	Infrastructure Engineer			Sub-component 1.3	Project Engineer	John Higenyi Benyamen Maraka	Benedict Okana

		Procurement and contract management		Component 4	P&CM	Meddie Lutaaya, Kokas Okanya, Amuza Waigo	Nathalie Gebrayel
		Finance Management		Component 4	FAM	Grant Mpiirirwe Akol David	James Muturi
		Monitoring, Evaluation, Learning, Communication and Knowledge management		Component 4	MEAL Manager	Emmanuel Mukama Roger Mulinde Anthony Wanyoto	Richard Kabuleta
		Environment and Climate change		Sub-component 2.3; ESIA's, INGO.	EHSO	Robert Charles Aguma Anthony Nkwasiabwe	Paxina Chileshe
<b>BUVUMA HUB</b>							
Tuesday, 5 September 2023	8.00-10.00am	Travel	Road, Ferry	Travel to Buvuma for relevant teams.	PM	Assorted	Assorted

	12.00 - 1.00pm	District Local Government, Buvuma Hub Team		Courtesy call on District Leadership - CAO, RDC, LC V. Hub Presentation	Hub Manager	Assorted	Assorted
	1.00 - 5.00pm; with Lunch break as appropriate.	Access to Finance	Key Informant Interviews, Focus Group Discussions, Field Visits	Sub-components 1.2, interact with Hub Team, esp. Credit Officer, Hub accountant on progress on disbursement for the development loan.	IEDFO	Plaxeda Sunday Anthony Nkwasiwe Susan Lakwonyero	Mohamed El-Ghazaly
		Infrastructure Engineer		Sub-component 1.3; farm roads. Meet District Engineer.	Project Engineer	John Higenyi Benyamen Maraka	Benedict Okana

	Oil Palm Agronomy		Sub-component 1.1, 3.2; Outgrowers gardens, BMPs, Trial sites, Nucleus Estate	OPA Dr. Gabriel Ddamulira, OPBL	Charles Sembatya Anthony Nkwasiabwe Emmanuel Mukama	Billy Ghansah
	Environment Specialist		Sub-component 2.3; EHS interventions on nursery establishment and restoration of degraded areas of Namunyolo Local Forest Reserve. Meet DNRO and DEO.	EHSO	Robert Charles Aguma Anthony Nkwasiabwe	Paxina Chileshe



<b>Wednesday 6th September, to Thursday 7th September(Afternoon) 2023</b>	<i>9.00 - 5.00pm; with Lunch break as appropriate.</i>	Access to Finance	Key Informant Interviews, Focus Group Discussions, Field Visits	Sub-components 1.2, 3.1; interact with Hub Team, esp. Credit Officer, Hub accountant; review records and systems	IEDFO	Plaxeda Sunday Susan Lakwonyero	Mohamed El-Ghazaly
		<b>Wednesday:</b> Alternative Livelihoods		Sub-components 2.1, 2.2; AL beneficiaries including bee keepers & backyard gardens integrated with HH mentoring methodology to mitigate social risks of HIV/AIDS, GRM	IEDFO	Susan Lakwonyero Plaxeda Sunday	Mohamed El-Ghazaly, Chiara Romano
		<b>Wednesday:</b> Farmer institutional development		Sub component 1.2: Meeting with BOPGCO board and governance committees, Visit 2 units and have interaction with the members and PSP			

				<p>Sub-component 1.3; farm roads, Meet District Engineer. Inspect ongoing roads construction works (Farm and Access roads).</p>	Project Engineer	John Higenyi Benyamen Maraka	Benedict Okana
		Oil Palm Agronomy		<p>Sub-component 1.1, 3.2; Outgrowers gardens, BMPs, Trial sites, Nucleus Estate</p>	OPA Dr. Gabriel Ddamulira, OPBL	Charles Sembatya Anthony Nkwasiwe Emmanuel Mukama	Billy Ghansah

		Environment and Climate change		Sub-component 2.3; EHS interventions on demarcation of Bukaibale Central Forest Reserve and restoration of HCV/HCS area adjacent to Namabowe Central Forest Reserve, Waste Collection site at Buwangwe. DNRO and DEO as well as leaders of Kojja-Tojwe Environment Conservation and Tree Planting Association (KECTPA).	EHSO	Robert Charles Aguma Anthony Nkwasiabwe	Paxina Chileshe
<b>THURSDAY 7TH SEPTEMBER 2023 TRAVEL TO KAMPALA WITH THE LAST FERRY</b>							
Friday 8th September 2023	8.00 am-5.00pm	discussions with other groups at office	Road				
		Environmental discussions at office	Road		PM	Robert Charles Aguma Anthony Nkwasiabwe	Paxina Chileshe
		Agronomy and Research team Travel to Namulonge (NARO)	Road	Travel back to Kampala.	PM	Charles Sembatya Anthony Nkwasiabwe Emmanuel Mukama Dr. Gabriel Ddamulira	Billy Ghansah

KALANGALA HUB							
<b>Saturday 09th - Sunday 10th September 2023</b>	7.00-10.00am	Travel	Road, Ferry	Travel to Kalangala district for relevant teams.	PM	Assorted	Assorted
	10.00 - 1.00pm	Technical Meeting on Alternative livelihoods, Oil Palm Agronomy & Oil palm Research			OM	Susan Lakwonyero Anthony Nkwasiabwe Charles Sembatya Emmanuel Mukama Gabriel Ddamulira	Billy Ghansah
		Environment and Climate change				Robert Charles Aguma Anthony Nkwasiabwe	Paxina Chileshe

Uganda  
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	2.00 - 5.00pm	District Local Government, KOPGT		Sub 1.1,3,2 visit oil palm gardens	Focal Person KOPGT GM	Assorted	Assorted
<b>Monday 11 september, 2023</b>	8.00 - 11.00pm	Travel	Road, Ferry	Travel back to Kampala.	PM	Assorted	Assorted
<b>Tuesday, 12 September, 2023</b>	9.00am - 12:00pm	Drafting Aide Memoire					IFAD Mission Team
<b>Wednesday 13th September, 2023</b>	9.00 - 1.00pm	Writing of the draft aide memoire				NOPP Staff	IFAD Mission Members
	2:00pm-5:00pm	Share with NOPP PMU staff					
<b>Thursday 14th September, 2023</b>	9.00 - 11.00Am	Discussion of the draft aide memore with PMU/NOPP, Incorporate				NOPP Staff	IFAD Mission Members

Uganda  
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		comments of the NOPP PMU in the aide memoire					
	2:00pm	Share with MOFPED and MAAIF					
Friday, 15 September 2023	10.00 - 12.00noon	Wrap up with PS MAAIF				MAAIF and NOPP	IFAD Mission Members
	11:00-11:15	Break			Break	Break	
	2.00 - 3.00pm	Wrap up with PS MoFPED				MAAIF, MoFPED and NOPP	

## Terms of Reference for Consultants and other persons hired by IFAD to participate in missions under a non-staff contract

MISSION DETAILS	
<b>Country of Assignment/Location:</b>	<b>Uganda</b>
<b>Mission Name:</b>	<b>National Oil Palm Project (NOPP) [IFAD Loan No: 2000002292; IFAD Grant No: 2000002291 – Supervision Mission</b>
<b>Mission Start Date:</b>	<b>04 September 2023</b>
<b>Mission End Date:</b>	<b>15 September 2023</b>
<b>Division/Department:</b>	<b>ESA/PMD</b>
<b>Reports to (name and title):</b>	<b>Mr. Mohamed El-Ghazaly, Country Director (Uganda)</b>

MISSION COMPOSITION (Team members' full name and specialization)	
<b>Name:</b>	<b>Specialization:</b>
<b>Chiara Romano</b>	<b>Co-Team Leader, Gender, Targeting and Alternative Livelihoods</b>
<b>Mohamed El-Ghazaly</b>	<b>Team Leader, Institutions and Access to Finance</b>
<b>Billy Ghansah</b>	<b>Oil Palm Agronomy</b>
<b>Richard Kabuleta</b>	<b>Monitoring and Evaluation</b>
<b>Benedict Okana</b>	<b>Infrastructure Engineer</b>
<b>Paxina Chileshe</b>	<b>Environment and climate change</b>
<b>Nathalie Gebrayel</b>	<b>Procurement Specialist</b>
<b>James Muturi</b>	<b>Financial Management Specialist</b>

MISSION SCHEDULE	
<b>03 September 2023</b>	Arrival to Kampala
<b>04 September 2023</b>	Start up meetings with the Permanent Secretary, MAAIF and the Project Management Unit Internal Team Meeting on Mission expectations, writing responsibilities Bilateral meetings between experts and relevant sections
<b>05 – 11 September 2023</b>	Mission team travels to Buvuma, Kalangala and Mayuge. Farmer visits and discussions with BIDCO about the progress of the smallholder oil palm scheme.
<b>12 September 2023</b>	Travel back to Kampala
<b>13 September 2023</b>	All inputs to be received by TL
<b>14 September 2023</b>	Pre-wrap up meeting held with the PMU
<b>15 September 2023</b>	Wrap-up with PS MAAIF; PM: Wrap-up with MFPED

## BACKGROUND

1. The National Oil Palm project (NOPP) continues the investment of two predecessor projects i.e. The Vegetable Oil Development Project (VODP) and the second phase (VODP2). VODP and VODP2, have brought about a substantial and transformative socio-economic impact in Kalangala District. Prior to the projects, the major – though declining – economic activity was fishing, and food crops were grown mainly for subsistence or local markets.
2. NOPP, drawing on the knowledge and experience gained to date and the growing opportunities, will facilitate the expansion of a vertically integrated value chain with strong linkages between the smallholder oil palm growers and primary processors. The arrangements will reduce the market risks likely to be faced by smallholders, and ensure their access to quality inputs, technical know-how and investment credit. The private sector partner will provide them with seedlings and will purchase their fresh fruit bunches (FFBs) at a transparently negotiated price; Government will develop the necessary public infrastructure and provide the growers with financial, technical and organizational support; and the smallholders will grow oil palm as a business, adopting the key practices to guarantee the productivity of their crop while meeting environmental standards, and will deliver the FFBs to the crude palm oil (CPO) mills.
3. At the same time, NOPP will ensure that the benefits of oil palm are shared by the larger communities in which oil palm investment will take place. It will empower community members to seize the emerging economic opportunities, by developing both non-oil palm farming and non-farming livelihood activities. The Project will also mitigate the potentially negative effects of the oil palm investment, in areas such as land tenure security, food security, environment and management of natural resources and HIV/AIDS. And by diversifying income streams and improving services, NOPP will also improve the climate resilience of communities in the project areas.
4. To maximise the benefits to the economy, consumers and smallholder producers, while at the same time ensuring the sustainability of the sector, it is critical that the sector develops in an orderly manner and draws on global best practice. NOPP will support Government to develop an enabling policy and institutional framework that stimulates the development of a modern, environmentally sustainable and socially responsible oil palm sector.
5. Geographical hub approach. The Project will work in a limited number of geographical hubs, or agro-climatically suitable areas within a radius of 30 km around a planned or actual CPO mill, in which a minimum of 3,000 ha of smallholder oil palm production can be assured. This radial area marks the limits of financial viability for the producers. Using this model, NOPP will concentrate its activities in the following hubs: Buvuma Island, Mayuge, Masaka/Rakai, a fourth hub yet to be definitively selected, and Kalangala (where it will consolidate the investments to date, but will not expand the area under oil palm production). In all new hubs, investment will be dependent on a firm commitment by the private sector to invest in the CPO mill to process the local supply.
6. The Components of NOPP are:
  - (a) **Component 1.** Scaling-up smallholder oil palm development. NOPP will establish sustainable commercial partnerships between smallholder oil palm growers and private processors. In total, it will involve some 11,000 growers with a 19,700 ha under oil palm, in four new hubs where the crop will be planted for the first time, and in Kalangala where production is already established.
    - (i) Sub-component 1.1. Development of smallholder oil palm plantations. In the four new hubs the objective will be to enable around 9,230 new smallholder producers to establish a total of 15,000 ha of oil palm, and also establish a 5,000-ha private sector nucleus estate on Buvuma Island. Of the total 15,000 ha, an estimated 12,000 ha will be planted on smallholder plantations of 2 ha or less, supported by NOPP development loans. In Mayuge, Masaka/Rakai and Hub 4, 20% of the oil palm growers will plant a further 3,000 ha, the establishment costs of which will be financed either from commercial loans from interested banks, or from their own resources.
    - (ii) Sub-Component 1.2. Development of oil palm growers (OPG) organizations. Technical support services (TSS) for oil palm plantation establishment in the new hubs will be provided initially through the hub start-up team. However, following establishment of the plantations, the start-up team will hand over to a dedicated TSS team, who will provide the oil palm growers with the necessary production services.
    - (iii) Sub-component 1.3. Establishment of support infrastructures. In the four new hubs, NOPP will construct and maintain roads critical for oil palm development, production and marketing.
    - (iv) Sub-Component 1.4. Private sector-led infrastructure development. On Buvuma Island, BIDCO will establish a nucleus estate for oil palm production of approximately 5,000 ha, plus the estate road network.
  - (b) **Component 2.** Livelihoods diversification and resilience. Recognising the limitations of an approach that focuses solely on the smallholder oil palm growers, NOPP will support the creation of alternative economic opportunities and the mitigation of social risks in the larger communities.
    - (i) Sub-Component 2.1. Alternative economic opportunities. The sub-component is targeted primarily at those households within the oil palm growing communities that do not directly benefit from the oil palm investment: an estimated 75% of these households will participate in at least one of the activities offered.
    - (ii) Sub-Component 2.2. Mitigation of Social Risks. Rapid economic development in rural areas where poverty is widespread can lead to a variety of social risks, such as increased intra-household tensions and



## BACKGROUND

8. To maximise the benefits to the economy, consumers and smallholder producers, while at the same time ensuring the sustainability of the sector, it is critical that the sector develops in an orderly manner and draws on global best practice, including in environmental sustainability practices. NOPP will support Government to develop an enabling policy and institutional framework that stimulates the development of a modern, environmentally sustainable and socially responsible oil palm sector.
9. NOPP was approved by IFAD's Executive Board in April 2018 and signed in November 2018. The IFAD financing includes US\$ 75.82 million as a Loan and US\$ 1.21 million as a Grant. The lead agency is the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF) of the Government of Uganda. With the goal of inclusive rural transformation through oil palm investment, the project is expected to impact more than 154,000 beneficiaries.

## MISSION OBJECTIVES AND OUTPUTS

### Mission Objectives

10. The objective of this Supervision Mission is to: (i) review the progress on the recommendations made during the Implementation Support Mission of March 2023; (ii) review the progress on implementation of the 2022/23 AWPB and implementation plans to expedite the implementation of the FY 2023/24 AWPB (iii) review the progress towards completion of the smallholder oil palm scheme in Buvuma; (iv) review the progress of the policy framework for oil palm policy; (v) review the progress of the construction works for the farm roads; (vi) review the progress of forming the smallholder institutional framework in Buvuma; and (viii) review the extent to which the recommended practices to ensure environmental sustainability are being implemented. The mission's findings will be presented, discussed and agreed upon with the Government of Uganda and stakeholders.

### Mission Outputs

11. At the completion of the assignment, the ML will submit a Supervision Mission report in accordance with IFAD's procedures and templates. This will include (i) Aide memoire and SM Report (in ORMS format), (ii) Working papers/technical notes from team members, and (iii) a draft management letter.

### Mission Composition and Timelines

12. The SM team will comprise: (i) Mr. Mohamed El-Ghazaly – Country Director; (ii) TBD - Financial Inclusion; (iii) Mr Billy Ghansah – Oil Palm Agronomy; (iv) Mr. Richard Kabuleta – Monitoring and Evaluation; (v) Mr. Benedict Okana – Infrastructure; and, (vi) Ms. Paxina Chileshe – Climate change and Environment. In addition, the mission will include a financial management specialist and a procurement specialist.
13. The SM will be joined by the representatives of relevant government ministries as appropriate. The government team will provide inputs to the mission and will contribute to TSM outputs

## INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

<b>Full Name of Consultant:</b>	<b>Chiara Romano; Gender, Targeting and alternative livelihoods (Co-Team Leader)</b>
<b>Expected Start Date of Assignment:</b>	<b>03 September 2023</b>
<b>Expected End Date of Assignment:</b>	<b>15 September 2023</b>
<b>Total number of working days:</b>	<b>13 Days (6 in the field, 6 in Kampala + 1 homebased)</b>

## GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED

### Expected Activities:

The Consultant will be responsible for coordinating the team members to ensure that the mission reaches its objectives and responds to its terms of reference in a professional, efficient, effective and timely manner. This includes coordinating, reviewing and managing the contributions of team members and working closely with them to ensure proper quality of the final outputs. The specific tasks will be:

- Co-Leading and coordinating all mission activities and the preparation and finalization of related outputs.
- Preparing the mission's aide-memoire, mission report (in the required IFAD template, in ORMS), with inputs from other mission members and draft management letter.
- Review the progress on forming the smallholder oil palm cooperative in Buvuma and the necessary support unit and block committees
- Review the status of the GALS roll out to the beneficiary communities and efforts to document the outcomes
- Review the progress of the implementation of the Revised Strategy for alternative livelihoods considering the targets, budgets, phasing, linkages with markets and scaling up strategy
- Review the progress of the already implemented activities under the alternative livelihoods' component and the extent to which the targeted population is benefiting from these activities
- Assess the gender and targeting aspects of NOPP
- Undertake any other tasks as agreed with the CD

## KEY PERFORMANCE INDICATORS

<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>
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<ul style="list-style-type: none"> <li>Aide Memoire for NOPP summarizing the findings and recommendations of the mission, which are to be discussed during wrap-up meetings involving all relevant stakeholders;</li> </ul>	13 September 2023
<ul style="list-style-type: none"> <li>At the completion of the assignment, the ML will submit an ISM report in accordance with IFAD's procedures and templates. This will include (i) Aide memoire and ISM Report (in ORMS format), (ii) Working papers/technical notes from team members and (iii) a draft management letter (if deemed necessary).</li> </ul>	15 September 2023

<b>INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES</b>	
<b>Full Name of Consultant:</b>	<b>Mr. Billy Ghansah, Oil Palm Specialist (Consultant)</b>
<b>Expected Start Date of Assignment:</b>	<b>03 September 2023</b>
<b>Expected End Date of Assignment:</b>	<b>15 September 2023</b>
<b>Total number of working days (max. 240 in a 12-month period):</b>	<b>12 days (8 in the field, 4 in Kampala)</b>
<b>GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED</b>	
<b>Expected Activities:</b>	
<p>14. He will be responsible for overall assessment of the progress on the establishment of the smallholder oil palm scheme in Buvuma district. Specifically, he will;</p> <ul style="list-style-type: none"> <li>Review the overall status of the plantations in Buvuma and provide the relevant agronomic recommendations</li> <li>Discuss with private sector partner any issues emerging with operations in Buvuma;</li> <li>Review the progress for the on-going investment in Buvuma under NOPP, progress on the OPBUL establishment of oil palm growing on smallholders' land and provision of technical services, management of nursery seedlings and progress on field establishment of seedlings on smallholders farms.</li> <li>Support the PMU team on fertilizer application regime to oil palm at development stage and project application rates at different growth cycles.</li> <li>Review progress on oil palm research capacity; Work with the Principal oil palm researcher to review the available research information on-going research activities including Pest and disease management, soil fertility management, review performance of oil palm trails, provide guidance on development of oil palm research strategy and make necessary recommendations.</li> <li>Review the performance of the Hub Office in Buvuma in the delivery of services to the smallholder oil palm farmers in Buvuma.</li> <li>Undertake any other tasks as agreed with the CD</li> </ul>	
<b>KEY PERFORMANCE INDICATORS</b>	
<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>
<ul style="list-style-type: none"> <li>Contribution to the Aide Memoire for NOPP summarizing the findings and recommendations of the mission, which are to be discussed during wrap-up meetings involving all relevant stakeholders;</li> </ul>	13 September 2023
<ul style="list-style-type: none"> <li>Supervision mission report inputs and Technical Annex (if needed) detailing the findings and recommendations</li> </ul>	15 September 2023

<b>INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES</b>	
<b>Full Name of Consultant:</b>	<b>Mr. Mohamed El-Ghazaly, Country Director (Mission Lead)</b>
<b>Expected Start Date of Assignment:</b>	<b>04 September 2023</b>
<b>Expected End Date of Assignment:</b>	<b>15 September 2023</b>
<b>Total number of working days (max. 240 in a 12-month period):</b>	<b>12 days (5 days field)</b>
<b>GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED</b>	
<b>Expected Activities:</b>	
<p>He will be the overall mission lead and be responsible for reviewing the progress on the implementation of the NOPP Component 2 on Alternative Economic Opportunities. Specifically, he will:</p> <ul style="list-style-type: none"> <li>Review the progress on the loan disbursements, the documentation, systems; mechanisms; detailed implementation arrangements;</li> <li>Review the progress on onboarding the financial institutions to meet the requirements of the loan portfolio of the farmers</li> <li>Assess aspects related to institutions and scaling-up.</li> <li>Engage the different stakeholders to assess the alternative options to deliver services under the Alternative Livelihoods Component</li> </ul>	

<b>KEY PERFORMANCE INDICATORS</b>	
<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>
<ul style="list-style-type: none"> <li>Contribution to Aide Memoire for NOPP summarizing the findings and recommendations of the mission, which are to be discussed during wrap-up meetings involving all relevant stakeholders;</li> </ul>	13 September 2023
<ul style="list-style-type: none"> <li>Supervision mission report inputs and Technical Annex (if needed) detailing the findings and recommendations</li> </ul>	15 September 2023

<b>INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES</b>	
<b>Full Name of Consultant:</b>	<b>Benedict Okana, Infrastructure Specialist (Consultant)</b>
<b>Expected Start Date of Assignment:</b>	<b>04 September 2023</b>
<b>Expected End Date of Assignment:</b>	<b>15 September 2023</b>
<b>Total number of working days (max. 240 in a 12-month period):</b>	<b>7 days (5 days in the field)</b>

<b>GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVES TO BE ACHIEVED</b>
<p>Expected Activities:</p> <p>33. He will be responsible for taking the lead in reviewing progress on the infrastructure investments by the project.</p> <p>In particular, he will:</p> <ul style="list-style-type: none"> <li>Assess the progress of construction of the of the first set of 54 kms of farm roads in Buvuma</li> <li>Review the plans for the next set of farm roads in Buvuma.</li> <li>Assess the progress of development of an overlay of the required road network and the plots that will be earliest to yield in Buvuma</li> <li>Assess the progress on the decision about re-tendering the two ferry landing sites by MAAIF</li> <li>Assess progress on construction of the temporal ferry landing sites by Ministry of Works and Transport in Buvuma</li> <li>Undertake any other tasks as agreed with the CD</li> </ul>

<b>KEY PERFORMANCE INDICATORS</b>	
<b>Expected Outputs (please include any travel if applicable):</b>	<b>Required Completion Date:</b>
<ul style="list-style-type: none"> <li>Contribution to and Aide Memoire for NOPP summarizing the findings and recommendations of the mission, which are to be discussed during wrap-up meetings involving all relevant stakeholders;</li> </ul>	13 September 2023
<ul style="list-style-type: none"> <li>Supervision mission report inputs and Technical Annex (if needed) detailing the findings and recommendations</li> </ul>	15 September 2023

<b>INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES</b>	
<b>Full Name of Consultant:</b>	<b>Mr. Richard Kabuleta, Country Programme Analyst Monitoring and Evaluation and Project Management</b>
<b>Expected Start Date of Assignment:</b>	<b>04 September 2023</b>
<b>Expected End Date of Assignment:</b>	<b>15 September 2023</b>
<b>Total number of working days (max. 240 in a 12-month period):</b>	<b>12 days (5 days field)</b>
<b>GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED</b>	
<p>Expected Activities:</p>	

15. He will be responsible for reviewing the monitoring and evaluation and learning systems for NOPP. Specifically, he will:
- Review the progress made in the implementation of the overall 2022/23 AWPB, and the plans to expedite the implementation of the FY 2023/24 AWPB
  - Review the extent to which the project M&E MIS is being populated and how responsive it is to the data needs of the project
  - Review specific progress in implementing Project M&E and KM activities against the current AWPB, and agreed actions since the last supervision.
  - Review the report tables of physical progress measured against AWP&B, and RIMS indicators
  - Assess the performance of the PMU in coordinating other agencies involved in NOPP implementation and linkages with other related projects in the sub-region.

#### KEY PERFORMANCE INDICATORS

Expected Outputs (please include any travel if applicable):	Required Completion Date:
<ul style="list-style-type: none"> <li>Contribution to the supervision mission report and Aide Memoire for NOPP summarizing the findings and recommendations of the mission, which are to be discussed during wrap-up meetings involving all relevant stakeholders;</li> </ul>	13 September 2023
<ul style="list-style-type: none"> <li>Technical Annex detailing the findings and recommendations</li> </ul>	15 September 2023

#### INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

<b>Full Name of Consultant:</b>	<b>Ms. Paxina Chileshe, Environment and Climate Change</b>
<b>Expected Start Date of Assignment:</b>	<b>04 September 2023</b>
<b>Expected End Date of Assignment:</b>	<b>10 September 2023</b>
<b>Total number of working days (max. 240 in a 12-month period):</b>	<b>7 days (5 days in the field)</b>

#### GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVE(S) TO BE ACHIEVED

Expected Activities:
<p>Follow up on the recommendations with respect to environmental issues, from the November 2022 Supervision Mission and March 2023 Implementation Support Mission</p> <ul style="list-style-type: none"> <li>Identify the barriers and challenges that are being encountered, by the implementers, specifically with respect to the environmental and natural resources management aspects, which may be affecting commencement of implementation and work with the rest of the team on appropriate strategies and solutions to overcome the same, and timeframe for commencement of implementation.</li> <li>Review the reports that have been prepared, with respect to monitoring and mitigation measures for environmental and natural resources management issues;</li> <li>Review and assess the simple environmental monitoring strategies in place for both Kalangala and Buvuma, including self monitoring and assessment by farmers' organisations and make appropriate changes if needed</li> <li>Review the progress on disclosing environmental monitoring results and action trackers to the public, so that various stakeholders are empowered to engage in constructive dialogue about sustainable oil palm development</li> <li>Assess the progress on the SECAP studies including the ESIA's and environmental assessments for the new hubs and landing sites including verification of disclosure of the assessments;</li> <li>Review the integration of climate change adaptation measures in the project activities and propose strategies for improvement if required;</li> <li>Any other tasks as agreed with the Country Director</li> </ul>

#### KEY PERFORMANCE INDICATORS

Expected Outputs (please include any travel if applicable):	Required Completion Date:
<ul style="list-style-type: none"> <li>Contribution to the supervision mission report and Aide Memoire for NOPP summarizing the findings and recommendations of the mission, which are to be discussed during wrap-up meetings involving all relevant stakeholders;</li> </ul>	13 September 2023
<ul style="list-style-type: none"> <li>Technical Annex detailing the findings and recommendations</li> </ul>	15 September 2023

#### INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

<b>Full Name of Consultant:</b>	<b>Nathalie Gebrayel - Procurement</b>
<b>Project name:</b>	<b>National Oil Palm Project (NOPP)</b>

<b>Total number of working days (max. 240 in a 12-month period):</b>	<b>13 days (including 10 days in the field with 3 days training; and 3 days working remotely)</b>
<b>GENERAL DESCRIPTION OF TASK(S) AND OBJECTIVES TO BE ACHIEVED</b>	
<p><b>Expected Activities:</b> Procurement Specialist, will participate in the implementation support mission and will be responsible for reviewing the quality of the Procurement Management function and completion readiness.</p>	
<p>In line with Chapter V of the IFAD Procurement Manual the Consultant should carry out the following tasks:</p> <ul style="list-style-type: none"> <li>• Conduct a desk review of the project's contract portfolio in the Contract Monitoring tool before the start of the mission to identify delays, big ticket and/or problematic contracts;</li> <li>• Review the current Procurement Plan in order to assess it has been fully updated and upgraded in the correct IFAD template or appropriate IFAD procurement system, ascertain its completeness, its concurrence with the AWPB, Financing Agreement, Project Procurement Arrangements (PPA) and Project Procurement Strategy (especially concerning packaging and value for money) and its consistency with the country systems and/or IFAD Procurement Guidelines and Handbook;</li> <li>• Conduct a review of any significant changes in the borrower/recipient's procurement system and practices, and ensure project procurement procedures and systems are updated accordingly;</li> <li>• Review/update the Procurement Risk Assessment, using the IFAD Procurement Risk Matrix (Chapter I of the IFAD Procurement Manual);</li> <li>• Provide support, advice and recommendations on the following: <ul style="list-style-type: none"> <li>○ Amendments to the proposed methods of procurement, thresholds, ceilings, contract types, contractual arrangements and preferences listed in the PPA;</li> <li>○ The related IFAD review procedures and provide suggestions to improve the overall quality of the procurement processes.</li> </ul> </li> <li>• Based on the desk review of contract data, review a minimum sample of 10% of all post-review contracts and high-risk prior review contracts during the mission for compliance with: <ul style="list-style-type: none"> <li>○ the applicable procurement framework: i.e.: national procurement laws and regulations consistent with the IFAD Project Procurement Guidelines and Procurement Handbook;</li> <li>○ The approved AWPB and Procurement Plan, in terms of quality and quantities;</li> <li>○ IFAD or national Procurement Bidding and Contract Templates (as applicable); and</li> <li>○ IFAD's SECAP and other IFAD policies concerning anti-corruption, anti-money laundering and prevention of SH/SEA.</li> </ul> </li> <li>• Review the procurement, contracting and implementation processes (prequalification/shortlisting, receipt of bids/proposals, bid/proposal evaluation and contract award) and timeliness and appropriateness of procurement actions;</li> <li>• Review the management capacity and appropriateness of addressing SECAP risks through procurement (with specific focus on big ticket contracts and SECAP-related management at bidding stage and contract implementation stage), as outlined in the PIM;</li> <li>• Assess contract administration and management procedures and review the completeness and updated nature of contract data in the Contract Monitoring Tool;</li> <li>• Assess the procurement capacity of all entities to be reviewed in terms of manpower, levels of training of procurement staff, work environments, absence of conflict of interest with other PMU functions and the parent IA's departments and independence of procurement staff to carry out their statutory assignments;</li> <li>• Conduct specific analysis of value for money (VFM) at all levels and the reasonableness of prices for: <ul style="list-style-type: none"> <li>○ Goods, equipment, etc. using available price indicators;</li> <li>○ Civil Works, compared to locally accepted standards and prices; and</li> <li>○ Services compare quality-output to international standards and prices;</li> </ul> </li> <li>• Determine whether adequate systems are in place for procurement planning, implementation and monitoring, and whether procurement documentation and records (including securities) are maintained as per required standards and can be relied upon;</li> <li>• Verify to the extent possible, whether goods, works and consulting services contracted were supplied/completed according to the required specifications and technical standards;</li> <li>• Review issues identified in the previous procurement review and aide-mémoire and procurement related issues identified in project audit reports;</li> <li>• Identify deficiencies and make recommendations for improvements and control mechanisms in the procurement procedures and processes;</li> <li>• Bring to the attention of the SPO any instance of non-compliance deemed connected with malpractice or fraudulent and corrupt activities on the part of the borrower's or bidders' staff, including potential cases of mis-procurement or ineligible expenditures;</li> <li>• Assess further procurement staff training needs and ensure relevant training is planned and provided to project management and procurement staff in a timely manner;</li> <li>• Assess the procurement performance of the project with respect to five designated parameters: procurement strategy &amp; planning process, processes and procedures from prequalification to bidding, process and procedures for bid evaluation and contract award, contract management and administration, CMT data accuracy and timeliness and record retention;</li> <li>• List needed improvements in relation to performance and define the actions, timeline and responsibilities (agreed with either the Borrower/Recipient or IFAD) for implementation of the recommendations resulting from this review;</li> <li>• Provide support in the areas of improvement identified above which requiring immediate actions;</li> <li>• Submit an assignment report (as per the IFAD standard format of the Procurement Review/Implementation Support Appendix, Annex 1, 3 and 6 of Chapter V of the IFAD Procurement Manual), and any other relevant ancillary documents;</li> <li>• Prepare and deliver procurement training at a country procurement workshop organized by the IFAD country team for all the projects in Uganda portfolio, covering but not limited to: <ul style="list-style-type: none"> <li>○ Project implementation and the strategic role of procurement;</li> <li>○ Roles and responsibilities in the procurement cycle;</li> </ul> </li> </ul>	

- Integrated project and procurement planning and budgeting
  - Writing specifications and terms of reference, including SECAP consideration;
  - Customization of Solicitation documents, including SECAP consideration;
  - Evaluating bids and proposals, including SECAP consideration; and
  - Contract management and performance monitoring, including SECAP compliance.
- Carry out any other activity, as required by IFAD.

**KEY PERFORMANCE INDICATORS**

Expected Outputs (please include any travel if applicable):	Required Completion Date:
Draft Input for aide-memoire	13 September 2023
Input for Mission report	15 September 2023

Please note: add further INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES tables as required.

**DOCUMENTATION**

**Documents to be provided to ISM**

16. The following documents will be provided before the start of the mission:
- a) Detailed Design Report and relevant working papers;
  - b) Project Financing Agreements;
  - c) Technical reports including: the ESIA for Buvuma; Terms of Reference for the ESIA in the Mayuge and Buikwe hubs.
  - d) 2020, 2021 and 2022 implementation support mission and supervision mission reports
  - e) Cumulative progress report (to be prepared and submitted by the PMU prior to mission start).
  - f) 2022/23 AWPB (including PP); the draft 2023/24 draft AWPB (including PP)
  - g) Other related documents.



## Uganda

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### National Oil Palm Project

### Supervision Report

### Appendix 7: Integrated Project Risk Matrix (IPRM)

Mission Dates: 04/09/2023 - 20/09/2023

Document Date: 17/10/2023

Project No. 2000001484

Report No. 6615-UG

East and Southern Africa Division  
Programme Management Department





## Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
<b>Country Context</b>	<b>Substantial</b>	<b>Moderate</b>
<i>Political Commitment</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Governance</i>	<i>High</i>	<i>Substantial</i>
<i>Macroeconomic</i>	<i>Moderate</i>	<i>Low</i>
<i>Fragility and Security</i>	<i>Moderate</i>	<i>Low</i>
<b>Sector Strategies and Policies</b>	<b>Substantial</b>	<b>Moderate</b>
<i>Policy alignment</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Policy Development and Implementation</i>	<i>Substantial</i>	<i>Moderate</i>
<b>Environment and Climate Context</b>	<b>Substantial</b>	<b>Moderate</b>
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project vulnerability to climate change impacts</i>	<i>Moderate</i>	<i>Low</i>
<b>Project Scope</b>	<b>Moderate</b>	<b>Moderate</b>
<i>Project Relevance</i>	<i>Low</i>	<i>Low</i>
<i>Technical Soundness</i>	<i>Moderate</i>	<i>Moderate</i>
<b>Institutional Capacity for Implementation and Sustainability</b>	<b>Substantial</b>	<b>Moderate</b>
<i>Implementation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
<b>Project Financial Management</b>	<b>Substantial</b>	<b>Substantial</b>
<i>Project Organization and Staffing</i>	<i>High</i>	<i>Substantial</i>
<i>Project Budgeting</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>High</i>	<i>Substantial</i>
<i>Project Internal Controls</i>	<i>High</i>	<i>Substantial</i>
<i>Project Accounting and Financial Reporting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project External Audit</i>	<i>Substantial</i>	<i>Moderate</i>
<b>Project Procurement</b>	<b>Moderate</b>	<b>Low</b>
<i>Legal and Regulatory Framework</i>	<i>Moderate</i>	<i>Low</i>
<i>Accountability and Transparency</i>	<i>Moderate</i>	<i>Low</i>
<i>Capability in Public Procurement</i>	<i>Low</i>	<i>Low</i>
<i>Public Procurement Processes</i>	<i>Low</i>	<i>Low</i>
<b>Environment, Social and Climate Impact</b>	<b>Moderate</b>	<b>Low</b>
<i>Biodiversity Conservation</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Cultural Heritage</i>	<i>Moderate</i>	<i>Low</i>
<i>Indigenous People</i>	<i>Low</i>	<i>Low</i>
<i>Labour and Working Conditions</i>	<i>Moderate</i>	<i>Low</i>
<i>Community Health and Safety</i>	<i>Moderate</i>	<i>Low</i>
<i>Physical and Economic Resettlement</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Greenhouse Gas Emissions</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Moderate</i>	<i>Low</i>

<b>Risk Category / Subcategory</b>	<b>Inherent risk</b>	<b>Residual risk</b>
<b>Stakeholders</b>	<b>Substantial</b>	<b>Moderate</b>
<i>Stakeholder Engagement/Coordination</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Stakeholder Grievances</i>	<i>Substantial</i>	<i>Moderate</i>
<b>Overall</b>	<b>Substantial</b>	<b>Moderate</b>

<b>Country Context</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Political Commitment</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>Since the end of the conflict in Northern Uganda some 15 years ago, the country as a whole and the NOPP target area in particular have enjoyed political stability that has supported the successful implementation of development programmes of the NOPP type. At the same time the improvements in overall policy environment, with a stronger private sector emphasis, have enhanced economic development opportunities in the oil palm sector and areas leading to increased chances of improved future equality and social stability. However, currently the risk that elections in 2025 can cause some violence which could halt implementation and/or cause reversal to the gains made in the projects.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>Continue close follow up with the developments on the ground, as we get closer to the elections. ICO will follow on a continuous basis until elections are complete.</p>		
<b>Governance</b>	<b>High</b>	<b>Substantial</b>
<p><b>Risk:</b></p> <p>The risk that the elections in 2025 could potentially lead to a diversion of project related resources for unrelated activities due to weaker internal control systems within one specific project. Additionally, as private sector players begin to enter the oil palm sector, there may be a blurring of activities that are undertaken under the auspice of NOPP, which may have no relationship to the NOPP area and/or financing per the design document.</p>	High	Substantial
<p><b>Mitigations:</b></p> <p>Specific support is being offered to the Uganda portfolio with respect to mitigation of the fiduciary risks. A procurement consultant is on retainer to review and support all the projects during the course of the year, and FM weakness in another project will be addressed by hiring of a short term consultant to guide the project team, as well as set up internal control measures. Uganda team and FMD follow on a monthly basis.</p>		
<b>Macroeconomic</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>Since 1990, Uganda has pursued a policy of a fully liberalised economy and market environment with the private sector taking the driving seat to achieve economic growth and social development. This has facilitated the country's development which has been characterised by a high growth rate and a significant decline in poverty. Growth increased from 6.3 percent in the 1990s to an annual average of seven percent in the 2000s, giving Uganda one of the highest sustained growth rates in Sub-Saharan Africa (SSA) over this period. Substantial oil reserves were discovered in the Lake Albert Rift Basin in 2006 and commercial oil production is expected to start in the early 2020s. At the same time the future challenge will be to use oil revenue and other public funds to reduce poverty and rural-urban inequalities and ensure sustainable and inclusive growth for a rapidly increasing population.</p>	Moderate	Low

<p><b>Mitigations:</b></p> <p>Follow this closely with the MoFPED. Also, this may require a postponement of the IFAD12 investment for Uganda, to ensure debt sustainability. ICO will follow on an annual basis.</p>		
<p><b>Fragility and Security</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>There is a substantial risk of natural disasters - floods, droughts, locusts, lake level rise, affecting the projects ability to deliver on their outcomes.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Fragility related to climate and other natural disasters are being addressed through complete incorporation of the climate adaptation measures as required. Every mission includes an environment and climate specialist, who is able to review, on an on-going basis, the changes in the situation and accordingly adapt the implementation arrangements and/or interventions to ensure mitigation.</p>		
<p><b>Sector Strategies and Policies</b></p>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Policy alignment</b></p>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>Within the agricultural sector, the development of the oil palm industry ranks high on the government agenda due to its income earning and thereby poverty reduction potential. It is a strategic crop for the Government towards the post-conflict economic reconstruction and in the substitution of vegetable oil imports. The risk of lack of an oil palm policy leading to new entrants not following the global standards on environment protection in the development of the sector remains substantial.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>The oil palm is a new sector which is expanding to new investors. The country team is working very closely with NOPP and MAAIF to ensure that work on this commences in tandem with implementation. Uganda team will follow progress on the development of the policy on a monthly basis.</p>		
<p><b>Policy Development and Implementation</b></p>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>Risk that the oil palm policy development will not precede new investments to the sector leading to non-compliance with global standards for environment considerations in the sector. There is a risk that the expansion may start without a fully functioning regulatory system</p>	Substantial	Moderate

<p><b>Mitigations:</b></p> <p>NOPP will facilitate expansion of oil palm, investments to different parts of the country and with new entrants. It is therefore imperative that development of an oil palm policy and regulatory framework is done to guide the expansion. . Given the delay in start-up of NOPP, the actions proposed by the supervision mission and the implementation support to be provided will augment the development of the policy and the attendant regulatory framework and the capacity to operationalise the regulatory system to be expedited to guide the sustainable development of the sector. Oil Palm sector policy development has commenced with the preparation of a task team within MAAIF and the preparation of TORs for a national consultant. Additionally, MAAIF is to commence recording and connecting with new investments (other than NOPP), in the oil palm sector, to ensure that the Ministry is able to connect with the new investors and include them in the development of the policy and in implementation.</p> <p>IFAD has been supporting this sector over the last 16 years and has some experience, which is mainly based on the operation in Kalangala Island. The experience will guide the gradual expansion.</p>		
<b>Environment and Climate Context</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Project vulnerability to environmental conditions</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>Risk that particularly land degradation may have significant adverse impacts on food and nutrition security, agricultural productivity, access to markets, value chains, infrastructure, and/or the incidence of pests and diseases, resulting in increased vulnerability or deterioration of target populations' livelihoods and ecosystems agricultural productivity in the NOPP target areas. The predominant loam soils are moderately eroded and project activities may exacerbate the erosion rates. The incidence of pests and diseases may also increase and thus affect the oil palm plantations.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>The project will include measures such as effective utilisation of land, soil compaction and establishment of tree cover (through oil palm plantations and tree plantations in the buffer zones), which will contribute secondary impacts towards the control of soil erosion and increased carbon sequestration. Sanitary and biological control methods (i.e. natural predators) will be introduced before major pest infestations occur. .</p>		
<b>Project vulnerability to climate change impacts</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>Increasing climate variability may have an adverse impact on the agricultural productivity in the NOPP target areas. The changes in precipitation will affect the planting seasons and the incidence of pests and diseases.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>The Environmental and Social impact statement includes specific measures for capacity building of the smallholders on oil palm management taking into account changing climate as well as control of pests and diseases.</p>		
<b>Project Scope</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Project Relevance</b>	<b>Low</b>	<b>Low</b>

<p><b>Risk:</b></p> <p>The success of oil palm (OP) development in Kalangala, and the clear demonstration of impact, provide a strong “proof of concept” for further OP investment in Uganda, based on some key factors: (i) the suitability of the agro-ecological conditions in some areas of the country for large-scale commercial production; (ii) the viability of smallholders' engagement in oil palm production; (iii) the nucleus estate-smallholder model, which has proved a successful and appropriate partnership framework for sharing of incentives and risks between smallholders and the private sector partner; and (iv) the attention to appropriate safeguards and mitigation measures for environmentally and socially friendly oil palm investment. The project is very relevant to the national context, aligned to national and agricultural sector plans. The risk that the project is not relevant is low.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>Elite capture has been mitigated by limiting the amount of land eligible for project financing with respect to oil palm. A recent mission has also clarified that the alternative livelihoods interventions have to first target the non-oil palm farmers, and vulnerable groups within the scope of the project.</p>		
<p><b>Technical Soundness</b></p>	<b>Moderate</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>The risk that the current implementation team, which is a carry over from the previous project, will not use the lessons learnt in implementation of NOPP. Additionally NOPP adds two new components to the design - Livelihood Enhancement and Policy Development, both of which require lateral thinking to ensure that the project objectives are met.</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>The design is the constant reference point for the implementation. The PIM will be updated continuously as each mission offers course corrections to ensure that the overarching PDO can be achieved. Current issues for Component 2 include trying to focus on implementation where oil palm sector is already strong, i.e. in Kalangala, and then awaiting the study for the opportunities in the new hubs, before rolling out the component 2 to the new hubs. Supervision mission and Implementation support mission twice a year.</p>		
<p><b>Institutional Capacity for Implementation and Sustainability</b></p>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Implementation Arrangements</b></p>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>The track record for the predecessor project VODP and VODP II was very good which achieved good results. The capacity to deliver NOPP is in place to consolidate the remaining activities on Kalangala Island. The expansion to Buvuma island and to other areas on the mainland will require additional delivery capacity building for identified government agencies (District Agricultural Offices and Natural Resources Departments), particularly for the elements such as the livelihoods component. The risk that the components are not all delivered in tandem towards the achievement of the PDO is moderate.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>The measures identified to mobilise additional delivery capacity as well as proposed training of extension staff and outsourcing some functions to service providers will help mitigate this risk. Additionally IFAD support to align Component 2, through a clear alternative livelihoods strategy and follow implementation of component 1. Supervision missions and implementation support missions; twice a year</p>		
<p><b>Monitoring and Evaluation Arrangements</b></p>	<b>Substantial</b>	<b>Moderate</b>

<p><b>Risk:</b></p> <p>The risk that M&amp;E will not be instituted, by required staff, in a uniform manner leading to inaccurate reporting and decision making is high. While NOPP is staffed with M&amp;E Officer, an M&amp;E Assistant and a Knowledge and Communication Officer, they are new to the Project and IFAD. Lessons from previous projects have indicated that sufficient staff are not in place to ensure a robust M&amp;E mechanism.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>The implementation arrangements have been modified to have additional M&amp;E at hub level. The M&amp;E Manual revised being revised to assign specific responsibilities to key actors, tools are being sought to use for data collection/submission, preparation is ongoing to put in place the MIS, a stand-alone software package for the M&amp;E is planned for and a baseline survey is in the process of being conducted. the project is staffed with 3 M&amp;E officers. The ICO will provide constant support as needed to the M&amp;E team</p>		
<p><b>Project Financial Management</b></p>	Substantial	Substantial
<p><b>Project Organization and Staffing</b></p>	High	Substantial
<p><b>Risk:</b></p> <p>The PMU has adequate staffing qualified and experienced in financial management. At the PMU, the project finance unit is made of Finance Manager who is supported by a Project Accountant and an Accounts Assistant. At each Hub, there is a Hub Accountant while at the districts there are Designated Accountants. KOPGT has a finance team made of five staff n accordance with their organizational structure.</p> <p>Currently, there is a gap for the Project Accountant position as the previous Accountant left the project and is yet to be replaced. This vacancy is among other two positions within PMU that are yet to be filled, which include Social Development Officer and Participatory Management Officer. The Project Management opted not to fill these posts as part of strategies to reduce operational costs. The Vacant positions has not affected smooth running of the project as the current team is able to handle all processes.</p> <p>There are also issues on Contract renewal for the current staff, as the contract for Finance Manager expired in August and is yet to be renewed while that for Accounts Assistant is expiring in September 2023 and also is not yet renewed. The current contracts for all staff also run for one year which was assessed as creating doubts on continuity. The design had proposed two years, renewable. The delays has been occasioned by operational issues at the PS office. There are however no performance issues raised.</p>	High	Substantial
<p><b>Mitigations:</b></p> <p>Ensure the contracts for staff are renewed on timely basis so as to avoid having instability within the unit. Any concerns that could be there on staff performance should be addressed well on time before contracts expiry to ensure there is staff stability within the finance unit.</p> <p>Regarding the vacant positions, roles were re-distributed and are working well. The operations of the finance unit should be reviewed regularly and should workload increase, consider hiring for the vacant position.</p>		
<p><b>Project Budgeting</b></p>	Substantial	Substantial

<p><b>Risk:</b></p> <p>There is a risk of budget overrun on operating costs. The amounts disbursed for IFAD loan is USD 17,656,471.52 representing 23.29% disbursement level with a cumulative absorption of 19%. As per PDR the absorption should currently be at 47% hence the project is substantially behind schedule.</p> <p>While the overall absorption is at 19%, the operating costs is currently at 49% utilization. The other categories are credit &amp; guarantee funds at 4%, works at 7% and goods, service and inputs at 23%. With the delayed implementation of activities, the remaining operating costs allocation may be inadequate. For the current quarter of financial year 2023/24, the only key payment made is for salaries yet the quarter is almost finished.</p>	Substantial	Substantial
<p><b>Mitigations:</b></p> <p>Hasten implementation of activities and keenly monitor utilization on operational costs to ensure that investment activities implementation is inline with operating costs absorption. The PMU should also continuously keep checking any strategies that would lead to reduction of operational costs</p>		
<p><b>Project Funds Flow/Disbursement Arrangements</b></p>	<b>High</b>	<b>Substantial</b>
<p><b>Risk:</b></p> <p>There is risk of unavailability of project funds from reflows as may be required. The financing agreement provided that the borrower will ensure that repayments of development loans, including from VODP2, are recycled to finance further loans to smallholder oil palm growers. It provides that the reflows are to be ring fenced within a mechanism acceptable to the fund and included within the scope of the project external audit. Reflows recovered and remitted to consolidated funds as at January 2023 was Ugx 51.9 billion. These funds are remittances from 2019 of which no funds have been released from consolidated funds for utilization on project activities. A ring-fenced mechanism for depositing the loans reflows has also not been finalised.</p> <p>There is a risk of Government Counterpart contribution being inadequate. For the current financial year 2023/24, the amounts in the budget appropriated by the Parliament is Ugx 3.3 billion of which Ugx 1 billion has already been availed. However, the already finalized assessment report for land compensation for some four villages is for Ugx 6.5 billion and there are other villages being assessed whose overall cost estimated is Ugx 55 billion (including the Ugx 25 billion for the completed assessment). The amounts appropriated of Ugx 3.3 billion would therefore be inadequate.</p>	High	Substantial
<p><b>Mitigations:</b></p> <p>Hasten the design of mechanism for utilisation of reflows recovered and ensure these funds are available for project activities as per financing agreement. PMU to prepare a funding gap for the activities under counterpart funds and explore budget revisions during the upcoming supplementary budget revision</p>		
<p><b>Project Internal Controls</b></p>	<b>High</b>	<b>Substantial</b>



<p><b>Risk:</b></p> <p>There are risks that internal controls at KOPGT are not being operationalized as required as there are significant long-outstanding financial management recommendations under KOPGT that are yet to be fully implemented. These includes unaudited accounts for the financial years FY 2019/20, 2020/21, 2021/22 and the just ended financial year 2022/23; delayed operationalization of the SAP RSM system; Delayed reconciliation of growers' accounts and inadequately updated stores ledgers. Similar observations have been made by Ministry's Internal audit hence need urgent implementation and keen monitoring to prevent the issues from recurring.</p> <p>There are also delays in financial reporting by implementing agencies which exposes the project to inadequate oversight by PMU as arising issues may only be realised when it is late. This also affects the financial reporting by PMU as expenditure for the implementing partners are not captured on timely basis. The MoU signed with implementing partners provides that financial reports should be submitted to PMU within 15 days after the end of the quarter. There have been significant delays in submission of financial reports by the implementing entities. For instance, for the quarter, ended 30 June 2023, NARO submitted financial report on August 16, 2023 which meant it had one month delay as the required submission date was July 15, 2023. Buvuma and Kalangala are yet to submit their report for quarter ended 30 June 2023 hence currently have two months delays.</p>	High	Substantial
<p><b>Mitigations:</b></p> <p>Prepare a comprehensive action plan that incorporate all issues for KOPGT arising from various reviews carried out and ensure these are implemented as per agreed timelines. PMU should follow up and caution the implementing agencies to ensure there are regular financial reporting even if there are no payments made during the reporting period.</p>		
<p><b>Project Accounting and Financial Reporting</b></p>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>There is a risk of incorrect capturing of disbursements to fund manager as the Project Management had noted that the upcoming disbursements to fund manager would increase absorption. It was clarified that funds disbursed would be recognised as advances and absorption would only relate to actual utilisation by the fund manager that would be supported with quarterly reports.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>The project would only recognize fund manager expenditure based on quarterly reports and not when advances are provided.</p>		
<p><b>Project External Audit</b></p>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>The most recent external audit report was for the period ended 30 June 2022, which was submitted on time and detailed review report provided by IFAD. The audit opinion was unqualified. The key audit issues raised was low budget performance, failure to utilize reflows to finance NOPP activities and inadequate project oversight by steering committee. There were some inadequate disclosures which were noted from IFAD review and these were communicated to the project.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>Ensure that the recommended actions on enhancement of external audit report are implemented in the upcoming audit for the period ended 30 June 2023.</p>		
<p><b>Project Procurement</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Legal and Regulatory Framework</b></p>	<b>Moderate</b>	<b>Low</b>

<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>- Records for contracts are maintained in the procurement web-based database, including data on what has been procured, the value of procurement and who has been awarded contracts. However, these are not comprehensive so no percentages can be calculated.</li> <li>- Less than 60% of the contract value are procured using competitive methods.</li> </ul>	Moderate	Low
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>- The website of each IFAD financed Project/Programme will include all procurement-related information, thus improving procurement monitoring.</li> <li>- During the preparation of the Procurement plan, low-value procurement activities will be grouped together under one tender for purposes of economies of scale.</li> </ul>		
<b>Accountability and Transparency</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>- Uganda scored 28 in the 2019 Corruption Perception Index according to Transparency International, which indicates that integrity and ethical values still require strengthening.</li> <li>- A debarment system is in place. However, the Company registry is not yet very strong and debarment does not necessarily translate into actual punitive results as non-complying bidders then register other companies and still participate in public bidding/ or own a chain of other companies.</li> </ul>	Moderate	Low
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>- All procuring entities as well as bidders and service providers, that is: suppliers, contractors, and consultants shall observe the highest standard of ethics during the procurement and execution of contracts financed under the IFAD funded Projects in accordance with paragraph 69 of the IFAD Project Procurement Guidelines and the Public Procurement and Disposal of Public Assets Act No. 1 of 2003 Clauses (3, 16, 17, 91c, 94 and 95). The Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations shall apply to the project, including without limiting the IFAD's right to sanction and the IFAD's inspection and audit rights.</li> <li>- The Government of Uganda will ensure IFAD's debarment list are respected in awarding contracts under the IFAD finances; and assist IFAD investigations pertaining to the funded activities.</li> </ul>		
<b>Capability in Public Procurement</b>	<b>Low</b>	<b>Low</b>
<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>- Overall, the bidding documents issued during the review period were in a good shape. However, several typo errors were noticed in the issued documents, mainly with the requested validity for the Bid Securing Declaration</li> </ul>	Low	Low
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>- IFAD to apply quality assurance procedure on all issued documents.</li> </ul>		
<b>Public Procurement Processes</b>	<b>Low</b>	<b>Low</b>

<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>- The Procurement Officer participated the preparation of the AWPB as practice. The procurement unit is mandated to prepare the procurement and disposal plans by regulation. However, it is not required by regulation to participate to the drafting of the AWPB.</li> <li>- For shopping method, RFQs template lacks information on when the bidders can seek clarifications and the deadline for providing these responses; for NCB, it is a minimum of 5-7 days.</li> <li>- The bids are stored in a locker at the Procurement Assistant's office until bid opening.</li> <li>- Minutes of bid opening are taken, but they are not sent to bidders who submitted bids.</li> <li>- In evaluation, responsiveness is based on criteria requirements in the bidding documents. However, preliminary examination was not conducted properly in several cases.</li> <li>- For shopping, only LPOs using the national template were issued and they were not signed by the vendor. Moreover, the special conditions provided in the RFQs were not attached to the LPOs.</li> <li>- Only contracts awarded through NCB were advertised publicly.</li> <li>- For each contract the PMU assigned a contract management manager/team. While the responsibilities of contract manager are well defined in the National Regulations (Clause 53-Contracts Regulations), the current practices showed weak contract management and administration.</li> <li>- The project maintains updated CMFs for all on-going contracts, other monitoring tools such as progress reports were found. However, it looks that the project did not fully utilize such tools to apply contractual provisions strictly.</li> <li>- Only goods received notes were found without any details about the quality and compliance of the delivered commodities.</li> <li>- Works contracts are supervised by independent engineers or a named project manager, but such arrangements have little impact on the ongoing contracts. Additionally, several works contracts were delayed due to improper contract management practices.</li> </ul>	Low	Low
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>- IFAD to monitor that the NOPP Procurement Unit actively participates to the drafting of the AWPB, so as to ensure that the resulting document is realistic.</li> <li>- The project was advised to strictly adhere to IFAD requirements and include provision for request for clarification in the RFQs template.</li> <li>- The PMU should be equipped with a secure tender box to meet international standards.</li> <li>- As part of the focused training program conducted last year, the Procurement Manger was advised to follow the best practices and send the minutes of bid opening to all applied bidders. Moreover, close follow up from IFAD to ensure the application of these practice for all transactions subject to IFAD prior review.</li> <li>- As part of the mission activities, the PMU was advised to strictly apply the preliminary examination on all bidders. Moreover, the project management showed strong commitment to follow up on the implementation of the mission recommendations.</li> <li>- As part of the mission activities, the PMU was advised to attach the special conditions to the LPOs and ensure the signature of the vendors on the two documents (LPO and Special Conditions).</li> <li>- Since the public advertisement of awarded contracts is not a mandatory requirement in the National Regulations, it is important to incorporate such requirement in the PIM. The ICO should follow up on the revision and application of the revised PIM.</li> <li>- The project should be provided with a focused training program on contract management aspects. It is essential to add a new section in the PIM describing the procedure and define the role of the contract management team in accordance with national regulations and IFAD requirements.</li> <li>- It was agreed that the project manager will closely monitor the implementation of the on-going contracts to ensure proper completion for all contracts. The PIM should be revised to add a new section describing the procedure and defining the role of the contract management team, The project should maintain the data to measure the cost overrun, time over run, number of amendments/variatioins for key contracts.</li> <li>- The project should recruit a consulting firm to supervise the works when needed.</li> </ul>		

<b>Environment, Social and Climate Impact</b>	<b>Moderate</b>	<b>Low</b>
<b><i>Biodiversity Conservation</i></b>	<b><i>Substantial</i></b>	<b><i>Moderate</i></b>
<p><b>Risk:</b></p> <p>Clearing of land for oil palm plantations, construction of access roads, the oil mill and other project support infrastructure will likely, impact terrestrial vegetation, wetlands and some ravines within the project area. This has the ability to further fragment the habitats reducing their ability to support fauna or at worst, lead to loss of such faunal habitats.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>Ensure that the recommendations of the ESIA are followed and clear accountability for the same is captured for follow up.</p> <p>The areas which have already been identified as warranting some form of protection should be avoided when planning and carrying out works. The project should monitor and record all species observed in the project area and note the habitats in which these species were observed. This will aid in designating additional areas warranting protection for wildlife use and/or conserving important habitat currently identified within the project area. Ariel mapping to ensure that any encroachment, is documented and followed up with respect to buffer zone and forest encroachment</p>		
<b><i>Resource Efficiency and Pollution Prevention</i></b>	<b><i>Substantial</i></b>	<b><i>Moderate</i></b>
<p><b>Risk:</b></p> <p>Activities such as the operation of oil mills can generate significant quantities of waste, which may result in pollution of land and water sources. Increased use of fertiliser and pesticides may also result in pollution of natural resources. The construction phases of the infrastructure will result localised noise and air pollution.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>The project will ensure that the collection, recycling, recovery, treatment and disposal of wastes have positive and no adverse effects on the environment. Mitigation and management measures have been proposed for air quality impacts to ensure activities are carried out in a manner that maintains the ambient air quality of the proposed project area .ESIAs are being completed also for the fertilizer stores and smallholders will be trained in safe use and handling of agro-chemicals. Integrated pest management will also be promoted. Collaboration with the private sector partner ensure the highest level of compliance with respect to containment of effluents</p>		
<b><i>Cultural Heritage</i></b>	<b><i>Moderate</i></b>	<b><i>Low</i></b>
<p><b>Risk:</b></p> <p>Activities such as the construction of the oil mill and associated project infrastructure which will entail excavation of foundations for these facilities, could potentially result in the destruction and loss of cultural and archaeological sites including graves.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Wherever possible, historical and cultural sites of strong significance to the nation and local communities identified in the ESIA in and along the access roads and during community sensitization exercises should be protected in accordance with the culture and norms of the land and in consultation with the responsible authorities concerned.</p>		
<b><i>Indigenous People</i></b>	<b><i>Low</i></b>	<b><i>Low</i></b>

<p><b>Risk:</b></p> <p>The livelihoods of the indigenous inhabitants on the islands may be impacted by the project activities such as the construction of infrastructure and the land development. The influx of other groups into the project area may also have an impact on cultural norms.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>The project activities will be conducted in a manner that recognises the rights and cultural values of the indigenous populations. These populations live in harmony with other groups located in the project area.</p>		
<p><b>Labour and Working Conditions</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The oil palm development activities will translate into job opportunities and may therefore cause influx/immigration of people to the island in anticipation of employment. There may be unfair practices regarding recruitment and remuneration for employees i.e. there are often concerns that local workers are likely to be underpaid compared to other workers from outside the region handling the same.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Adherence to national rules and regulations will be monitored through any complaints that have been received; additionally a gradual roll out of the RSPO requirements will be put into place on the smallholder estates. NOPP and its associated contractors will pay a “living wage” to all workers involved in project activities. Employment activities will be monitored on a regular basis throughout each phase, including number of jobs created by employment type (skilled / semi-skilled / unskilled); number of jobs by gender, employment type and geographical area; total man hours and wages paid by employment type; and rate of employee turnover by gender and area. . Contracts and MoUs will embed these aspects which will be tracked on a continuous basis. Communication lines between the target group, implementation partners and local and central government will be facilitated to ensure transparency and accountability on part of the implementation partners. Supervision mission responsible for ensuring the compliance; every year</p>		
<p><b>Community Health and Safety</b></p>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The construction activities may result in impacts such as, pressure on the social service sector and increased risk of transmission of communicable diseases especially STDs and HIV/AIDs. The influx of migrant labour may lead to increased gender based violence.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>The participation of local community members will be maximised during project activities. Unskilled labour will be recruited exclusively from directly affected communities, and semiskilled labour will be recruited preferentially from such communities, provided that they have the requisite qualification, competence and desired experience. GALs and Household methodologies, which are part of the activities within NOPP, have proved to be very beneficial in other IFAD interventions.</p>		
<p><b>Physical and Economic Resettlement</b></p>	<b>Substantial</b>	<b>Moderate</b>

<p><b>Risk:</b></p> <p>The oil palm development activities will result in economic resettlement through impacts of land acquisition and land use change for existing cultivated lands principally include; loss of current crop for farmers. Except for farmers that have planted perennial crops such as coffee, the loss of annual crops only covers the losses for that season's crop. The infrastructure development activities may also result in physical resettlement.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>Land acquisition is under the GoU purview, however IFAD does support the function, to ensure there is mitigation of risk, with a lands expert on every mission. The GoU follows the policy of willing seller, willing buyer. . Compensation for loss of assets will be carried out at full replacement cost and any other assistance to help affected people improve or restore their standard of living or livelihoods will be provided.</p>		
<b>Greenhouse Gas Emissions</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>The clearing of land for oil palm development will result in land use change and deforestation thus reducing the carbon sink potential in the project area.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>Buffer zones and the ESIA recommendations ensure that there is no oil palm planting on wetlands and/or peatlands. The land use changes will have temporal impacts and oil palm as perennial crops will fill part of the gap in the carbon sink capacity incrementally.</p>		
<b>Vulnerability of target populations and ecosystems to climate variability and hazards</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk:</b></p> <p>The focus on oil palm may result in decreased on-farm diversity and thus result in smallholders and ecosystems increased vulnerability to climate variability and hazards.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Land needs to be demarcated within/around the affected villages for future farming access i.e. the proposed oil palm development should not take up all plantable/cultivable land in a single village. Patch-work" of oil palm trees separated by indigenous flora will be promoted, to allow for a mosaic, heterogeneous landscape. All sensitive ecosystems will be maintained (linking to conserved patches of forest and riparian vegetation). ESIA includes the social interventions for mitigation of any risks to the target population, close follow up from IFAD is provided</p>		
<b>Stakeholders</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Stakeholder Engagement/Coordination</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk:</b></p> <p>Given the sensitivity around the oil palm sector development, the lack of policy to guide the sector, and the rapid expansion to new hubs all contribute to the risk that insufficient stakeholder identification, involvement and consultation could affect the project implementation is substantial.</p>	Substantial	Moderate

<p><b>Mitigations:</b></p> <p>The wide range of stakeholders are consulted on every mission to ensure that the right recommendations to mitigate any risks associated are put in place. Continuous follow up of the recommendations is pursued and where there are challenges, IFAD supports the PMU to ensure the recommendations can be carried out. To ensure accurate and timely communication, NOPP will have a communications firm to assist in gathering and disseminating information, recruitment for this is underway. Finally, to allow for a constructive debate on oil palm development, a Stakeholder Engagement Management Plan will be developed prior to NOPP start-up. This will: (i) identify key stakeholders; (ii) set standard operating procedures for stakeholder consultation and information disclosure; and (iii) set up a grievance management system. It will draw on the Stakeholder Engagement Framework found in Annex 12, Attachment 5 of the PDR. Supervision and implementation support missions, every 4 months.</p>		
<p><b>Stakeholder Grievances</b></p>	<p><b>Substantial</b></p>	<p><b>Moderate</b></p>
<p><b>Risk:</b></p> <p>The risk that stakeholder grievances, specifically around land, will affect project implementation is substantial. There is a possibility of loss of/restricted access to public resources such as wells, footpaths, and medicinal plants during the development phases of the oil palm.</p>	<p>Substantial</p>	<p>Moderate</p>
<p><b>Mitigations:</b></p> <p>The GoU recognizes that a set of operational guidelines are required for land acquisition and compensation for oil palm growing for: (a) assessing how land was acquired either by potential private sector partners in the Project or by the GoU and the appropriateness of compensation and other mitigation measures that have been introduced; (b) assessing the potential negative impacts of a conversion of land for oil palm growing on land access and livelihoods; (c) developing, implementing and enforcing plans, or where these plans exist but have shortcomings, remedial actions, for mitigating against any negative impacts; (d) undertaking inclusive consultation and agreement reaching processes for land acquisition and compensation, following the principle of free, prior and informed consent (FPIC), including establishing clear and enforceable grievance procedures; and (e) setting up systems for documenting and storing key information on processes followed and agreements reached and for monitoring and assessing the implementation of mitigation measures.</p> <p>The GoU's redress mechanism is very robust. Additionally the PMU, due to the nature of the sector has a redress mechanism in place in all locations of project implementation. This will be followed up from the next during supervision missions and henceforth and included to ensure that there are no cases outstanding/pending. Uganda team; follow up in February 2021 (supervision mission).</p>		