**MINISTRY OF AGRICULTURE ANIMAL INDUSTRY AND FISHERIES**



**NAADS SECRETARIAT**

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**DRAFT ISSUES PAPER – LGBC WORKSHOPS FY 2019/20**

**(a).** **Mandate of NAADS Secretariat:** The NAADS Secretariat, a Public Agency under the Ministry of Agriculture, Animal Industry and Fisheries is mandated to increase access by all categories of farmers to agricultural inputs for improved household food and nutrition security and household incomes in line with the Agricultural Sector Strategic Plan and National Development Plan within Uganda’s Vision 2040.

In line with it new mandate, the NAADS Secretariat supports interventions in the following areas of mandate:

1. Management of the agricultural input distribution chains involving procurement and distribution of inputs to district local governments
2. Strategic interventions involving procurement and distribution of agricultural inputs for priority commodities under commodity approach, supporting multiplication of planting and stocking materials;
3. Agribusiness business development
4. Supporting value chain development focusing on the upper end of commodity chains.

**(b).** **Implementation Plan for FY 2019/20:** The implementation plan for the NAADS interventions under the Operation Wealth Creation (OWC) Programme for the FY 2019/20 will focus more on supporting key strategic commodities with the purpose of concentrating resources to ensure greater impact on household incomes and national export earnings. The support will focus on:

- provision of seedlings for the key strategic commodities including Tea, Fruits (Citrus, Mangoes, Apples & Pineapple) and Cocoa while also putting into consideration district priority commodities submitted by the respective District Local Governments as well as food security interventions.

- Agro machinery for farm mechanization, specifically focusing on provision of tractors

- Solar water pumping systems for appropriate farm/community level irrigation systems

- Community level grain storage facilities, such as community grain stores

- Value addition particularly focusing provision of milk coolers, fruit processing equipment (mango, citrus and pineapple), milling equipment for grain (maize, rice)

- Revitalizing the role of Farmers and Farmer Organizations (FOs) in the implementation of NAADS interventions in Wealth Creation

It should be noted that NAADS together with other Government institutions are supporting the initiative for creating wealth among all Ugandans.. The focus is to enable every Ugandan to earn UGX 20 million per annum.

NAADS interventions under OWC support a wide range of agricultural inputs in the following categories:

1. **Seeds:**  Maize, Beans : mainly as food security interventions
2. **Vegetative and planting materials:** Tea Seedlings, Citrus Seedlings, Mango Seedlings, Apple seedlings, Cocoa Seedlings, Cassava cuttings, Irish potato, Tissue cultured Banana plantlets, Pineapple suckers; Special interest groups (mainly Women and Youth groups) may be supported with Ginger, Passion fruit seedlings, grapes (potted cuttings) depending on availability of resources.
3. **Livestock –** Dairy heifers, Beef cattle, Pigs, Poultry Birds and Poultry feeds, Fish fingerlings (Tilapia, catfish, mirror carp) and fish feeds, Goats, Artificial Insemination Kits, Pasture seeds for seed multiplication.
4. **Value Addition –** Maize milling equipment, Milk coolers with matching generators, Fruit processing equipment (small, medium and large scale) for viable organized farmer groups
5. **Agricultural production implements** – tractors and matching implements to support strategic interventions, Hand hoes, Solar water pumping systems on selected demo farms;

Note: *Operational guidelines for tractor access and management by benefiting farming communities are being developed and will be disseminated to all stakeholders.*

The Procurement and distribution of agricultural inputs will be based on the enterprises suitable for the subsistence farmers who constitute 68% of the farming communities in the country. In addition, this will help to ensure that the planning, implementation, monitoring and evaluation of the services provided by NAADS under Operation Wealth Creation is guided by farmer priorities.

**( c).** **IPFs under NAADS/OWC Programme:** Since change of mandate in FY 2014/15 NAADS Secretariat no longer sends grants to DLGs. This is because the funds under NAADS – DLG Grants were transferred to NAADS Secretariat to procure and distribute agricultural inputs to farmers in all Local Governments.

However, NAADS Secretariat disseminates quantified Indicative Planning Figures (IPFs) for agricultural inputs to be supported in every District Local Government prior to the commencement of the agricultural season to guide farmer selection and registration in line with the strategic and priority commodities.

**(d). Selection and Registration of beneficiary farmers:** Immediately after receiving the advice slips, all district local governments are required to undertake proper selection and preparation of farmers as guided by the Standing Order of Procedures (SOP) and the additional guidelines in the circular issued to the Chief Administrative Officers (CAOs); As pointed out earlier, this should involve registering farmers who are to benefit from agricultural inputs ***based on ability and readiness to receive and manage the enterprises***. The registration should be guided by the quantities indicated in the advice slips and the minimum acreage recommended as issued in the circular to all Chief Administrative Officers. The registration lists should subsequently be used during the distribution of inputs. This measure is intended to avoid the supply driven distribution of inputs that has been observed in some districts and to ensure that enterprises are well managed (***Formats for Registration of farmers and distribution lists*** ***attached for your reference – Annex 1***)

**(e). Linkage between agricultural extension and the entire input distribution chain:** There is need to continuously strengthen the linkage between agricultural extension and the entire value chain for both crop and livestock enterprises. This will help to ensure selection of the right enterprises, timely preparation of farmers as well as provision of the required information to farmers on the management of enterprises.

**(f). Revitalizing the role of Farmers and Farmer Organizations (FOs) in the implementation of NAADS interventions in Wealth Creation**

The Government of Uganda through various interventions is desirous of accelerating production of priority commodities enterprises; Coffee, Tea, Maize, Rice, Fruits, Bananas, Dairy, Beef, Beans, Cassava, Fish and Cocoa, as a means to move the 68% small scale holder farmers into a monetary economy. However, all these interventions have lacked proper definition of the farmers’ roles that have always led farmers to have low or no interest in the adoption of the introduced technologies during the project implementation.

To fully benefit from the NAADS interventions under Operation Wealth creation, farmers will be required to form clusters around common interest such as along the key strategic commodities being supported by government. The farmer committees and institutions working together with the parish chiefs as well as the extension workers will mobilize individual farmers to participate in the NAADS interventions to facilitate input distribution, storage and marketing

Revitalizing the role of farmers through formation of a united farmer’s platforms that will coordinate and ensure full participation of the farmers and Farmer Organisations in all wealth creation initiatives at Village/Cell, Parish, S/County, District, &National levels, is seen to be part of the solution to the challenges to move the 68% small scale holder farmers into a monetary economy.

The model whose pilot phase is being implemented in 14 districts of Apac, Kapchorwa, Mayuge, Mityana, Nakaseke, Hoima, Soroti, Ntungamo, Masindi, Bushenyi, Tororo, Kiboga, Wakiso and Moyo commenced in 2017 and is on-going. To date, 7,244 village farmer committees; 813 parish farmer committees; 141 Sub county farmer committees as well as 10 District level farmer committees formed and oriented.

**(g). Misuse of agricultural inputs:** We keep receiving reports regarding misuse of planting and stocking materials delivered and distributed to various farmers in some DLGs. This is the case especially where farmer selection is not properly guided and taken as a priority as well as not following guidelines in distributing inputs.

In line with a circular issued to all Chief Administrative Officers by Hon. Minister of Local Government ref: ADM/155/180/01 dated 8th December, 2016 on additional responsibilities of Parish (Muluka chiefs), responsibility number iii, ***and farmers who misuse inputs should be followed up and prosecuted because it is a kin to embezzlement.***

**(h). Mainstreaming of Cross-cutting issues in the NAADS/OWC Programme**

**i. Gender responsiveness:** In order to realize the full potential of women and men, the NAADS interventions under OWC should ensure that gender constraints, needs and opportunities are identified and addressed. The principles of gender equity and equality should be applied to guide beneficiary targeting.

To ensure coverage of all segments of society in agricultural inputs distribution, additional focus should be given to special interest groups such as youth, older persons, veterans and people with disabilities (PWDs). This is aimed at tapping their production potential by providing the right inputs

**ii. Mainstreaming HIV/AIDS issues into NAADS/OWC Programme:** Special attention should be given to interventions that enhance the health needs of the farmers on the control and prevention of HIV/AIDS.

**iii. Environmental considerations:** Ensure that all strategies and actions to be implemented do not cause adverse effects on the environment. NAADS interventions under OWC promote technologies and inputs that mitigate effects of climate change including but not limited to provision of fruits seedlings, dairy heifers, poultry birds, etc

**(i). Submission of District Priorities to the NAADS Secretariat:** In view of the lessons and challenges encountered so far in the implementation of the NAADS/OWC Programme, it is a requirement that before the commencement of every new financial year, all DLGs submit a list of priority commodities to be supported by ranking and quantity to the NAADS Secretariat (in a format that was earlier disseminated to all DLGs) to guide planning and resource allocation and subsequent procurement of agricultural inputs. In this regard, the DLGs were also required to submit medium term projections (2018/19 to 2020/21) on projected quantities for commodities of crop, livestock enterprises and agro-machinery for distribution to farmers – *this can be updated on an annual basis to address emerging farmer demands for input distribution.*

**(j). Submission of priority commodities for Municipalities:** As you are aware, NAADS interventions for wealth creation in the Municipalities have been based on the priorities submitted by their respective District Local Governments.

In order to take into consideration the peculiarity of urban settings in comparison to the rural areas in terms of the nature of agricultural activities; beginning FY 2019/20 all Municipalities will be required to independently submit their priority commodities (*planting & stocking /livestock materials, agricultural production machinery and value addition equipment*) for the medium term FY 2019/20 to FY 2021/22 through the office of the Chief Administrative Officer to the Executive Director, NAADS Secretariat.

The prioritized commodities should be based on farmer demands depending on uniqueness of respective Municipalities in line with the agro- ecological uniqueness. The submissions will form the basis for allocation of agricultural inputs for distribution to farmers effective FY 2019/20. (***Format for submission of the priority commodities is attached - Annex 2***).

 **(k). Procurement of planting and stocking materials within the region for locally available inputs to increase survival rates, reduce time lag, control spread of disease, pests and promote local economic development:**

Procurement in NAADS is handled mainly under framework contracts with almost 90% of the NAADS contracts being handled under this arrangement. Under Regulation 18 of the PPDA (Contracts) regulations, 2014 the entity is required to use framework contracts where requirements are needed repeatedly at an agreed price over a period of time but where the quantity and timing of the requirements cannot be defined in advance.

A framework is a contractual arrangement for an estimated quantity of supplies, works or services at a fixed unit price over a certain period of time. Framework contracts are empty shells until call off orders are issued. A call off order means an order or an individual contract for the purchase of specified quantities as per the framework conditions.

To improve efficiency, cost effectiveness and flexibility in the procurement of goods and services and overall improve absorption of funds, service delivery and sector performance, the NAADS Secretariat adopted the Framework contract arrangement in the FY2014/15-17/18 for goods and services that are required repeatedly over a period of time.

Following the expiry of the framework contracts, MAAIF through NAADS Secretariat is in the process of putting in place new framework contracts. The registration of nurseries and mother gardens in the respective district local governments is on-going; that will inform the procurement processes for the next three (3) years.

The new procurement and distribution strategy seeks to deepen and localise the production of planting materials and selection of suppliers from within the target beneficiary district or within the closest vicinity to the beneficiary district. The key tenets of this procurement and distribution strategy include the following;

* Local/district based registration of nursery operators
* Assessment of nurseries for quality and capacity
* Contracting of the eligible nursery operators for the respective planting materials for each of the districts using appropriate procurement method (s)
* Where a district doesn't have local supplier (s) to supply the required quantity of the concerned planting material then an eligible supplier (s) from the neighbouring district (s) from within the particular zone will be considered to supply such material.
* Where appropriate local suppliers may be involved in the distribution of planting materials up to the final beneficiary at Parish level.

*It should be noted that building capacity of local nursery operators is a process and a mandate of MAAIF (Inspection and certification Department) together with the District Production Department as part of the inspection and certification process.*

**(l). Quality assurance during the process of acquiring the planting and stocking planting:**

Regarding the need for quality assurance for both planting and stocking/livestock materials, it should be noted that:

1. As part of quality assurance, pre-delivery quality verification of planting materials (seeds/seedlings) is conducted by MAAIF Seed Inspection and Certification Unit together with NAADS Secretariat. Where considered necessary, further verification may be done through on-spot inspection/supervision during loading and delivery of materials.

The District authorities are advised to carry out further verification of the planting materials upon receipt, which should include germination tests in the case of seed. The results of the verification by the Subject Matter Specialist (SMS) should be communicated to the NAADS Secretariat in the Technical Inspection Report as part of the relevant documents for supporting payment.

1. With regard to livestock, stocking material are inspected by a joint team of technical staff of MAAIF and the National Diseases Diagnostic, Epidemiology Centre (NADDEC) with the involvement of DVOs of selected beneficiaries within regions to ensure that they meet the required quality. Where considered necessary, further verification may be done on-spot inspection/supervision during loading and delivery of materials.

The District authorities are advised to carry out further verification to ensure that stocking materials delivered conform to the specifications as communicated by the NAADS Secretariat***.***

 **(m).** **Reporting to the NAADS Secretariat:** The Standing orders of procedure (SOP) for Operation Wealth Creation spells out various roles of different stakeholders. Among others, Section 7.5 a (v) district local governments are required to document and report (district performance reports); section 8.2 (viii) emphasizes preparation and submission of all essential documentation on distribution/delivery of inputs for accountability purposes.

NAADS Secretariat manages a national level database for the NAADS interventions under Operation Wealth Creation. Accordingly, a web based database management system was developed through which production staff will use to relay information on planning and reporting on inputs distribution.

 A roll-out of the NAADS Monitoring and Evaluation Framework/tools exercise is on-going in various sub zones; so far held 8 workshops (in 8 sub zones) of the targeted 17 sub zones have been covered. The aim is to be to build the capacity of the District Local Government users on the utilization of the NAADS M&E framework/tools. We hope this will improve timely reporting by DLGs. The remaining 9 subzones will be covered by the end of quarter two FY 2018/19.