



## Project for the Restoration of Livelihoods in the Northern Region: What is constraining its effective implementation?

### Overview

The Government of Uganda (GoU) through the Ministry of Local Government (MoLG) adopted the Project for the Restoration of Livelihoods in the Northern Region (PRELNOR) as an integrated development approach to re-establish the Northern (Acholi) region as a major agricultural production area. The project objective is increased sustainable production, productivity and climate resilience of small holder farmers with increased and profitable access to domestic and export markets.

Funding comprises of; International Fund for Agricultural Development (IFAD)- US\$ 50.2 million (70.8%) of the project costs, Adaptation for Small holder Agricultural Program (ASAP) grant -US\$ 10 million (14.1%) of total costs and Government of Uganda-US\$ 9.2 million(13%) towards/for taxes and duties. The beneficiaries are contributing US\$ 1.5 million in cash and kind representing 2.1% of the total costs.

The Budget Monitoring and Accountability Unit (BMAU) semi-annual report FY 2017/18 revealed a number of constraints hindering effective implementation of this project.

This brief examines the, challenges faced by the project, District Local Governments and farmers since inception in FY 2016/17, and proposes recommendations.

### Key Issues

There is slow implementation of PRELNOR activities as a result of:

- Occasional delays in obtaining No Objection from the donor - IFAD.
- Extensive process of all project procurements in the Ministry of Local Government.
- Poor internet connectivity resulting in cumbersome accessibility to financial resources.
- Poor planning where land is not available at the start of the project construction work.

low. Intensified by the 20 year's internal conflict, the region remains prone to food insecurity and other livelihoods shocks.

The Acholi sub-region has excellent potential for agricultural redevelopment which is needed for lifting the rural poor out of poverty. In a bid to address development challenges in the region, the Government formulated the PRELNOR effective August 2015 to September 2023. The benefiting districts include: Gulu, Kitgum, Lamwo, Agago, Pader, Amuru, Nwoya, Omoro and Adjumani.

The project covers 25 sub-counties targeting 1,800 farmer groups; with the overall benefits expected to reach at least 140,000 rural households (40% of the rural households in the Acholi region).

The project beneficiaries include:

### Introduction

Northern Uganda has potential for agricultural development. Most farmers rely on the natural fertility of the soils, however with the increasing climate variability; smallholder farmers' production and productivity remain



- (i) Food insecure households with limited land or resources to produce enough to cover their food needs.
- (ii) Food secure households still vulnerable to climatic/other shocks to their livelihoods but want to improve their agricultural productivity.
- (iii) Market oriented households with adequate land and skills but want to increase their surplus production available for sale.
- (iv) Vulnerable households with limited capacity to join community groups, build food security and self-reliance to enable them benefit from development initiatives.

The project objective is to be achieved through the following components:

- *The Rural Livelihoods component:* focusing on improving agricultural production and productivity, especially of selected crop enterprises such as Cassava, Rice, Maize and Beans; and climate resilience.
- *Market Linkages and Infrastructure component,* focusing on supporting Farmers' Organizations to engage in organized marketing and also improving on market infrastructure (constructing Community Access Roads (CARs) and Market places).
- *Project Management and Coordination* to ensure that the project is efficiently and effectively managed to achieve the expected results.

### Financial performance

The expenditure performance against release of the PRELNOR from FY 2015/16 to FY 2017/18 (half-year) has been poor. In FY 2015/16, the project absorbed 10% of the receipt, in FY 2016/17, absorption was at 54% whereas in FY 2017/18 (half-year) it was at 24%.

Table 1 shows Statement of Cash Receipts and Payments from FY 2015/16- half-year FY 2017/18 from IFAD, ASAP and GoU.

**Table 1: PRELNOR Financial Performance from FY 2015/16 - FY 2017/18 (Ug shs)**

	2015/16	2016/17	Half-year 2017/18
Balance Brought forward	-	12,160,060,315	9,736,497,551
Replenishments from IFAD	14,324,444,000	4,574,576,550	3,595,750,000
Direct payments from IFAD	-	318,586,721	-
ASAP Grant	-	3,595,190,000	-
Receipts from GoU	-	16,734,062	-
Direct payments from GoU	-	318,972,504	-
Forex Gain/Loss	(764,992,903)	322,476,436	-
<b>Total receipts</b>	<b>13,559,451,097</b>	<b>21,306,596,588</b>	<b>13,332,247,551</b>
<b>Total Project Expenditure</b>	<b>1,399,390,782</b>	<b>11,570,099,038</b>	<b>3,265,614,966</b>

Source: PRELNOR

### Physical performance

Given the low absorption of funds, physical performance cannot be good. Physical performance of the PRELNOR in FY 2017/18 semi-annual monitoring was fair (50%- 69%).

Implementation of activities to achieve the project objective is carried out in a phased manner, of which activities include:

Training farmer groups in: identification of priority enterprises, timely planting, mulching, seed multiplication and integrated pest and diseases management.

Through these trainings, farmers have been able to produce good quality agricultural produce that are displayed at Farmer Field Days through the District Farmers Associations. On these days, farmers come together to showcase their harvest, learn



from other farmers and agricultural experts, interact and connect with market players such as agro-input dealers, as well as produce buyers.

Other activities carried out include introduction of energy efficient stoves, biogas technology and soil conservation structures; in addition, 25 automatic weather stations were installed in selected sub-counties to support reliable and timely agro metrological information dissemination.

Construction of 10 markets and 1,550km of Community Access Roads; to improve and increase the volumes of quality agricultural produce traded and to facilitate fair market prices is yet to be carried out.

The selection of sites for markets was accomplished and waiting for acquisition of land titles; A Request for Proposal documents for the Design of Typical Strategic/Bulk/satellite Markets; and Combined Technical and Financial Proposal Evaluation Reports for Consultancy Services for the Design of 600km of Climate Resilient Batch A CARs were submitted and obtained IFAD no-objection to the recommendations for award.

### **Persistent Implementation Challenges**

**Occasional delays in obtaining No Objection from the donor - IFAD:** This has been due to prolonged reviews by IFAD hence delayed execution of some activities such as contracting the Design Consultants for both CARs and markets. Also at the beginning of FY 2017/18 there was delayed clearance of Annual Work Plans and Budgets by IFAD, that were cleared in August 2017. The project has to wait for a response from the donor. A delay in clearance has led to delayed disbursement of funds which has a bearing on project implementation.

**Under staffing:** There is work overload in DLGs, with technical staff especially in the Community Services and Production Departments who are involved in both the implementation of PRELNOR activities and other equally demanding projects from GoU and donors, such as Northern Uganda Social Action Fund (NUSAF) III, Peace Recovery and Development Plan III, Uganda Women Empowerment Programme (UWEP) and Ministry of Agriculture that need the attention of the same staff; this slows down implementation of activities

**Institutional delays in procurement process:** All procurements above Ug shs 200 million are carried out by the implementing Ministry. For example, the procurements of equipment, consultants, and designers that is still ongoing. Reviews in procurement process in the MoLG, the Contracts Committee and the Solicitor General take a long time. This coupled with obtaining clearance from IFAD delayed implementation of project activities.

**Poor internet connectivity;** at District level gaining access to funds on the Integrated Financial Management System (IFMS) is difficult; this has impaired timely implementation of activities. Pader district is the most affected.

**Poor planning manifested by delayed land acquisition:** The selection of sites for seven markets in Gulu, Kitgum, Elegu, Mungula, Purongo, Cwero and Agoro was accomplished, however the process of acquiring land titles for construction on Government land is lengthy, as such the construction of markets has not commenced. The IFAD requirement is to construct markets on land with authenticated land



tittles which are difficult to get, and also private land owners do not want to give their land titles to Government.

**Crop destruction by wildlife:** Districts like Nwoya that border Murchison Falls National Park where animals like elephants destroy the national park’s gazetted fence and enter the rice fields of farmers. This has resulted in poor harvests.



**Rice field destroyed by elephants in Got-Apwoyo, Nwoya District**

**Conclusion**

The PRELNOR is a good strategy to address the development challenges in the Acholi region; however, implementation of planned outputs is still constrained by poor planning; understaffing in local governments; poor internet connectivity and threats from wildlife. These challenges are not insurmountable.

**Recommendations**

1. The IFAD should fast-track reviews of reports; annual work plans and budgets so that ‘No Objection’ is given on time to allow timely release of funds for implementation. The PRELNOR should also submit write-ups early enough to IFAD for early review.
2. The District Service Commissions of the affected DLGs should prioritize

recruitments of critical technical staff in the Community Services and Production Department.

3. The Procurement and Disposal Unit in the MoLG should initiate the process of all procurements early enough for timely implementation.
4. Pader District should invest in reliable internet infrastructure and services to support the functionality of the IFMS and Programme Budgeting System for faster access to funds and reporting.
5. The Ministry of Lands, Housing and Urban Development with the implementing DLGs should acquire land for construction of markets with evidence of ownership by Government.
6. The Uganda Wildlife Authority should find deterrent solutions to stop wild animals from leaving the Murchison Falls National Park.

**References**

1. BMAU: semi-annual Budget Monitoring Reports, FY 2017/18
2. MoLG, PRELNOR Progress report January 2018
3. PRELNOR Implementation Report, Nwoya District, January 2018

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