The Republic of Uganda

Office of the Auditor General

MANAGEMENT OF NATIONAL AGRICULTURAL AND ADVISORY SERVICES

CASE STUDY OF

Kabarole
Kasese
Lira
Manafwa
Mubende
Tororo

OFFICE OF THE AUDITOR GENERAL
UGANDA

MARCH 2012
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<th>Full Form</th>
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<tbody>
<tr>
<td>AA</td>
<td>Accounts Assistant</td>
</tr>
<tr>
<td>AADSO</td>
<td>Agricultural Advisory Services Officer</td>
</tr>
<tr>
<td>ARDC</td>
<td>Agricultural Research Development Centres</td>
</tr>
<tr>
<td>AO</td>
<td>Administration Officer</td>
</tr>
<tr>
<td>DANIDA</td>
<td>Danish International Development Agency</td>
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<tr>
<td>ED</td>
<td>Executive Director</td>
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<tr>
<td>EDO</td>
<td>Enterprise Development Officer</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>F&amp;A</td>
<td>Finance and Administration</td>
</tr>
<tr>
<td>GoU</td>
<td>Government of Uganda</td>
</tr>
<tr>
<td>FO</td>
<td>Finance Officer</td>
</tr>
<tr>
<td>IAA</td>
<td>Internal Audit Assistant</td>
</tr>
<tr>
<td>ICO</td>
<td>Information and Communication Officer</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Agency</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
<tr>
<td>LG</td>
<td>Local Government</td>
</tr>
<tr>
<td>MAAIF</td>
<td>Ministry of Agriculture, Animal, Industry and Fisheries</td>
</tr>
<tr>
<td>MoFPED</td>
<td>Ministry of Finance, Planning and Economic Development</td>
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<tr>
<td>NAADS</td>
<td>National Agricultural Advisory Services</td>
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<td>NARO</td>
<td>National Agricultural Research Organization</td>
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<tr>
<td>OAG</td>
<td>Office Of Auditor General</td>
</tr>
<tr>
<td>PA</td>
<td>Procurement Assistant</td>
</tr>
<tr>
<td>PMA</td>
<td>Plan for Modernization of Agriculture</td>
</tr>
<tr>
<td>PME</td>
<td>Planning, Monitoring and Evaluation</td>
</tr>
<tr>
<td>PMEO</td>
<td>Planning, Monitoring and Evaluation Officer</td>
</tr>
<tr>
<td>PSO</td>
<td>Procurement Support Officer</td>
</tr>
<tr>
<td>SSDO</td>
<td>Social Services Development Officer</td>
</tr>
<tr>
<td>TS</td>
<td>Technical Services</td>
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</table>
EXECUTIVE SUMMARY

BACKGROUND

Uganda's population is predominantly rural based with the majority of the rural populace engaged in subsistence farming for livelihood. Over 70% of Uganda’s working population is employed in the agricultural sector.

In order to increase productivity and commercialization of the agricultural sector, Government of Uganda (GoU), with the assistance of development partners started the National Agricultural and Advisory Services (NAADS) program geared towards increasing the efficiency and effectiveness of agricultural extension service. The program has evolved to include the distributions of agricultural technologies to farmers. These are geared towards increasing household incomes and rural livelihood.

The program however has raised public concern and is yielding less tangible benefits to participating farmers despite the substantial amounts spent on the programme. It is against this background that an independent assessment of the performance of NAADS program was undertaken by the Office of the Auditor General (OAG), focusing on the implementation of the agricultural technologies, development of market linkages and monitoring and evaluation of the program, so as, to ascertain the challenges and suggest recommendations for improvement.

FINDINGS

Status of Agricultural Technologies

Through field visits in the selected districts, it was noted that market oriented farmers were majorly engaged in goat rearing, poultry, piggery, dairy and apiary. It was noted that the enterprises of dairy, goat rearing and piggery were well managed by farmers as compared to poultry.

It was also noted that some farmers sold inputs or technologies while some did not prepare appropriate structures/dwellings for the technologies.

The mismanagement of the technologies was attributed to poor enterprise selection, poor farmer attitudes towards the program, poor attendance of training by farmers, meagre facilitation of the service providers and distribution of technologies to farmers in
a shorter period of time without giving ample preparatory time to build structures/dwellings.

**Co-funding**

It was noted that the districts of Manafwa and Mubende performed well in co-funding whereas Kabarole partially co-funded. The districts of Tororo, Lira, and Kasese performed poorly. The market oriented farmers in the districts of Kabarole, Mubende and Kasese co-funded whereas those in districts of Lira, Manafwa and Tororo did not. The reason stated for non or partial co-funding was the failure to give priority to NAADS in as far as co-funding is concerned compared to the other competing projects and programs. The reason for the failure by the market oriented farmers to co-fund was the failure by the NAADS officers to enforce the co-funding requirement.

The district of Manafwa did not recover technologies from farmers whereas the districts of Kabarole, Mubende, Kasese, Tororo and Lira partially implemented recoveries. Interviews however held with selected market oriented farmers in Tororo, Manafwa, and Lira, revealed that none had paid back the expected 70% of the value of the technologies received. In the districts of Kasese, Kabarole and Mubende, however, some farmers had paid back for the technologies, although partially.

The failure to carry out recoveries was due to the failure of the NAADS stakeholders in the districts to emphasize recovery during sensitization of farmers coupled with the low capacity by NAADS district stakeholders to carry out follow up under NAADS phase II, given the low facilitation.

**Tagging of Technologies**

It was observed during field inspections of the selected farmer enterprises in the districts that some of the technologies were not tagged. This was because tagging of animals was not prioritized.

**Support to Technology Promotion, Agro-business and Market Linkages**

Through interviews conducted at districts, it was noted that districts had developed market linkages in three key areas namely: agro-processing, development of seeds and breeds, increasing production for strategic enterprises. Districts like Kabarole and Kasese
had supported the formation of higher level market associations and had contracted consultants to train farmers in value addition, profitability analysis, resource management, high productivity and marketing techniques. In districts, some of the formed high level associations have been supported with equipment such as milk coolers, hatcheries, incubators, motorized maize mills/hullers and shellers, and paste processor. It was also noted that the Secretariat never undertook commodity and market studies and therefore districts were not availed with market information for farmers use.

**Monitoring and Evaluation**

Up to June 2010, all the districts visited carried out monitoring and evaluation in each quarter. This however changed from January 2011 when NAADS phase II commenced. Through document review and interviews, it was noted that M&E in phase II was not carried out on a quarterly basis in the districts of Tororo, Kabarole, Mubende and Kasese as required. The cause was attributed to the reduced funding of the M&E activities in NAADS phase II as compared to NAADS I and overblowing of monitoring and evaluation budgets by districts.

It was however noted that, although reports were produced for all M&E activities carried out in all districts, the data collected was not uniform in the districts. Each district designed its own monitoring instruments/checklists, without following the NAADS M&E guidelines. This was due to the failure by the secretariat to enforce the districts to follow the monitoring and evaluation guidelines. It was also noted that the officers from the secretariat rarely visited districts to carry out M&E.

**Record Keeping by Farmers**

It was noted through field visits that only 23% of the farmers maintain records of their activities, while 77% did not. The failure to maintain the records by farmers was due to failure by the service providers in particular and district NAADS officers in general to emphasize record keeping.

**Recommendations**

Following our audit findings, it is recommended that:-
• District NAADS officers should ensure that the selection of market oriented farmers by farmer groups is based on the NAADS agreed upon selection criteria.
• District NAADS officers should continuously sensitize and train farmers on the benefits of the program so as to change their attitudes towards the program.
• Preparatory period should be accorded to farmers to put in place some benchmarks like structures/dwellings before they are given technologies.
• Management of NAADS should consider improving the facilitation of the service providers to enable closer supervision/backstopping of farmer enterprises.
• Districts and sub-counties should prioritise and co-fund NAADS activities so as to enable successful implementation of all planned program activities.
• The NAADS secretariat should device a reward and sanction system, which would encourage districts and sub-counties to co-fund.
• The district and sub-county NAADS officers should enforce the co-funding by the market oriented farmers as required.
• NAADS management should strengthen farmer groups to enable them develop enforceable recovery procedures.
• NAADS management should consider improving on the facilitation of the district activities geared towards technology recovery.
• NAADS management should consider prioritizing the activity of branding/tagging its animals for easy identification and also to enhance accountability and transparency.
• The secretariat should carry out commodity and market studies, and avail all districts with market information, which farmer can use in determining where and at what price to sell their produce.
• NAADS should consider revisiting the funding position of M&E activities in NAADS phase II so as to ensure regular M&E which is pivotal to timely correction of program implementation deviations.
• The district should ensure that monitoring and evaluation is carried out by only the stakeholders enumerated in the NAADs implementation guidelines in order to avoid overblowing M&E budgets.

• The Secretariat should enforce the use of the monitoring and evaluation guidelines by districts during M&E to ensure that data collected by all districts is uniform and complete.

• The NAADS officers in general and the service providers in particular should continuously sensitize farmers on the benefits of record keeping.
CHAPTER 1

INTRODUCTION

BACKGROUND

1.1 Motivation

Uganda’s population is predominantly rural based, with 87.6% of citizens living in rural areas. The majority of the rural populace (about 67.9%) is engaged in subsistence farming for livelihood. Over 70% of Uganda’s working population is employed in the agricultural sector\(^1\).

In order to increase productivity and commercialization of the agricultural sector, Government of Uganda (GoU), with the assistance of development partners started the National Agricultural and Advisory Services (NAADS) program geared towards increasing the efficiency and effectiveness of agricultural extension service. The program has evolved to include the distributions of agricultural technologies to farmers. These are geared towards increasing household incomes and rural livelihood.

NAADS is working in pursuit of the national development framework of poverty eradication agenda, which is guided by the National Development Plan (NDP)\(^2\). The NDP aims at attaining the millennium development goal of eradicating extreme poverty and hunger. NAADS is one of the components under the Plan for Modernization of Agriculture (PMA), the planning framework of the Government for the transformation of subsistence agriculture to market oriented in order to achieve commercial production\(^3\).

Implementation of NAADS program started in six\(^2\) districts in 2001 and is currently (2012) covering all 112 districts and all 1,353 sub-counties and urban centres in the country. However, there is public concern about the program yielding less tangible benefits to participating farmers despite the substantial amounts spent. There have also been allegations about NAADS officers embezzling funds and inflating prices of procured inputs. Some of the allegations have been brought before courts of law and cases preferred against the suspects.

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\(^1\) Uganda Population and Housing Census, 2002  
\(^2\) NAADS Website  
\(^3\) NAADS Implementation manual
Due to the mismanagement of the program, GoU temporarily suspended the program in 2007, which was later reinstated in 2008 after undertaking reforms.

The reforms in NAADS notwithstanding, NAADS has still failed to maximally realize its objectives. The Government annual performance report 2009/10, noted that the technology promotion was still lagging behind while information on provision of extension services was limited despite NAADS spending Shs. 144 billion within that financial year.

It is against this background that an independent assessment of the performance of NAADS program was undertaken by the Office of the Auditor General (OAG), focusing on the implementation of the agricultural technologies, development of market linkages and monitoring and evaluation of the program, so as, to ascertain the challenges and suggest recommendations for improvement.

1.2 DESCRIPTION OF THE AUDIT AREA

1.2.1 General Description

The NAADS program was started in 2001 with a view to developing a demand driven, farmer-led agricultural service delivery system targeting the rural and poor subsistence farmers, with emphasis on women, youth and people with disabilities.

The program was conceived in line with the Government agenda of eradicating poverty in Uganda as guided by the Poverty Eradication Action Plan (PEAP), which is now the National Development Plan (NDP).

NAADS is one of the seven components under the Plan for Modernization of Agriculture (PMA), the planning framework of the government for the transformation of subsistence agriculture to market oriented in order to achieve commercial production. NAADS program, which is supervised by the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) aims at addressing past institutional constraints like weak research-extension-farmer linkages and low responsiveness to farmers’ needs through far reaching reforms and innovative approaches in service delivery.
NAADS is a 25 year program whose implementation started in July 2001 in six pilot districts of Arua, Kabale, Kibale, Mukono, Soroti and Tororo, operating in only four sub-counties in each district. The pilot districts and sub-counties were chosen according to the criteria designed to reflect variety with respect to nature of local agricultural economy and agro-ecological zones as well as compliance with Local Government Development Program (LGDP). NAADS is currently being implemented in all 112 districts as of 2011 with 1,353 sub-counties including urban councils.

NAADS phase I had five components. In 2008, when the NAADS suspension was lifted, the program was renamed NAADS phase II. These components were redesigned to incorporate the need of enhancing partnership with NARO, a stakeholder involved in agricultural research.

1.2.2 Legal Framework
NAADS is a semi-autonomous body formed under the NAADS Act of June 2001. The Act established three organs to implement the program namely the Board, Secretariat and Farmers Forum. The Local Government (LG) Act, which decentralizes agricultural services to the local governments, also has to be adhered to.

1.2.3 NAADS Vision and Mission
Vision
“A decentralized, farmer owned and private sector service extension system contributing to the realization of the agricultural sector development objectives”.
Mission
“Increased farmer access to information, knowledge and technology through effective, efficient, sustainable and decentralized extension with increased private sector involvement in line with government policy”

1.2.4 Program Goal and Objectives
Goal
The program goal is:
“To enhance rural livelihoods by increasing agricultural productivity and profitability in a sustainable manner”.
Objectives
The objectives of NAADS are to:-
1) Develop appropriate farmer controlled institutional structures and processes for managing the NAADS at all levels.
2) Avail appropriate technologies in sufficient quantities to meet identified farmer needs and increase the availability of appropriate advice and information to all the types of agricultural enterprises in an equitable and cost-effective manner.
3) Enhance the capacity of service providers and institutions to meet farmer advice and information needs.
4) Support agribusiness services and market linkages (Effective from the financial year 2010/11).
5) Assure the quality of advice and information provided to farmers by service providers and develop.
6) Provide program management monitoring and coordination.

1.2.5 The Organization Structure
NAADS is governed by the Board of Directors. The Executive Director (ED) is the Accounting Officer of the program. In implementing the program, the ED is assisted by three managers namely; Technical Services (TS) Manager, Planning, Monitoring and Evaluation (PME) Manager and Finance and Administration (FA) manager. (Refer to the Organization Structure in Appendix 3 for details).

1.2.6 Funding
The NAADS program is funded by the Government of Uganda and development partners. In the period under review, the development partners were:-
- International Fund for Agricultural Development (IFAD)
- Danish International Development Agency (DANIDA)
- International Development Agency (IDA) and
- The European Union (EU)
### Table 1: NAADS funding

<table>
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<tr>
<th>FUNDING SOURCE</th>
<th>2008/09 Shs. ‘000</th>
<th>2009/10 Shs. ‘000</th>
<th>2010/11* Shs. ‘000</th>
<th>Total Shs. ‘000</th>
</tr>
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<tbody>
<tr>
<td>Government</td>
<td>17,495,557</td>
<td>144,221,706</td>
<td>185,503,302</td>
<td>347,220,565</td>
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<tr>
<td>Development Partners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDA</td>
<td>36,402,973</td>
<td>20,306,908</td>
<td>-</td>
<td>56,709,881</td>
</tr>
<tr>
<td>DANIDA</td>
<td>1,434,175</td>
<td>440,280</td>
<td>-</td>
<td>1,874,455</td>
</tr>
<tr>
<td>EU</td>
<td>7,204,500</td>
<td>-</td>
<td>-</td>
<td>7,204,500</td>
</tr>
<tr>
<td>IFAD</td>
<td>5,371,382</td>
<td>16,597,266</td>
<td>-</td>
<td>21,968,648</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>67,908,587</strong></td>
<td><strong>181,566,160</strong></td>
<td><strong>185,503,302</strong></td>
<td><strong>434,978,049</strong></td>
</tr>
</tbody>
</table>

* Draft Accounts (Audit yet to be finalized)

Source: Audited Accounts

1.3 **AUDIT OBJECTIVE**

The audit objectives were:-

1. To ascertain the distribution and status of agricultural technologies.
2. To ascertain the development of market linkages.
3. To assess the monitoring and evaluation of the program.

1.4 **SCOPE**

The study focused on the implementation of the agricultural technologies, development of market linkages and monitoring and evaluation of the NAADS program in the districts of Kabarole, Kasese, Lira, Manafwa, Mubende, and Tororo. The study also covered four Financial Years (FYs); 2007/08, 2008/09, 2009/10 and 2010/11.
CHAPTER 2

AUDIT METHODOLOGY

This audit was conducted in accordance with the International Organization of Supreme Audit Institutions (INTOSAI) Auditing Standards and the Office of the Auditor General (OAG) VFM manual. The standards require that the audit be planned in a manner which ensures that an audit of high quality is carried out in an economic, efficient and effective way and in a timely manner.

2.1 SAMPLING

Six NAADS participating districts were randomly selected using a scientific method guided by scientific software (Win IDEA) as case studies. In each of the districts, two (2) sub-counties were visited where farmers were interviewed on how they were managing the agricultural technologies.

2.2 DATA COLLECTION

The team used the following methods to collect data:

Document review

The audit team reviewed both hardcopy and softcopy documents obtained from the entity and the internet respectively, with the view of understanding NAADS operations as detailed in Appendix 1.

Interviews

The audit team conducted fifty eight (58) interviews at the NAADS secretariat, selected districts and sub-counties with a view of understanding the operations and challenges of the program as detailed in Appendix 2. The team interviewed 86 market oriented farmers.

Inspections

Selected NAADS farms were inspected to observe the activities being undertaken, ascertain their progress and challenges faced. The program activities were also checked as to whether they were in line with the approved work plans. During inspections,
photographs of selected NAADS farms were taken to provide evidence of activities being undertaken and their overall status.

2.3 **DATA ANALYSIS**

Data and information was collected on NAADS funding for agricultural technologies, distribution of agricultural technologies to farmers, status of the agricultural technologies and development of market linkages. Collected data and information was analysed to determine variances and percentages. Comparisons of the intended/planned and actual program deliverables were made.
CHAPTER 3

SYSTEM AND PROCESS DESCRIPTION

3.1 ROLES AND RESPONSIBILITIES OF KEY PLAYERS

The roles and responsibilities of key players in the NAADS implementation programme are as follows:-

NAADS Board
The Board plays an advisory role at national level and gives guidance on policy direction and strategies through a NAADS Secretariat. It is responsible for setting targets and approving work plans and budgets for NAADS.

NAADS Secretariat
The Secretariat is responsible for NAADS management and closely coordinates the program with the Ministries responsible for Finance and Local Governments. The major tasks of the Secretariat are to provide technical guidance and operational oversight, and to facilitate outreach, by contracting and supervising private professional firms to provide specialized services according to the needs prioritized by farmers. On the other hand most decisions and functions of routine management is the responsibility of the appropriate farmer forum, Sub-County and District.

The Secretariat is also engaged in activities of regional and national scope and those of special public interest. Such activities include adaptive research trials, technology dissemination, social impact studies and policy-oriented research.

Ministry of Agriculture, Animal industry and Fisheries (MAAIF)
MAAIF is responsible for the overall supervision of NAADS through the NAADS Board. MAAIF remains accountable to Parliament on matters related to NAADS.

Ministry of Finance, Planning and Economic Development (MoFPED)
The flow of funds and accountability in the NAADS program follows the arrangements laid down under the Poverty Action Fund (PAF), which is implemented and supervised by MoFPED. This fiscal supervisory arrangement applies to NAADS. The NAADS Secretariat
aggregates plans of the farmer groups and submits them to the Ministry to trigger release of funds.

**Local Governments**

Local Governments in accordance with the Local Governments Act 1997, is responsible for implementation of NAADS activities. The Ministry of Local Government, through its decentralization Secretariat and the Local Government Finance Commission, ensures that NAADS is integrated into the Local Government Development Project (LGDP) and all other Local Government capacity building initiatives in the Districts.

Local Governments provide the local administrative, regulatory and support services required for NAADS. The appropriate organs of the local authority are responsible for execution of any new NAADS functions. Parish, Sub-County and District Councils are each responsible for policy, assessment of effectiveness, general oversight of the NAADS, and for voting counterpart financial contributions to the NAADS account at that level.

**Districts Specific Responsibilities and Functions**

Districts specific responsibilities in relation to the NAADS program are:-

1) Undertake all necessary measures to meet the requirements for compliance by the District and its Sub-Counties to participate in NAADS.
2) Implement the requirements stipulated in the Participation Agreement with the NAADS Secretariat.
3) Facilitate the NAADS planning and budgeting processes for the District and its participating Sub-Counties.
4) Commit matching funds for the District NAADS activities.
5) Obtain and facilitate the flow of funds to the Sub-Counties, including the enforcement of financial and technical accountability.
6) Provide technical backstopping to the Sub-Counties in the procurement of advisory services.
7) Ensure dissemination to farmers of market, meteorological and other relevant agricultural information.
8) In collaboration with the District Farmer Forum, support technology testing and adaptive research trials for the District-wide research and technology needs.
9) Conduct technical auditing of services provided to farmers.
10) Undertake monitoring and evaluation of NAADS District activities.
11) Being accountable to the NAADS secretariat and Ministries responsible for agriculture, local government, and finance.

**Sub-County Specific Responsibilities**

The specific main roles and functions of the Sub-County in relation to the NAADS program are as follows:-

1) Undertake all necessary measures to meet the requirements for compliance by the Sub-County to participate in NAADS.
2) Empower farmers to own, demand and guide the advisory services.
3) Commit matching funds for the Sub-County NAADS activities.
4) Establish Sub-County Contract Committees and facilitate the tendering process for advisory services.
5) Facilitate the planning and budget processes.
6) In collaboration with the Sub-County Farmer Forum, contract services for all NAADS services.
7) Undertake monitoring and evaluation of NAADS Sub-County activities.
8) Facilitate information feedback and feed forward mechanisms between the farmer forum, the Sub-County Administration, NAADS and farmers.

**Farmer Institutions**

The farmer institutions consist of:-

**Farmers’ Groups**

Farmer groups are important for empowerment, demonstration and adoption of new technologies, sharing and dissemination of information and for achieving advisory services outreach. NAADS supports the formation of these institutions through contracting service providers to mobilize the farmers into homogenous interest groups. Farmers who share common agricultural interests form autonomous groups at village and parish levels\(^4\). These groups aggregate into a Forum for the Sub-County, which provide the key interface between farmers and government institutions for planning and

\(^4\) NAADS Act, 2001
contracting advisory services. Special efforts are made to increase the proportions of females, youth and the disabled in various activities of the program. To ensure that the effects of socio-economic disparities among different farmers groups are addressed, capacity building and resource allocation is based on the needs of each group. Groups of poor farmers require more support than wealthy groups in capacity building and planning.

The formation and support of farmers groups will be initiated and fostered by NAADS, utilizing the services of local community development staff, other change agents and specialist service providers.

The functions of farmer groups are as follows:

1) Identify and prioritize members’ needs for advisory services.
2) Develop operational plans for meeting members’ needs for advisory services.
3) Raise financial contributions for the operation of advisory services at group level.
4) Monitor and evaluate the performance of agricultural service providers.
5) Elect representatives to the farmer forum.
6) Participate (through elected representatives) in the farmer forum and activities of higher level NAADS organs.
7) Develop linkages and partnerships with other stakeholders for purposes of increasing the efficiency and effectiveness of advisory services.

**Farmers’ Forum**

The Farmer Forum comprises an assembly of farmer group representatives elected to provide a mechanism in which farmers consult, discuss issues of interest to the farming profession and prepare a common viewpoint to interact with stakeholders and the administration. Registration of farmer groups and representatives to their respective Farmers Forum is conducted in accordance with the provisions of Section 24 (1-9) of the NAADS Act 2001. At the Sub-County level, farmers through their groups and Forum members participate in the planning and procurement of services, setting standards for quality control, in regulation, monitoring and evaluation of development processes.

In accordance with the NAADS Act 2001 Section 25 (a – e), the Sub-County Farmer Forum undertakes the following functions:
1) Consider and approve proposed annual work plans and budgets at the Sub-County level for implementation of the NAADS in their area, for incorporation into the Sub-County development plan.

2) Advise the NAADS organization on suitable strategies for implementation of NAADS.

3) Support and facilitate the operations of the farmer groups in the Sub-County.

4) Monitor and report the establishment, registration, physical and financial performance of the farmer groups and service providers in the Sub-County.

5) Ensure active participation of women and the youth in decision-making processes.

**Service Providers**

Service providers are individual or corporate bodies (consultancy firms, professional companies, academic institutions, and parastatal agencies) contracted to deliver advisory services. The functions of service providers are:-

1) To advise and provide information, knowledge and skills to farmers on improved methods of farming and agricultural development.

2) To advise and provide information to farmers on marketing and trading activities, input supply, storage and product processing.

3) To report to the Sub-County Farmer Forum Executive Committee on the performance of agriculture in general, and on the performance of the farmer groups in the specific areas of operation.

4) To arrange and perform advisory, research and development support services in response to the demands of farmers.

**NARO**

NARO Agricultural Research Development Centres (ARDC) in collaboration with NAADS disseminates new technologies to farmers.
3.2 **PROCESS DESCRIPTION**

3.2.1 **Distribution of Agricultural Technologies**

**Farmer Selection**

The implementation of NAADS activities is at three different levels namely: the secretariat, districts and sub-counties. The major focus of the NAADS program implementation is the sub-counties with the farmer institutions being the main vehicle.

Farmers to benefit from NAADS are selected through their farmer groups. Farmer groups are important for empowerment, demonstration and adoption of new technologies, sharing and dissemination of information and for achieving advisory services outreach. The farmers are mobilised and supported to join existing or form and register new farmer groups, based on common agricultural interests at village and parish levels\(^5\). Special efforts are made to increase the proportions of females, youth and the disabled in various activities of the program. These groups aggregate into a Forum for the Sub-County, which provides the key interface between farmers and government institutions for planning and contracting advisory services.

The selection of farmers from the farmer groups to receive technologies is guided by, wider publicity of selection process, access to or ownership of land and other production facilities, among other factors. The selection process of farmers meant to receive technologies is guided by the Subject Matter Specialists (SMSs).

A selected food security farmer acts as a learning centre in case of introduction of new technologies and agronomic practice. A market oriented model farmer on the other hand is an early adopter/innovator who sets the pace for market orientation by demonstrating to other farmers in the group, the promising technologies for the priority market oriented enterprises. Farmers selected for market oriented should show commitment to finance 50% of total investment.

**Quality Assurance**

After farmers have selected enterprises and agricultural technologies, Subject Matter Specialists (SMSs) then draw up specifications for the technologies, undertake pre-

\(^5\) NAADS Act, 2001
delivery inspections and verify delivery to ensure conformity to the specifications. SMSs issue certificates to suppliers whose technologies conform to specifications. Such animals should then be tagged to ensure that they are the ones to be supplied to farmers.

Besides this, the SMSs support the program by doing technical backstopping in agricultural advisory services. SMSs are responsible for technical backstopping of service providers at the sub-county as well as quality assurance of service provision and technical auditing. SMSs assess technologies and assist farmers in enterprise selection. NAADS finances the incremental costs incurred on such staff as they perform NAADS duties.

**Farmer Obligations**

Each food security host farmer passes over to other members of his/her farmer group 100% of the value of the support received. The market oriented model farmers on the other hand pay back 70% of the value of the technology received in cash, which should be deposited in the group account with an accredited financial institution. The village and parish farmer forum executive oversees the revolving scheme for the multiplication and distribution of the technology inputs.

The various beneficiaries of NAADS co-fund the program, with districts and sub-counties each contributing 5%, whereas farmers co-fund 2% (phase I). The co-funding by both districts and sub-counties increased to 6% while that of the market oriented farmers increased to 3% in phase II.

Farmers are also required to keep records of all their operations/farm activities in the enterprises and share that information with all farmers.

Farmer groups aggregate into farmer fora at sub-county, district and national levels. The farmer fora are the major linkages between farmers and Government institutions. The purpose of farmers groups is to create institutions that enable farmers to effectively organise, formulate and prioritise their needs.
3.2.2 Development of Market Linkages
Under the NAADS program, technologies and market linkages are developed by the Secretariat, districts and sub-counties to promote linkages among farmers, advisers and researchers. Funds are allocated by the Secretariat to districts to support technology promotion, agro-business and market linkages. Researchers are contracted to work with farmers on technology development and adaptation. These researchers also link farmers to markets.

3.2.3 Monitoring and Evaluation
The NAADS Board, the Secretariat and the national farmers forum are responsible for overall monitoring of implementation. The monitoring of program is done at different levels namely: national, regional, district, Sub County and parish. These levels entail the participation of different parties, such as: NAADS Secretariat, farmers fora, district leaders, district internal audit departments, and service providers.

The technical staff and the political leadership also carry out M&E once every quarter within the M&E framework. Monitoring of NAADS activities involves continuous comparison of NAADS inputs and expected outputs which is done quarterly. Monitoring and evaluation function assesses inputs used, activities undertaken and the resultant outputs in terms of farmer participation, timeliness of activities, service quality, economies of scale and costs, as well as any other complementary factors that may be critical to success of specific components. The M&E system provides reports on regular basis to all stakeholders at each level of implementation. The recommendations in the reports are considered for corrective actions.

As a way of providing technical guidance and operational oversight, the Secretariat also carries out semi and annual reviews. In addition, NAADS is required to undertake baseline and mid-term surveys together with the program impact evaluation.
CHAPTER 4
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents findings, conclusions and recommendations on:-

4.1 STATUS OF AGRICULTURAL TECHNOLOGIES

According to the NAADS implementation manuals, a market oriented model farmer is an early adopter/innovator who sets the pace for market orientation by demonstrating to other farmers in the group, promising technologies for the priority market oriented enterprises.

Through field visits in the selected districts, it was noted that farmers were engaged in enterprises geared towards increasing their incomes. The major technologies/enterprises included goat rearing, poultry, piggery, dairy and apiary. The food security farmers were mostly engaged in the crop cultivation while the market oriented farmers were engaged in the others.

Sampled market oriented enterprises were visited, and it was noted that the enterprises of dairy, goat rearing and piggery were well managed by farmers as compared to poultry. It is however worth noting that although the performance of poultry was not generally good in the selected districts, in Kasese it was doing fairly well, as seen in Picture 1. Some of the farmers whose enterprises were not doing well sold inputs or technologies as detailed in Table 2. Other farmers failed to prepare appropriate structures/dwellings for the technologies as detailed in Table 3, and yet they were a precondition for receiving technologies.
**Picture 1: Well Performing Poultry enterprise**

![Image of chickens](image_url)

One of a well performing poultry farms in Bugoye Sub-County, Kasese District, Picture taken on 16th January 2012

**Table 2: Farmers who sold Inputs and Technologies**

<table>
<thead>
<tr>
<th>District</th>
<th>Sub-County</th>
<th>Parish/Village</th>
<th>Farmer Name</th>
<th>Technologies Received</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manafwa</td>
<td>Lwakhakha Town Council</td>
<td>Butemulani Ward</td>
<td>Kefa Lungwanyi</td>
<td>Received 2 pigs</td>
<td>Sold both</td>
</tr>
<tr>
<td></td>
<td>Butiru Sub-county</td>
<td>Butiru Board Town Board</td>
<td>Mungoma Joseph</td>
<td>Received 250 layers</td>
<td>Sold all</td>
</tr>
<tr>
<td></td>
<td>Butiru Sub-county</td>
<td>Butiru Board Town Board</td>
<td>Tasike Aoron Godwin</td>
<td>Received 4 pigs</td>
<td>Sold 1 Pig</td>
</tr>
<tr>
<td>Tororo</td>
<td>Kisoko Parish</td>
<td>Kisoko</td>
<td>Ocheng Richard</td>
<td>Received 21 Turkeys and Chain link</td>
<td>Sold 20 Turkeys and Chain link</td>
</tr>
<tr>
<td>Kabarole</td>
<td>Ruteete sub-county</td>
<td>Rurama Central</td>
<td>Kyalimpa Wilson</td>
<td>Received 250 birds</td>
<td>Sold 110 birds</td>
</tr>
</tbody>
</table>
West Division | Kagote Ward | Swaibu Surea | Received 500 chicken | Sold all
West Division | Kagote Ward | Fatuma Twaha | Received 500 chicken | Sold all

Source: Interview of farmers and Sub-county NAADS officers

Table 3: Farmers with Improper structures for technologies

<table>
<thead>
<tr>
<th>District</th>
<th>Sub-County</th>
<th>Parish/Ward</th>
<th>Farmer Name</th>
<th>Details</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tororo</td>
<td>Osukuru</td>
<td>Kayoro Parish</td>
<td>Aida Atukuru</td>
<td>Poorly built poultry structure</td>
<td>90 chicken died</td>
</tr>
<tr>
<td>Eastern Division</td>
<td>Kasoli Parish</td>
<td>Monica Osudo</td>
<td>Structure not raised to avoid dampness</td>
<td>Lost all 500 the chicken</td>
<td></td>
</tr>
<tr>
<td>Eastern Division</td>
<td>Kasoli Parish</td>
<td>Akware Leonorah</td>
<td>Dairy shed collapsed</td>
<td>Cow staying outside</td>
<td></td>
</tr>
<tr>
<td>Eastern Division</td>
<td>Kasoli Parish</td>
<td>Wanigna Fred</td>
<td>&quot;</td>
<td>&quot;</td>
<td></td>
</tr>
<tr>
<td>Eastern Division</td>
<td>Amagoro ‘A’</td>
<td>Owaga Owori William</td>
<td>Poorly constructed shed</td>
<td>6 pigs died and general hygiene was poor</td>
<td></td>
</tr>
<tr>
<td>Kabarole</td>
<td>West Division</td>
<td>Rwengoma</td>
<td>Mbabazi Getrude</td>
<td>Farmer failed to build a raised structure for the pigs</td>
<td>Pigs re-allocated to another farmer</td>
</tr>
<tr>
<td>Lira</td>
<td>Adekekwok sub-county</td>
<td>Bororo Parish</td>
<td>Opio Emmanuel</td>
<td>Chicken share abode with goats</td>
<td></td>
</tr>
</tbody>
</table>

Source: Observation of farmer premises
Some of the examples of mismanaged enterprises are shown in **Picture 2**.

**Picture 2: Poorly Managed Enterprises and Inputs**

<table>
<thead>
<tr>
<th>a)</th>
<th>b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
</tr>
</tbody>
</table>

Left: A farmer who received 21 turkeys sold all of them except 1 seen together with its two poults. Right: The same farmer sold the chain link which was meant for erecting a shed for the turkeys in the cleared ground. Pictures taken on 30th January 2012 in Kisoko Sub-county, Tororo district

<table>
<thead>
<tr>
<th>c)</th>
<th>d)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image3.png" alt="Image" /></td>
<td><img src="image4.png" alt="Image" /></td>
</tr>
</tbody>
</table>

Left: Farmer’s structure left vacant after sale of birds, Picture taken in West Division, Kabarole on 12th Jan 1012. Right: Dwelling place for a dairy cow and in the background is where the beneficiary farmer sleeps, Picture taken on 1st Feb 2012 in Lwakshakha Town Council.
Farmer explained that birds lacked chicken feeds. Birds released to roam the compound due to lack of feeds, Pictures taken in Boroboro Parish, Adekekwok Sub County in Lira district, on 3rd February 2012.

Garden where 50 Mango seedlings were planted and had all been uprooted, Picture taken in Kisoko, Tororo district on 30th Jan 2012.

Cow tethered in a dry place without pasture, Picture taken in Lwakhakha Town Council, Manafwa district on 1st Feb 2012.

The mismanagement of the technologies was attributed to poor enterprise selection by farmer groups coupled with ineffective verification of the ability of farmers to manage; by the district SMSs. Farmers lacked the means to sustain the enterprises like poultry. Some farmers expected NAADS to continue supporting them by providing inputs like feed, drugs and also to build structures/dwelling for the technologies and yet they had
been sensitized on their responsibilities. Farmers were expected to show commitment to finance 50% of total investment. The poor farmer attitude, aggravated the situation and made farmers fail to appreciate and own up the program.

The mismanagement was also caused by the distribution of technologies to farmers in a shorter period of time without giving ample preparatory time to build structures/dwellings for the technologies. This resulted in some beneficiary farmers sharing dwellings with animals, like the case in Lwakhakha Town Council in Manafwa district.

Furthermore, the deterioration of farmer attendance of training has also affected technology maintenance. Farmers shun the trainings citing the lack of refreshments, lunch and transport refund in the meetings. Only about half of the expected numbers of farmers on average turn up to attend trainings. This was the case in all the six districts.

Another cause advanced by the district NAADS staff for the mismanagement of the enterprise was the meagre facilitation of the service providers to carry out their duty of backstopping. All the service providers in the districts visited lacked motorcycles and expressed the challenge of carrying out their work with limited facilitation. It was also noted that 80% of the service providers lacked demonstration kits. The challenges faced by the service providers make them fail to reach majority of farmers and therefore fail to adequately advice and provide information, knowledge and skills on improved methods of farming and agricultural development.

The poor performance in above mentioned enterprises led to low egg production, forced sale of immature birds in poultry and deaths of technologies. This affects the ability of farmers to meet the key objectives of NAADS of realizing food security, nutrition and increasing household incomes through increased productivity.

**Conclusion**

The enterprise selection guidelines were not adhered to and in some cases farmers did not heed to advice given by the SMSs. Some of the farmers who participated in market oriented enterprises could have performed better in food security. This compromises the
attainment of NAADS objectives of ensuring food security, nutrition and increasing incomes through increased productivity.

**Recommendations**

- **District NAADS officers** should ensure that the selection of market-oriented farmers by farmer groups is based on the NAADS agreed upon selection criteria.
- **District NAADS officers** should continuously sensitize and train farmers on the benefits of the program so as to change their attitudes towards the program.
- **Preparatory period** should be accorded to farmers to put in place some benchmarks like structures/dwellings before they are given technologies.
- **Management of NAADS** should consider improving the facilitation of the service providers to enable closer supervision/backstopping of farmer enterprises.

4.2 **QUALITY ASSURANCE BY SUBJECT MATTER SPECIALISTS**

According to the NAADS implementation guidelines, following the selection of enterprises and agricultural technologies, Subject Matter Specialists (SMSs) (agriculturalist, veterinary officer fisheries officer and entomologist) are supposed to draw up specifications for the technologies, undertake pre-delivery inspections to ensure compliance with specifications and verify delivery.

During interview of the district and sub-county NAADS officers, it was noted that the SMSs were involved in technology specifications which are presented to farmer forums for approval. They were also involved in verifying technologies at the time of delivery to ensure conformity to the specifications earlier agreed on. Certificates were issued to suppliers whose technology deliveries conformed to specifications whereas those, whose deliveries did not conform, had their supplies rejected. For crops, viability tests were carried out before approval.

During interviews, it was also revealed that although the SMSs were involved in ensuring that the technologies supplied conformed to standards, the number of supplies at times overwhelmed them. The too many farmers in villages and parishes, coupled with the
supply of technologies for all the sub-counties at the same time, at times made SMSs not verify all deliveries.

It was also noted that in Lira, the chicken supplied to farmers were dying immediately after delivery despite the verifications by the SMS. The sub-county NAADS coordinator attributed the deaths to the confinement which the local birds were not used to. Audit however, argues that there was no ample time given for the observation period to ensure that the technologies were disease free before they were distributed to the farmers.

The beneficiary farmers in Lira whose chicken fell sick immediately after delivery had to grapple with the cost of treating them, till most died. This economically drained the farmers.

**Conclusion**

It is evident that the SMSs inspections though carried out in all the six districts had not been full proof in ensuring quality since ample time is not given to observe the technologies.

**Recommendation**

**SMSs in districts should give ample time for the observation of technologies to ensure that they are disease free before they are distributed to the farmers.**

4.3 **CO-FUNDING**

According to the revised NAADS implementation guidelines, various beneficiaries of NAADS were to co-fund the program, with districts and sub-counties each contributing 5% and farmers 2% in phase I. The co-funding by both districts and sub-counties increased to 6% while that of the market oriented farmers increased to 3% in phase II.

Through interview and document review, it was noted that the districts of Manafwa and Mubende performed well in co-funding whereas Kabarole partially co-funded. The districts of Tororo, Lira, and Kasese performed poorly. Some of the periods when the poorly performing districts did not co-fund any money are: Tororo (FYs 2007/08 and 2010/11); Lira (2010/11), Kasese (2008/09, 2009/10 and 2010/11).
The Co-funding by the food security farmers was stopped. The co-funding by the market oriented farmers in the six districts selected varied from district to district. Market oriented farmers in the districts of Kabarole, Mubende and Kasese co-funded whereas those in districts of Lira, Manafwa and Tororo did not.

It was also noted that the market oriented farmer groups only contributed when selected to receive technologies and not annually. It was further noted that the co-funding obligation was at times left to the benefiting member alone as opposed to the whole group, case in point was Tororo.

The reason advanced by the districts and sub-counties for non or partial co-funding was the inadequate revenue base, due to the scrapping of graduated tax. The audit however noted that, the co-funding of other projects and programs in districts is better than NAADS. For example in the financial 2010/11, Tororo district co-funded the LGDP program 100% whereas NAADS program was 0%, yet NAADS had also been budgeted for. So it is evident that NAADS is not given priority in as far as co-funding is concerned compared to the other competing projects and programs.

The reason for the failure by the market oriented farmers to co-fund was the failure by the NAADS officers to enforce the co-funding requirement.

The failure to co-fund resulted in districts and sub-counties scaling down the implementation of activities, like extension services to the farmers. Districts and sub-counties end up implementing only 70%-80% on average of the annual budgeted activities.

**Conclusion**

The districts and farmers failed to honour their obligations of co-funding which were clearly spelt out in the memoranda of understanding. This affects the implementation of the program as envisaged.

**Recommendations**

- **Districts and sub-counties should prioritise and co-fund NAADS activities so as to enable successful implementation of all planned program activities.**
• The NAADS secretariat should device a reward and sanction system, which would encourage districts and sub-counties to co-fund.
• The district and sub-county NAADS officers should enforce the co-funding by the market oriented farmers as required.

4.4 RECOVERY OF AGRICULTURAL TECHNOLOGIES

According to the NAADS implementation guidelines, the village and parish farmer forum executive is supposed to oversee the revolving scheme for the multiplication and distribution of the technology inputs. Each food security host farmer is to pass over to other members of his/her farmer group 100% of the value of the support received. The market oriented model farmers should pay back 70% of the value of the technology received in cash, which should be deposited in the group account with an accredited financial institution.

Through interviews held with the district NAADS officers, it was noted that the district of Manafwa did not recover technologies from farmers whereas the districts of Kabarole, Mubende, Kasese, Tororo and Lira partially implemented recoveries.

Interviews however held with selected market oriented farmers in Tororo, Manafwa, and Lira, revealed that none had paid back the expected 70% of the value of the technologies received. In the districts of Kasese, Kabarole and Mubende, however, some farmers had paid back for the technologies, although partially.

It was also noted that recoveries in Kabarole were at times done in kind due to the challenges of farmers paying in cash. The farmers who received dairy cows were giving back 9 months old calves whereas those who received pregnant pigs gave back 5 piglets aged between 3-4 months.

The failure to carry out recoveries was due to the failure of the NAADS stakeholders in the districts to emphasize the recovery concept at the time of sensitization of farmers. The districts that did partial recoveries decried the lack of cohesiveness in farmer groups. It was also noted that the groups lacked enforceable procedures to compel the defaulting farmers to pay back.
It was further stated that there was low capacity by NAADS district stakeholders to carry out follow up under NAADS phase II, given the low facilitation compared to NAADS phase I. For example in Kabarole district, the funds for monitoring and evaluation, during phase I was Shs 15 million on average for the original NAADS 5 sub-counties whereas in phase II the funds did not increase yet the sub-counties increased to 23. This has affected the frequency of the activities organized geared towards technology recovery. The situation is made worse by the interference of the recovery processes by the local politicians who give farmers contradicting information.

12% of the farmers interviewed explained that they could not pay back due to the failure of the enterprises to yield expected results. For example one of the farmers in Adyel Division, Lira district explained that he could not pay back because four of the goats he received were stung by bees and had died. 88% of the farmers however, expressed willingness to give back technologies, although some cited disease, pest and extensive drought as impediments.

The failure to recover technologies from the beneficiary farmers impeded the progress of the revolving scheme.

**Conclusion**

The farmer groups failed to recover technologies from beneficiary farmers, and this has affected the ability of farmers to attain agricultural growth which in turn affects the increase in incomes through the revolving scheme.

**Recommendations**

- NAADS management should strengthen farmer groups to enable them develop enforceable recovery procedures.
- NAADS management should consider improving on the facilitation of the district activities geared towards technology recovery.
- The management of NAADS at the secretariat and the districts should ensure that the process of technology recovery is not interfered with.
4.5 **TAGGING OF TECHNOLOGIES**

It is good practice for technologies to be identified with the project or program.

Through interview of the NAADS officers in the district, it was revealed that Lira and Manafwa did not tag animals (goats, cows and pigs) supplied whereas Kabarole, Mubende, Tororo and Kasese did.

**Picture 3: Un-Tagged Cow**

![Un-tagged dairy cow in Lwakhakha Town council, Manafwa district, Picture taken on 2nd February 2012](image)

It was however revealed, through field inspections of the selected farmer enterprises in the districts of Kabarole, Mubende, Tororo and Kasese, that some of the technologies were not tagged as detailed in **Table 4**.
<table>
<thead>
<tr>
<th>District</th>
<th>No.</th>
<th>Sub-County</th>
<th>Parish/Ward</th>
<th>Farmer Name</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kabarole</td>
<td>1.</td>
<td>Rutete</td>
<td>Ruhama</td>
<td>Mutaasa Christine</td>
<td>Piggery</td>
</tr>
<tr>
<td></td>
<td>2.</td>
<td>West Division</td>
<td>Kyabukokone</td>
<td>Mbabazi Gertrude</td>
<td>Piggery</td>
</tr>
<tr>
<td>Kasese</td>
<td>3.</td>
<td>Bugoye</td>
<td>Bugoye</td>
<td>Kato Silas</td>
<td>Piggery</td>
</tr>
<tr>
<td></td>
<td>4.</td>
<td>Kilembe</td>
<td>Bunyandiko</td>
<td>Mbuyirahi Jetriess</td>
<td>Piggery</td>
</tr>
<tr>
<td>Mubende</td>
<td>5.</td>
<td>Mubende Town Council</td>
<td>Kyaterekera ward</td>
<td>Kaweesi Dan</td>
<td>Dairy</td>
</tr>
<tr>
<td>Tororo</td>
<td>6.</td>
<td>Osukuru</td>
<td>Kayoro</td>
<td>Ringtho Richard</td>
<td>Piggery</td>
</tr>
<tr>
<td></td>
<td>7.</td>
<td>Eastern Division</td>
<td>Kasoli</td>
<td>Akware Leonora</td>
<td>Dairy</td>
</tr>
<tr>
<td></td>
<td>8.</td>
<td>Eastern Division</td>
<td>Amagoro -A</td>
<td>Owaga Owor William</td>
<td>Piggery</td>
</tr>
<tr>
<td>Manafwa</td>
<td>9.</td>
<td>Lwakhakha Town Council</td>
<td>Lwakhakha</td>
<td>Muliro Abubaker</td>
<td>Dairy</td>
</tr>
<tr>
<td></td>
<td>10.</td>
<td>-do-</td>
<td></td>
<td>Muholi Sulaiman</td>
<td>Dairy</td>
</tr>
<tr>
<td></td>
<td>11.</td>
<td>-do-</td>
<td></td>
<td>Muchagara David</td>
<td>Dairy</td>
</tr>
<tr>
<td></td>
<td>12.</td>
<td>Butiru</td>
<td>Butiru Town Board</td>
<td>Tasike Godwin Aaron</td>
<td>Piggery</td>
</tr>
<tr>
<td></td>
<td>13.</td>
<td>-do-</td>
<td>Khatsonga</td>
<td>Nkenge Nicholas</td>
<td>Piggery</td>
</tr>
<tr>
<td>Lira</td>
<td>14.</td>
<td>Adyel Division</td>
<td>Teso - C</td>
<td>Owani Joy</td>
<td>Piggery</td>
</tr>
<tr>
<td></td>
<td>15.</td>
<td>-do-</td>
<td>Teso - A</td>
<td>Akwang Janet</td>
<td>Piggery</td>
</tr>
<tr>
<td></td>
<td>16.</td>
<td>-do-</td>
<td>-do-</td>
<td>Omar Fatumah</td>
<td>Goats</td>
</tr>
<tr>
<td></td>
<td>17.</td>
<td>-do-</td>
<td>-do-</td>
<td>Apea Nancy</td>
<td>Goats</td>
</tr>
<tr>
<td></td>
<td>18.</td>
<td>Adekokwok</td>
<td>Boroboro</td>
<td>Ogwal Patrick</td>
<td>Piggery</td>
</tr>
<tr>
<td></td>
<td>19.</td>
<td>-do-</td>
<td>-do-</td>
<td>Okello Magaret</td>
<td>Piggery</td>
</tr>
<tr>
<td></td>
<td>20.</td>
<td>-do-</td>
<td>Boke</td>
<td>Odong Gilbert</td>
<td>Piggery</td>
</tr>
</tbody>
</table>
According to DNCs and SNCs in the districts and sub-counties/urban centres visited, tagging of animals is not prioritized. The failure to tag makes it difficult to confirm whether the animals inspected in districts were actually for NAADS program. We cannot rule out the possibility of being showed animals of other programs, that are being implemented in the district or animals of individual farmers in districts.

**Conclusion**

When programs/projects are not branded, and yet there are various projects of similar nature in the same locality, it makes it difficult to identify which project is which.

**Recommendation**

NAADS management should consider prioritizing the activity of branding/tagging its animals for easy identification and also to enhance accountability and transparency.

### 4.6 SUPPORT TO TECHNOLOGY PROMOTION, AGRO-BUSINESS AND MARKET LINKAGES

Under the NAADS program, technologies and market linkages should be developed by the secretariat, districts and sub-counties to promote linkages among farmers, advisers and researchers. The Secretariat avails funds to districts to contract researchers to work with farmers on technology development, adaptation and also to link farmers to markets.

Through interviews conducted at districts, it was noted that districts had developed market linkages in three key areas namely: agro-processing, development of seeds and breeds, increasing production for strategic enterprises. Districts like Kabarole and Kasese had supported the formation of higher level market associations and had contracted consultants to train farmers in value addition, profitability analysis, resource management, high productivity and marketing techniques.

In districts, some of the formed high level associations have been supported with equipment such as milk coolers for dairy association in Kasese and Kabarole, hatcheries in Tororo, incubator, motorized maize mill/huller and shellers in Mubende, groundnut sheller and paste processor in Tororo. In Kabarole, road side markets had also been constructed, as seen in Picture 4.
Picture 4: Road Side Market

One of the road side markets established in Central Division, Kabarole district, where all farmers sell their produce without paying tax, Picture taken 12th January 2012

It was however noted that some of these equipment had not been put to use like the case of Tororo where a hatchery purchased in 2009/10 at Shs 15 million had not yet been installed. Also in Mubende an incubator, which had been purchased at Shs 4.5 million in the year 2009/10 had not been given to a farmer association, as shown in Picture 5.

It was also noted that some of the formed farmer associations had failed to take off due to insufficient production. Case in point was a garlic association in Kabarole which was linked to supply Shoprite supermarket, but failed to handle the demand.
It was also noted that the Secretariat never undertook commodity and market studies, and therefore districts were not availed with market information for farmers use.

**Conclusion**

Despite efforts by districts to link farmers to markets, the capacity of farmer associations was still low and this means that more efforts are needed for the progression from subsistence to market oriented and to commercialization production.

**Recommendation**

- District NAADs officers should encourage farmer associations to attain mass production to enable them supply their produce locally, regionally and internationally.
The secretariat should carry out commodity and market studies, and avail all districts with market information, which farmers can use in determining where and at what price to sell their produce.

4.7 **MONITORING OF NAADS PROGRAM**

According to the implementation guidelines, Monitoring and Evaluation (M&E) of the implementation of NAADS activities in the districts will be carried out by technical staff and political leadership once every quarter within the M&E framework. As a way of providing technical guidance and operational oversight, the Secretariat should carry out semi and annual reviews. In addition, NAADS should carry out baseline and mid-term surveys together with the program impact evaluation. NAADS is also to maintain a database containing of the program.

4.7.1 **Baseline survey**

The baseline survey for NAADS program was carried out in the districts of Kabale, Soroti, Mukono in 2001. According to the performance evaluation report of NAADS, June 2008, due to the flaws in the methodology and approach used, in the baseline survey, the information could not be replicated and no other surveys have been done.

The result of this is that there is no basis for a “before and after” assessment of the program. Evaluating the achievements of the program outcomes and impacts later on in the program would be difficult.

4.7.2 **M&E**

In phase I, all the districts visited carried out monitoring and evaluation in each quarter. This however changed in phase II. Through document review and interviews, it was noted that M&E in phase II was not carried out on a quarterly basis in the districts of Tororo, Kabarole, Mubende and Kasese as required. The districts of Tororo and Kabarole carried out both the technical and political monitoring and evaluation once in a year on average. In Kasese, the technical monitoring and evaluation is done twice whereas the political is done once in a year.

Document review revealed that M&E reports were produced for all M&E activities carried out in all districts visited. It was however noted that, data collected was not uniform in
the districts. Each district designed its own monitoring instruments/checklists, without following the NAADS M&E guidelines.

At the time of audit, through interview with district NAADS officers, it was stated that the participatory M&E by farmers had been suspended pending the revision of the M&E forms. The forms were found not to be user friendly, making farmers fail to fill.

It was noted that follow up on the recommendations of M&E reports was carried out, by allocating NAADS technical staff tasks to carry out (action points) in order to address the issues noted in the M&E reports.

Interview with the NAADS officers in districts revealed that officers from the secretariat rarely visited districts to carry out M&E. For example, M&E assessment by the Secretariat in Kasese district since the inception of the NAADS program had only been done twice.

4.7.3 **Semi, Annual and Mid-term reviews by Secretariat**

The semi and annual reviews were carried out annually by NAADS, where the program challenges faced by the farmers in the implementation of the program are reviewed and solutions sought. The midterm review of the program was carried out for phase I in 2004/05.

4.7.4 **Management Information System**

A management information system, as a monitoring and evaluation tool for NAADS program is in place. The challenge faced though is in maintaining the database. The database is not up-to-date because some districts do not submit reports while some submit but with gaps.

The cause for the failure to do quarterly M&E as aforementioned was attributed to the reduced funding of the M&E activities/function in NAADS phase II as compared to NAADS I. For example in Kabarole district, the funds for monitoring and evaluation, during phase I was Shs 15 million on average for the original NAADS 5 sub-counties whereas in phase II the funds did not increase yet the sub-counties increased to 23.
It was also noted that there were instances in districts where the monitoring and evaluation budgets were being overblown, by involving a multitude of stakeholders beyond the ones approved by the program, as indicated in Table 5, for the technical M&E.

Table 5 Expected Technical M&E Teams

<table>
<thead>
<tr>
<th>District Level</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CAO*</td>
<td>Chairperson</td>
</tr>
<tr>
<td>Planner</td>
<td>Secretary</td>
</tr>
<tr>
<td>DPO</td>
<td>Member</td>
</tr>
<tr>
<td>DNC</td>
<td>Member</td>
</tr>
<tr>
<td>District information officer</td>
<td>Member</td>
</tr>
<tr>
<td>CDO</td>
<td>Member</td>
</tr>
<tr>
<td>Two other technical officers</td>
<td></td>
</tr>
</tbody>
</table>

| Sub-county Level               |                  |
| Sub-County Chief**            | Chairperson      |
| CDO                           | Secretary        |
| SNC                           | Member           |
| One member of forum other than Chairperson | Member |
| Farmers forum                 |                  |
| One SMS                       | Member           |

* Or person designated by CAO
** Or person designated by Sub-County Chief

The failure to ensure that uniform data is collected by all districts during monitoring was attributed to the failure by the secretariat to enforce the districts to follow the monitoring and evaluation guidelines.

The irregular monitoring and evaluation affects the timely correction of deviations in the implementation of the program. The failure to do a comprehensive baseline survey by NAADS will make it difficult to establish the extent of impacts of the program at the end.
It also makes it hard to communicate to the public what the program has been able to achieve over time.

**Conclusion**

The program was not effectively monitored in some districts and therefore the inadequacies were not timely identified for corrective action and this potentially affects the achievement of NAADS objectives and expected outcomes. The unupdated database affects proper planning.

**Recommendations**

- NAADS should consider revisiting the funding position of M&E activities in NAADS phase II so as to ensure regular M&E, which is pivotal to timely correction of deviations during program implementation.
- The district should ensure that monitoring and evaluation is carried out by only the stakeholders enumerated in the NAADs implementation guidelines in order to avoid overblowing M&E budgets.
- The Secretariat should enforce the use of the monitoring and evaluation guidelines by districts during M&E to ensure that data collected by all districts is uniform and complete.

4.8 **RECORD KEEPING BY FARMERS**

According to the NAADS implementation guidelines farmers should keep records of all their operations/farm activities in the enterprises and share that information with all farmers.

It was noted through field visits that only 23% of the farmers maintain records of their activities, while 77% did not. Of the same farmers visited, only 51% maintained visitors’ books. The failure to maintain the records by farmers was due to failure by the service providers in particular and district NAADS officers in general to emphasize record keeping.

Failure to keep records by farmers affected the sharing of information with the other farmers, due to the lack of well documented track of what the farmer has carried out. Information therefore relating to what the farmer has spent, revenues and advice
received from service providers, which the farmers is supposed to share with other farmers is therefore incomplete.

**Conclusion**
Records of farmer activities were not maintained and tracking the activities of farmers over the period of keeping the technologies was made cumbersome.

**Recommendation**
The NAADS officers in general and the service providers in particular should continuously sensitize farmers on the benefits of record keeping.

John F. S. Muwanga
**AUDITOR GENERAL**

**KAMPALA**

22\textsuperscript{nd} March, 2012
## GLOSSARY OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agricultural extension service</strong></td>
<td>A service or system which assists farm people, through educational procedures, in improving farming methods and techniques, increasing production efficiency and income, bettering their levels of living and lifting social and educational standards.</td>
</tr>
<tr>
<td><strong>Agricultural technology</strong></td>
<td>Agricultural practices that farmers are advised/encouraged to adopt for the betterment of levels of living.</td>
</tr>
<tr>
<td><strong>Farmers group</strong></td>
<td>A group of individual farmers, an association, co-operative or any legal entity with a common farming interest.</td>
</tr>
<tr>
<td><strong>Service provider</strong></td>
<td>Individual or corporate body contracted to deliver advisory services and must have capacity to enter legal contractual obligations.</td>
</tr>
</tbody>
</table>
# Appendix 1: Documents reviewed

<table>
<thead>
<tr>
<th>Document</th>
<th>Purpose(s) of Review</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To ascertain:-</strong></td>
<td></td>
</tr>
<tr>
<td>NAADS Act</td>
<td>The NAADS mandate, functions and responsibilities of the Board and Secretariat.</td>
</tr>
<tr>
<td>The NAADS implementation manual</td>
<td>- How the operations of NAADS are structured, the roles and responsibilities of the Board, secretariat and other stakeholders. - Processes in the implementation of NAADs and establishment of farmer fora.</td>
</tr>
<tr>
<td>The NAADS financial management manual</td>
<td>The financial guidelines.</td>
</tr>
<tr>
<td>Financing agreements/protocols</td>
<td>The funding arrangements for the program.</td>
</tr>
<tr>
<td>The project appraisal document by World Bank</td>
<td>Appraisal summary on environmental, social, economic and financial issues.</td>
</tr>
<tr>
<td>Master document of the NAADS task force and joint donor groups</td>
<td>The programme goals, objectives and NAADS components.</td>
</tr>
<tr>
<td>Monitoring and Evaluation reports</td>
<td>NAADS operations, achievements and challenges together with recommendations/way forward.</td>
</tr>
<tr>
<td>Quarterly Progress reports and Aid memoires</td>
<td>NAADS progress both financial and physical.</td>
</tr>
<tr>
<td>Audited financial statements</td>
<td>NAADS funding.</td>
</tr>
<tr>
<td>Special Internal audit reports on various districts</td>
<td>Challenges faced in the NAADS implementation.</td>
</tr>
<tr>
<td>District AWPBs</td>
<td>Planned activities for the period under review and the financing.</td>
</tr>
<tr>
<td>Farmer Beneficiaries list</td>
<td>The number of farmers involved in NAADS.</td>
</tr>
<tr>
<td>Program audited accounts (2008/09 and 2009/10).</td>
<td>The performance of NAADS over the years.</td>
</tr>
<tr>
<td>Rules of Procedure for procurement of goods, services and use of Consultants.</td>
<td>The rules and guidelines for procurement of good, services and consultancy.</td>
</tr>
<tr>
<td>Ministerial policy statements for MAAIF for the financial years 2008/09-2010/11.</td>
<td>Activities and how they are integrated into the overall Ministerial programs.</td>
</tr>
</tbody>
</table>
## Appendix 2: Interviews conducted

<table>
<thead>
<tr>
<th>ENTITY</th>
<th>DESIGNATION</th>
<th>PURPOSE OF THE INTERVIEWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECRETARIAT</td>
<td>Head of PDU</td>
<td>Functions of the unit, Procurement Processes and Challenges faced.</td>
</tr>
<tr>
<td></td>
<td>Manager Technical Services</td>
<td>Functions of the department and challenges faced.</td>
</tr>
<tr>
<td></td>
<td>Manager Finance and Administration Department</td>
<td>Functions of the department, funding, funds flow. Stafing of the unit and challenges faced.</td>
</tr>
<tr>
<td>DISTRICTS</td>
<td>CAOs</td>
<td>NAADS overview in respective districts</td>
</tr>
<tr>
<td></td>
<td>District NAADS coordinator</td>
<td>Planning, Implementation, Monitoring and Evaluation and Reporting of NAADS activities in the districts.</td>
</tr>
<tr>
<td></td>
<td>Sub-Accountant</td>
<td>Co-funding, reporting to the secretariat and record keeping.</td>
</tr>
<tr>
<td>SUB-COUNTIES</td>
<td>Sub-county Chief NAADS Coordinator</td>
<td>Planning, Implementation, Monitoring and Evaluation and Reporting of NAADS activities in the sub-counties.</td>
</tr>
<tr>
<td></td>
<td>Service providers</td>
<td>• Working arrangement with the farmers, procurement committees.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Facilitation and conditions of work.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Challenges faced.</td>
</tr>
<tr>
<td></td>
<td>Farmers</td>
<td>Inputs received, training undertaken and challenges faced in the NAADS programme.</td>
</tr>
</tbody>
</table>
Appendix 3: Organization Structure

**Key:**
- AADSO: Agricultural Advisory Services Officer
- SSDO: Social Service Development Officer
- ICO: Information & Communication Officer
- EDO: Enterprise Development Officer
- PMEO: Planning Monitoring & Evaluation Officer
- AO: Administration Officer
- PSO: Procurement Support Officer
- FO: Finance Officer
- IA: Internal Auditor
- PA: Procurement Assistant
- AA: Accounts Assistant
- IAA: Internal Audit Assistant