IMPLEMENTATION OF PROMOTION OF RICE DEVELOPMENT [PRiDe] PROJECT BY MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (MAAIF)

A REPORT BY THE AUDITOR GENERAL

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DECEMBER, 2015
IMPLEMENTATION OF PROMOTION OF RICE DEVELOPMENT (PRIDe) PROJECT
BY
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DECEMBER, 2015
31\textsuperscript{st} December 2015

The Rt. Hon. Speaker of Parliament
Parliament of Uganda
Kampala

\textbf{VALUE FOR MONEY AUDIT REPORT ON THE IMPLEMENTATION OF THE PROMOTION OF RICE DEVELOPMENT PROJECT UNDER MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (MAAIF)}

In accordance with Article 163 (3) of the Constitution of the Republic of Uganda 1995 [as amended], I hereby submit my report on the value for money audit undertaken on the Implementation of the Promotion of Rice Development Project under Ministry of Agriculture, Animal Industry and Fisheries (MAAIF).

My office intends to carry out a follow-up at an appropriate time regarding actions taken in relation to the recommendations in this report.

I would like to thank my staff who undertook this audit and the staff of Ministry of Agriculture, Animal Industry and Fisheries for the assistance offered to my staff during the period of the audit.

John F. S. Muwanga

\textbf{AUDITOR GENERAL}
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ABBREVIATIONS AND ACRONYMS

ATAAS Agricultural Technology and Agribusiness Advisory services
BMAU Budget Monitoring And Accountability Unit
CCPM Commissioner Crop Production and Marketing
DAO District Agricultural Officer
DNC District NAADS Coordinator
DPO District Production Officer
DSIP Development Strategy And Investment Plan
GOU Government Of Uganda
JCC Joint Coordination Committee
JMRR Joint Mid-term Review Report
JICA Japan International Cooperation Agency
MAAIF Ministry Of Agriculture Animal Industry And Fisheries
MIS Mid-term impact survey
NAADS National Agricultural Advisory Services
NARO National Agricultural Research Organization
NRDS National Rice Development Strategy
PIU The Project Implementation Unit
PRIDE Promotion Of Rice Development
PSC Project Steering Committee
RIS Rice Industry Secretariat
RSC Rice Steering Committee
RTC Rice Technical Committee
SAO Senior Agricultural Officer
TAC Technical Administration committee
UNBS Uganda National Bureau Of Standards
VFM Value For Money
WHO World Health Organization
The Promotion of Rice Development (PRiDe) project is a successor to three projects by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) projects: Agriculture Improved Rice and NERICA dissemination and Sustainable irrigated rice project (SIAD).

PRiDe was created to efficiently coordinate rice activities by MAAIF and its agencies so as to achieve the targets set in the National Rice Development Strategy (NRDS).

The objective of the PRiDe project were to, (a) increase the quantity of rice production by 20,000MT, (b) improve the quality of rice marketed by at least 120 participating rice millers and several traders up to at least Grade 3 UNBS standard, and (c) strengthen the institutional capacity in coordination and implementation of rice interventions. PRiDe project commenced on the 1st November 2011 and is expected to end on 31st October 2016.

The objective of the audit was to assess the progress being made by MAAIF towards the achievement of the PRiDe project objectives.

KEY AUDIT FINDINGS

There have been concerted efforts by the MAAIF and the project key player, that is, JICA, NARO and NAADS to ensuring that the objectives of the PRiDe project are on course through training of farmers and millers, rice research to come up with better rice variants and provision of extension services to support rice farmers. However, in spite of the achievements made, some areas for improvement have been identified through this audit that should be addressed and are discussed below:-

1. **Increase of Rice Production**
   PRiDe project has not established a system for collection, recording analysis and reporting of rice data and hence it was difficult to establish with certainty the progress the project was making towards the achievement of the set production targets. MAAIF has experienced delays in operationalizing a rice website and database which was one key output of the project, this has denied the rice stakeholders access to vital rice information.

2. **Improvement in the quality of rice**
   MAAIF has not conducted sample testing of the grade of rice produced by the participating farmers to ascertain if the overall rice quality grade has improved to at least grade 3 UNBS, MAAIF carried out training of post-harvest techniques but has not distributed Post-harvesting guidelines to farmers, millers and traders to guide them in putting into practice the skills acquired during training.
   The use of improved technologies is hampered by lack of capacity by farmers to acquire the required technologies. In designing the project, it was envisaged that millers had adequate resources to purchase the improved rice mills but this is not the case. The use of improved rice mills is the only sure way of producing quality rice. MAAIF should
come up with proper interventions to assist farmers acquire the improved rice mills.

3. Rice promotion sustainability
With only a year left for the PRiDe project to close, only one full-time (PhD) rice researcher had been attached to the PRiDe project and was working alongside two part-time (PhD) PRiDe trainers who are not formally employed by GoU. Currently most of the project activities have been carried out mainly by JICA yet they were supposed to work alongside the personnel from Government of Uganda for purposes of sustainability after the cooperation agreement with JICA ends.

KEY RECOMMENDATIONS
The MAAIF should:
• Ensure that a system is put in place for collection and management of data from the farmers to aid proper evaluation of the project performance. This will also require training of farmers in data collection. The operationalization of the rice data base and website should be expedited to facilitate sharing of information data.
• MAAIF should expedite the finalization and dissemination of Post-harvesting guidelines to farmers, millers and traders to enable them put in use the knowledge acquired during training. MAAIF should carry out rice sample testing to ascertain if the desired rice quality has been achieved.
• MAAIF should work out modalities that enable rice millers to access funding to acquire the required equipment like the mills, destoners and graders that will be used in improving the quality of rice produced.
• MAAIF and NARO should ensure that full-time dedicated researchers are assigned to the PRiDe project during its duration as agreed upon in the in record of discussion between JICA and GoU as this will ensure sustainability of the project.

OVERALL CONCLUSION
MAAIF has made significant progress in the implementation of the activities set out by PRiDe project. To a large extent, the PRiDe project is on course to achieving the project outputs. As the project comes to an end, it is important that the development of a proper rice information system be prioritized and all the players, including, the farmers trained in the collection and management of rice data. This will facilitate access to rice data and also enable proper evaluation of project performance. In additional, the other critical activities, such as, testing of rice samples should be undertaken, as further delays may not allow corrective interventions to be undertaken in time during the life of the project.
INTRODUCTION

1.1 BACKGROUND
The Promotion of Rice Development (PRiDe) project is a successor to three projects by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) namely, Agriculture Improved Rice and NERICA dissemination and Sustainable irrigated rice project (SIAD).

PRiDe was created to efficiently coordinate rice activities by MAAIF and its agencies so as to achieve the targets set in the National Rice Development Strategy (NRDS), i.e. increasing rice production in Uganda from about 177,800 MT of un-milled rice in 2008 to 313,000MT in 2013 and 680,000MT in 2018 and to create rice self-sufficiency in Uganda by 2015.

In 2010, the Government of Uganda (GoU)sought and received support from the Japan International Cooperation Agency (JICA) to upscale the outputs of the then closing projects as well as to increase utilization of the rice training centre in NaCRRI, Namulonge. A Technical Cooperation Agreement between GoU and JICA was signed on 11th October 2011 and the project commenced on 1st November 2011. The project end date is 31st October 2016.

1.2 MOTIVATION
The Government of Uganda (GoU) is concerned about food and nutrition security situation that has been far from satisfactory. Because of the need to address the prevailing poverty situation in the country as well as meet the local food security and nutrition demands, GoU through the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) designed the Agriculture Sector Development Strategy and Investment Plan (DSIP, 2010/11 – 2014/15). Through the National Budget Framework Paper (2012/13-2016/17) MAAIF expresses its ambition of improving rural incomes and livelihoods as well as household food and nutrition security and identifies rice as one of the seven strategic enterprises that will enhance attainment of its objectives. This is because rice has a high multiplier effect due to its long value chain that employs many players, has ability to develop other sub-sectors like feeds for the livestock industry, has high returns to investment, has high potential in the future and has demonstrated a high ability to reduce poverty.

In the Uganda National Rice Development Strategy (NRDS) 2009/2010 to 2017/2018, the GOU planned to increase rice production in Uganda from about 177,800 metric tons in 2008 to 313,000 metric tons in 2013 and later 680,000 metric tons in 2018. The Promotion of Rice Development (PRiDe) project was thus conceived to partly contribute to the attainment of the NRDS goals. PRiDe’s main objective is to increase household income and food and...
nutrition security among at least 40,000 rice farming households; and improve the quality of rice for 120 rice millers through better post-harvest handling⁶. The estimated cost of the project over its five-year period is UGX 12 Billion. Despite the efforts by the project to enhance rice production and the magnitude of investments made (UGX 8.303 Billion)⁷ by GoU and JICA the National Budget Framework Paper 2014-15 shows a decline in rice exports for the first quarter/ season of the FY 2013/14 to 16,401 tons, compared to 19,162 tons recorded for the same period in the FY 2012/13, this decline resulted in a drop in rice exports revenue realized of USD 1.7 million when compared with the result of the same period a year earlier⁸. There are also indications that with only two years left to project completion, a number of key objectives may not be realized. For instance, training of the different stakeholders has not been adequately done, Rice data centers are yet to be fully-fledged, post-harvest handling techniques adoption is still low⁹. It is therefore against this background that the Office of Auditor General undertook a value for money audit on the performance of the Promotion of Rice Development Project (PRiDe) in order to assess whether PRiDe was on course to achieving its intended objectives.

1.3 DESCRIPTION OF THE AUDIT AREA

1.3.1 General Description
The PRiDe project, also known as the 1238 Rice Development Project, is implemented by MAAIF, National Agricultural Research Organization (NARO), National Agricultural Advisory Services (NAADS) and the Development Partners, the Japan International Cooperation Agency (JICA). MAAIF bears the overall responsibility for the administration and implementation of the project. The PRiDe project was intended to cover about 45 primarily selected districts across the country, and was to be implemented over a five year period (2012/13- 2016/17) at an estimated cost of UGX 32 Billion. The project was expected to address the bottlenecks, such as, low production, inadequate post-harvest knowledge and handling, and lack of grading systems that were experienced during the recent adoption of rice in Northern, Western and Central Uganda and focused mainly on improving rice production, productivity and quality using modern rice production and value addition techniques in Eastern Uganda which had a fairly long experience in rice production.

1.3.2 Legal Framework/Mandate
The Promotion of Rice Development project (PRiDe) operations are guided by the Technical Cooperation agreement signed by MAAIF on behalf of the Government of Uganda (GoU) and the Japan International Cooperation Agency (JICA) on behalf of the Japan Government in October 2011. Under the agreement the project was meant to handle seed generation, multiplication and distribution as well as conduct rice research and consequently generate and disseminate knowledge and information to stakeholders. The project was also supposed to train 40,000 farmers, 120 rice millers, service providers and traders on soil and water conservation, post-harvest handling and value addition techniques.

1.3.3 Vision and Mission
Vision
The vision of MAAIF is to be “A competitive, profitable and sustainable agricultural sector”. PRiDe project is guided by this vision.
Mission
The MAAIF mission is to “Transform subsistence farming to commercial agriculture”.

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⁶ Pride project proposal 2013-2017
⁷ MAAIF ministerial policy statements for 2012/13 and 2013/14
⁸ National Budget Framework Paper 2014/15, pg. 79
⁹ Mid-term performance report for PRiDe 2014
1.4 PROJECT GOAL AND OBJECTIVES

Project goal
To increase household food security and reduce household poverty in Uganda through increased production of high quality rice.

Overall Project Objective
To increase household income and food and nutrition security among at least 40,000 rice farming households and at least 120 rice millers through increased quality rice production and post-harvest handling.

Specific Project Objectives
The specific objectives of the PRiDe project agreed in the record of discussion between GOU and JICA are:

- To increase the quantity of rice production by 20,000MT;
- To improve the quality of rice marketed by at least 120 participating rice millers and several traders up to at least Grade 3 of the UNBS standard; and
- To strengthen the institutional capacity in coordination and implementation of rice interventions.

1.5 PROJECT OUTPUT

The project targets 40,000 farming households in 45 districts and 120 rice millers and traders from all the sub-regions based on agro-ecological zones. The anticipated outputs are:

1. Research and development capacity of rice-related institutes strengthened.
2. Extension capacity of rice-related service providers strengthened.
3. Rice quality on the market improved.

Activities
The activities which are jointly done by the two partners (JICA and GoU) are broken down into the three project outputs:

i) Strengthening research and development capacity for rice promotion.
- Select and purify rice varieties suitable for the target rice cultivation environments.

- Developing water management techniques suitable for the target rice cultivation environment.
- Study for promoting rice mechanisation.
- Compile rice research data.
- Prepare a ‘technical package’ covering the target rice cultivation environment.
- Support to multiply rice seeds that recommend/suitable for the target rice cultivation environments.

ii) Strengthening extension capacity of rice-related service providers.
- Improving training materials based on the target rice cultivation environments.
- Conduct training for service providers.
- Conduct training for 40,000 farmers.
- Distribute rice seeds to the trained participants.

iii) Improvement of rice quality.
- Conduct a rice value-chain study.
- Conduct training for rice millers and traders.
- Conduct “post-harvest” training and “rice milling” demonstration for farmers.

1.6 ORGANIZATION STRUCTURE

PRiDe project operates within the framework of the National Rice Development Strategy (NRDS). NRDS is implementation by the MAAIF and headed by the Rice Steering Committee (RSC). The RSC is chaired by the Permanent Secretary MAAIF and the Commissioner Crop production and Marketing is the General Secretary. In discharging its day-to-day activities, the RSC is assisted by the Rice Technical Committee (RTC).
Specifically, for the PRiDe project, The Technical Cooperation agreement between GoU and JICA provides for a Joint Coordination Committee (JCC) which serves as the Project Steering Committee (PSC) and is also chaired by the Permanent Secretary (PS) MAAIF. Under the JCC, are the Project Technical Administration committee (TAC) and the project implementation Secretariat known as the Rice Industry Secretariat (RIS) where the activities of all the stated committees are carried out.

At the bottom of the project management hierarchy, are: MAAIF, NARO, NAADS and Local Government staff attached to the project as well as Service Providers participating in the implementation of the project. Details of the institutional organogram are attached in Appendix iii.

1.7 FUNDING
The project excluding expenditure by NARO has so far received and spent funds to the tune of UGX 8.303 Billion for operational expenses as detailed in Table 1, GoU contributing 17.8% and JICA 82.2% of the total funds spent. Table 2 below shows the PRiDe Project budget and the detailed implementation arrangement of the parties involved.

Table 1: Project funding for the period 2011-2015.

<table>
<thead>
<tr>
<th>Year/source</th>
<th>Budget JICA</th>
<th>JICA (Actual) Billion (UGX)</th>
<th>Budget (GOU)</th>
<th>GOU(Actual) Billion(UGX)</th>
<th>Total (Actuals) Billion(UGX)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/2012</td>
<td>0.341</td>
<td>0.341</td>
<td>0</td>
<td></td>
<td>0.341</td>
</tr>
<tr>
<td>2012/2013</td>
<td>6.260</td>
<td>2.566</td>
<td>0.800</td>
<td>0.442</td>
<td>3.008</td>
</tr>
<tr>
<td>2013/2014</td>
<td>3.992</td>
<td>1.727</td>
<td>0.900</td>
<td>0.500</td>
<td>2.227</td>
</tr>
<tr>
<td>2014/2015</td>
<td>4.210</td>
<td>2.186</td>
<td>0.600</td>
<td>0.541</td>
<td>2.727</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14.462</strong></td>
<td><strong>6.824</strong></td>
<td><strong>2.3</strong></td>
<td><strong>1.483</strong></td>
<td><strong>8.303</strong></td>
</tr>
</tbody>
</table>

(Source: Ministerial policy statements for FY 2012/13, 2013/14 and 2014/15)
Table 2: Overall PRiDe Project budget

<table>
<thead>
<tr>
<th>Institution</th>
<th>NARO</th>
<th>NAADS</th>
<th>MAAIF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key outputs / activities</strong></td>
<td>Research seed production.</td>
<td>Extension services of seed distribution, training farmers and follow up of farmers</td>
<td>Project supervision</td>
</tr>
<tr>
<td></td>
<td>• Multiply foundation seeds,</td>
<td></td>
<td>Policy</td>
</tr>
<tr>
<td></td>
<td>• Training of researchers and TOT</td>
<td></td>
<td>Soil and water</td>
</tr>
<tr>
<td></td>
<td>Milling technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Budget</strong></td>
<td><em>Donor (28 billion)</em></td>
<td>18 billion</td>
<td>8 billion</td>
</tr>
<tr>
<td></td>
<td>GoU (4 Billion)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>18 billion</td>
<td>8 billion</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>56%</td>
<td>25%</td>
</tr>
</tbody>
</table>

(Source: PRiDe project profile (MAAIF))

*Donor funds are managed by the donor and the GoU by MAAIF

### 1.8 AUDIT OBJECTIVES

To assess the progress being made by the project towards the achievement of the project objectives of:

i. Achieving an increase in the quantity of rice production by 20,000MT.

ii. Improvement of rice quality.

iii. Strengthening institutional capacity in coordination and implementation of rice interventions.

The specific objectives of the Audit were:

- To assess whether the project is on course with achieving an increase in the quantity of rice production by 20,000MT.

- To assess the extent to which the project has made improvement in the quality of rice marketed by at least 120 participating rice millers and several traders up to at least Grade 3 of the UNBS standard.

- To evaluate the extent to which the institutional capacity in coordination and implementation of rice interventions has been strengthened by PRiDe.

### 1.9 AUDIT SCOPE

The audit covered the implementation of the Promotion of Rice Development Project (PRiDe) by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) in the project implementing districts. The Audit was conducted at MAAIF headquarters in Entebbe and the other rice implementing agencies like NARO in Namulonge, NAADS Secretariat in Kampala, Zonal NAADS offices and fourteen (14) of the forty-five (45) implementing districts in the Northern, Western, Central and Eastern part of Uganda. The audit covered a period of three financial years of 2012/13-2014/15 the period in which PRiDe accessed funding from GoU.

In terms of project funding, the scope of the audit was limited to only the GoU component of the Project because OAG could not access the financial records for funding provided by JICA.
CHAPTER TWO

AUDIT METHODOLOGY

The audit was conducted in accordance with the International Organization of Supreme Audit Institutions (INTOSAI) Performance Auditing Standards and the Performance Auditing guidelines prescribed in the Office of the Auditor General (OAG) VFM audit 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

The farmers visited were identified using stratified simple random sampling and this involved stratifying the farmers into the 45 rice growing districts where PRiDe was implemented. Districts that had recorded high yield of rice production biased the selection of the farmers. At least 5 districts were selected from rice growing areas that are the eastern region and 2 from each of other regions i.e. western, southern and central.

2.2 DATA COLLECTION

To assess whether the project is on course with achieving the objective of the increase in the quantity of rice production by at least 4,000MT each year; the audit team held interviews with project managers, ministry coordinators, targeted farmer and District subject matter specialists in all districts visited. The audit team also reviewed the following documents pertaining to the project; the project proposal document, Mid-term performance report, NRDS [2009-2018] among others. Details of the reviewed documents are in APPENDIX 1

To assess whether the project had made any progress towards improvement in the quality of rice to at least Grade 3 of the UNBS standard, the team visited all the trained millers in the sampled benefiting districts of Iganga, Kamuli, Mbale, Luwero, Mukono, Lira, Hoima and Kamwenge where interviews were held and mills inspected. Review of the rice value chain study report was done to establish identified issues affecting rice quality on the market.

To evaluate the extent to which the institutional capacity in coordination and implementation of rice interventions has been strengthened, the audit team inspected the benefiting institutes and reviewed their strategic plans, schedule of duties, ongoing research activities and counterpart contributions towards capacity development. Details are also in APPENDIX II

To assess the extent to which monitoring and supervision of the project has been done, the team interviewed the benefiting farmers, districts and project managers. The team also reviewed project reports and minutes of the JCC and Rice steering committee.
CHAPTER THREE

SYSTEMS AND PROCESS DESCRIPTION

3.1 ROLES AND RESPONSIBILITIES OF KEY PLAYERS

Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)

MAAIF is the agency responsible for implementing the NRDS. MAAIF also represents GoU in the technical cooperation with JICA and the lead executing agency of the PRiDe project. Under the technical cooperation agreement with JICA, MAAIF is supposed to provide the administrative unit and accommodation for the project, select and provide a list of Ugandan personnel connected with the project for technical training in Japan and/or the third countries, take necessary measures to ensure that the self-reliant operation of the project will be sustained during and after the Japanese technical cooperation through full and active involvement in the project by all related authorities, beneficiary groups and institutions, take the measure necessary to receive and use the equipment provided by JICA and equipment, machinery and materials carried in by the Japanese experts; monitor the overall project planning and implementation to ensure attainment of project goals and objectives.

Rice Steering Committee

It provides policy direction for a coordinated and efficient development of rice interventions in Uganda and is responsible for assessing the extent to which the project outputs and impacts are contributing to the National Rice Development Strategy (NRDS) and the Agriculture Sector Development Strategy. The Chairperson of the Rice Steering Committee is the Permanent Secretary, MAAIF and the General Secretary is the Commissioner for Crop Production and Marketing. The RSC has representation of key stakeholders each with clearly defined responsibility. Membership on this committee includes; National Agricultural Advisory Services (NAADS), Plan for Modernisation of Agriculture (PMA), National Agricultural Research Organisation (NARO), Office of the Vice president, Ministry of Tourism, Trade and Industry (MTTI), Ministry of Water and Environment (MWE), National Environment Management Authority (NEMA), Ministry of Local Government (MoLG), Uganda National Farmers Federation (UNFFE), Uganda Seed Trade Association (USTA), Rice Processors Association, JICA, The Food and Agriculture Organization (FAO) of the United Nations and other International Partners.

Rice Technical Committee

The RTC assists the RSC in executing its day to day activities. This committee is composed of technical staff of MAAIF engaged in rice production and related activities. According to the NRDS, The Rice technical committee is tasked with the responsibility of providing technical advice to the RSC. The Rice Industry Secretariat (RIS) implements the policies developed by the RSC.

Joint Co-ordination Committee (JCC)/Project Steering Committee (PSC)

The Joint Co-ordination Committee (JCC) which comprises of JICA and GoU staff serves as the project steering Committee (PSC) and is responsible for the overall supervision and coordination of the PRiDe Project as well as guiding its implementation. According to the proposal document, the JCC committee

11 Record of discussions between the Authorities concerned of the Republic of Uganda and JICA on 11th Oct, 2011
shall monitor and evaluate the project annually and share their finding with the RSC in order to facilitate its role of enhancing a coordinated rice industry in Uganda. The JCC also performs additional functions which include:

(i) To approve the annual work plans of the project.
(ii) To review the progress of the project.
(iii) To review and exchange opinions on major issues that may arise during the implementation of the project.

The Project Implementation Unit (PIU)/ Rice Industry Secretariat
The Ministry of Agriculture has a Rice Industry Secretariat (RIS) which will be the responsible agency for planning and implementing the NRDS. The RIS is headed by a Rice Steering Committee for Development of the Rice Industry which has executive powers to coordinate the efforts of stakeholders in Rice Development Programs in Uganda. RIS is concerned with the preparation of detailed implementation plans at various project levels. The unit is also required to arrange regular planning and consultation meetings to address issues arising from implementation and monitoring of activities. In addition, the unit carries out follow up activities concerning the project as directed by the RSC.

Japan International Cooperation Agency (JICA)
The Japan International Cooperation Agency (JICA) is responsible for providing funding the PRiDe project to a tune of eight billions (UGX 8 Bn) over the five year period thus contributing about 67.3% of the estimated total project financing. JICA participates in the implementation of the project as constituent members of the Project Steering Committee as well as being active members of the JCC. JICA is charged with conducting relevant monitoring and evaluation as per JICA funding Monitoring and evaluation systems. The JICA also pledged to carry out a joint evaluation of the project with GoU at the middle of project implementation (mid-term review) and during the last six months of implementation. In addition, under the technical cooperation agreement, JICA committed itself to provide Japanese experts to the project, supply machinery and equipment necessary for the implementation of the project and offer technical training in Japan for Ugandan personnel attached to the project.

National Agricultural Research Organization (NARO)
National Agricultural Research Organization (NARO) is responsible for carrying out rice research related activities such as seed generation, multiplication, distribution and technical backstopping for the implementing districts. NARO also focuses on understanding of farmers’ appreciation of the NARICA 4 variety and assessing the level of preference which affects its multiplication and continued utilization by farmers. Rapid multiplication of improved rice seed is done by National Crops Resources Research Institute (NaCRRI), a department of NARO. Research and technology development in rice production is also spearheaded by NARO.

National Agricultural Advisory Services (NAADS)
NAADS is responsible for the provision of extension services to the rice farmers under PRiDe. The extension services providers are trained as TOTs to provide training to farmers, supply improved seed varieties and follow-up on post training farmers’ activities.

Ministry of Finance Planning and Economic Development (MoFPED)
Broadly, Ministry of Finance Planning and Economic Development (MoFPED) is mandated to monitor government ministries, departments and agencies. Specifically, MoFPED shall through official channels used to monitor government ministries/ agencies monitor and evaluate the performance [assess the value for money] of the PRiDe project.
The Project Coordination Unit
The Project Coordination Unit headed by the Project Managers and shall monitor the project on a regular basis and availing quarterly and later annually progress reports to the Project Supervisor, Project Director and the Assistant Director.

The Zonal and District Teams
The Zonal Teams and the District Teams of the Project are responsible for monitoring the progress of detailed sub-activities that are laid down in the project Implementation Manual/Plan of Operation and report back to the Project Manager.

3.2 KEY PROCESSES
PRiDe Project operations follow a sequence of three major processes namely: - Planning, Implementation, Monitoring and Supervision as detailed below:

3.2.1 Planning
The strategic project plan is detailed in the Project document, JICA rolling plan for the republic of Uganda12 and the Agriculture Sector Development Strategy and Investment Plan (DSIP) 2010/11-2014/15 from which budgets and annual work plans are developed.
The planning process commences with the preparation of annual work plans and budgets by MAAIF which are reviewed and approved by Parliament.

3.2.2 Selection of implementing districts
45 districts were primarily selected across the country to implement the first phase of the project. The selected beneficiary districts were based on three factors:
(i)The district with high potential in various agro-ecological zones that were reached by the predecessor Promotion of NERICA project and Sustainable Irrigated Rice (SIAD) Project were selected to continue in this project.
(ii)Districts with sub-counties which selected rice as a priority enterprise at least once in the last five (5) years according to the NAADS database.
(iii)Under privileged districts which need affirmative action in the Karamoja sub-region.

3.2.3 Implementation
Preparation of implementation plans at various levels of detail is done by the project coordination unit. The project is jointly implemented by MAAIF and JICA under the coordination of the Rice Steering Committee also dubbed as the Joint Coordination Committee (JCC).
The execution is done in collaboration with various stakeholders who have experience in Policy and Coordination, seed generation, multiplication and distribution, Soil and Water Conservation and Rice Value addition for increased marketing. Each stakeholder role and responsibility is clearly defined in the NRDS. However, Because MAAIF is the agricultural sector head it has been assigned an additional role of providing administrative unit of the project as well as coordinating all the activities of the key implementing stakeholders so as to ensure that the PRiDe project objectives are achieved.
Rapid multiplication of improved rice seed is developed by NaCRRI, and rice growth and harvest technology development spearhead by NARO.
Technology dissemination to rice farmer is transferred through the NAADS secretariat who work with already existing NAADS structures in the rice growing districts and the private sector extension system.
Through NAADS and in collaboration with Ministry of Tourism, Trade and Industry (MTTI), farmer groups take advantage of the processing and

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marketing opportunities available.

Financial Management
JICA manages, controls and accounts for its funds to the Japanese government and the counterpart fund provided by the GoU are managed and accounted for by MAAIF, NARO and NAADS to the GoU. JICA funds are earmarked for Agricultural Technology and Agribusiness Advisory Services (ATAAS) related activities which are, research and capacity building of research and extension staff. The GoU counterpart funds are apportioned between NARO/NAADS and MAAIF, 40% of the funds are directed to NARO/NAADS activities specifically rice research seed production, seed dissemination and training, and the 60% to MAAIF for furthering policy development, scaling out technology development and dissemination and sensitizing participating farmers on fertilizer use by availing a trial package of fertilizer to selected farmers.

3.2.4 Monitoring and Supervision
(a) Policy Level Supervision
As part of coordination of the rice sector programs, the project is supervised by the Rice Steering Committee (RSC). Policy level supervision involves assessment of the extent to which the project outputs and impacts are contributing to the National Rice Development Strategy (NRDS) and the Agriculture Sector DSIP.

(b) Overall Supervision
The overall supervision and coordination of the Project is done by the Project Steering Committee (PSC) also known as The Joint Coordination Committee (JCC) for the JICA. This involves approval of project annual work plan, reviewing progress of the project and exchanging opinions on major issues that arise during the implementation of the project.

(c) Monitoring and Evaluation
Project Monitoring and Evaluation plans are prepared for a 5 level M&E with the highest level of monitoring by MoFPED, JICA Headquarters and RSC at the goal level and the least at activity level by the project coordination unit.

(d) Policy Level Monitoring and Evaluation
At this level the Rice Steering Committee obtains the annual monitoring and evaluation report from the Joint Coordination Committee (JCC) reviews the report in order to provide an informed direction aimed at furthering achievement of the project overall objectives.

(e) Budget Monitoring and Evaluation
The Ministry of Finance Planning and Economic Development (MoFPED) undertakes monitoring of budget performance of all sector including agriculture. The Budget Monitoring and Accountability Unit (BMAU) of MoFPED does the monitoring of budget performance, BMAU focuses on financial and physical performance which they establish through physical field inspections that give the actual performance of the project and evaluating the value for money of the project on a quarterly basis. In addition, similar to MFPED, JICA-Uganda office liaises with the relevant JICA-Uganda or JICA Tokyo offices to conduct the relevant Monitoring and Evaluation as per JICA funding Monitoring and Evaluation systems. The Project Coordination Unit headed by the Project Managers monitors the project on a regular basis and avails quarterly and annual progress reports to the Project Supervisor, Project Director and the Assistant Director. The Zonal Teams and the District Teams of the Project monitors the progress of detailed sub-activities that are laid down in the project Implementation Manual/ Plan of Operation and report back to the Project Manager.

3.2.5 Training of Trainers (TOTs) and Subject Matter specialists (SMS)
JICA in collaboration with MAAIF identify extension workers through the District NAADS Coordinators.
and District Production Officers from the rice growing sub-counties. Trainings are conducted by JICA experts, NACRRI Scientists and MAAIF Officers. These are specifically Agriculture staffs that are trained to train farmers and make regular follow-ups to ensure that farmers put recommended practices into use. They regularly receive re-fresher trainings on different technologies in the rice value chain.

3.2.6 Training of farmers
This involves selection of farmers by subject matter specialists (SMS) to be trained. The criteria for selection include; being a rice farmer or demonstration of interest in growing rice. The selected farmers should have land of not less than half an acre to commit to rice production. After selection is done farmers are taken through training of improved rice farming technologies from preparation of fields, planting, wedding and post-harvest handling of rice. This is done through chart presentation and demonstrations to farmers on how best they can apply the technologies that will enable them improve on their production. After the training, they are provided each with one kilo of pure seed to multiply for own seed for the following seasons. When funds allow, MAAIF provides the trained farmers with certified seed at least 10kg to produce grain for food and selling.

3.2.7 Rice value-chain study
A survey is carried out through collection of data from farmers, rice traders, small grocery stores, and supermarket and rice millers. This is done through interviewing farmers and the rice traders and millers engaged in buying and selling rice in Kampala as well as in major cities and towns in the regions outside Kampala to ascertain the quality of rice on the market. In the selected districts rice traders are counted and samples are drawn randomly for interview. The survey involves estimating the quantity of rice produced in Uganda by multiplying the average amount of paddy rice milled per rice miller per year by region.

3.2.8 Training of rice millers and traders and rice demonstrations to farmers
Training of millers and traders and rice milling demonstrations for farmers is carried out after the Value chain is done to address the issues of quality highlighted in the Value chain report. The farmers and Millers are selected by the District Agricultural officers and Subject matter specialists of the different project implementing districts for training. Training is done by use of charts to demonstrate to farmers and millers on good post-harvest handling prices from rice harvesting in the gardens up when the rice is milled. Millers are demonstrated on how to use graders and destoners in the process of improving the rice quality and how best the milled rice can be packed before actually being sold to the consumers. After training of millers and farmers at the end of the season sample surveys are then done to test whether the trained millers have grasped the improved milling techniques that can produce at least grade three of UNBS standard. This is done by sample testing the grade of rice milled by the trained millers and trades.
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The PRiDe project set out to increase the quantity of rice production by 20,000MT by the end of the five years of the project. This was to be achieved through training of farmers, Trainer of trainers, extension service providers and subject matter specialists and distribution of 1kg seed for multiplication by the farmers. It was anticipated that at the end of the project at least 50% of trained farmers would adopt and use the recommended technologies with support from the extension service providers in order to achieve the set target of 20,000MT. Despite these achievements, audit noted some areas that need improvement and these are presented as follows:

4.1 INCREASE OF RICE PRODUCTION BY 20,000MT

4.1.1 Data collection

According to the project design matrix, the area under rice production was projected to increase by more than 10,000 ha and the amount of rice produced by 20,000MT by October 2016. To achieve this target, the PRiDe project undertook training of 40,000 farmers through training of 186 trainers of trainers and 50 subject matter specialists across the 45 implementing districts. As of June 2015, 30,398 farmers had been trained and 1kg seed distributed to all trained farmers representing 75.5% of target of 40,000 farmers to be trained. However, this is slightly below (80%) the set training target.

A review of the PRiDe Mid-term Impact Survey Report (PRiDe MIS) and the Joint Mid-term Review Report (JMRR) showed that it was not possible to ascertain whether the project was on course with achievement of its target of increasing production by 20,000MT because MAAIF was not maintaining actual data that would be used to establish the area under rice production and quantities of rice produced. MAAIF had not put in place a framework and the necessary tools to obtain this data.

According to the reported figures in the JMRR the total increase in the rice growing area was estimated at 3,175.29 ha which represents 31.75% of 10,000ha and the amount of rice produced had increased by only 5,792.75 tons representing 28.96% of 20,000MT as shown in Table 3.
Table 3: Mid-term impact survey statistics of rice growing under the PRiDe Project

<table>
<thead>
<tr>
<th></th>
<th>Increase in the area Under Rice cultivation (Area in hectares)</th>
<th>Increase in amount of rice production (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New farmers</td>
<td>2,320.81</td>
<td>2,743.35</td>
</tr>
<tr>
<td>Experienced farmers</td>
<td>854.48</td>
<td>3,049.4</td>
</tr>
<tr>
<td>Total</td>
<td>3,175.29</td>
<td>5,792.75</td>
</tr>
</tbody>
</table>

Source: PRiDe Joint-Midterm review report 2014

Further analysis of data obtained from JICA and interviews held with the Director Crop Production and Marketing and NARO officials indicated that these figures had been revised because contribution of acreage from new rice farmers and experienced farmers had been miscalculated and productivity increment to existing field excluded. This had necessitated the use of a new computation method to produce revised figures from those that had been presented as shown in table 4 below:

Table 4: Revised statistics of rice growing under the PRiDe Project recorded by JICA

<table>
<thead>
<tr>
<th></th>
<th>Increase in the area Under Rice cultivation (Area in acreage)</th>
<th>Increase in amount of rice production (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New farmers</td>
<td>5734.63</td>
<td>7,780.6</td>
</tr>
<tr>
<td>Experienced farmers</td>
<td>2111.40</td>
<td>1,105.64</td>
</tr>
<tr>
<td>Total</td>
<td>7,846.03</td>
<td>8,886.24</td>
</tr>
</tbody>
</table>

Source: JICA

The recalculated data indicates that the project had achieved 44.4% of the targeted production of 20,000MT. This performance was still behind the target of 60% that was to be achieved by the end of financial year 2013/2014.

As observed above, the project had not established a system for collection, recording analysis and reporting of rice data and hence it was difficult to establish with certainty the progress the project was making towards the achievement of the set targets. In the interviews held with farmers in the districts of Mbale, Iganga, Kamuli, Luwero, Lira, Hoima, Kamwenge and Mukono, the farmers acknowledged that they did not record any data which would eventually inform the district agricultural officers.

Minutes of the Joint Coordination Committee meeting held on 15th July, 2015, further confirm that rice data was largely not available and where it was available there were inconsistencies between data by MAAIF and NARO. This was also echoed by the Director Crop Resources and Marketing who confirmed that there was no data to support the figures of the rice growing
area in hectares that had been covered by the project. According to an agreement signed between MAAIF and the database developer (service provider) on 27th September 2013, a rice database was supposed to be developed and handed over to the rice Secretariat within three (3) months. A rice database facilitates electronic storage and dissemination of rice information for access by rice stakeholders and facilities the compilation of research data. The rice database was conceived in the NRDS as one of the key deliverables and one of the PRiDe project targets was to improve periodic rice information sharing among ZARDI, Zonal/District NAADS coordinators and district production offices in more than 5 Zone. According to the MAAIF Ministerial statement 2013/14 development of a rice web-page and internal database was prioritized and funds allocated in the subsequent year’s. MAAIF was to collect rice data from districts and update the database.

It was, however, noted that although UGX.2,500,000 was paid to the database developer as part payment of the contract amount of UGX.5,000,000, the database was not yet in operation by the time of the Audit (January 2015) and the rice web page had not been developed. Furthermore, Audit notes that UGX.21,232,912 was paid out to various staff to collect data from farmers and millers to update the non-operational database. Failure by MAAIF to operationalize a rice website and database denies the rice stakeholders access to vital rice information.

**Management response**

The project already has a tool for collecting data. Raw data exists but needs to be uploaded. The project is working with ICT experts of Division of statistics within MAAIF capture raw data in to the database which is being finalised by the contracted person. Training on how the database can be accessed was done by the service provider. MAAIF is arranging for the contractor to hand over the database to the statistics division to operate. The database will be linked to the MAAIF website for easy accesses.

**4.1.2 Adaptation and use of the recommended cultivation and production techniques**

According to the Project Design Matrix, MAAIF in collaboration with NAADS through subject matter specialist and Trainer of trainers (ToT) is required to ensure that more than 50% of the trained farmers adopt and use the recommended techniques.

The Mid-term review report of June 2014 indicates that the implementation level of recommended techniques was below the 50% recommended mark set in the project design matrix.

The audit team visited the districts of Iganga, Mbale, Luwerro, Mukono, Kamwenge, Kamuli, Hoima and Lira districts where 16,734 farmer had received training on site selection, planting methods, weeding, post-harvest methods and seed production. From a sample of twenty three (23) farmers that were randomly selected it was observed that none had adopted all the techniques acquired during the training for application throughout all the stages of rice cultivation and production. Only three of the farmers had adopted the straight row line planting method that enabled them to achieve improved production at the same time allowing for the use of a hoe for weeding. Figure 1 and 2 below illustrates this.
This was also confirmed from the review of the PRiDe Impact Survey report of April 2014 that showed that there was low adoption of the recommended techniques based on a survey of a sample of 475 farmers drawn from ten districts in Uganda. The Responses from respondents are summarized in Table 5 below.

**Table 5: Adoption of recommended cultivation and production techniques**

<table>
<thead>
<tr>
<th>Techniques recommended</th>
<th>% of respondents who found the techniques useful</th>
<th>% of respondents who found the techniques difficult</th>
</tr>
</thead>
<tbody>
<tr>
<td>None of the techniques</td>
<td>0</td>
<td>19.5</td>
</tr>
<tr>
<td>Seed selection method</td>
<td>13.5</td>
<td>9.2</td>
</tr>
<tr>
<td>Planting method</td>
<td>59.6</td>
<td>20.1</td>
</tr>
<tr>
<td>Weeding method</td>
<td>13.7</td>
<td>20.6</td>
</tr>
<tr>
<td>Post-harvest technologies</td>
<td>6.9</td>
<td>24.0</td>
</tr>
<tr>
<td>Seed production method</td>
<td>6.3</td>
<td>6.6</td>
</tr>
</tbody>
</table>

Source: PRiDe Impact survey report, April 2014

The farmers who did not adopt the techniques indicated that the said techniques were laborious and costly. Audit attributes the low adoption of the new techniques to lack of adequate support and sensitisation of farmers by the extension service providers. Trained farmers did not receive support throughout the stages of rice production because NAADs trained officers that were supposed to provide extension services were withdrawn in the middle of the support process. The farmers/millers were therefore not in position to put into practice the recommended techniques throughout all the stages of rice production. Failure to adopt the recommended technologies by the farmers’ will lead to low rice production...
levels and affect the quantity and quality of rice produced.

Management response
Following the restructuring of NAADS, the extension function was brought back to MAAIF. Since most of the extension staff were under NAADS, the restructuring led to the laying off of most of the staff. This FY 2015/16, Government provided funding [UGX 10 bn] to District Local Governments to re-instate extension staff at sub-counties. As of now, most of the staff in the sub-counties have been re-instated and the process is on-going up to 2016/17.

Conclusion
The overall increase in the area of rice cultivation and amount of rice produced could not be established with certainty because of lack of a reliable data management system. Without such a system, it becomes difficult for the project management to assess the progress towards the achievement of the project objectives. In addition, the lack of extension services to the farmers following the restructuring of NAADS resulted in low adoption of the recommended techniques that the farmers had been trained in.

Recommendations
• MAAIF should ensure that a system is put in place for collection and management of data from the farmers to aid proper evaluation of the project performance. This will also require training of farmers in data collection.
• MAAIF should expedite the operationalisation of the rice data base and the rice webpage to facilitate sharing of rice information.
• The extension services should be strengthened to support the farmers in the adoption of new techniques.

4.2 IMPROVEMENT IN THE QUALITY OF RICE PRODUCED TO AT LEAST GRADE 3 OF THE UNBS STANDARD
The PRiDe project set out to improve the quality of rice produced to at least grade 3 of the UNBS standard and this was to be achieved by conducting the following: a rice value-chain study, training for rice millers and traders, conducting “post-harvest” training and “rice milling” demonstration for farmers and millers and sample test the rice to ascertain whether it has attained the grade 3 UNBS standard. This was intended to enable more than 80% of the rice millers and traders who participated in the training to upgrade their rice mills to turn out milled rice of at least grade three (3) of UNBS standard.

4.2.1 Quality of rice on the market
(a) Training of farmers and Millers
In a bid to improve rice quality on the market the PRiDe project was to train farmers, millers and traders in post-harvest handling to ensure improvements in rice handling from the gardens through the mill up to the market. The project was to carry out sample testing as one of the quality assurance measures to check whether the trained farmers, millers and traders have acquired the precise knowledge to improve on the quality of rice to at least grade three (3) of UNBS standard.

Interviews with MAAIF officials and review of documents indicated that 68 rice millers and traders in the districts of Hoima, Budaka, Mbale, Kibuku, Butaleja, Bukeeda had been trained on post-harvest handling and in addition rice milling demonstrations had been...
undertaken for 30,396 farmers. This represents 56.6% achievement which was within the target of 60% (72 millers) of the rice millers and traders that were to be trained by FY 2013/14. However, from the review of minutes of JCC committee meeting held on 15th July 2015, it was noted that post-harvest guidelines to be used to minimise loss of quality by target farmers and millers had not yet been disseminated to the beneficiaries and were still in draft form yet the project has one year to close. The delay to disseminate the guidelines may undermine the progress towards achieving the desired improvement in the quality of rice on the market by the close of the project.

(b) Sample testing of the grade of rice on the market

The project was to carry out sample testing in order to determine whether the rice being produced by the trained farmer meets the project target of at least grade three (3) UNBS standard.

Although the Director crop Production and Marketing who also doubles as the Deputy project Director explained that sample testing was done, no evidence was provided to that effect.

Further analysis of the Joint Mid-term review report of 11th June, 2014 and interviews with district officials of the visited districts (APPENDIX II) also showed that sample testing on the grade of the rice processed by the millers and traders had not been conducted. Additionally, interviews with millers and traders in the districts visited confirmed that sample testing had not been done as no MAAIF official had visited them to either test or collect samples of rice produced for testing.

This could have been brought about by lack of a clear mechanism to guide the process of sample testing of the grade of rice produced by farmers and millers.

Failure to sample test makes it difficult to determine whether the rice being produced on the market meets the required grade three of UNBS standard as set by the project.

4.2.2 Upgrading of rice mills by trained millers

In a bid to improve rice quality on the Market the project was supposed to conduct a rice value-chain study and ensure that 80% of the rice millers and traders who participated in training are qualified to the equivalent of grade three standards of UNBS. PRiDe conducted a rice value-chain study and the report produced in December 2013 identified rice mills as crucial in the improvement of the quality of rice in the market. The report emphasized that the rice quality problem would persist even if all the other factors that affect quality were improved, unless the quality of rice milling changed.

However, although the training of millers in the different regions of the country was done and the trained millers acknowledged and appreciated the skills acquired during the training, the nine (9) millers visited (Appendix III) were still using substandard mills (photograph below Figure 3) that could not produce graded quality rice sold on the market.

Out of the nine (9) millers trained between March and April 2015, none had upgraded their rice mills to turn out desired quality graded rice. During field visits it was also established that none of the millers had acquired a destoner and grader that could be used to grade the rice milled.
The Director, crop production in MAAIF acknowledged the continued use of sub-standard equipment in the rice industry by the farmers and millers which he attributed to the project not making provisions for the requisite equipment needed by the farmers. Whilst designing the project it was assumed that the farmers would purchase their own equipment, but, the facts on the ground were that farmers were not able to upgrade their mill and no subsidies had been given to farmers or farmers’ groups by government to facilitate the acquisition of the required equipment as this was the only sure way that would effect improved quality of rice produced on the market.

Audit notes that as a pre-requisite for millers to produce good quality rice, an upgrade of mills and adding key components like a destoner and grader is a requirement. This is consistent with the recommendation of the value chain study report that indicated that one way to solve the issue of quality is to develop efficient small to medium scale machines with quality improvement features such as de-stoning and grading and foster multi-machine rice mills. While designing the project an assumption was made that the millers had adequate resources to purchase the improved rice mills, however, the visited millers indicated that they had not been consulted about the same and that they didn’t have the necessary funds to acquire the destoners and graders since they were costly. However, absence of such technologies for rice millers and farmers makes it difficult for the farmers and millers to produce rice of the desired quality.

**Management response**

Post-harvest guidelines have been finalized and ready for printing and dissemination. Even before the manual had been completed, training of farmers and millers /traders was being conducted since the technologies already exist. The manuals are for the purpose of documenting as reference materials especially for extension workers.

The project was designed to provide equipment for demonstration and teaching purposes not mass supply of equipment to farmers. This was achieved through supply, for example, tillers, tractors and milling equipment used for training of millers on the technology operations. The impact of the training is seen through improvement of rice quality in our markets and exports.
Through promotion of use of de-stoners, most of the rice in the market today does not have as much stones as it used to have three years ago. Through the project, a locally fabricated de-stoner has been developed and demonstrated. During the trainings, millers/traders are shown the good quality mills and even guided where they can get them. The project was never meant to provide machinery to farmers and millers.

**Conclusion**

- Sample testing of rice produced by the trained millers and traders had not yet been undertaken by the project. Post-harvest handling guidelines had not been finalised and disseminated to farmers, millers and traders to enable them implement the knowledge acquired during training yet this is critical in fostering rice quality improvements.
- Although training of millers had been done, the acquired techniques geared towards improvement of the quality of rice on the market were not put in use as trained millers could not acquire the required equipment. The knowledge acquired is at risk of being lost with time because it cannot be applied in absence of the required equipment.
- These shortcomings if not timely addressed may hamper the progress towards the achievement of the quality requirements set by the project.

**Recommendations**

- MAAIF should expedite the finalization and dissemination of Post-harvesting guidelines to farmers, millers and traders to enable them put in use the knowledge acquired during training. The guidelines should be in a simplified format for the beneficiaries to understand the information they are trying to portray.
- Sample testing should be carried out to ascertain the current rice quality and hence establish whether it meets the required grade 3 UNBS standard.
- MAAIF should work out modalities that enable rice millers to access funding to acquire the required equipment like the mills, destoners and graders that will be used in improving the quality of rice produced.

**4.3 RICE PROMOTION SUSTAINABILITY**

According to the record of discussions on the technical cooperation between JICA and GOU on the PRiDe project, one key GOU deliverable was to ensure that the project remained self-reliant during and after the period of Japanese technical cooperation, and the other was to ensure that the technologies and knowledge acquired by the Ugandan nationals would contribute to the economic and social development of the country even after the project winds up.

Interviews held with JICA officials revealed that the project was implemented according to the records of discussions between MAAIF and JICA. Further, the review of the NRDS indicates that for all rice promotion initiatives, rapid multiplication of improved rice seed would be undertaken by NaCRRI, research and technology development would be spearheaded by NARO, technology dissemination would be through NAADS, who would work with existing private sector extension system with proven technical competence such as post rice processing. It was however noted from the review of the JCC minutes that during the implementation of the project, NAADS underwent reorganization which resulted in the termination of the NAADS services. The consequences of this termination meant that the district NAADS coordinators and extension advisory service providers who had been trained would no longer provide...
follow up services to the farmers and the information flow channels from the farmers to the rice secretariat was terminated.

Further, through Interviews with JICA and NARO officials, it was noted that one full time (PhD) rice researcher had been attached to the PRiDe project and was working alongside two part-time (PhD) PRiDe trainers who are not formally employed by GoU. However, all the available researchers are engaged in other research not solely focusing on rice research and development which is contrary to the commitment made by GoU in the record of discussion. The Joint Mid-term Review Report [JMRR] points out that the number of research in rice is still limited, yet it is essential for sustainability of rice promotion.

Under such circumstances therefore, most of the project activities have been carried out mainly by JICA yet they were supposed to work alongside the personnel from Government of Uganda for purposes of sustainability after the cooperation agreement with JICA ends.

Management response
The JICA provides technical expertise in rice breeding and capacity building of farmers, millers and technical staff. The GoU is committed to the sustainability of the project operations in the following ways:

a) JICA is doing rice research jointly with Ugandan research scientists.
b) Training of Trainers [TOTs] is always conducted jointly with JICA, MAAIF and NARO staff

c) Capacity building of lead farmers as Community based Facilitators [CBFs] has also been carried out.

The technologies acquired from JICA experts will be integrated into other follow-on rice projects.

Following the restructuring of NAADS, Extension function was brought back to MAAIF. Since most of the extension staff were under NAADS, the restructuring led to the laying off of most of the staff. But this FY, Government provided funding to District Local Governments to re-instate extension staff at sub-counties. As of now, most of the staff in the sub-counties have been re-instated and the process is on-going up to 2016/17.

Conclusion
• Rice researchers and specialists attached to the PRiDe project are not fully involved in the project because they are engaged in research of other priority themes not solely focusing on rice research which raises questions of sustainability of rice research when the project closes.
• The services of the agricultural extension service providers have been suspended adversely affecting support to rice farmers.

Recommendations
• MAAIF and NARO should ensure that fulltime dedicated researchers are assigned to the PRiDe project to undertake research in rice as this will ensure self-reliant operations of the rice research function after the PRiDe project closes.
• Now that the extension function has been restated, MAAIF should work out modalities of fast tracking the restoration of extension services in the district.
4.4 PRIDE PERFORMANCE BY MAAIF

According to the project proposal document, GoU was expected to contribute about UGX Four (4) Billion for the five years [FY 2012/13 to FY 2016/17] as counterpart funding. However, the review of MAAIF PRiDe project expenditure documents indicates that only UGX 1,482,409,718 has been released to the project. The released funds represent only 37% of the amount anticipated for three financial years (2012/2013, 2013/2014, 2014/2015) and yet the project has less than two years to close. The failure of government to honor its obligation of providing the budgeted counterpart funding may affect the MAAIFs ability to sustain rice activities beyond the PRiDe project.

On further scrutiny of the MAAIF budgetary performance for financial years 2012/2013, 2013/14, 2014/2015, it was observed that the budgeted outputs were not matched with the actual outputs realized for activities, for which funds had been released, an indication that funds may have been applied to unplanned activities. Details are in Appendix IV attached. Failure for MAAIF to observe strict budgetary control may lead to failure of the project to attain its intended objectives.

Management Response
The GoU releases to the project are normally determined by the MoFPED which also allocates funds to the Ministry Departments and Agencies (MDAS). Failure by the government to honor its obligation is in most cases attributed to the inadequate revenue collections. At times, there are deviations between planned outputs and realised activities. JICA in collaboration with MAAIF may change from the planned to the most urgent activity at the particular time, hence the deviations.

Conclusion
GoU has not met its funding obligation of the PRiDe project.

Recommendation
• MAAIF should put in place mechanisms to ensure that budgeted and agreed counterpart funding for the project is all released on time and used for only approved project activities.
• MAAIF should draw clear and detailed measurable budgeted outputs that can be matched with achieved outputs as this facilitates the measurement of project performance.

15 The project proposal document pages 14&16
## APPENDIX 1: DOCUMENTS REVIEWED

<table>
<thead>
<tr>
<th>S/N</th>
<th>Documents reviewed</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Uganda National Rice Development Strategy, May 2008-2018</td>
<td>• To obtain an understanding of the goals and objectives of and how PRIDE feeds into the strategy</td>
</tr>
<tr>
<td>2.</td>
<td>Joint Midterm Review Report, June 2014</td>
<td>• To assess how far the project has been implemented, the challenges faced and future work plans.</td>
</tr>
<tr>
<td>3.</td>
<td>Agreement on technical cooperation</td>
<td>• To obtain an understanding of the terms enshrined in the agreement which will govern project implementation</td>
</tr>
<tr>
<td>4.</td>
<td>PRiDeMid-term Impact Survey Report April 2014</td>
<td>• To obtain an understanding of how far the project has impacted on the beneficiaries</td>
</tr>
<tr>
<td>5.</td>
<td>A Project Proposal for funding for FY 2012/13 to FY 2016/17, March 2012</td>
<td>• To obtain an overall understanding of the project</td>
</tr>
<tr>
<td>6.</td>
<td>Monitoring Reports</td>
<td>• To establish how often monitoring and follow up visits are done and what are the issues raised and what has been done to access. To also establish whether the technologies are being adopted.</td>
</tr>
</tbody>
</table>
### APPENDIX II: INTERVIEWS CONDUCTED

<table>
<thead>
<tr>
<th>S/N</th>
<th>Designation</th>
<th>No. of interviews</th>
<th>Purpose of the interview(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CCPM/MAAIF</td>
<td>01</td>
<td>• Obtain information about PRiDe at managerial level.</td>
</tr>
<tr>
<td></td>
<td>SAO/MAAIF</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PLANNING ADVISOR/MAAIF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>IT OFFICER/MAAIF</td>
<td>01</td>
<td>• To obtain information on the rice database</td>
</tr>
<tr>
<td>3.</td>
<td>MANAGER/NAADS</td>
<td>01</td>
<td>• To obtain information on the provision of extension services</td>
</tr>
<tr>
<td>4.</td>
<td>PROJECT CHIEF ADVISOR</td>
<td>01</td>
<td>• To understand the role of JICA IN PRiDe project; The contribution; to get the experience of JICA in the project; to get the challenges JICA is encountering in running the project and how they are monitoring and evaluating the project.</td>
</tr>
<tr>
<td></td>
<td>JICA REP.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PROJECT ADVISER</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JICA REP.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PROGRAMME OFFICER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>A.O/TOT/SMS –IGANGA</td>
<td>01</td>
<td>• To follow up on the activities of JICA and MAAIF in Iganga District; To also establish whether monitoring and follow up visits to farmers were being done and how often; To establish the criteria followed in selecting of farmers and rice millers involved in the project;</td>
</tr>
<tr>
<td></td>
<td>Ag. DPO-IGANGA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>SERVICE PROVIDER-IGANGA</td>
<td>01</td>
<td>• To establish how often monitoring and follow up visits are done; to also get the monitoring reports for the period; challenges of the project</td>
</tr>
<tr>
<td>No.</td>
<td>Area of Interest</td>
<td>District</td>
<td>01</td>
</tr>
<tr>
<td>-----</td>
<td>-----------------</td>
<td>----------</td>
<td>----</td>
</tr>
<tr>
<td>7.</td>
<td>A.O/SMS - MBALE DAO-MBALE</td>
<td></td>
<td>01</td>
</tr>
<tr>
<td>8.</td>
<td>DNC-MBALE</td>
<td></td>
<td>01</td>
</tr>
<tr>
<td>9.</td>
<td>TOT - BUTUNTUMULA SUBCOUNTY LUYERO</td>
<td></td>
<td>01</td>
</tr>
<tr>
<td>10.</td>
<td>SMS-KAMULI</td>
<td></td>
<td>01</td>
</tr>
<tr>
<td>No.</td>
<td>DAO</td>
<td>01</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>------</td>
<td>----</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>LIRA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>HOIMA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- To establish his role in the project; to establish if he has been trained in rice activities; To also establish whether monitoring and follow up visits to farmers were being done and how often; To establish the criteria followed in selecting of farmers and rice millers involved in the project; To establish how many zonal meetings have been attended and what the content of the meetings is; To also get the training content; To establish how often the training of farmers is done; challenges and recommendations
<table>
<thead>
<tr>
<th>13.</th>
<th>DAO-KAMWENGE</th>
<th>01</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• To establish his role in the project; to establish if he has been trained in rice activities; To also establish whether monitoring and follow up visits to farmers were being done and how often; To establish the criteria followed in selecting of farmers and rice millers involved in the project; To establish how many zonal meetings have been attended and what the content of the meetings is; To also get the training content; To establish how often the training of farmers is done; challenges and recommendations</td>
<td></td>
</tr>
</tbody>
</table>
### 14. FARMER - MBALE
- MBALE
- MBALE
- IGANGA
- IGANGA
- LUWERO
- LUWERO
- LUWERO
- LUWERO
- LUWERO
- LUWERO
- KAMULI
- KAMULI
- KAMULI
- LIRA
- LIRA
- LIRA
- LIRA
- LIRA
- HOIMA
- HOIMA
- HOIMA
- KAMWENGE
- KAMWENGE
- KAMWENGE

**To establish whether the farmers have ever been trained and how often; whether the training is useful in any way; if the farmers received any seeds from JICA or MAAIF; if the farmers gets any follow up visits from the district officials:**

### 15. RICE MILLER - LUWERO
- LUWERO
- LIRA
- LIRA
- LIRA
- HOIMA
- HOIMA
- KAMWENGE

**To establish whether training has been conducted, relevant and what is being done to improve the quality of rice; in addition ascertaining the dissemination of post-harvest handling technology:**
### APPENDIX III: OPERATIONAL ORGANISATION STRUCTURE OF PRIDE

![Organisation Structure Diagram]

### APPENDIX IV: PRIDE PERFORMANCE BY MAAIF

<table>
<thead>
<tr>
<th>Annual Planned output target/ financial year</th>
<th>Approved Budget released (UGX000)</th>
<th>Amount spent (UGX000)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1 rice data and data bank improved [Development strategy investment plan[DSIP] 1.8, 2.2</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Budgeted</td>
<td>Actual</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td>----------</td>
<td>--------</td>
</tr>
<tr>
<td>2</td>
<td>Rice Research data and information compiled into drafts for publication.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>5000 kg of DAP fertilizers and 10,000 kg of urea disseminated for soil management demonstrations (100 Ha), water channels and bunds for water conservation maintained and at least in 25 rice producing districts selected from eastern, northern and western and south western Uganda.</td>
<td>30,000</td>
<td>30,000</td>
</tr>
</tbody>
</table>
| 4 | Rice foundation seed procured (Seed 1 kg) 32,500 kgs                                            | 130,000  | 130,000| • At least 50 Kg of Breeder Seed, 500 Kg of foundation seed, 12,000 Kg of registered seed produced at NaCRRI and ZARDI’s for dissemination to farmers through MAAIF/NARO/NAADS.  
• Trainers training conducted at UGX.26,182,500  
• The balance of sh.103,817,500 not utilized for procurement of seeds. |
| 5 | Procurement of several types of rice post-harvest handling machine and assorted rice research equipment. |          |        | Not done                                                                                         |
| 6 | Contract staff salary (Person Years)                                                            | 30,000   | 30,000 | Money spent without any Contract staff in place.                                                   |

Annual Planned output target 2013/2014

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>1 standards on rice grain dissemination to 500 rice millers and 50 local governments</td>
<td>Not budgeted for</td>
<td>40,000</td>
<td>Guidelines for rice millers and farmers to meet the rice Standards initiated, no draft guidelines developed and road map for dissemination agreed on.</td>
</tr>
<tr>
<td></td>
<td>Activity Description</td>
<td>Amount (UGX)</td>
<td>Amount spent (UGX)</td>
<td>Notes</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------------------------------------</td>
<td>--------------</td>
<td>--------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>8</td>
<td>rice data and data base improved</td>
<td>20,000</td>
<td>20,000</td>
<td>No Rice web-page but development of Internal database commenced but not yet in place.</td>
</tr>
<tr>
<td>9</td>
<td>Contract staff salary [Person Years]</td>
<td>30,000</td>
<td>30,000</td>
<td>Contract staff not yet recruited</td>
</tr>
<tr>
<td>10</td>
<td>60 trainer of trainers/ trainer of trainees [ToT] trained in districts and ZARDIs.</td>
<td>70,000</td>
<td>70,000</td>
<td>Only 26 Trainers [Subject Matter Specialists mainly from Sub county extension staff were trained in Rice Production technologies at NaCRRI, Namulonge. Supported by JICA.</td>
</tr>
<tr>
<td></td>
<td>Fuel for rice production field supervision [Litres]--</td>
<td>10,000</td>
<td>10,000</td>
<td>Only 26 Trainers [Subject Matter Specialists mainly from Sub county extension staff were trained in Rice Production technologies at NaCRRI, Namulonge. Supported by JICA.</td>
</tr>
<tr>
<td>11</td>
<td>Establishment of small scale irrigation infrastructure supported in 2 new sites</td>
<td>30,000</td>
<td>30,000</td>
<td>Not done</td>
</tr>
<tr>
<td></td>
<td>Supported. Central and Eastern Uganda.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Regional and international collaborations built for increased food and nutrition security.</td>
<td>No release</td>
<td>No release</td>
<td>Not Done</td>
</tr>
<tr>
<td>13</td>
<td>At least 40 ha of fertilizer use demo established in 15 pilot districts in Central, Eastern, Northern, Western and South western Uganda</td>
<td>60,000</td>
<td>60,000</td>
<td>Amount spent but Activity not supported</td>
</tr>
<tr>
<td>14</td>
<td>Purchase of specialised Equipment</td>
<td>100,000</td>
<td>100,000</td>
<td>Amount spent but Activity not supported</td>
</tr>
<tr>
<td></td>
<td><strong>Annual Planned output target 2014/2015</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>500 Copies of rice post- harvest handling and processing guidelines printed and disseminated to rice millers and 44 Local Governments</td>
<td>No release</td>
<td>No release</td>
<td>Not Done</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Budgeted</td>
<td>Allocated</td>
<td>Comments</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------------------------------</td>
<td>----------</td>
<td>-----------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>16</td>
<td>Rice data collected and database updated</td>
<td>50,000</td>
<td>44,617</td>
<td>Data base not in place</td>
</tr>
<tr>
<td></td>
<td>Rice value addition workshops [Meetings]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Contract staff [Person Years]</td>
<td>30,000</td>
<td>30,000</td>
<td>Contract staff not yet recruited</td>
</tr>
<tr>
<td>18</td>
<td>Regional and international collaboration built</td>
<td>40,000</td>
<td>36,711</td>
<td>Details for the purpose of travel not provided</td>
</tr>
<tr>
<td>19</td>
<td>13MT of seed disseminated to 10,000 farmers in collaboration with JICA, NARO</td>
<td>100,000</td>
<td>91,779</td>
<td>Only 5MT of certified rice seed to 5000 farmers during trainings in central, eastern, northern, western and south western Uganda was done</td>
</tr>
<tr>
<td>20</td>
<td>Fuel for PRIDE field activities [Litres]</td>
<td>20,000</td>
<td>17,720</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>13,000 farmers trained in collaboration with NAADS and JICA</td>
<td>50,000</td>
<td>42,081</td>
<td>Only 5000 farmers were trained by extension staff in all regions, quality assured</td>
</tr>
<tr>
<td>22</td>
<td>100MT of QDS produced in selected communities purchased and redistributed to other farmers.</td>
<td>30,000</td>
<td>27,715.4</td>
<td>Not done</td>
</tr>
<tr>
<td>26</td>
<td>National Surveys on rice quality conducted and database updated.</td>
<td>50,000</td>
<td>50,000</td>
<td>National Surveys on quality only done in Central region, however Database no updated</td>
</tr>
</tbody>
</table>
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OFFICE OF THE AUDITOR GENERAL