



MINISTRY OF WATER AND ENVIRONMENT FARM INCOME ENHANCEMENT AND FORESTRY CONSERVATION PROGRAMME

Promoting Irrigation for Enhanced Income & Agricultural Productivity

Linking farmers to market opportunities

FIEFOC-2 FARM INCOME NEWSLETTER

As the implementation of the Farm Income Enhancement and Forest Conservation Programme-Project 2 (FIEFOC-2) comes to an end in June 2023, the project has embarked on building the capacity of farmers in the five irrigation schemes – Mubuku II, Doho II, Wadelai, Tochi and Ngenge – through regional workshop trainings.

The workshops, which will be held in Gulu City, Mbale City and Kasese District, aim at linking farmers to market opportunities through different value chain actors, including agro-input dealers, processors, traders, consumers, financial institutions

The project creates necessary means through which production in the five irrigations schemes are linked to the different value chain actors



Key stakeholders during market linkage workshop in Gulu City

(Bank of Uganda, Post Bank Limited), warehouse operators, mechanization service providers, agro-insurance companies and business development service providers.

According to Mr. Emmanuel Muhoozi, the agribusiness development components coordinator, as the project beneficiaries embark on utilizing water from the irrigation schemes, and producing major commodities such as rice, horticulture, fish, and apiculture; it is imperative that the project creates necessary means through which production in the five irrigations schemes are linked

to the different value chain actors.

“The regional workshops are in a response to project objective, which is to improve household incomes, food security and climate resilience through sustainable natural resources management enterprise development,” Mr. Muhoozi said. “It will also help to facilitate access to critical products and services that support entry into remunerative markets by the scheme beneficiaries.”

The workshops will help key value chain actors to share and exchange information related to inputs, output,

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AGRIBUSINESS DEVELOPMENT

Mr. Okidi Commends FIEFOC-2 Technical Team

The Permanent Secretary, Ministry of Water and Environment, Mr. Alfred Okot Okidi has commended the efforts of the technical team of Farm Income Enhancement and Forestry Conservation Programme – Project 2 (FIEFOC – 2) for ensuring that interventions related to agriculture infrastructure development, agribusiness development and integrated natural resources management are fully undertaken.

Mr. Okidi noted that significant progress had been made in building capacity of farmers and other value chain actors in irrigated agronomy, smart agriculture, post-harvest handling, financial management, and farmer institutional support.

He made the remarks, while officiating at a regional workshop held for key stakeholders in Wadelai and Tochi irrigation catchment areas from 12 to 16 October 2022 in Gulu City.

Mr. Okidi thanked the technical team from the water ministry and the ministry of agriculture, animal industry and fisheries for organizing a regional workshop that aimed at creating sustainable market linkages among farmers and other value chain actors within the five irrigation scheme catchment areas of Mubuku II, Doho II,



The Permanent Secretary, Ministry of Water and Environment Mr. Okidi ■

Tochi, Wadelai and Ngenge.

Mr. Okidi thanked the Government of Uganda and African Development Bank for funding the construction of the five irrigation schemes as a strategic and priority investments.

"These interventions will go a long way in complimenting Government efforts in transforming the sector from subsistence to commercial agriculture," he said. "Efforts from both public and private sector should be directed at promoting investments in agricultural sector for increased incomes, employment, food security and wealth creation."

The Permanent Secretary noted that agriculture employs 68% of the households and contributes 23% to the Gross Domestic Product (GDP), generating 53% of export revenues

over the last 10 years.

"The contributions are possible because of the hard-working farmers and sustained investments in the agricultural sector by both Government and the private sector," he said.

He observed that the workshop was timely because of its emphasis on value chain approach, which aims at actualizing agro-industrialization under the Government's National Development Plan III.

He further noted that in pursuit of Agricultural Transformation, there is need for a holistic approach (value chain approach) that aims at addressing challenges related to production and productivity, post-harvest handling and processing and competitiveness in the market ■

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and services that will create meaningful and long-lasting collaborations among the different stakeholders for improved market access in the scheme catchment areas.

Each regional workshop is designed to attract over 180 participants, including

Chairpersons, Resident District Commissioners, Chief Administrative Officers and District Technical Support Teams, and Farmer Cooperative Societies in host districts implementing the development of irrigation schemes, as well all technical staff from the ministry of water and environment and

ministry of agriculture, animal industry and fisheries.

FIEFOC -2 is financed by the African Development Bank (AfDB) and Nordic Development Fund (NDF) with counterpart funding from the Government of Uganda ■

AGRICULTURAL INFRASTRUCTURE DEVELOPMENT

Farmers are better equipped than before – Mr. Magezi

The National Program Coordinator of Farm Income Enhancement and Forestry Conservation Programme – Project 2 (FIEFOC – 2), Mr. John Magezi Ndamira has noted that farmers are now better equipped than before.

Mr. Magezi said farmers are now exposed to a number of opportunities, including capacity building through trainings such as agronomic practices, post-harvest handling, and financial literacy and market linkage workshops.

“We believe farmers are now better equipped than before,” Mr. Magezi said, while presenting an overview of the project, during a regional market linkage workshop for the different value chain actors held from 13 – 14 October 2022 at Bomah Hotel, Gulu City.

The workshop aimed at linking farmers to market opportunities.

Mr. Magezi revealed that FIEFOC – 2 was built on a successful completion of FIEFOC -1 that ended in 2012, and several lessons learned fed into the



Mr. Magezi ■

development of FIEFOC 2.

He said although the project had faced a number of challenges, including COVID 19 and floods, the irrigation schemes were constructed; farmers were organized and skilled in various aspects of agronomic and the best farming practices.

He added: “The overall goal of the FIEFOC-2 is to contribute to poverty reduction and economic growth through enhanced productivity and commercialization of agriculture.” and “the project aims to improve household incomes, food security, and climate resilience through sustainable natural resources management and the development of agricultural enterprises.”

The key project implementation partners include: the Ministry of Water and Environment, which is the key project executing agency. Other key partners include the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), the Ministry of Finance, Planning and Economic Development (MoFPED), the Ministry of Trade Industry and Cooperatives (MoTIC), the Ministry of Gender, Labour and Social Development (MoGLSD), National Environment and Management Authority (NEMA), Uganda National Farmers' Federation (UNFFE), National

Agricultural Research Organization (NARO), and District Local Governments (DLGs).

He explained that the water ministry is responsible for the implementation of irrigation infrastructure and related activities under project component one (agriculture infrastructure development) and three (integrated natural resources management), while the agriculture ministry is responsible for the implementation of agronomy and extension related activities as well as the agri-business development component.

He added that district local governments lead in sensitization of farmers, training, and monitoring and evaluation activities; and water for production regional offices are responsible for supporting project implementation (mobilization, sensitization and training), supervision and monitoring, environmental social impact assessment monitoring.

He said the project became effective on July 1, 2016 and is expected to close by June 2023; and the financing source is from the African Development Bank, Nordic Development Fund and the Government of Uganda – totaling US\$ 91 million; AfDB (US\$ 76.7million; NDF (US\$ 5.6 million); and GOU (US\$ 9.13 million).

He added: “The project has been seeking for additional financing, and agreements have been signed with Islamic Development Bank (IsDB) and BADEA in June 2022 and November 2021 respectively.” IsDB (US\$ 86.5 million) will be used to construct three irrigation schemes, namely Unyama in northern region; Namalu and Sipi in eastern region ■

The project aims to improve household incomes, food security, and climate resilience through sustainable natural resources management and the development of agricultural enterprises ■

AGRIBUSINESS DEVELOPMENT

FIEFOC-2 trains 14,000 in climate smart agriculture

The Ministry of Water and Environment in collaboration with the Ministry of Agriculture and Industry and Fisheries through the Farm Income Enhancement and Forest Conservation Programme – Project 2 (FIEFOC – 2) has built the capacity of 14,591 farmers in climate smart agriculture across the country.

A total of 8,275 farmers trained were male and 6, 316 were female.

This was revealed by FinnOC, a consulting firm that was hired by the water ministry to build the capacity of farmers in climate smart agriculture, during a stakeholder engagement and exit workshop held on 24 November 2022 at City Royal Hotel, Bugolobi.

The farmers trained were drawn from the five irrigation scheme catchment areas of Mubuku II (Kasese district), Doho II (Butaleja district), Tochi (Oyam district), Ngenge (Kween district) and Wadelai (Pakwach district).

Although Africa contributes only 4% to overall global warming, it is heavily impacted by the effects of the global warming.

Changes in temperature and rain patterns are known to affect agricultural



Green houses established at Ngenge irrigation scheme for farmer demonstrations

production, and subsequently the farmers. Severe temperatures result into drought conditions, which negatively impact crop production and farmers' livelihoods. The rains also come early or late, making agricultural production unpredictable, and thus contributing to crop failure and food insecurity.

As a strategic intervention, FinnOC focused on providing alternative livelihoods and skills development to the farmers along potential value chain commodities in the five irrigation schemes, including rice, horticulture, and aquaculture and apiary production.

According to FinnOC some of the interventions include training of farmers as trainer of trainers, establishment of demonstration sites and farmer field schools in each watershed, as well as development of training manuals.

These interventions aimed at improving

agricultural productivity through timely planting and precision in order to reduce costs.

According to the contract manager, Dr. Aruho Cassius, the consultancy was expected to be simple – focusing on creating awareness through trainings, and working with the districts, but the climate issues are complex.

"Climate smart activities are supposed to support the production of food systems and stop emissions, where we do not have full control," said Dr. Aruho



Transplanting rice seedlings

Although Africa contributes only 4% to overall global warming, it is heavily impacted by the effects of the global warming

AGRIBUSINESS DEVELOPMENT

Farmer Groups are Eligible for Agricultural Credit Facility – Mr. Rwanja

Mr. Alex Rwanja, the Deputy Director, Bank of Uganda has revealed that farmers can access Agricultural Credit Facility (ACF) as a group. He made the remarks during a market linkage workshop for farmers in the Wadelai and Tochi irrigations held at Bomah Hotel in Gulu City from 4-6 October 2022.

He said the objective of ACF was to support the commercialization of Agriculture.

He added: "Eligible projects for funding are those involved in primary agriculture, agro-processing, and grain trade."

He explained that Individuals, Partnerships, and Companies were eligible for financing, and the projects that could be financed under the facility include: acquisition of agricultural machinery, post-harvest handling equipment, land opening, paddocking, water excavation for livestock improved pasture, as well as purchase of agricultural inputs, including pesticides and fertilizers, acquisition of biological assets such as banana suckers, fruit seedlings, chicks, piglets, cows, and goats for restocking, working capital for grain, acquisition



Mr. Alex Rwanja ■

of agro-processing facilities, irrigation facilities, and any other agricultural agro-processing-related activities.

He, however, informed the participants that non-eligible projects under ACF include: trading and refinancing of an existing loan facility, purchase of land, and planting of trees.

He added: "The application requirements for the facility include a bank account, bankable proposal, Credit Rating Bureau report, valuation report, spousal consent, farm/business records, for example, audited accounts, business cashflow, security especially for amounts more than UGX 20 million; but where the amount is less than UGX 20 million, alternative collateral may be considered under the Block Allocation arrangement."

Mr. Rwanja explained that under block allocation arrangement the applicant was required to submit one loan application to the Bank of Uganda, and registered collateral may not be required.

He said some key achievements of the Agricultural Credit Facility include: contribution to export promotion through agro-processing, enhancement of financial inclusion through Block Allocation, contribution to increase in employment levels in the country, extension of credit worth UGX 694.92bn to 2,328 borrowers, increased level of confidence to PFIs in Agricultural financing, prompt initiation of guarantee packages and Agricultural Insurance.

He further stressed the need for establishing a flexible legal framework for the credit guarantee to enable speedy processing of loan write-offs. Designing of a strategy for tier-4 institutions including licensed SACCOs to access medium and long-term finance available under the ACF.

He also said there was need for sensitizing smallholder farmers in record management and business proposal writing. He, therefore, encouraged farmers to register their land and gain access to registered land titles ■

Individuals, Partnerships, and Companies are eligible for Agriculture Credit financing - Mr. Rwanja ■

MWE-MAAIF-FIEFOC PICTORIAL



Watermelon, a landmark feature of irrigation schemes under FIEFOC 2 today ■



Green house for vegetable and fruit nursery at Mubuku II irrigation scheme, Kasese District ■



Tomatoes harvested and sold from Mubuku II irrigation scheme by farmers, thus generating income for the households ■



Farmers drying rice at Dobo II irrigation scheme in Butaleja district ■



Bamboo planted along River Manafiva in Eastern Uganda ■



Farmers preparing to plant bamboo seedlings along River Nyamwamba in Kasese district ■

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IMPLEMENTING PARTNERS

- Ministry of Water and Environment.
- Ministry of Agriculture, Animal Industry and Fisheries.
- 40 District Local Governments that manage integrated natural resources in catchment areas of five irrigation schemes.
- 5 District Local Governments that implement irrigation schemes

DEVELOPMENT PARTNERS



AFRICAN DEVELOPMENT
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ABOUT FIEFOC 2

Farm Income Enhancement and Forestry Conservation Programme-Project 2 (FIEFOC 2) is a five year project (2016-2021), designed within the context of the Government of Uganda's National Development Plan (NDP) and the long term development strategy, the Vision 2040 both of which promote agricultural infrastructure and income enhancement. The project is further designed to assist the Government increase land area under irrigated agriculture from the current 14,418 hectares to about 420,000 hectares by 2035. And it further seeks to consolidate and expand notable achievements registered under FIEFOC 1, which ended in December 2012.

The overall objective of the project is to contribute to poverty reduction and economic growth in Uganda through enhanced productivity and commercialization of agriculture. Specifically, the project aims at improving household incomes, food security and climate resilience through sustainable natural resources management and agricultural enterprise development.

The project has four components, including Agricultural Infrastructure Development, Agribusiness Development, Integrated Natural Resources Management and Project Coordination. The primary project beneficiaries, estimated at 1,816,756 are found in the districts of Pakwach, Oyam, Butaleja, Kween, and Kasese, where five irrigation schemes are being constructed. These include Mubuku II irrigation scheme in Kasese district, Doho II irrigation scheme in Butaleja district, Tochi irrigation scheme in Oyam district, Ngenge irrigation scheme in Kween district and Wadelai irrigation scheme in Pakwach district.

The Ministry of Water and Environment and the Ministry of Agriculture, Animal Industry and Fisheries jointly implement the project. Water ministry is the executing agency, responsible for implementation of irrigation infrastructure and related activities under project component one and the natural resources management activities under component three. While the agriculture ministry is a key implementing partner, responsible for implementation of agronomy and extension related activities and the agri-business development.

FACTS & FIGURES

Project Objective: To improve household incomes, rural livelihoods, food security and climate resilience through sustainable natural resources management and agricultural enterprise development.

91.43

Total project cost in millions of dollars. (UgX 327.6 billion)

40

Number of project Locations in districts.

5

Number of catchments.
Number of irrigation schemes.
Number of districts implementing irrigation schemes.

56

Kilometers of scheme roads constructed

1,816,756

Total population of districts implementing schemes.

175

Number of Youths so far trained under ENABLE Youth Program.

103

Number of agripreneurs approved for funding.

14,591

Number of farmers trained under Climate Smart Agriculture.

4,300,000

Number of assorted tree seedlings distributed to farmers.

324

Length of river banks restored in kilometers.

4,293

Acreage of forest cover restored in hectares.

8,575

Number of farmers trained in post harvest handling.

3,267

Number of farmers trained in apiculture

2,862

Number of farmers trained in financial accessibility

125

Number of trainer of trainers trained in handling different horticultural groups ■