



2013 | ANNUAL REPORT

Transforming capacity to aspire

Prepared by: Dr. Alfred Lakwo | Executive Director

March 15, 2014

Acronyms

ABCCD	=	Abstinence, Be Faithfull, Condom use, Circumcision, and Disclosure
AFARD	=	Agency for Accelerated Regional Development
AFRISA	=	Africa Institute for Strategic Animal Resource Services and Development
AIDS	=	Acquired Immunodeficiency Syndrome
ANC	=	Ante Natal Care
ART	=	Anti Retro Viral Treatment
BCCE	=	Behavior Change Communication and Education
BO	=	Beneficiary Organization
BoM	=	Beneficiary Organization Members
CAES	=	College of Agricultural and Environmental Sciences
CDD	=	Community Driven Development
CDO	=	Community Development Office(r)
CEF	=	Community Education Fund
CHFA	=	Community Health Frontline Advisor
CLA	=	Cluster Level Association
DMO	=	District Medical Office(r)
DWO	=	District Water Office(r)
FCM	=	Facility Management Committee
FO	=	Field Officer
GBA	=	Gender Based Analysis
GLS	=	Group Loan Scheme
HIV	=	Human Immunodeficiency Virus
IGA	=	Income Generating Activities
INTRAC	=	International NGO Training and Research Centre
JOYODI	=	Jonam Youth Development Initiative
KRA	=	Key Result Area
LCs	=	Local (Village) Council
LLG	=	Lower Local Government
M+E	=	Monitoring and Evaluation
MRAL	=	Monitoring, Reporting, Accounting and Learning
NAADS	=	National Agricultural Advisory Services
NGO	=	Non-governmental organizations
NUSAF	=	Northern Uganda Social Action Fund
OATC	=	Odokibo Agricultural Training Centre
OVC	=	Orphans and Vulnerable Children
P4MA	=	Production for the Market and Assets
PLWA	=	Persons Living with HIV/AIDS
POCA	=	Participatory Organizational Capacity Assessment
PTC	=	Post Test Club
PwP	=	Prevention with Positives
SHG	=	Self Help Group
SMC	=	Safe Male Circumcision
UGX	=	Uganda Shillings
VCT	=	Voluntary Counseling and Testing
VV	=	Village Volunteers
WASH	=	Water, Sanitation, and Hygiene
WENDI	=	West Nile Development Initiative programme

Contents

Acronyms	1
Foreword message	3
Introduction	4
The Drivers in 2013	5
Food and Nutrition Security	6
Case study 1: Life has never been the same for Kadija.....	7
Economic Security	8
Case study 2: Securing the Future: Adnani's Construction Plan.....	9
Youth Skilling for Wealth Creation.....	10
Case Study 3: Livestock Farming as a Business by Mr. Taban Juma	12
Health Security.....	14
Case study 4: High Risk Businesses and HIV Infection.....	14
Education Security	15
Case study 5: Education: Investment or Charity?	16
Case study 6: Community Investing in Education in Aliodranysu WENDI group ...	17
Community-led Advocacy	18
Case study 7: Community Byelaws Matter in Iyigobu Farmers Group	19
Partner Groups' Sustainability Building	20
Case study 8: Investing for Financial Sustainability by Aupi Apo	21
Building People's Institutions.....	22
Case Study 9: CLA Engaging Local Government on Local Leadership Question...23	
AFARD's Sustainability	24
Organizational Performance	25
Financial Performance.....	26
Auditors Report, March 2014.....	27

Foreword Message



Rt. Rev. Dr. Ocan Sabino Odoki
Chairman Board of Directors



Dr. Alfred Lakwo
Executive Director

On behalf of the Board and Management, we present to you the AFARD Annual Report, 2013. Evident from the report are first, the continued positive collaboration of AFARD with different stakeholders – partner groups, local governments, national and district civil society networks, universities and research institutions, and the donor community. This is testimony to our commitment to multi-stakeholder engagement in pursuing AFARD's vision.

Second, the report presents AFARD's multi-faceted approach in contributing towards building secure and sustainable livelihoods in West Nile region. In the year, AFARD continued to focus on fighting the interlocked multidimensional drivers of food and nutrition, economic, health and education insecurities and bad governance at both community and government levels.

Third, the report confirms that AFARD is making a steady progress in enabling beneficiary communities build social and economic resilience to the various livelihood insecurities they experience. Many homes are able to: Eat adequate and diversified foods; Access safe water, sanitation and hygiene practices with reduced susceptibility to common diseases; Enroll and retain their children in schools; and advocate for better service delivery in their local governments. Many have also diversified their livelihood activities and are able to earn more income and save for the future both in cash and productive assets. These positive changes have given hope and positive aspirations to many families for a better future.

Finally, from the report you will also be able to see that the governance and management of AFARD adheres to prudent corporate governance principles especially in innovative programming, efficient resource utilization, human resource development, and multi-stakeholder transparency and accountability. We are also building AFARD's financial sustainability in order to reduce donor dependence.

On behalf of the Board and Management of AFARD, we commend all our stakeholders for your invaluable financial, material, and moral support. This report demonstrates value for your investments and invites you for continued partnership with AFARD to transform livelihoods in West Nile region, Uganda.

Rt. Rev. Dr. Ocan Sabino Odoki | Chairman Board of Directors

Dr. Alfred Lakwo | Executive Director

The Agency For Accelerated Regional Development (AFARD) is a home-grown not-for-profit, non-denominational, non-governmental organization (Reg. No. S.5914/3753 and Reg. No. 45170) formed in July 2000 by professional sons and daughters of West Nile. Its vision and mission are contained in table 1 below. AFARD is an active member of many national network organizations, namely: Uganda National NGO Forum; Participatory Ecological Land Use and Management – Uganda Chapter (PELUM); Uganda Water and Sanitation NGO Network (UWASNET); Uganda National AIDS Services Organizations (UNASO); District NGO Forum in Nebbi, Yumbe, and Moyo Districts; and Nebbi AIDS Services Organization Network (NASON).

Table 1: AFARD’s Functional Mandates

<p>Values/Principles</p> <ul style="list-style-type: none"> • Respecting human dignity, equality, justice, and freedom. • The enshrinement of the empowerment approach to development ; • Local ownership by beneficiaries of whatever initiatives they are involved in; • Use of participatory methodologies; • Reliance on local resources including ITK, human and physical resources; • Localizing research aimed at generating local area sensitive interventions; • Genuine partnership based on mutual trust, respect and honesty; • Linkage and collaboration with like-minded stakeholders; and • Transparency and accountability. 	Vision	A Prosperous, Healthy, and Informed People of West Nile.	Impact
	Mission	To contribute to the molding of a region in which the local people (men and women), including those who are marginalized, are able to participate effectively and sustainably and take a lead in the development of the region.	
	Philosophy	<ul style="list-style-type: none"> • People know their problems better; • It takes hard work to live a better life; • Donors are friends en route to beneficiaries’ desired ends; • Poor people lead holistic livelihoods and support to them should be cognizant of this fact; • Change is gradual; involving time, hard lessons, openness, and flexibility; and • Capacity building can neither be rushed nor pre-determined. 	
	Strategic focus	<p>We envision active citizens who are able to sustainably and equitably:</p> <ul style="list-style-type: none"> • Eat adequate nutritious foods – Food Security; • Live in descent homes and accumulate adequate financial and material assets – Economic Security; • Suffer less from preventable morbidity and mortality – Health Security; • Attain literacy and marketable skills – Education security; • Exhibit voice and choice in the governance of their groups; and communities - Good governance security; and <p>An AFARD that is visible, impacting, and less donor dependent.</p>	Operations
	Main beneficiaries	<ul style="list-style-type: none"> • Community based groups/Village Associations. • Marginalized fishing & farming communities • Orphans and Vulnerable Children (OVCs) • Persons Living with HIV/AIDS (PLWA). • Women council structures and Local governments • Youths 	
	Alliances	<ul style="list-style-type: none"> • Donor community. • Local governments. • Private sector institutions. • Civil Society Organizations and networks. 	

The Drivers in 2013

The West Nile region has not fully recovered from the 27 years (1979-2006) of political insecurity. Many families still suffer from food, economic, health and education insecurities. For instance, many families cannot afford three meals a day. Hardly are their children enrolling and completing education even under the universal primary and secondary education policies. Sickness from preventable causes like malaria and diarrhoea are common. Meanwhile, many homes lack the assets with which to buffer livelihood shocks such as from climate change, death of a main bread winner, etc.

These interconnected facets of livelihoods were the cornerstone of AFARD's integrated rural development programming and partnerships in 2013. Table 2 below presents a snapshot of the various projects implemented in the year. The key activities implemented in the year hinged on: Food and nutrition security; Enterprise Development; Safe water, sanitation and hygiene; Combination HIV/AIDS prevention; Community education support; Community-led advocacy; Institutional development; and AFARD's financial sustainability.

Table 2: Programme Focus and Outreach

Projects/Programmes	Number of people served			% Women	Funders	Districts covered					Intervention focus					
	Males	Females	Total			Nebbi	Zombo	Arua	Yumbe	Moyo	Food & Nutrition	Economic security	Health	Education	Governance	IDOS
West Nile Development Initiative (WENDI) Programme	35,612	37,573	73,185	51%	Gorta											
Increasing West Nile Smallholder Farmers' Agricultural Productivity	35,612	37,573	73,185	51%	Irish Aid											
Fisher Folk Anti-AIDS Project (FAP)	19,285	20,815	40,100	52%	CSF											
Payera Community Development Project	2,768	2,999	5,767	52%	KNH											
Mainstreaming Rights to Food in sub-national plans	810	535	1,345	39%	FAO											
Olamkule Water and Sanitation Project	215	198	413	48%												
Community Care Anti-AIDS Project (CCAP)	500	500	1,000	50%	Total E&P Uganda, BV											
TOTAL	94,802	100,193	194,995	52%												

Food and Nutrition Security

The Need

Under this theme, all targeted households continued to experience: gendered feeding practices; limited diet diversification especially of green vegetables and fruits; a persistently high mortality in chickens and goats; and vegetation degradation.

Our Intervention

With funding from gorta and Irish Aid, in the year, WENDI programme intervened in multifaceted ways. Bio-fortified sweet potato was multiplied for sale in 6 sites. A total of 23,000 fruit and 25,000 timber tree seedlings were planted. Five community tree nurseries were established with 889,000 seedlings for on-sales. In collaborating with AFRISA, 47 paravets were trained to provide first line veterinary extension/treatment targeting chickens and goats. ABI ZARDI also conducted soil fertility mapping. In addition, AFARD distributed 1,418 cockerels, trained 1,509

people in basic agronomy, 2,832 people in improved livestock management, and 2,414 people in improved nutrition.

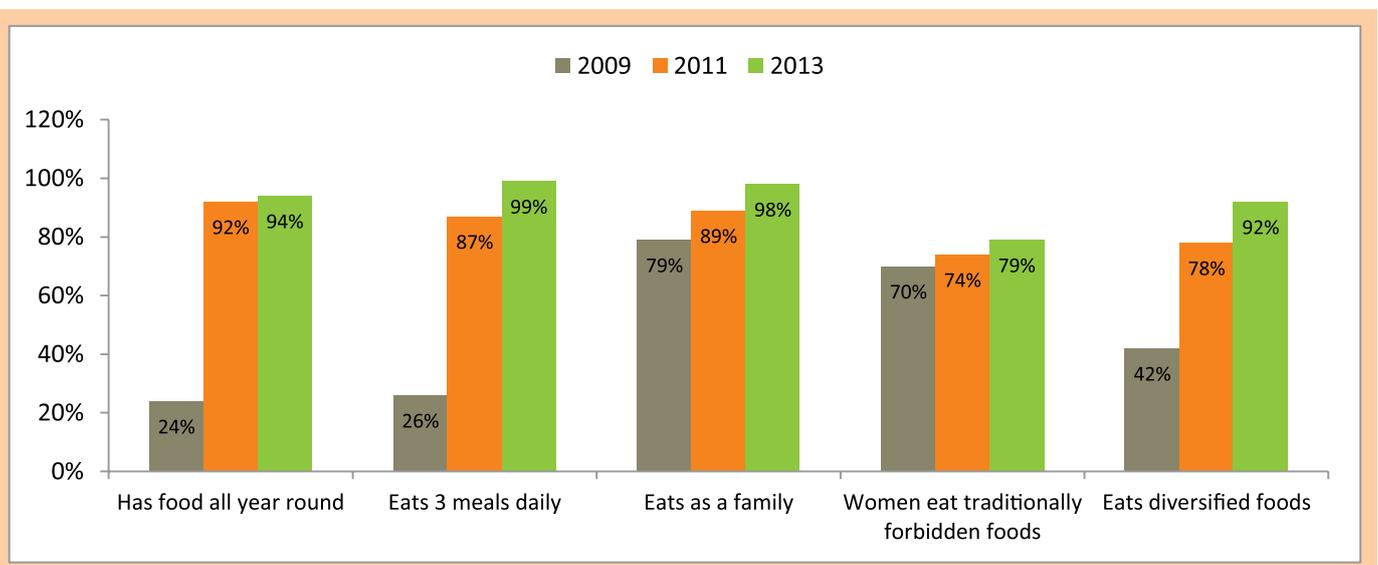
The Results

Foremost, throughout the year there was a stable food security situation. Food was available as 94% of the households had food all year round; food was adequate as 99% eat at least three meals a day; food was shared equitably as 98% ate as a family; and food was diversified as 92% ate vegetables and fruits.

Second, the average number of livestock improved remarkably. On average, each beneficiary household had 13 chickens (up from only 8 chickens in 2012) and 8 goats. Likewise, livestock-for-livestock (i.e., goats for cow) exchanges increased.

Finally, the increase in sweet cassava production witnessed the opening of a local weekly market called nyagorta (daughter of Gorta) in the Democratic Republic of Congo.

Figure 1: Food Security status in BoM households



Case study 1: Life has never been the same for Kadija



Kadija Safi, 56 years old is a married mother of 10 children. She is a member of Oriba WENDI program who returned to the village in 2008 from a challenging town life. This was the humble dwelling in which she settled.



In the village, Kadija started subsistence farming for food.



On WENDI entry, she took her first loan of UGX 300,000. She used the loan to start a tea kiosk.



With better income, Kadija started employing people to increase production.



After selling her produce, Kadija built a "mabaati" house. She topped the money for the iron sheets with a BO loan of UGX 500,000 after repaying the first loan.



From a tea seller, now Kadija has owns a general merchandise shop owner in Aya-aya. She constructed her semi-permanent shop from iron sheets that were left after roofing her house. She earns a weekly profit of UGX 50,000, and ably pays fees for her 3 children in secondary school.

Economic Security

The Need

Over the years, AFARD has witnessed a very slow economic transformation of the beneficiary communities. Cash incomes and productive assets average a net worth of only UGX 4.2 million per household. Asset poverty has only reduced by 6 per cent in 5 years. This situation is because of the slow adoption of farming as a business; mismanagement of group loan schemes; the unstable market prices for soybeans under the monopoly market; and the deep rooted charity mentality.

Our Intervention

In response, AFARD with funding from gorta and Irish Aid piloted a tractor hire service system in Nebbi and Yumbe districts. The warehouse in Nebbi was completed; 3,745 people were trained in bulk marketing and 302 people taken on enterprise management learning visits. A pilot was initiated with six villages to use court bailiff in loan recovery.

The Results

- **Growth in group loan fund.** On average each group had UGX 17.4M of which 15% was held in cash, 32% was in the bank, and 53% was loaned out to members.
- **Livelihood diversification with increasing employment and tax revenue.** Access to finance enabled many households to start and grow income generating activities. Overall, 52% of the households reported investing in farming as a business (production and marketing) and 52% were involved in other enterprises that range from trade in food stuffs, livestock, fish, butchery,

papyrus mats to general merchandize. These enterprises employed 1,172 people who earned an average of UGX 590,000 per month. This figure is above the national average wage rate in the informal sector of UGX 140,000. Local governments too earned taxes totaling to UGX 36.5M (in November alone).

- **Improved food security and savings.** With improved incomes came better well being. A household with a business was able to spend about UGX 33,000 per week on buying food; a figure double the national average of UGX 17,000. Extra income has also improved cash savings level per household to an average of UGX 623,000 as well as the acquisition of productive assets.
- **Emerging trading centers.** The increasing importance of non-farm enterprises has also given rise to local trading centers/markets especially in Yumbe district where famous emerging trading centres include Obama in Aliodranysu, Aliamu, Oriba, Toplife in Odokibo and Murutulu in Iyigobu.



Adinan in one of his 5 acre cassava gardens (photo by Flavia)



Adnani's children in school Photo by Julie Flavia Vuni



Adnani on his identified construction site
Photo by Julie Flavia Vuni

Case study 2: Securing the Future - Adnani's Construction Plan

Mr Ismail Adnani is a 32 year old man and married with three children (2 boys and 1 girl). Both Adnani and his wife are small scale farmers. Before WENDI programme they grew local crop varieties and had no livestock. The family had seasons when they hardly had two meals a day. Adequate income was a major problem. As the eldest boy, the death of Adnani's father increased on his burden. He had to care for his mother and three siblings and this weighed Adnani down as he joked of how he used to have sleepless nights wondering how to earn adequate income to meet his family needs.

When the Sub county officials mobilised for WENDI programme, Adnani did not hesitate to be registered more over with money borrowed from a friend. Asked what his aspiration was in rushing to join Kisimua Group, Adnani responded that he had precisely **1 goal: To earn more income to educate his siblings and to construct a commercial house in Yumbe Town Council as a savings and security for his young children.** He knew that through WENDI he would acquire knowledge to do any kind of business and on his own earn adequate income to meet his family needs.

When the programme implementation started, Adnani focused on securing food production as a secondary goal. He primarily took to production for the market. He exploited his group membership to enrol into rotational labour sharing that the group members initiated. He also diversified his investments by starting produce marketing trade and installing a grinding mill.

In 2012, Mr Adnani was asked how far he has moved in achieving his goal. His response was that he felt he was 70% accomplished. Food was assured in his home. All his siblings and his child were at school. The family was able to meet all their educational costs: school uniform, scholastic materials, and examination fees. With regards to the construction of a commercial house, he noted that "I have secured the plot, negotiated the price (UGX 1.5 million) and set aside UGX 600,000 as part payment."

This year, we followed Mr. Adinan's plan with the same question: "how far has he moved in achieving his goal?" Impressive! He worked very hard and focused on constructing the commercial house in Yumbe Town Council. He applied for and won a tender to supply 200 bags of cassava stalks to the local government, which earned him a profit of UGX 800,000. He also sold soya bean worth UGX 700,000. Thus, he has fully paid for the land. He also secured the land ownership documents.

To reduce his cost, Mr. Adinan has laid and was in the process of curing 10,000 bricks for the construction. He has again applied, won and supplied 134 bags of cassava stalk to the Sub-County NAADS Forum from which he expects a profit of UGX 800,000.

Mr. Adinan said once paid for the tender he would have a total of UGX 2,368,000 and commence with the procurement of iron sheets and cement. In the meantime, he plans to start harvesting his five acres of cassava, from which he estimates to earn UGX 4,500,000. This money he hopes to put in the construction works. Mr. Adinan plans to finish his commercial house in two years' time. Apart from construction, in 2013 Mr. Adnani regularized his marital status. He was able to formally pay full dowry of one cow, two goats, and UGX 350,000 for his wife; something he never dreamt he could in the past.

"Thank you AFARD and Gorta for changing my life," concluded Mr. Adinan.

Youth Skilling for Wealth Creation

The Need

There is a very high youth unemployment rate (64%) and dependency rate (>45%) in West Nile. Youths dislike farming which is the primary source of livelihoods of many homes. Many youth are idle consumers unable to contribute to their household economic security. Many have resorted to drug abuse and its associated crimes like theft, sexual promiscuity, and assault.

Our Intervention

To strengthen household economic independence, WENDI programme piloted youth vocational skilling through: (i) Livestock farming as a business training for 47 youth by AFRISA of the College of Veterinary Medicine, Animal Resources and Bio-security (COVAB), Makerere University; (ii) Bakery and confectionary training for 30 girls by Flaminio Vocational Training Center, Arua Diocese; and (iii) Tailoring training



for 40 girls by Odokibo Agricultural Training Center, Yumbe. Trainees received mentoring support as well as start-up inputs.

The Results

Some positive results are visible: 96% of the trainees are self-employed. It took 61.2% of the trainees between 0-2 months to start an enterprise. From their businesses, trainees are accumulating physical assets and improving their well-being. Table 3 below shows that the economic network of the youth increased and their poverty status declined by 29%.

Table 3: Vocational skills trainee enterprise performance

Performance indicators	Before (a)	Now (b)	Variance (b-a)
Proportion not yet employed (%)	71.4	4.1	-67.3
Proportion with bank accounts (%)	24.5	57.1	32.6
Proportion with good economic status (%)	30.6	89.8	59.2
Proportion with rich economic status (%)	0.0	10.2	10.2
Proportion envisaging further education (%)	46.9	93.9	47.0
Mean total stock value (UGX)	17,908	89,531	71,623
Average value of net worth (UGX)	392,143	2,635,357	4,794,676
Proportion able to secure 3 month consumption (%)	20.4	49.0	28.6
Proportion able to secure 3 month consumption (%)	4.1	20.4	16.3

The Lessons

Vocational skilling approach has demonstrated that the youths too can become economic actors with vital financial and asset contributions to their poor households. However, for these skills to provide the youth with adequate income the following are pertinent: (i) Vocational skills must be embedded in the local market to avoid business failures and skills migration to urban areas; (ii) Skills training should be tailored-made to the educational levels of the youth if competencies are to be built; (iii) Technical skills alone are not adequate for entry into self-employment. It has to be integrated with business and financial

management skills; (iv) Modest start-up inputs are inevitable for nascent youth enterprises given their already poor backgrounds and exclusion by financial institutions; (v) Young businesses require continued access to business development services for them to grow; (vi) Market linkages to financial institutions and established firms is required for maturing businesses for additional capitalization and business trust building; and (vii) advocacy for favorable business environment is inevitable for the youth to engage policy makers and their supply chain actors.

Case Study 3: Livestock Farming as a Business by Mr. Taban Juma



Taban and his service delivery kit (photo by AFRISA)



Taban feeding his birds (photo by AFRISA)



Taban taking his goats for grazing (photo by Leonard)



Taban's herd of cattle

In order to transform livestock farming into a business for wealth creation, AFARD partnered with Makerere University Institute for Animal Resources and Development (AFRISA) to conduct artisan certificate training in livestock business, production and animal primary health care. This was conducted in March and the trainees were sent for “practical develop-your-business phase” at home before graduation in October _ November 2013. The Livestock Development Officer together with AFRISA team periodically provided supervision and backstopping support to the trainees.

Mr. Taban is one of the trainees who by the end of June had adopted poultry farming using programmed hatching technology. As part of follow-up of entrepreneurs” businesses, 6-months later a tracer study team again went back to his project to assess the business performance. Indeed, small livestock farming as a business is a key to wealth creation.

Starting with eight local chickens, in June 2013, Mr. Taban had 105 birds. Three months later he had 114 birds. Within this period, he sold 97 birds in Elegu markets at Uganda Sudan boarder and earned UGX 1,640,000. In November, Mr. Taban had UGX 3.9 million saved on his bank account. From this trade, Mr. Taban bought one cow at UGX 600,000 and is using part of the funds to grow his business: buying veterinary drugs and building materials for his poultry house. Besides, he is growing his asset wealth. His goats increased and he exchanged 6 goats for one bull adding his total number of cattle to three. He still has a balance of 22 goats.

Importantly, Mr. Taban has also diversified into soya beans production. He is also providing skills training to his BoMs who are gradually adopting the technology. He has also received a poultry farmer from Gulu who specifically came to learn the technology (at a modest fee of UGX 40,000). Mr. Taban proudly notes, “I have demonstrated from my business that I will pass for graduation. I plan to enroll for the artisan diploma certificate course and grow this business bigger. I also plan to build a poultry house in order to separate the birds by different age groups for ease of management.”

By village standards, Mr. Taban is no longer a poor man. His asset wealth and net worth has improved above the US\$1.25 a day. He is able to meet his family needs now and buffer livelihood shock should it occur.

Health Security

The Need

A number of our outreach villages continued to lack access to safe water sources just as unsafe sanitation and hygiene practices in neighboring villages negatively impacted on the health of households with safe practices. And, HIV/AIDS continued to be a health and economic challenge to household productivity and economic independence.

Our Intervention

With funding support from gorta, in the year, 17 additional boreholes with Facility Management Committees were drilled and commissioned by district leaders. Support was given to 79 villages to develop sanitation bye-laws to ensure community-wide adherence to safe sanitation and hygiene practices.

Under HIV prevention, a total of 196 HCT outreaches were conducted for 7,012 youth and 3,490 other people; 2,300 packets of condoms were distributed, gender-based violence training was conducted for 94 parents; awareness and education held for 18,500 people; and Post Test Clubs held 18 counseling sessions for 469 people and 152 home visits to 1,371 PLWAs.

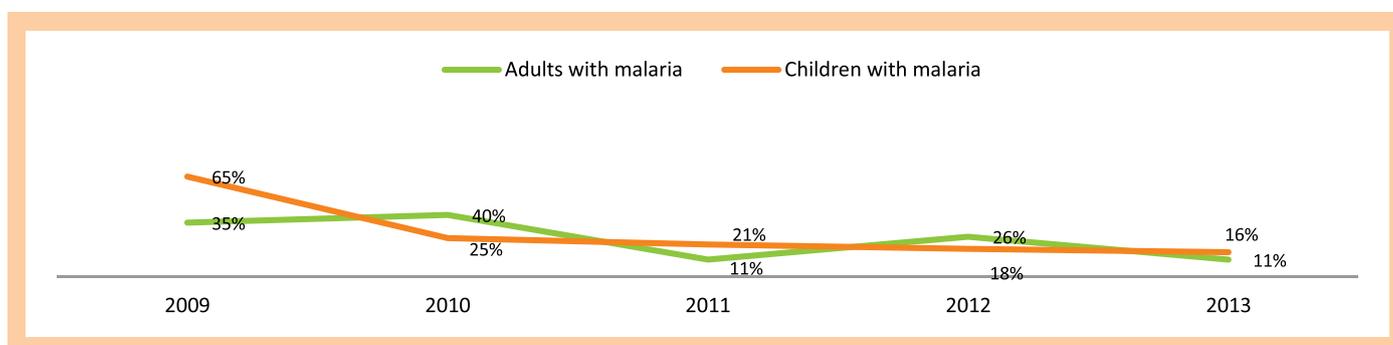
Under Community Care Anti-AIDS project (CCAP) funded by TEPU a baseline study was conducted and its findings used in debriefing meetings that were held for 547 stakeholders including religious, cultural, youth, business, and political leaders, civil servants, and community volunteers. With CSF funding 140 peer educators-cum-condom distributors were trained and equipped with bicycles, T-shirts, and video systems. Together with 28 PLWA they educated 2,538 people on basic facts about HIV/AIDS.

The Results

The following results were achieved in the year:

- **Increased access to safe water and sanitation chain management:** As at December 2013, of the targeted households, 97% had access to safe water sources; 98% has own pit latrines; 91% had well maintained garbage pits; and 95% of the household population sleep under a mosquito net.
- **Reduction in malarial case rate and improved use of modern medical services:** Malaria, the leading cause of illness and death in the region, continued to experience a sharp decline among both children and adults (see figure 2 below). This steady decline was accompanied by reduction in medical cost from an average of UGX 16,000 in 2009 to UGX 13,000 per episode.

Figure 2: Malarial case rate



- **Improved HIV dynamics and management:** Youth targeting improved the response to HCT as well as change in behavior. In Pakwach TC youth who tested HIV negative noted that they have changed their former reckless sexual

habits. Meanwhile, PLWA adopted positive living against self-stigma and economic dependence.

Case study 4: High Risk Businesses and HIV Infection

Ms Akumu Catherine Thonifua (not real name), aged 25 years of Padyang village, Paroketo Parish is a mother of two children. She has lived most of her life in Pakwach town selling fish at the bus station, mainly at night. Given that this business is hectic because it involves searching for fish in the morning, processing the fish in the afternoon and selling at night, Ms Akumu hardly had time for her husband and children. The last in the end was malnourished and fell sick frequently. In June 2013 we targeted HIV testing at night time for fish mongers. Ms Akumu volunteered to test and the HIV positive result confirmed her doubts as she narrated.

“ When I joined the fish vending business at night I found out that all the fellow traders had at least one other sexual partner besides their legal ones at home. This relationship provides night time security and warmth. I too joined in and my new found relationship developed to the extent that I forgot my family. During this period I also conceived but I aborted.”

“ I started getting suspicious about my health when my first man got gonorrhoea and later on developed herpes zoster after a week. The scare of this suspicion took me back to my home. However, my husband received me with suspicious questions that eventually ended into a quarrel and I packed my properties and returned to my natal home. From home, I secretly got medical treatment for the gonorrhoea and healed.”

“ In one of our sensitization meeting, I was told by the Community Facilitator that whoever can infect you with gonorrhoea is also capable of giving you HIV. This message inspired me to take the HIV test. I finally confirmed the doubts of my misbehavior. Now, I am a member of Paroketo Post Test Club.”

“ Now I have realized the danger of reckless lifestyle under the pretense of looking for money. I promise myself never to go back to the business again. I also call upon other women and men to be faithful to their partners.”

Education Security

The Need

With many short-term livelihoods met, many communities have taken on education as their long-term development goal. As a result, a number of partners initiated community schools but with children studying under trees. Girls' education continued to be biased in favor of boys' education. Many parents and children alike remained ignorant of children's rights to education.

The Intervention

In the year, AFARD with funding from gorta constructed and furnished three community nursery schools and two primary schools; trained 2,574 parents on children's rights to education; conducted 25 refresher training for 505 senior women teachers and 80 refresher trainings for 2,924 community education committee members; engaged 2,924 people on community education bye-law, and trained 117 youths in livestock farming as business, tailoring and bakery skills.

The Results

Below are some of the achievements:

- Communities are implementing their own education byelaw with marked increased enrollment of children of school going age. Gross enrolment for children 3-25 years surged to 84% up from 68% in 2012 and 65% in 2011.
- Community Education Fund (CEF); a community education scholarship arrangement increased from 6 villages in 2010 to 25 villages. CEF is benefiting more than 70 students in secondary and post-

secondary education levels, e.g. for Maduga in nursing school, Kisimua in National Teachers College, Aupi Apo in technical school, and Oriba in Arapai Agricultural College.

- Dei Post Test Club is exhibiting a model of excellence in nursery education provided on a market-led approach with quality assurance. Parents of children in all the constructed nursery schools are paying fair market rates able to pay teachers' salaries and procure learning aids. The schools are also providing school feeding.
- The 70 girls who completed vocational training in bakery and tailoring have so far established themselves in their various trades with reported marked improvement in their quality of life: self-employment, own income and ability to access better food, medical care, and cash savings for the future.

Case study 5: Education: Investment or Charity?

The poor and rich alike value children's education as a long-term investment with high returns. Both know that illiteracy will eventually ruin their lives as it self-perpetuates low income and retards opportunities to seek employment elsewhere. This is the common-sense of the human capital theory, which posits that education is an investment of current resources in exchange for future returns. The key question that the poor battle with is not whether or not they desire the "good returns." Rather, it is: "who controls and benefits from the returns?"

To the poor struggling to survive amidst daily risks, low and uncertain incomes, and lack of insurance to smooth current large-family needs, awkward decisions are made to trade-off current consumption with future security. For instance, traditionally, parents preferred to invest in boys' education, while the girls remained at home to help in obtaining access to food and income. In return, the girls became "traditional kitchen graduates" and the boys "formal school English-speaking and modern life children." While the girls remain within reach as they marry in nearby villages, the boys migrate to urban areas, get married to "their type," and live detached from the "village lives." Modernity is then their new identity as the parents remain "rural and old fashioned" according to them.

During my fieldwork in the region I have observed that many parents are starting to take the education of girls seriously. Figures from schools are also starting to show improved gender parity. Although many have attributed this increasing enrolment to the universal education policy, evidences inhere in the "economics of education" suggests otherwise. Unique as it may be, investing in child education is not just about children's rights per se. It is also about how the expected market returns play out especially to the parents – investors who have to forgo current consumption with the hope of a better future once their children are educated. Many parents have shared their experiences of **"lost investment in boys' education."** This is what I term the "Triple Tragedies of Boy's Education" from market logic.

First, any profitable investment in the market logic must have positive returns above its current value. Investment in a sterile cow means a loss as the opportunity cost of the funds to be paid for by the calf and milk the cow produces does not materialize. Equally, for every penny a parent invests in a child, the productivity gains should also benefit not just the child and the government but also the parent (of course directly and not just in titles: father to Professor and Engineer so and so).

Tragedy 1: Boys often once educated, migrate away from home, invest in their careers, and secure the livelihoods of their families with little or no recognition of the primary investors; their parents. The modernity they enjoy is only their preserve and the "investors miss out." Second, for any investment to have meaning, its returns must be above its competing alternatives. Investing in boy children should then yield better returns than the withdrawn investments from girls. Often, this is not the case.

Tragedy 2: Parents observed that no investment in girls reduced the girls' worth in the marriage market. An uneducated girl in West Nile region attracts only 1-3 cattle as compared to a 4-10 cattle for an educated one. By not educating their girls, they therefore miss otherwise high returns from educated girls!

Tragedy 3: While the educated boys provide kind of Corporate Social Responsibility benefits; supports that are given as a privilege, it is instead the uneducated girls who provide regular support (remittances) to their parents and support young ones as their parents begin to age. As such, the shareholder has no right over the returns of his investment!

These three economic tragedies have overtime shown that education of boys is not an investment but a charity to the rights of the child as one parent highlighted, "simply educate him and forget about it." Many parents do not get the due returns on their education investment and among competing needs never prioritize education. Many also ask, "if it was investment why are they not reaping the returns now that their boys are highly educated and well placed in good jobs? In effect, parents, regardless of their sacrifices, suffer double losses. First, as a result of failure to reap from their educated boys. Second, they also suffer the missed opportunity from neglecting the education of their girls.

It is such realization that has inspired many poor parents to rethink the educational choices for their children. They aspire to equal education opportunity for both boys and girls. More girls are therefore entering into universal primary and secondary education. Those who are progressing to post-secondary education are no longer termed "marriage cowards." Rather, they are motivated when seen as "adding value" to their future net worth, which fortunately benefit both their natal and marital families.

Alfred Lakwo, Field Note October 2013



The students who are being supported by the CEF Aliodranyosi. Photo by Asiku Leonard.

Case study 6: Community Investing in Education in Aliodranyusi WENDI group

Education was and remains a challenge in West Nile region where literacy rate is 10-point behind the national average of 73%. The effects of the 27-year political instability includes among others high adult illiteracy rate especially in Yumbe district. The WENDI programme, therefore, promotes both formal and informal education. A key strategy was the promotion of Community Education Fund (CEF) as a community scholarship fund. Under CEF, AFARD supported willing Beneficiary Organizations (BOs) with “booster funds” to top up their group loan funds. The interest incomes from the revolving loan are then used in part to pay for post secondary education of bright but vulnerable students in the BO villages. Not many BOs benefited from this booster fund. Many BOs at the start had negative attitude that parents should pay their own children.

Overtime, some BOs started their own CEF. Aliodranyusi WENDI Group is one of them. Realizing the benefit of education in their community, members of Aliodranyusi adopted CEF in 2010. The group had a number of hassles with their Secretary. He was the only literate person in the group who could ably take minutes, keep loan records, and update books of account, among others. Yet, as a businessman, the Secretary had to travel often to South Sudan. The Chairman pointed, “it would take us even 1 month before having our books updated. This was contrary to what AFARD was teaching us to do. We could not provide accountability to members once the Secretary was absent because we would have no real figures to talk about.” In 2010, the groups set aside UGX 2 million from their local fund to cater for the educational needs of vulnerable children in the village. This fund has increased to date to UGX 5 million. It is run as a parallel loan scheme from which “no loan rescheduling is accepted.”

As a result, the group now has five students (3 boys and 2 girls) it is providing scholarship for secondary education. The boy who started the scheme is now in Senior Four (S.4). Meanwhile, there are three students in Senior Three and one student in Senior Two. Members also noted that these students are very helpful to their BO management. The students are helping with taking minutes of BO meetings and cross-checking accounting records. This has reduced the heavy work load on the Secretary who also said, “at least now with these students I can comfortably go for my business safari without worrying about the records for the BO.”

The only challenge remains the high number of bright and vulnerable children as compared to the available CEF capacity. Slowly and surely the BO is on a good track of investing in long term development for the village.

Community-led Advocacy

The Need

Decentralized local governance has been encumbered with weak citizens and power-centered local leadership. Hardly do people, especially women, youth and smallholder farmers, participate in policy processes. Unaware of their rights, leaders plan and implement projects for the people. Thus, government plans and budgets are not pro-poor people. More so, critical issues like food and nutrition security (FNS) is not mainstreamed in local government budget. Rather, it is an exclusively NAADS-based issue. Grassroots communities also hardly receive accountability from their elected leaders.

The Intervention

AFARD with gorta and FAO funding mobilized members of programme villages to participate in the local government planning processes and 575 local government leaders were trained in participatory planning. Under the 'Mainstreaming the right to Food into subnational strategies and plans' a simplified FNS analysis tool was developed; 1,775 leaders were inducted



on Rights to Food mainstreaming; 3 District and 38 Sub county Development Plans were reviewed for Food and Nutrition Security responsiveness and 38 notice boards were distributed to LLGs.

The Results

As the figures below show the main achievements has been in increased civic engagement by citizen with LLGs. Meanwhile, LLG improved plan targeting vulnerable groups, FNS funding, and accountability.

Figure 3: Participation in and BO benefiting from LLGs and LLG Budget share for FNS

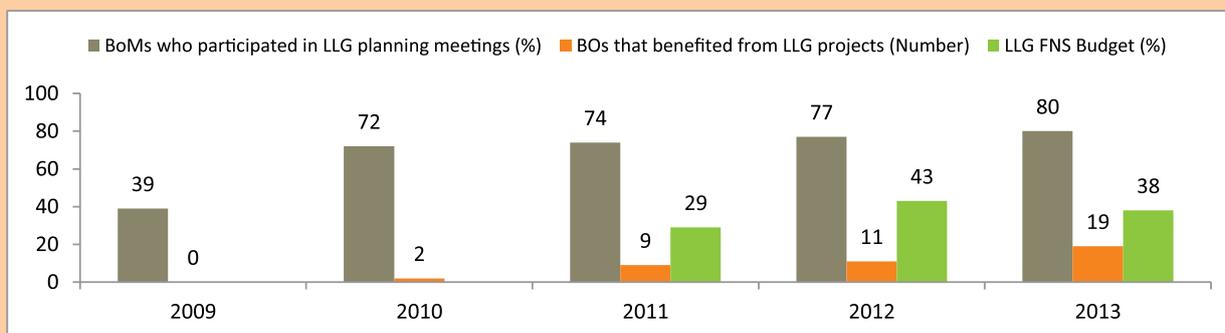
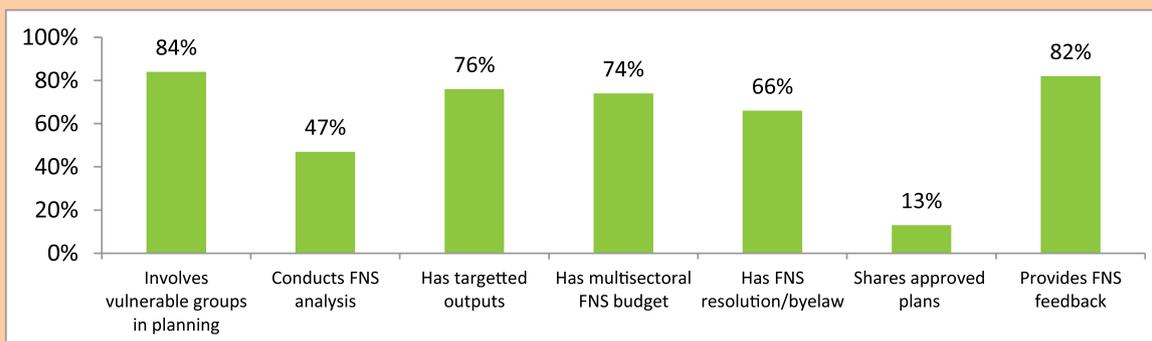
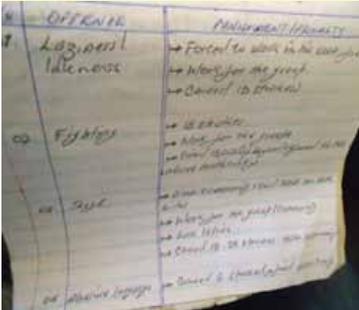


Figure 4: LLG performance in food and nutrition security mainstreaming



Case study 7: Community Byelaws Matter in Iyigobu Farmers Group



Offences and penalties in the byelaw. Photo by Julie Flavia vuni



Mr. Izama in his garden after byelaw restriction. Photo by Julie Flavia vuni



Mr. Izama in his kiosk. Photo by Julie Flavia vuni

Male youths in West Nile region have shunned down family farming. They argue that “after all, it is their parents who reap the benefits from farming.” True as this argument may be, such withdrawal of energetic family labour has rendered many households food insecure. Majority of BoMs actually farm small land sizes. Yet these youths expect to be fed by their parent, often old women.

This concern was raised by women during one of the gender trainings. Women noted that the idleness of youth was an impending catastrophe for food insecurity. It was realized that many youths spend their time in alcoholism, chewing mairungi (a local herb), smoking opium, dancing discos, and playing cards. The end results of such behaviors were high drop out from school, teenage pregnancy (child parents), theft, and eventually household food insecurity as the number of mouths to feed greatly outweigh the efforts of old parent to provide food. Garden work was solely left to parents and young wives who sooner or later break their marriages only to return to their natal homes with young children to be catered for by again their old parents. A comic member referred to the new trend as “old parents have become dumping ground as care givers for the grandchildren from their lazy children.”

It is such analysis that provoked a proactive action in Iyigobu Farmers Group, Godria Village, Lui Parish, Odravu Sub-County, Yumbe District. The BoMs resolved in favor of a Community Byelaw specifically “against youth idleness with the aim of improving food security situation in the village.” The group Chairperson Mr Azabo Emmanuel carried members’ resolution to the Local Council (LC 1) Chairperson of the village, Mr Obale Lino. The LC 1 Chair who supported the idea convened a village wide meeting, which enacted the byelaw with clear and deterrent penalties. For instance, it was resolved that any youth found idle during working hours (from 7am to 12pm) should be caned in public, dragged to the parents’ home, given a hand hoe and forcefully taken to the garden to work/dig a size not less than 1 acre. Failure to do so, after an agreed duration (1 week) would mean taking the person to the LC 3 Court and having him/her jailed. In order to strengthen the byelaw implementation, the meeting set up an “Oversight Committee” which is chaired by the LC1 Chairman of the village, selected parents and youths, and the Parish Chief of Lui.

Results are out! A few youths have been culprits to this byelaw while many out of fear of the “true commitment to action exhibited by the elders” went back to farming. It has emerged that youths in the village are back to the hand hoe. Some have opened their own gardens and are using their parents’ planting materials, especially cassava to plant their field. Cases of drug abuse have also reduced, and youth representation in BO planning meetings is improving. Mr. Izama Alex (see photo 2 and 3 above) a known stubborn youth had this to say, “the byelaw conditions was very tough but it has changed my life. Out of fear, I had to open 2 acres of land and planted my own cassava on it. I also had to take a loan to start the kiosk. At least, with these enterprises, I am active and making money unlike in the past when I mostly loitered around.”

Partner Groups' Sustainability Building



The Need

At the end of 2012, it was noted that many partner community groups were charity minded and lacked visionary leaders to stir financial sustainability. In many groups no investment plans were in place thereby enabling leaders to engage in fraud.

Our Intervention

A number of groups were supported with gorta and Irish Aid funding to identify and set up viable business enterprises. Group members were also trained on prudent financial management and reporting to ensure transparency. Periodic monitoring visits were conducted by LLG leaders, management

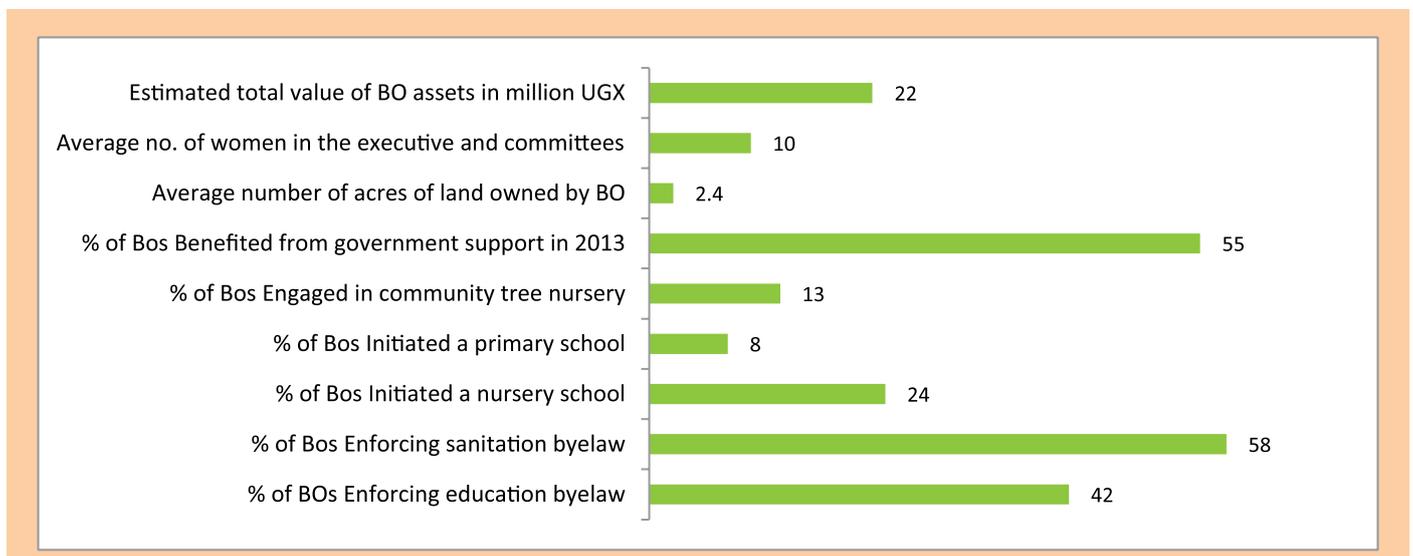
staffs, and AFARD Board members. FAL classes were piloted in 5 villages for 322 people (72% females). Finally, BO screening was conducted to identify performance commitments and gaps.

The Results

The notable results in the year include:

- Many groups changed their leaders.** Many women jointed leadership positions (from 33% in 2012% to 42%) and the new leaders reported frauds especially in Paidha, Kango, and Rhinocamp. As a result of this, BO screening was conducted and it unearthed 8 fraud-ridden groups.
- Groups had a average income of UGX 17.4 million** and some undertook income diversification initiatives. For instance, 32 BO (86%) planted cash crops on a total acreage of 171 acres (of which 93 acres have been bought by the BOs and the rest hired).
- Other indicators that BOs are taking their future seriously include some of the best practices depicted in figure 5 below.

Figure 5: BOs engaged in best practices



Case study 8: Investing for Financial Sustainability by Aupi Apo



Members posing in front of the produce (Photo by Leonard)



Members of Aupi Apo ferrying bricks for the poultry house (Photo by Leonard)



The Chairman and the Secretary inspects the potato garden (Photo by Leonard)

The West Nile Development Initiative (WENDI) programme started in 2009 and will end in 2015. The programme set to facilitate change not only in the beneficiary households but also at the beneficiary organization levels. All BOs were envisaged would become strong and viable institutions for stirring local development in their villages. They would therefore provide viable arena for collective risk pooling to members. To do so, the BOs needed to be financially sustainable. Startup initiatives towards building financial sustainability included Group Loan Schemes where members paid mandatory fees and generated incomes from other sources as sales of produce from demonstration gardens and hire of members' labour. Finally, in 2012 all groups were challenged to diversify their income sources in order to generate more income and relieve members of the burden of mandatory fees.

However, a number of BOs were relaxed. Their members had high expectations that AFARD would continue to meet all their demands. On realizing that there was a shift from social development into economic empowerment and BOs were expected to fund own administrative cost, some BOs woke up to start investing in profitable enterprises. Aupi Apo with 76 members (36 females and 34 males) is one such late riser. The realization that by 2015 the programme will exit fully has provoked members to diversify their income sources away from solely relying on loan fund. Using part of the Group Loan Fund interest income, the members of Aupi Apo resolved to invest in produce buying (see the first photo). They invested UGX 2.1 million in the buying and selling of ground nuts and sorghum. These earned them a net profit of UGX 675,000 within one month. This is an on-going business.

Encouraged by the performance of their initial investment, a new enterprise – poultry farming for eggs, was identified. They realized that all eggs consumed in Yumbe district come all the way from Kampala (more than 600kms). Photo 2 shows the efforts members are making in constructing a 200 layers poultry house. Through the advice of AFARD Field Officers and their Livestock Health Agent trained by AFRISA, the group is targeting to complete and commence production by end of this year.

The third investment is in commercial farming. When AFARD was searching for a BO willing to multiply the Biofortified orange sweet potatoes on a market principle, members of the group were quick to take the offer. Photo 3 shows the group Chairperson inspecting the current ½ an acre of garden planted. The next plan is to plant 1½ acres before starting to sell the vines.

With all these, the BO is set to end 2015 with no less than UGX 50 million in cash and stock; funds members pride will see them independent enough to manage secure livelihoods in their village.

Building People's Institutions

The Need

Payera Community Development Project focuses at community development through Self Help Group and Child Sponsorship approach. The goal of the project is “to improve the socio – economic livelihood of at least 1,000 households in Erussi and Ndhew sub–counties, Nebbi District. The critical challenges to be addressed in 2013 were: low loan portfolio, poor record keeping, non-rotational leadership, and the limited incorporation of social issues within the agenda of people's institutions.

The Intervention

With KNH funding, training was conducted for 138 book writer and 345 Self Help Group (SHG) representatives in rotation leadership, vision building and goal setting, Cluster Level Association (CLA) concept and savings and credit management; 18 new children's groups were formed and trained in various aspects of Children' Group (CG) modules. The SHG Day and the Day of the African Child were celebrated as advocacy platforms within the project site. Meanwhile, the 300 children under sponsorship had their records updated and they maintained contacts with their sponsors through letter writings and Christmas cards. Finally, periodic meetings were held with community and child facilitators and CLA leaders.

The Results

Below are some of the achievements:

- Additional 6 SHGs were formed by CLAs and 1 CLA was formed by community facilitators and the Project Officer.
- Financial records improved together with transparency. Groups kept updated financial reports that they also shared routinely with members.
- Group savings and loan portfolio increased to UGX 45 million up from UGX 10 million in 2012 and UGX 5 million in 2011.
- The perception of the community towards the project improved from short-term benefits to long-term community managed development process. As a result, more parents expressed interest in enrolling their children under the project's sponsorship programme.

Table 4 Key Performance Data

	2011	2012	2013
No. of villages with SHGs	20	21	22
No. of SHGs	63	70	71
No. of SHG members	984	1,094	1,184
No. of Children in SHG member households	1,437	1,497	1,767
School enrolment rate	80%	81%	88%
Total loan portfolio (UGX)	4,567,350	10,655,158	45,151,066
Loan-to-savings ratio	1.0	2.5	2.0
Loan access in 8 months	15%	11%	85%

Case Study 9: CLA Engaging Local Government on Local Leadership Question



Some CLA members with elected LC members (Photo by Richards)



CLA Members pose for a photo after sharing their success story (Photo by Richard)

Payera Community Development Project (PCDP) was originally operating in Payera parish, Erussi Sub County. However in 2011 Erussi Sub County was sub-divided into Ndhew and Erussi Sub Counties. PCDP therefore became operational in Payera parish, Erussi Sub County and Adolo parish, Ndhew Sub County.

Anosi village in Adolo parish where Mungu mio CLA is located got relocated into Ndhew Sub County. People in this village resisted this relocation and wanted to remain part of the mother sub county, Erussi. Apart from this resistance, the village found itself without Village Council (LC 1); a vital level of government administration in Uganda. Faced with these challenges, members of Mungu mio CLA picked interest in the issues and commenced a lobby process for both cessation from Ndhew Sub County and getting their LC 1 leaders elected. They organized a village wide meeting election, which unanimously agreed to the demand and identified their lobbyists mainly drawn from the CLA membership.

Armed with minutes of the community meeting, the lobbyists embarked on their mission. First, these representatives approached the leadership of Erussi Sub County for reception as part of the sub county structure. However, they were referred back to Ndhew in accordance with the local government guidelines. After several attempts, the residence of Anosi conceded defeat and went back to Ndhew Sub County. The struggle was not yet over. The lobbyist then turned to the LC 3 of Ndhew with demand for an established LC 1 structure. This demand was granted in July 2013 when Anosi village had L.C 1 election conducted and a full cabinet instituted. With this success, the CLA members have gained confidence to approach government offices with issues on which they require answers.

AFARD's Sustainability

The Need

AFARD continues to experience high-risk dependence on donor funding. The social enterprise that was introduced in 2011 continued to underperform in revenue generation. Yet a number of viable enterprises remained unexploited in the region.

Our Intervention

In the year, AFARD diversified its revenue streams. Produce (especially of simsim) buying and selling continued as soybean production was resisted by farmers due to the very low price offered by the monopoly market. In addition, investment was made in AFARD farmland in crop (cassava and vegetable) and livestock (poultry) production. A tractor hire system was introduced in Nebbi and Yumbe. Finally, AFARD invested UGX 130 million of its local revenue in constructing the first floor of AFARD offices.

The Results

- From the produce marketing, the business wing was able to link 14,070 farmers to the market thereby creating 66 jobs in simsim buying, transporting, and selling.

- The poultry and vegetable units supplied the local markets with fresh eggs and vegetables. These were products that were mainly supplied from Kampala.
- AFARD also earned a gross income of UGX 110 million for re-investment in expanding the poultry units and completion of the Nebbi warehouse.
- Finally, with the technical support from SNV, the business wing has gained semi-autonomy to manage its affairs independent from the social development arm of AFARD. The Board will register it and employ a Business Development Manager and other technical team to develop the wing into a profitable entity.

Organizational Performance

The following were achieved in the reporting period:

- AFARD retained its active membership in district and national networks namely, Uganda National NGO Forum and District NGO Forum in Nebbi, Yumbe, and Moyo; PELUM – Uganda Chapter; Uganda National AIDS Service Organizations (UNASO) and Network of AIDS Service Organizations in Nebbi; and Uganda Water and Sanitation NGO Network (UWASNET).
- The draft Strategic Plan (2014-18) was developed and circulated for review. Catalyst East Africa was engaged to lead the review process.
- Staff skills development remained a key focus for improved performance. Learning visits were conducted in India (Education) and Ethiopia and Zambia (NRM). The Programmes Manager was supported to attend a community based microfinance course in Ethiopia. Finance department staffs were also supported to continue with their further professional studies as 2 staff graduated from Uganda Martyrs University (Manano Edna) and Uganda College of Commerce Pakwach (Gladys Biwinjere).
- Procurement of assets: Notably, the wall and ceiling works of the first floor of AFARD office was completed; Nebbi warehouse was completed and installed with electricity; and the Farm house and Poultry units were built.
- Financial audit: The Board commissioned and approved the integrated audit of the final account for financial year 2012 by Delloite and Touche.
- External missions in the year included the visits by Gorta's Communications team, Finance team, and WENDI mid-term evaluation team; and USAID Assessment team (see overleaf for the summary reports).

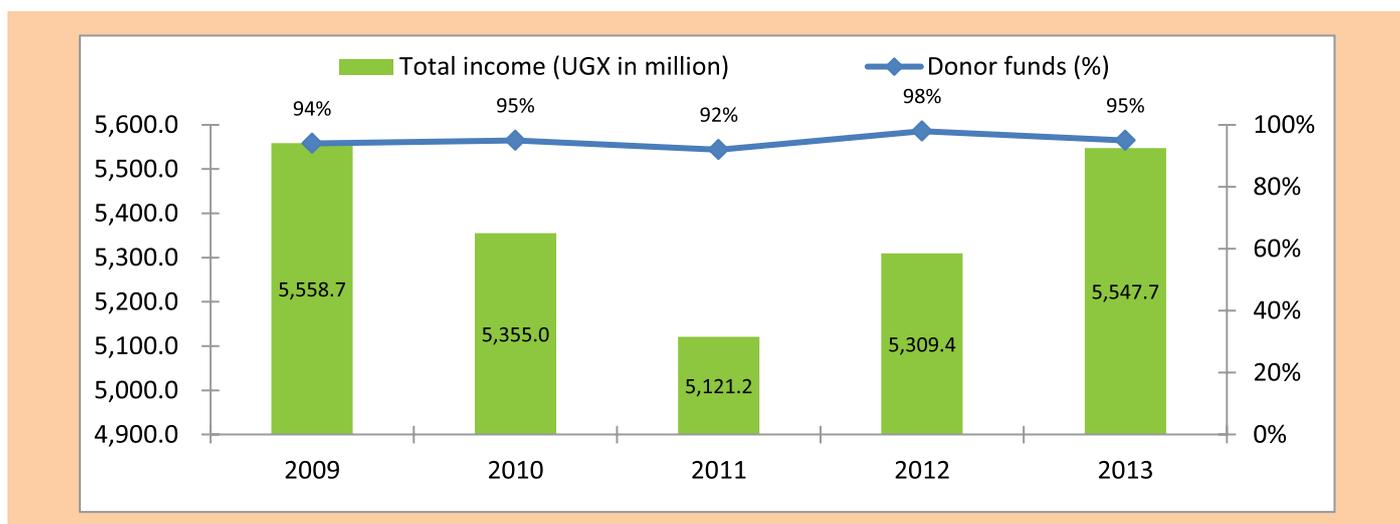
Financial Performance

Revenue Performance

In 2013, AFARD generated UGX 5.5 Billion. This value shows a 5% point increase from the 2012 annual budget but 90% out-turn of the projected

income for the year. However, 95% of the revenue was donor funds (more so 66% was from a single source: Gorta). AFARD Business Wing generated UGX 981 million.

Figure 6: Total Revenue, 2009-13

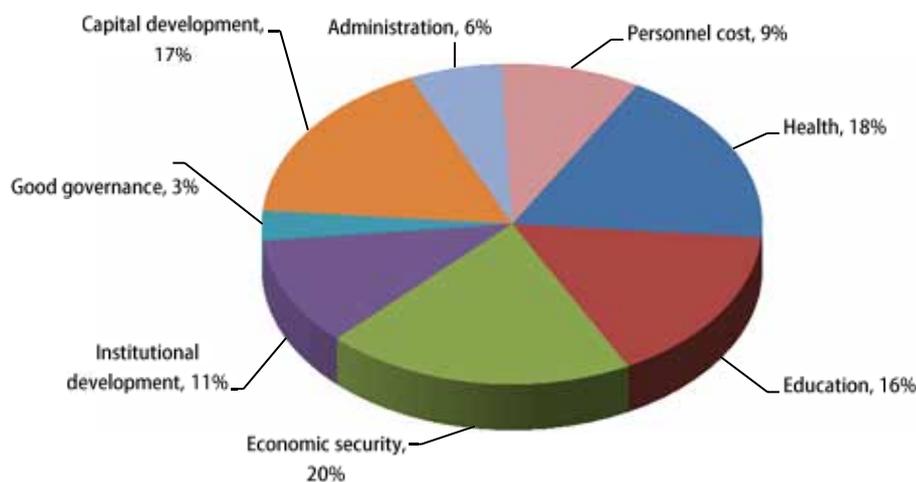


Expenditure Performance

From the total income generated in the year, 90% was spent; 2% was reserve and 8% was committed fund carried forward into 2014.

The main expenditures were on economic security (20%) and infrastructural development under community health (18%) and education (16%). On AFARD sustainability building, 17% of the budget was spent on the construction of first floor of the office block, procurement of land, and equipping and tooling. And, only 9% was expended on personnel cost.

Figure 7: Expenditure by Theme, 2013



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT

Report on the Financial Statements

We have audited the accompanying financial statements of Agency For Accelerated Regional Development, set out on pages 9 to 32, which comprise the organisation statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with the accounting policies stated in note 1 of the financial statements, and the requirements of the Ugandan Companies Act, for such internal controls as the management determine are necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the organisation's preparation of the financial statements that give a true and fair view in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the organisation's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of Agency For Accelerated Regional Development as at 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with the accounting policies stated in note 1 of the financial statements.

Report on other legal requirements

As required by the Uganda Companies Act we report to you based on our audit, that,

- i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii) The company's statement of financial position (Balance Sheet) and statement of comprehensive income (Profit and loss account) are in agreement with the books of account.

This report is intended for the information of Agency For Accelerated Regional Development. However, upon release by Agency For Accelerated Regional Development, this report is a matter of public record and its distribution is not limited.

Deloitte & Touche

Certified Public Accountants (Uganda)

14 March 2014

Kampala

Governance Accountability Participation and Performance (GAPP) Program

Partner Local Organization Capacity Assessment Report December 2013

Introduction

In December 2013, GAPP Program conducted Partner Local Organization Capacity Assessment (PLOCA) of AFARD. This assessment found out that:

- a) **Governance:** Board of Directors is the supreme governing organ of the organization and it is composed of eminent persons of high repute. Organizational vision, mission and organizational objectives are well articulated and understood within staff and the Board.
- b) **Management Practices:** The leadership style of senior management is described by staff and lower level managers as being participatory. Management decisions are delegated to lower level management. Annual plans are aligned to strategic plan and performance checked regularly to ensure that implementation is on track. *Policies for advocacy; fund raising; information management; gender; procurement; monitoring and evaluation; and communication and media among others are lacking.*
- c) **Program Development:** AFARD has remarkable and laudable competences. It several projects across West Nile districts funded by different donors and managed by competent program managers and staff. The approach puts more emphasis on impact. Monitoring and evaluation of results is emphasized.
- d) **Human Resources:** AFARD has 34 salaried staff recruited based on capacity needs and strategic objectives. The organization clearly articulates job titles and level of hierarches. Staff supervision occurs on a regular basis. Job appraisals are done openly and periodically. *However, human resource development plan and Staff retention strategy are lacking.*
- e) **Financial Resources:** AFARD has an annual turnover of UGX 5 billion managed by a competent Finance and Administration Manager. Funds are sourced from many donors. Management has excellent fund raising skills. *Capacity gaps include lack of a financial contingency plan, cash reserves policy, documented fund raising strategy and a well-articulated procurement policy.*
- f) **Collaboration and Networking:** AFARD is not a membership organisation but a member of many national level networks. Capacity to engage in policy advocacy exists. *A key capacity gap is absence of advocacy strategy.*
- g) **Sustainability:** AFARD is 95% donor dependent. It has started working on organizational sustainability. It work with benefitting communities anchors on ensuring that sustainability and exit strategies are discussed and agreed upon right at entry/initial planning stages.
- h) **Advocacy:** AFARD has the potential to develop into a policy advocacy power house in West Nile by virtue of its good advocacy skills, regional coverage, and the sway with grass root communities. *However organizational programming leans more towards local economic empowerment as opposed to policy advocacy.*

Conclusion and recommendations

AFARD has strong governance and management structures that can support the effective implementation of complex programmes. It rates among the top two strongest and most effective organizations in the region with the capacity to operate in all districts in the region. This strength is underpinned by a competent and committed team of managers and field staff and a rigorous financial management and control systems sufficient to manage an annual budget of over UGX 5 billion. The business wing also has the potential to transform the livelihoods of farmers in West Nile while at the same time providing good income that can sustain the organization for the long term. However, there is need to:

- a) Develop policies that currently exist in undocumented form to deal with management situations as they occur so that the organization moves away from making decisions on a case-by-case basis.
- b) Accord more priority to policy advocacy especially at local government level.
- c) Expedite the organization's sustainability strategies including fast tracking the business wing especially now that construction of warehouses has been completed.
- d) Increase the visibility of AFARD at regional and national levels.

WENDI Program, West Nile Region, Uganda:

Interim Evaluation by Sean Campbell and Martin Flatley, November 2013

Introduction

The interim evaluation examined WENDI programme performance and drew recommendations for the exit phase (2014–15). While WENDI *Phase 1* (2009–13) focused on “*Social Development*” that primarily prioritized food and nutrition, health, and education security, *Phase 2* (2014–15) will focus on wealth generation and prosperity (*Economic Security*) with AFARD concurrently pursuing its own financial sustainability from its AFARD Business Wing (ABW) and that of the BOs through BO Enterprise Development.

Key Findings and Recommendations

- The program, given its multifaceted approach, flexibility and sensitivity to local contexts has made a substantial positive impact on beneficiary households and communities in food and health security within a highly disadvantaged area of Uganda. *BO members can sustain these gains.* All local governments in the region had the highest regard for AFARD’s work and wanted programme expansion.
- The program developed synergies, leverages and partnerships with Abi ZARDI (soil fertility improvement), AFRISA (livestock extension), College of Agriculture and Environment Science (Soybean productivity), SNV (business development), local governments and ministry of health (HIV/AIDS biomedical support), Serere/Namulonge research institutes (improved seeds), and West Nile Oilseed Platform (advocacy). *More partnerships are required in phase 2.*
- The program initiated diversification of income generating activities. However, these are not fully developed into profitable enterprises at both BO and BoM levels. *This should be the pillar of phase 2. More needs to be done to expand poultry, goats, pigs, fruit trees, cage fishing, afforestation, etc. A village-based extension model, mechanization (e.g. tractors), and soil fertility work already started by Abi ZARDI should be integrated. Important is that AFARD should identify specialized Product Clusters for few selected performing BOs. Each cluster can then be developed into a business hub with clear value chain actor linkages and value additions, monitoring benchmarks, collaboration and leverages, business plan and funded on as-is basis with 30% AFARD/BO co-funding.*
- Financial management at BO level exists. Basic record keeping are required for all BOs. However, due to high illiteracy rates some inconsistencies and misappropriation were noted. *This should be improved on through regular checks and mentoring, FAL classes, etc.*
- Establishment of the micro-finance schemes at BO level provided a huge catalyst in incentivising BO members to make annual membership and monthly contributions, save regularly, and start income generating activities. Repayments are good but member contributions are now irregular. *Consolidate and upgrade better performing BO schemes into cooperative banks.*
- Vocational Skills Training: Over 80% of rural youth are ‘un/underemployed’. The programme initiated in year 5 youth training with positive results. All graduated youths have set up businesses with regular incomes enabling them to meet their basic needs and that of their families. *More local youth will need dedicated skills training programmes e.g., in working with ADRAA.*
- AFARD sustainability was initiated as an exit strategy with a focus on becoming self-sufficient. ABW was established as a social enterprise to help increase social development funding base. It has farm enterprises, tractor hire services, produce trade, and a grain cleaning machinery (yet to be installed). However, in the meantime the ABW will not contribute substantially to AFARD’s financial need by 2015. It also needs further strengthening. *A business manager should be recruited and a risk assessment conducted. ABW should be registered an independent entity and it should have its own staff independent of the NGO setting.*
- The strategic plan and business plan under preparation at the time of evaluation should be completed. Its proposed *resource mobilization strategy should be developed* to help identify how AFARD (and Gorta) can leverage additional funding for the programme.

The Future: 2014 and Beyond

In 2013, the strategic planning process commenced through a multi-stakeholder consultations, internal lessons learning events, donor evaluation missions, and expert opinion. In the next 5-year strategic direction, AFARD will strive to actualize its vision of “*a prosperous, healthy, and informed people of West Nile*” through the mission: “*To facilitate the socio-economic*

transformation of poor and vulnerable children, youths, women, and Persons Living with HIV/AIDS as well as marginalized communities for an inclusive, secure, and resilient livelihoods in a sustainable and gender sensitive manner.” Strategically, 6 pillars will be pursued, namely:

- Pillar 1: *Climate-smart and nutrition-sensitive agriculture* of vulnerable households with the aim of securing food and nutrition security;
- Pillar 2: *Economic empowerment and asset building* of women and youths targeting increasing asset wealth above the US\$1.25;
- Pillar 3: *Human capital building* of women, youths, and children to enhance labour productivity through reduced disease burden and increased literacy rate;
- Pillar 4: *Community-led advocacy* by partner community organizations and their members to ensure responsive and accountable local governance;
- Pillar 5: *Community group strengthening* so that these participating groups are economically sustainable to insure their members against any livelihood shocks; and
- Pillar 6: *AFARD sustainability building* that will focus on strengthening and diversifying AFARD’s operational capacity and financial base.

Table 2: Programme Focus and Outreach 2014

Projects/ Programmes	Number of people served			% Women	Funders	Districts covered					Intervention focus					
	Males	Fe- males	Total			Nebbi	Zombo	Arua	Yumbe	Moyo	Food & Nutrition	Economic security	Health	Education	Governance	IDOS
West Nile Development Initiative (WENDI) Programme	13,475	14,025	27,500	51%	Gorta											
Fisher Anti-AIDS Project (FAP)	19,285	20,815	40,100	52%	CSF											
Payera Community Development Project	10,752	11,648	22,400	52%	KNH											
Community Care Anti-AIDS Project (CCAP)	500	500	1,000	50%	Total E&P Uganda, BV											
Jangokoro Food security Project	1,027	1,112	2,139	52%	Manos Unidas											
TOTAL	45,039	48,100	93,139	52%												





For more information please contact:

Executive Director, Agency For Accelerated Regional Development (AFARD)
Plot 3-5 Butiime Road, P.O.BOX 80, Nebbi-Uganda, Tel: +256 772 437 175,
Email: afard@afard.net Website: www.afard.net