

**Call for concept notes for: Inclusive development of sustainable farming systems in Lango and Busoga Regions**

**Embassy of the Kingdom of the Netherlands in Kampala**

**Duration: 5 years**

The Embassy of the Kingdom of the Netherlands in Kampala (EKN) intends to develop and finance a program for the Food Security portfolio of EKN, aiming at inclusive development of farming systems in several districts in Busoga and Lango regions. EKN therefore invites organizations interested to implement such a program, to submit a concept note.

Based on the concept notes, a maximum of three organizations will be selected to submit a full proposal.

Please find below the context and main features of the envisaged program. Key criteria that will be used in the selection process are described in this paper.

Maximum budget for the program is total 30 million euro for 5 years. Please be aware that for unspecified reasons there is a possibility that the program will ultimately not be awarded. The approval per year is subject to the condition that sufficient funds are made available by the budget legislator.

Questions on the planned intervention/this document can be submitted by email [KAM-OS@minbuza.nl](mailto:KAM-OS@minbuza.nl) until 18 December 2023.

Answers will be published on the website by 21 December 2023.

Submission deadline for concept notes: 28 January 2024 at 12:00 EAT to [KAM-OS@minbuza.nl](mailto:KAM-OS@minbuza.nl)

## I. Introduction

### Policy objectives

The Embassy of the Kingdom of the Netherlands (EKN) is supporting the development of the agricultural sector through its Food Security & Nutrition (FSN) department.

The FS policy of the Netherlands government has as objectives to:

- a. Promote inclusive and sustainable growth. This is measured by the enhancing productivity and income of small holder farmers (SDG 2.3);
- b. Promote ecological sustainable production with the conversion of farmland to sustainable use as the indicator (SDG 2.4 and 2.5);
- c. Eliminate hunger and malnutrition by lifting people out of undernourishment (SDG 2.1 and 2.2).

In the overall policy of the Netherlands Ministry, small scale food producers have diverse perspectives in the process of rural transformation. Not all smallholders can become successful Agri-entrepreneurs, supplying food markets ('stepping up'). Before entering more commercial-oriented agriculture, farmers will consider resilience and risks control, looking at their farm comprehensively instead of at one crop only. Small scale agriculture and reliance on local markets will therefore continue to play an important role for the near future, also because alternative livelihoods outside agricultural are limited. The challenge will be to develop the farm into sustainable, more productive, resilient, and profitable farming systems.

The program objectives fit well with Uganda's National Development Plan III (NDP III) which has as goal: "To increase HH income and improve quality of life of Ugandans". NDP III recognizes the dominance of smallholder farmers in Uganda's agriculture and their potential to increase the country's overall agricultural productivity given the right conditions. The agricultural strategy under NDP III is the Agro-Industrialization Programme (AIP). AIP is aligned with the United Nations 2030 Sustainable Development Agenda (SDGs 2 and 9) and is spearheaded by MAAIF (Ministry of Agriculture), which has as aspiration to end hunger, achieve food security and promote sustainable agriculture. The AIP recognises the weak services (such as extension, research, and input supply) as factor that is challenging agricultural development. Climate vulnerability and environmental degradation are mentioned as factors that contribute to the vulnerability of farmers. The key objectives of the AIP are increasing production, post-harvest handling, storage, and access to markets, among others. Also, the National Food Systems Strategy, highlights similar key factors: resilience to climate change, sustainable land use, input supply and smallholder farmer development.

The program fits well with the identified weaknesses, risks and contributes to the key objectives.

All food production systems need to be ecologically sustainable, as well as resilient to (climate-related and market failure) shocks and stresses, to sustain the local food system as a whole and, for individual households, to become more robust and sustainable.

These overall objectives have been translated by the Embassy in Kampala in a multi-annual strategy ([MACS](#)) for sustainable development and food security. The **overarching objective** is the development of smallholder agriculture, sustainable land use and nutrition. Central in the strategy is the **sustainable increase** in income and **production** of smallholder farmers (SHF) and their increased **resilience** to climate risks and market shocks, for which sustainable land use is key. In addition, attention will be given to improve **nutrition** among Bottom of Pyramid (BoP) consumers including SHF.

The MACS describes the following key areas of attention:

Agriculture provides 24% of GDP, employs 73% of working population and 95% of the farmers are SHF. Agricultural yields are low, often 20-30% of the potential. The effects of climate change are more pronounced every year; unpredictable rains, droughts or floods have enormous impact, especially on smallholder livelihoods. Distortion of markets are common, affecting local and regional markets and render SHF vulnerable. Market and climate risks render focus/dependency on single value chains a risky affair.

It is the opinion of the Embassy that improving agricultural production and **inclusive economic development** in Uganda is impossible without SHF.

Increasing agricultural productivity and income of SHF needs a combination of strategies that address production, sustainable land use and market development. Building resilience for climate change and market shocks is core in the strategies, approaches and programs. The different programs supported by the Embassy seek to enhance inclusive market development and value chain development. Cross-border market-linkages may offer opportunities for SHFs. **Post-harvest losses** (30-40%) require additional attention.

**Access to finance** for farmers and SME's is a bottleneck for agricultural development, especially for SHF and M-SME. Improved access to finance is an important strategy that underpins activities to enhance SHF agriculture.

The business climate for small-scale producers and MSME in the agricultural sector is poor. Their position facing market actors, public service providers and policy makers is weak. It is important to work with **farmer institutions** to improve SHF position.

**Land tenure security** is important to stimulate agricultural development and SHF to invest in their land.

The Netherlands has in the past supported the development of the potato and dairy value chains in the highland regions of Kigezi, Rwenzori, and Elgon, and contributed to the development of the seed sector. With the start of the new MACS, the Embassy builds on this experience and has launched some integrated farming systems projects that put the SHF at the center of the strategy and use household level planning as a basis of engagement.

#### **Related programs funded by EKN:**

The Embassy finances several projects in Food and Nutrition Security (FNS). Other areas of interest are Sexual and Reproductive Health and Rights, Rule of Law, Private Sector Development and Migration, with gender, climate and human rights as cross cutting themes. An overview of the projects under FNS is presented below.

As a result of the above lessons, the new activities all start from the perspective of the SHF and their household, and the interest of the communities for the development of approaches, activities and for the selection of value chains. Also, the basis of analysis and strategy is the SHF farming system and not a single commodity. Sustainable land use and climate adaptation are more emphasized than in the recent past.

To enhance farmers' productivity, market access and resilience, it is required to look beyond one-crop based market systems and have a sustainable farming system as a starting point.

1. **Bright**: Building Resilience and Inclusive Growth of Highland Farming Systems for Rural Transformation. (IFDC, 2022-2026)

Summary: The project will increase resilience and income of smallholder farmers in the highlands of Rwenzori, Kigezi and Elgon. The project will build resilience for external and internal shocks and stresses, like climate, market, disease, and other shocks. The project will start from the vision and

ambitions of smallholder farmers and build support to the farming systems and several value chains. Sustainable land use is an important component of the project as sustainable land use is key for both resilience and production.

2. CommonGround. Restoring Resilience of highland farmer communities and agroecosystems in Uganda. (WENR and ISSD, 2022-2026)

Watersheds and livelihoods are under threat in the highlands of Uganda. Increased pressure on land and inappropriate agricultural practices, amongst others, lead to erosion and decreasing carrying capacity of the land. Many interventions to address these challenges are focussed on the fast solutions instead of long-term change based on stewardship by the communities. This project will start from the perception and vision of farmers to develop the smallholder agricultural sector in a sustainable manner-based restoration of resilience of highland watersheds and farming systems. The goal of the activity is: *to build resilient farmer communities and agro-systems based on sustainable farming systems, restored watersheds, and improved marketing opportunities.*

3. Horticulture Market Acceleration Program (HortiMap). Technoserve (2021-2024)

The overall aim of HortiMAP is to support market actors to chart their own course towards a vibrant, sustainable Ugandan horticulture sector. The goal of the program is to transform the horticulture sector to a modern, efficient, competitive, technology and knowledge-driven sector through increased productivity, reduced food losses, improved access to rewarding markets, strengthen resilience to shocks, and a strong and facilitating government. The project contributes to poverty reduction, adequate food and nutrition security and job creation through an inclusive, competitive, and transformative horticulture sector HortiMAP works on three areas: Increased productivity, improved access to markets and strengthened service provision within the value chain project.

4. A-GRIP (Cordaid, 2023-2028)

A-GRIP is implemented by Cordaid and will work in some districts in ALL regions where EKN funded projects are active or planned.

The project will finance Local Governments (LGs) to perform their roles in the following sectors:

- Land registration (CCO)
- Agricultural extension and other services
- Regulation

Based on indicators and targets, LGs will be financed based on results achieved (results-based financing: RBF).

The relation between the other EKN projects with the LG in the concerned districts will change as the projects will no longer directly finance the LG participation and activities. LG can also use RBF to expand the activities of the projects beyond the intervention areas of the projects.

This implies that the financing mode shifts from input to results-based financing. In the districts where A-GRIP is not active, the other projects will continue to collaborate with LG as before.

5. The Inclusive Dairy Enterprise (TIDE). (SNV 2015-2023). CLOSED

Improving dairy farm productivity, milk quality/safety, value chain strengthening and dairy household nutrition

Summary: TIDE 2 is a dairy development project in Southwest Uganda. The aim: Poverty reduction through improved dairy farm incomes, household nutrition and employment opportunities. This is to be realized by working on four components:

- Productivity: market inputs and finance (through quality and diversification); commercial farming areas by following the private sector;
- Milk quality: QBMPs (Quality Based Milk Payment System), using a processor-led model;

- Value Chain: VC linkages through support to cooperatives and inclusive business models; supporting diversification of the domestic market.  
Nutrition: school milk and yoghurt activity in SW Uganda.

#### 6. The Integrated Smallholder Dairy Program (ISDAP). (SNV 2022-2024)

ISDAP is a complement to TIDE (closed end of 2023), which was mainly focusing on medium and large farmers. It was noted that the results did not trickle down to SHF as was anticipated. ISDAP is aiming to improve income at smallholder farms (SHF) by improving cow management and productivity. SHF's under ISDAP are characterized by having at least one dairy cow, maximal 6 acres of land and multiple other income resources (crops).

ISDAP aims to improve livelihoods **not** by extension of the dairy component that outcompete other crops, but by strengthening complementarity of dairy production **within** the integrated farm enterprises framework. ISDAP integrates components such as improved forages for better animal nutrition, manure handling for enhanced fertilization of crops and rainwater harvesting. ISDAP is implemented in 11 Districts and 1 city council in the regions of Rwenzori, Greater Ankole and Kigezi.

#### 7. Include (SNV 2024-2028).

The project is in the pipeline and not yet operational. It is a follow-up project of ISDAP, it will work on livestock development for smallholders. It aims to increase smallholder farmer income and resilient livestock-based livelihoods in Busoga, Rwenzori, Kigezi and greater Ankole.

The project will work through a participatory approach that will be the basis for the development of all interventions and help the farmers to strengthen their resilience, and increase sustainable land use, productivity, and access to markets.

#### 8. Dairy and Horticulture Credit Fund. Uganda Dairy Credit Facility (UDCF) for low-cost investments at smallholder farms (PCP 2022-2030)

The project will enhance the access to finance for smallholder farmers (SHF) and Micro Small and Medium Enterprises (MSME) in the dairy and horticulture sector. PCP, the implementer, will provide finance to SACCOs for lending to those target groups. The projects TIDE and HortiMap will provide technical support to the SACCOs to develop credit products, and support SHF and MSME to make efficient use of the available credit.

#### 9. Cascade and Vegetables for ALL (VfA).

Malnutrition of especially children and stunting are widespread in Uganda. The percentage of children with stunting in some parts of the country is above the national average. In the context of resilience and diversification, malnutrition is a logical area of attention. The Netherlands has launched two projects (Cascade and VfA) that address nutrition. Both are active in Uganda as well. VfA has as main objective to improve the availability of nutritious, safe foods, for Bottom of the pyramid households, through strengthening purchase of vegetables.

Cascade has as objective to fulfil and sustain the impacts of improved policy environment to effectively implement food and nutrition security through multi-dimensional policy integration framework, ensuring more effective mechanisms for multisectoral coordination and advocacy for food and nutrition with a focus on decentralisation to ensure districts will have capacity to implement district nutrition action plans with better financing.

## II. Outline of the program

In the 2023-2026 MACS, the Embassy envisages to expand the FS program to a new geographical intervention area. The regions of Lango and Busoga have been selected.

At the start the program will focus on the following districts:

Lango: Alebtong, Lira rural, Amolatar and Dokolo

Busoga: Kamuli, Buyende, Kaliro, Luuka and Jinja rural.

During the implementation expansion of the geographical area within the two subregions may be discussed

The selected districts mainly lie in the Northeastern Savannah Grasslands and the Kioga Plains agro-ecological zones (AEZs) for Lango and Busoga respectively. The AEZs share similar topographical and weather patterns. Most of the farmers in the two regions are smallholders with small land holdings.

Both AEZs experience many similar challenges that impede agricultural production, productivity, and marketing. According to the 2019 Annual Agricultural survey report for example, drought was reported as the major shock to farm productivity. Limited access to production inputs and labor inefficiency means that not all the land holding is cultivated, as in both regions.

Whereas drought was identified as the most constraining shock to farm productivity, only 1.1% of households in Lango reported using any kind of irrigation on a single plot of their land and 2.1% in Busoga.

**Problem description:** Although Lango and Busoga are in different agro-ecological zones, SHF face problems that have common characteristics. Low agricultural productivity and degrading land resources is aggravated by climate change related challenges. Poor access to markets and poor bargaining position hampers SHF income. Absence of storing facilities, access to markets and limited processing opportunities make farmers too dependent of traders.

The capacity of SHF to take necessary decisions and make required investments is very low, due to, amongst others, too elevated risks and lack of resources and access to finance. Therefore, required innovations, if developed, are hardly adopted. Enhancing the knowledge of farmers is not the main driver for change, as often knowledge is available, but the environment is blocking implementation. In Busoga sugar cane has an important impact on SHF, their farming systems and livelihoods that cannot be neglected in programs that works on smallholder agricultural development.

The envisaged program will focus on **sustainable increase** in income and **production** of smallholder farmers (SHF) and their increased **resilience** to climate risks. Sustainable land use is a key feature to achieve this.

Nutrition is not a major component of the program and will be limited to the implementation of basic nutrition activities at household level. Collaboration with Cascade must be sought.

The program will focus specifically on the development of SHF and their farming systems. **Resilience of livelihoods and income to climate change and market failures will be central in the approach.** The program strategies and activities will be based on an in-depth knowledge on the opportunities, challenges, and priorities of SHF households. A participatory household-level planning will be at the basis of the program.

**Core areas** of attention of the program are:

- Participatory household and village planning.
- Strengthening farming systems and market linkages.
- Concrete climate adaptation measures.
- Development of several specific value chains per region.
- Sustainable land use practices.

The program will target broad farming systems development. Value chains will be selected based on the relevance for the farmers, opportunities for adding value and/or market development and their fit within the farming systems. To enhance resilience to market shocks, to mitigate risk and to broaden the opportunities, multiple value chains will be supported by the program.

Specific measures for climate change adaptation may include; crop and variety selection, agricultural practices and (complimentary) irrigation.

***Expected outcome and outputs:***

Goal: Resilient and inclusive economic development of rural lowland communities.

Outcomes:

1. Smallholder farmers realize a living income by increased production and income (target; min. 200,000 HH).
2. SHF livelihoods become more resilient to market deficiencies and climate stress.
3. Farmland is agro-ecological more resilient to shocks (target min 200,000 acres).

Result areas, the result areas are divided in two categories, principal and contributing:

Principal:

1. Empowered households and inclusive decision-making.
2. Increased household income and farm profitability.
3. Enhanced performance and resilience of SHF farming systems (farm income/profit, soil fertility and conservation, ecology, irrigation, diversification etc.).
4. Improved sustainability of land use.
5. Improved marketing conditions for smallholders by better access to and functioning of markets and processing facilities.

Contributing:

6. Increased household productivity
7. Improved coping mechanisms within the farming systems for drought and heat stress.
8. Inclusive and sustainable development of 4 main value chains and 2 promising niche crops relevant for each intervention areas.
9. Increased efficiency of market actors in the relevant value chains.
10. Improved access of smallholders to inputs, services.
11. Reduced post-harvest losses, including storage.
12. Development of labor efficient technologies for activities hampered by availability of labor (for example soil tillage).
13. Development of alternative employment opportunities during the agricultural off-season.
14. Improved access to finance for SHF.

As indicated above, these result areas are not at the same level as some results may lead to others. The CN and full proposal will build a logical order and presentation by means of a ToC and a draft results framework.

***Way of working:***

**Smallholder farmers are the focus of the program.** Lessons from implemented projects learn that innovations and improved technologies are often not adopted by farmers. Often because technologies

and innovations do not match the challenges and opportunities that farmers live. This is often one of the major reasons for disappointing results of projects.

Early lessons from the recently started projects indicate that **household and village level planning** as a basis for engagement, offers potential for broad and inclusive farming systems development, if it is a crucial step for a project to strategize and develop activities that are in line with the ambitions, opportunities, and challenges of SHF and their households. This will catalyze dialogue at household level among all members of the household and be instrumental to address broader inclusion aspects such as gender, youth, disability, and other inequalities.

Therefore, the program will base its strategy and activities on a good understanding of the farming systems, the risks SHF face, and the ambitions, opportunities, and challenges of SHF and their households.

The program is expected to develop locally adapted and easily replicable innovations to address the main impediments to agricultural development in the two regions. To enhance resilience, income of smallholders and inclusivity, the program will work on improved land-use, improved functioning of farming systems, several value chains, climate adaptation measures such as complimentary irrigation where applicable.

The understanding of the farmer perspective will be coupled with a proper understanding of the power relations in the regions that impact the agricultural development and functioning of markets and value chains. This is essential for the design of the proper strategies and activities.

For certain crops an intensive value chain support process may be required while for others some specific intervention in, for example, market access or seed supply, may be the game-changer.

Under **resilience** we understand the capacity of SHF to cope with climate, market failure and other challenges. In principle, proper diversification enhances resilience as it reduces the impact of, for example, drought, crop-diseases, and collapse of markets.

The principal **target groups** of the program are SHF and their organizations. The program will also work with actors who play important role in the functioning of the market and the value chain such as SHF, entrepreneurial farmers, cooperatives, businesses, processors, and market players.

The program will follow an **inclusive approach**. This implies that strategies and interventions will be based on a proper understanding of the interests and relations between different stakeholders, including smallholders, female-headed households, youth, entrepreneurial farmers, farmer organizations, SMEs, and local government. All these stakeholders may have a role to play in the development of the farming systems and value chains by the program.

A proper analysis of the roles, opportunities and challenges of the different stakeholders will be a required to design relevant strategies and interventions. Interventions with other stakeholders than SHF households will be based on their relevance to develop SHF livelihoods.

**Other relevant programs.** As already mentioned, EKN and Netherlands Ministry of Foreign Affairs finance several other food security activities some of which are operating in the areas of the envisaged program. Collaboration with relevant programs and projects will be pursued by the program. Lessons will be learned and incorporated from earlier (including Netherlands funded) activities.

Projects of specific interest for Lango and Busoga are:

- Include (under development): Livestock.
- A-GRIP (inception): result-based financing of local governments for land tenure and agricultural services.
- Hortimap: horticultural development

**Sustainability.** Right from the start provisions will be built in the program to promote sustainability after the termination of the intervention; financially, institutionally as well in terms of capacity and ownership.

Use **existing studies** and value chain analysis for different crops/livestock by other actors, especially focused on Uganda.

### III. Major features/strategies/approaches

The program will develop and strengthen resilient and productive smallholder farming systems, by working on sustainable land use, climate adaptation, market development and market-oriented value chains. Although activities on all different areas will start from the beginning of the program, farming system analysis and assessing farmers drive, motivations, challenges and opportunities, and an understanding of the political economy, will be constant input for the adaptation and revision of strategies and activities.

Differences between and within the two sub-regions will be translated in the strategies and interventions.

The program will ensure that strategies and activities are based on a proper analysis of gender and social/economic inclusion of specific groups (political-economy analysis) and will develop strategies to remove barriers where relevant. This analysis will complement the results of the household level interventions.

1. The program will emphasize resilience and inclusion.
  - a. An essential element of the design of the strategy and activities will be building vision and motivation at household level, based on their aspirations and opportunities. This will be an inclusive planning process in which all family members will be involved. The results will be input for both farm and community level planning and program activities. Experience has shown that a properly implemented approach will build a foundation for gender-sensitive sustainable change. The planning process will be followed by continuing support to HH on implementation and joint decision-making. The approach for this element of the strategy will allow to reach many households.
  - b. Secondly an analysis of the (in)equalities beyond the HH and village, is required for the proper development of strategies and activities that empower rural communities and their interests in, for example, the value chain development. This type of analysis can be seen as political-economy analysis.

These processes and their results will be essential input for the development and/or adaptation of value chain, sustainable land use and for other interventions. The development of program strategies and activities will start from the beginning of an inception period and will be adapted over time.

2. Simultaneously with and informed by the results of bullet 1: the broader farming systems will be analyzed, to understand opportunities, challenges and to strategize interventions. The analysis will be at least based on:
  - a. Analyze the performance, opportunities, and challenges of the different elements of the farming system.
  - b. Market linkages
  - c. Labor challenges, division, and availability
  - d. Understand risk management of farmers.
  - e. Environmental and climate risk analysis
  - f. Gender analysis
  - g. Agricultural practices, challenges, and opportunities
  - h. Understand decision-making of farmers.
  - i. Land access
  - j. Access to finance

Obviously, agricultural, socio-economic, and cultural aspects will be important factors in the analysis.

3. Analysis of the main value chains actors, their position in the chains, their challenges, risks and opportunities. Due attention will be given to the power-relations between the different actors.
4. The description of the farming systems and the strategy for the development of the different value chains, will be formulated during the inception period. The results of the above points 1-3 will be the basis for the revision and/or further development of specific program strategies and activities.
5. Value chains: 4 main crops will be selected per region in the inception phase. Additionally, two niche chains (potential cash crop) that offers potential for development and can be taken up by SHF will be selected per region. Some of the main and niche crops can be the same for the two regions.

Different crops will require different set of supportive measures. Although the program proposal is not yet the stage to decide on the choice of VC's, the proposal will provide information on the different approaches that may be considered by highlighting likely different value chains. The selection criteria will be described in the Concept Note for the value chains.

The strategies and activities regarding the development of the VC component will be based on the interests, challenges, and needs of SHF. Important partners in the VC development are, amongst others: farmers, farmer organizations, businesses, traders, processors, entrepreneurs.

6. Develop support to the development of the broader farming systems (adapted to the specificities of different locations). Most topics are mentioned above, the following is provided as an oversight of the minimum areas of attention to be included:
  - a. Climate smart sustainable agricultural practices
  - b. Irrigation
  - c. Seed and fertilizer supply system
  - d. Farmer organizations development

- e. Business development support to private entrepreneurs, market players, farmers, and farmer organizations
- f. Storage and processing
- g. Sustainable land use by, a.o., conservation practices on agricultural and surrounding lands
- h. Credit mechanism
- i. Support to risk mitigation measures
- j. Local market development, including infrastructure (storage)
- k. National and regional market linkages
- l. Subsidy/credit facility for investments. Basic assumption is that investments will be selected that are important to other actors in the chain.

7. As an elaboration of 6b:

Irrigation is an important technique to increase resilience for drought and stimulate agricultural production. For example, by the increase of the length and reliability of the growing season, increase of the production in off-season period and increase of the number of growing seasons.

The program will consider those forms of irrigation that can be affordable, sustainable, and replicable by individual or groups of SHF's. Supplementary irrigation to rainfed agriculture to overcome dry spells and/or allow an earlier production to benefit from better market opportunities, will be the main focus. This can be either individual or via groups of SHF's.

A ToR for a study to identify potentials for irrigation is attached to this Call to inform candidate organizations on the scope considered by EKN.

8. Individual business and commercial farmers can play an important role in the development of value chains. When considering activities with businesses or commercial farmers the following questions need to be answered to assess the justification for these support activities:
- a. Are the planned activities of strategic importance for the inclusive development of a value chain?
  - b. Is the proposed beneficiary the right actor, or could a SHF or farmer organizations play this role as well?
  - c. In case of financial support: can this activity supported by access to credit? What modalities to be used.
9. The program will have financial means to invest in innovations and for the development of crucial strategic activities in the different value chains or general market development. A social, economic, and financial analysis of innovations/strategic interventions is important to decide on the form of financial support. Contribution/grants will only be considered for:
- a. Innovations that will enhance the functioning of the different value chains (VC) and for which no credit is available.
  - b. Investments that are not (yet?) economically feasible but essential for the development of value chains.
10. Financial support mechanisms to SHF households and communities will be developed in a way that it ensures sustainability and ownership of farmers and their communities. Only financing that goes beyond the SHF capacity, but still is socio-economically justified, and that does not jeopardize the replicability can be considered.

11. A budget can be allocated for limited investment in essential infrastructure such as feeder roads. This activity can only be implemented in collaboration and co-financing with local governments.
  12. The program will work on access to finance (credit) for different actors by building collaboration with financial institutions and other relevant projects.
  13. Nutrition is important considering resilience of households. The program will however be focused on the components production and sustainable land use. For nutrition the program will focus on improved diets at SHF household level.
  14. Organization and staffing. The program offices and all full-time staff will be based in the program locations. Program office and full-time staff will not be based in Kampala.
  15. The program will ensure a high level of flexibility to ensure capacity to adapt whenever new insights or the context require so. This flexibility should be reflected in both the budget and staffing.
  16. The program will be built around the following major components:
    - a. Farmer household and farming systems
    - b. Sustainable land use, irrigation, and crop production
    - c. Market and value chain development
- The proposed staffing should reflect the above. Due to the broad areas of intervention, the demands on the capacity of the team leader (TL) and the leads of the different components are high.
17. The outcome-based budget will indicate the major expense categories and present enough details that the link with the strategy and activities can be established. The budget will reflect the required flexibility to adapt when required (see 14).
  18. The monitoring, evaluation and learning component of the program will ensure that indicators and targets are measurable and can be attributed to the program. The MEL framework will build in monitoring of progress of SHF towards integration in the market systems and progress as value chain actor.

*Inception period:*

An inception period of maximal 9 months can be proposed.

The program proposal will clearly specify the results and achievements of the inception period.

The minimum requirement will be that the features/strategies/approaches mentioned under the above bullets 1-5 will be developed and started. This will require an early start of field activities. The start of activities related to feature 1 (inclusive planning process at household level) and 2 will be in the first months of the inception period to ensure a proper basis for the development of the other aspects during the inception period.

Non-performance during the inception phase may be reason for termination of the contract.

**IV. Selection procedure:**

The selection of the successful applicant will be done in two stages, stage 1 is the concept note (CN) and stage 2 concerns the full proposal (FP):

## **Stage 1 – A) Threshold criteria check and B) Qualitative assessment of the organization/track record and concept note.**

Applications received on time will first be assessed for compliance with the threshold criteria set out in section IV.1.

**A.** The threshold check comprises criteria which an application must in any case meet to be eligible for a contribution/grant. Applications that do not meet all the threshold criteria will be rejected. Applications that meet all the threshold criteria will go on to part B of the first stage of the selection procedure for a qualitative check of the organization/track record and concept note.

**B.** The organization/track record and concept note are assessed based on qualitative criteria. Applicants must obtain a score of at least 65% on both the qualitative check of the organization/track record and on the qualitative check of the concept note.

Applications that pass the threshold check will be assessed based on the qualitative criteria set out in sections IV.2.1 and IV.2.2.

Up to three applicants whose applications pass the threshold check and with the highest score above 65% on the qualitative check will be invited to develop their concept note into a full program proposal. In case of an equal total score on the organization/track record and concept note, the application with the highest score on the organization/track record will be invited for stage 2.

The **CN** will be **maximal 10 pages** (excluding front and content page and the annexes on IV.1.1 threshold criteria and IV.1.2.1 Organizational and track record check: qualitative criteria concerning the organization and the applicant's/consortium's track record). The document will provide information that allows EKN to assess the questions under IV.1.

Selection and decision CN:

Final selection and approval of the quality of the CN's is at the discretion and responsibility of the EKN. Decisions of EKN are final and binding and not open for appeal. Applicants will be informed in writing on the outcome of the selection. Based on an assessment of the quality of submitted CN's, the EKN will invite maximum three applicants to submit a full proposal.

## **2. Stage 2 – Qualitative assessment of the full program proposal**

In stage 2, the quality of the full proposals submitted on time by the applicants invited to do so at the end of stage 1 will be assessed based on the qualitative criteria set out in section IV.2. To be eligible an applicant must score at least 70% on the qualitative check of the program proposal. The application with the highest score will be awarded the contribution/grant.

The **full proposal** will be **maximal 40 pages** (excluding annexes). The main document will be stand-alone document that will allow assessment of the FP as specified under IV.2. Annexes will be only for information and deepening and will not be essential for the assessment process.

### **IV.1 Concept Note (CN), stage 1**

#### **IV.1.1. Threshold criteria check.**

Threshold criteria need to be met. If not, the CN will not be considered. The following **threshold criteria** are applied:

- a. The lead partner has proven experience in the management of single-projects of USD 10 million or more in which the lead partner is the lead (or contract) party. The following information is required: name of the project, thematic area, main results, total budget (including currency) and the contact details of the contact person of the donor organization.
- b. The current lead partner's in country total annual budget is more than 50% of the value of the program proposal per year. Annual financial statements of 2020, 2021 and 2022 to be submitted.
- c. The lead partner has submitted the following documents:
  - a. Annual financial statements for 2020, 2021 and 2022
  - b. Organizational chart
  - c. Audit reports and management letters of the last three years
  - d. Registration certificate in Uganda
  - e. Corruption/fraud/SEAH policy
- d. The lead partner has proven experience with the implementation of farming systems, participatory planning, and value chain development projects in Uganda and two other countries at a comparable scale in terms of finance and number of beneficiaries. Details of projects need to be submitted and include at least: duration, budget (including currency), donor, objectives, strategy, and planned/achieved results.
- e. The applicant will declare that:
  - a. The TL will be in charge of program operations and supervise ALL program staff (including from other consortium partners).
  - b. The allocated budgets to the partner are indicative and can be changed when deemed necessary by the lead (after consultation with EKN) or EKN.
  - c. The composition of partners may change when deemed necessary by the lead in consultation with EKN.
- f. Applicant will declare that the program will be implemented by the applicant itself (with partners if applicable) and that it will not simply act as an intermediary channel to provide financing to other implementing parties or subcontract those to execute most of the work. At least 50% of the activity budget should be implemented directly by the program staff of the applicant.
- g. EKN has no objection/no preference for consortia. If the application is submitted by a lead party on behalf of a consortium, the application must include a partnership agreement signed on behalf of all consortium partners (the lead party and all co-applicants), which has been concluded with a view to implementing the activities for which a contribution/grant is requested, in any case laying down undertakings on:
  - i. how each of the consortium partners will contribute to the consortium's activities;
  - ii. how decisions are made within the consortium;
  - iii. how costs and risks will be shared among the consortium members;
  - iv. how the consortium members will ensure that the lead party fulfils the obligations towards EKN in respect of the contribution/grant, including responsibility for the joint aggregated reports (including IATI-compliant reports);
  - v. how the consortium members will keep each other informed, in particular concerning their financial health;
  - vi. how the partnership can be adapted; both in composition and in budget allocation to the different partners.
  - vii. the role of each of the consortium members in monitoring and evaluating progress in the activities for which a contribution/grant has been received.

EKN will not accept a consortium in which activities and budgets are divided between the partners without a clause that these allocations are preliminary and can be amended at any time during the program implementation if requested by EKN or judged necessary by the consortium lead and approved by EKN. This clause needs to be explicitly mentioned in the partnership agreement, the CN and the FP.

- h. Applicants (and possible consortium members) should declare having a pre-employment scanning (including on SEAH) in place; The applicant (and possible consortium members) should declare to include this specific requirement in the possible contract with the subcontractors.
- i. Applicants should have an office in Uganda for at least 3 years. Scanned copy of the organization's registration certificate should be included in the submission package.

#### **IV.1.2. Qualitative criteria concerning the organization/track record and Concept Note (stage 1B).**

Stage 1.B of the selection procedure comprises qualitative checks of the organization/track record and concept note based on the criteria set out in sections IV.1.2.1. And IV.1.2.2, respectively. Applications must score at least 30 points on IV,1,2,1, and 65 points on IV.1.2.2 of stage 1.B.

##### *IV.1.2.1 Organizational and track record check: qualitative criteria concerning the organization and the applicant's/consortium's track record (50 points)*

The criteria below are used to assess the quality of the applicant's/consortium's organization and track record.

(In demonstrating the experience, the applicant or all the consortium partners together may also refer to experience gained by members of their staff in a previous job with another organization.)

#### 1. Experience (30 points).

In case of a single partner (with subcontractors)

The extent to which the applicant has successful and relevant experience, in at least two countries, with carrying out projects at scale:

- a. smallholder farmer agricultural development and
- b. sustainable land use and combatting land degradation,
- c. market access for SHF
- d. addressing climate shocks in agro-ecological areas comparable to the project area.
- e. Work with participatory planning approaches.
- f. Reducing social and gender inequality

(5 points each)

Details of projects need to be submitted and include at least: duration, budget, donor, objectives, strategy and approach, and results achieved for each sub section.

In case of consortium

The extent to which the consortium partners have successful and relevant experience, in at least two countries, with carrying out projects at scale:

- a. smallholder farmer agricultural development. (5 points)
- b. sustainable land use and combatting land degradation (4)
- c. market access for SHF. (4)
- d. addressing climate shocks in agro-ecological areas comparable to the project area. (4)
- e. Work with participatory planning approaches. (5)
- f. Reducing social and gender inequalities (4)
- g. To what extent the consortia members have relevant experience in a consortium and achieved expected results. (4)

Details of projects need to be submitted and include at least: duration, budget, donor, objectives, strategy and approach, and results achieved for each sub section.

2. Collaboration (20 points).

The extent to which the applicant/consortium has experience to work in collaborating with local/regional organizations, including (inter)governmental organizations, knowledge institutions and private sector parties in the countries where the referred activities have been implemented. Details of projects need to be submitted and include at least: duration, budget, donor, approach of collaboration and its results achieved.

**IV.1.2.2 Concept note check: qualitative criteria concerning the concept note (100 points)**

1. The extent to which the draft theory of change (ToC) contributes to the goal, outcomes and intended result areas of the Lango and Busoga Program. (10 points)

2. The translation of the different outcomes, results and major features into a comprehensive and efficient program design, strategy and main interventions. (25 points)

3. The extent to which the concept note shows understanding of, and provides a convincing strategy concerning (each 8 points):

- a) The importance of participatory approach for planning and implementation, and how the results will be translated into the program results framework, strategy, and activities.
- b) The relevance of the farming systems approach.
- c) Translation of the challenges and opportunities related to sustainable land use into concrete outputs and activities.
- d) Resilience and its operationalization in the strategy, concrete outputs, and activities of the program.
- e) The potential and limits of irrigation as a tool for the envisaged outcomes and results areas.
- f) The development of value chains from a SHF perspective.
- g) On how gender and inclusivity are integrated in participatory HH and village planning and implementation approaches. And how broader inclusivity challenges (resource rich/poor, well/poor connected, etc.) are integrated in the program strategy and interventions.

4. The concept note provides information on how collaboration with other (Dutch funded) funded projects is planned (4 points).

5. The concept note outlines how the contract party will include sub-contracting local organisations in the implementation of the program and how their capacity will be strengthened, including financially. (5 points)

**IV.2. Stage 2: Full Proposal (FP)**

Stage 2 is comprised of the qualitative assessment of the full proposals that have been invited, are submitted on time, and are maximal 40 pages. To be eligible for funding the applicant must at least attain 70% of the maximum score. The draft evaluation criteria for the full proposal (FP) are presented below, the final criteria and the scoring will be communicated together with the invitation to submit a FP if relevant.

**Selection and decision**

EKN will select the full proposal that best meets the requirements. Decisions of EKN are final and binding and not open for appeal. Applicants will be informed in writing on the outcome of the

selection. After the selection a discussion with the selected applicant will start to discuss potential weak areas of the proposal and to investigate if a successful program can be implemented. A refinement of the proposal may be part of this process. After this stage the selected best applicant will be requested to finalize its proposal based on indications by the Embassy.

### ***Evaluation criteria for the Full Proposal (FP)***

1. Quality of the program full proposal (see also chapter II):
  - a. Understanding of the call.
  - b. Theory of Change and summary of the result framework.
  - c. Description of the components of the program and their linkages.
  - d. Strategy and approach of the program.
  - e. Description on how the program strategies and activities will enhance resilience of SHF household for their income, for climate stress and market imperfections.
  - f. Realistic estimation of the number of direct beneficiaries (specified by gender) that the program will reach, for the different components.
  - g. Feasibility of the program, to reach the expected outcomes and impacts.
  - h. Realism of the SHF participatory approaches and the translation into the strategy and activities of the program.
  - i. Realism, relevance and quality of the gender and inclusion strategy and its implementation.
  - j. Collaboration with current existing projects (financed by The Netherlands)
  - k. Main approach and interventions. The below areas of attention should be reflected and elaborated in the FP:
    - I. Inclusive household (hh) and village level planning,
    - II. farming systems analysis and actor analysis
    - III. Strategy/approach to reach scale for HH level planning and implementation.
    - IV. Translation of the above (I-III) in strategy and activities specifically in the below points (V-XVI).
    - V. Approach and activities to strengthen functioning of, and access to (local) markets for SHF.
    - VI. Strategy and approach for the potential value chains. Selection criteria for the choice of VC.
    - VII. Approach to climate change adaptation. Strategy and approach on irrigation, needs and possibilities for scaling (considering the description of the irrigation focus as described in the attached ToR for an irrigation study commissioned by EKN)
    - VIII. Strategies and activities to enhance local post-harvest, including storage.
    - IX. Strategies for labor-saving technologies for activities hampered by labor shortage.
    - X. Strategy and activities to stimulate alternative employment opportunities beyond the agricultural season.
    - XI. Strategies, approach, and activities to involve and collaborate with the different actors: smallholders, entrepreneurial farmers, farmer organizations (cooperatives), businesses.
    - XII. Link between inclusive planning and market development with the infrastructure activities.
    - XIII. Enhancing sustainable land use and climate resilience.
    - XIV. Financing modalities of innovations and others, and the relation to credit facilities. Including an access to finance strategy.
    - XV. climate risk assessment and strategies.
- l. Sustainability; the FP should make clear how sustainability will be built in from the start of the program.

- m. Risks: both internal and external main risks will be described, their probability and potential impact on the program and its mitigation measures.
- n. Budget, showing the major budget categories and details on staff cost composition. Maximum allocation for personnel costs is 30% of the total budget. The program team should be capable to manage the program, therefore no major costs for support by general office staff can be budgeted.

**And any other relevant matter, please use the outline and features presented in chapter II and III as your reference.**

- 2. Description of activities, planning and results of the inception period.
- 3. Argumentation on how the program will achieve scale and sustainability.
- 4. Organisation (contract organisation and partners):
  - a. Although the broad spectrum of features, themes and approaches may indicate the need for collaboration with different other organizations, one organization will be contracted. This organization may sub-contract to other organizations or form a consortium. The description of the capacities of the implementing organization and possible sub-contracted parties in relation to the described program should highlight their complementarity and the comprehensive coverage of all relevant areas described under the outline of the program (chapter II).
  - b. Relevant experience of the lead/consortium partners organisation with the key components of the program.
  - c. Evidence of the organisation's capacity and flexibility to field a well-performing team and to adapt the team when necessary.
  - d. Elaboration of the relationship with sub-contracted local organisations, clarifying the way of working, the way the local organisations overall capacity will be build, and the overhead allocations.
  - e. Set up of the organisation:
    - i. Division of tasks.
    - ii. Staffing for the different components.
    - iii. Job description of principal staff
    - iv. CV of proposed candidates for the TL position.
    - v. Division of roles between the partners.
    - vi. Set up of program structure and organisation to ensure proper coordination and synergy between the components.
    - vii. Geographical organisation of the team.
  - f. The document should clearly spell out how the different components will be sequenced and guarantee the proper implementation of the different phases described under the way of working. Proof of experience of the organisation and main partners with the different components and their interlinkages is required.
  - g. It is required to show how flexibility will be assured. Shift in, for example, priorities or strategies should be possible, even if budget reallocation is required between the partners.
  - h. Partnership agreement or MoU between partners that stipulate that division of activities and budgets between the partners are preliminary and can be amended at any time during the program implementation if requested by EKN or judged necessary by the consortium lead and approved by EKN.
  - i. The document should clearly indicate measures in case of under/non-performance of a partner.

5. Adequate quality of the program team regarding:
  - a. Composition of the team: the proposed functions in the team cover the different subject matters of the program.
  - b. The TL will have a broad international experience, with at least 10 years' experience, and be able to steer the different components.
  - c. An experienced professional will head each main component.

**Full Proposal document:**

The full proposal will have at least the following chapters:

- a. Understanding of the call
- b. Context analysis and problem statement
- c. Theory of change, and results framework
- d. Target groups description
- e. Strategy and approach
- f. Program components: strategies, activities and implementation
- g. Cross-cutting themes and their implementation
- h. Inception phase
- i. Organisation and management
- j. Monitoring evaluation and learning
- k. Risks and mitigation
- l. Budget

Annexes:

- CV of proposed TL

Any other chapter that the applicant considers important to assess the proposal on the outline of the program and evaluation criteria.

## **V. Indicative timeline**

<u>Concept note.</u>	
Submission of the Concept Note	28 January 2024 at 12:00 Ugandan time.
Decision on CN submitted	No later than 23 February 2024
<u>Full proposal</u>	
Invitation to submit a detailed full proposal	No later than 26 February 2024
Submission of full proposal	29 April 2024 at 20:00 Ugandan time.
Decision on full proposals submitted on time	No later than 10 June 2024
Discussion with selected applicant	10-21 June 2024
Submit revised proposal	19 July 2024
Contract and start of activity	One month after final approval of the full proposal

Attachments:

1. ToR irrigation.

Attachment:

Terms of Reference (ToR) for conducting a study to assess low-cost and replicable irrigation possibilities in Busoga and Lango, Regions. (Constraints, opportunities, and options for smallholder irrigation)

Introduction

Climate change in Uganda combined with land degradation seriously threaten and negatively impact agricultural and economic development. This threat is already manifested through increased frequency of extreme weather events, changing weather patterns, reduced agricultural productivity and increased vulnerability of the communities across different landscapes. Repeated climatic disasters such as recurring droughts, increasing temperatures, hailstones, floods, excessive rainfall, and landslides have severely affected Ugandans by destroying lives, crops, and properties.

Heavy dependence on rainfed production in the Lango and Busoga Regions makes communities prone to droughts and periods of water scarcity which significantly affect crop and livestock production.

The effects of drought and possible mitigation are important aspects of sustainable agricultural development and to increase resilience of smallholder farmers and vulnerable communities.

EKN intends to develop a food security and agricultural development program in Lango and Busoga. The focus of the program will be on smallholder farmers and developing their agricultural performance based on resilience for markets and climate shocks. In that context EKN sees an important role for improved land and water resource management practices, with specific attention to smallholder irrigation.

With the increasing population pressure, dwindling land holdings, and rainfall being erratic in many areas, irrigation could be one of the important tools to reduce the sensitivity of SHF agricultural production to droughts. As SHF are a major contributor to agricultural production in Uganda, it can thereby curb food shortages that are a recurrent problem in several communities of Uganda by rendering agricultural production more resilient. In areas where water sources are available supplementary irrigation can be used to grow crops during the rainy seasons when rainfall is not sufficient.

In areas where water resources are dependable, both in quantity and quality, irrigation can also play a major role in moving farmers from subsistence to commercial farming, by allowing growing high value cash crops that require reliable and timely water applications, in the dry seasons. Irrigation thus allows for more than one crop season in a year and/or allows starting the season earlier to profit from better marketing conditions.

Irrigation development will only have impact on SHF and their resilience if it is economically feasible and when it is designed in a way that SHF can implement with limited support.

Therefore, EKN is commissioning this study to assess the potential and options for low-cost and replicable irrigation methods for smallholder farmers in Lango and Busoga.

**Objectives**

The objectives of the current assignment are:

- (i) Identify present practices of smallholder irrigation (individual or groups) and schemes for communal use and assess their performance,
- (ii) Draw lessons of previous and current small-scale irrigation programs/schemes that have been implemented in the selected districts.
- (iii) Identify other potential low-cost technologies for SHF.
- (iv) Collect and analyze geographical and hydrological data to assess the availability of water resources in the two regions and identify the geographical areas with potential for different forms and objectives of irrigation.
- (v) On the basis of the above (i-iv) develop options for irrigation methods and indicate their irrigation potential.
- (vi) Appraise the development potential of the existing and other potential technologies for small-scale irrigation practices and larger schemes (with connected reservoirs) for communal use:
  - Potential to bridge dry spells and/or to expand the growing season.
  - Potential to increase the number of seasons.
  - Cost-benefit analysis.
  - Assess the investment requirement.
  - Assess the potential impact of these irrigation practices and technologies on the drought-resilience of SHF.
- (vii) propose interventions in irrigation that are low-cost and replicable for SHF. If larger activities are proposed (for many users), the feasibility and cost -benefit analyze should indicate feasibility.
- (viii) Assessment of social and economic aspects of selected irrigation technologies/schemes.

The findings of this assignment will provide the basis for investment in smallholder irrigation, and guidance for drought mitigation measures and climate resilience activities (with particular emphasis on smallholder irrigation) as part of the current FNS development support provided by EKN through funded projects.

### **Key Tasks (draft)**

The assignment will cover the following tasks:

- Review available reports and technical designs of small-scale irrigation schemes in the two regions as well as assessment of the irrigation performance of these existing systems. Including irrigation interventions by development partners and government.
- Collect available information relating to meteorology, hydrology in the targeted areas, water catchment and stream characteristics (including area, topographical condition, current flow, water levels and discharge in the dry and rainy seasons, and flood duration, etc.).
- Collect information regarding irrigation area and crop types to be irrigated and water requirements, the proposed water storage, crops etc.
- Analyze land tenure and current land use activities and levels of production – this should include use for agricultural activities, livestock, forestry or other and how they will be affected by proposed irrigation interventions.
- Determine and evaluate risks of sedimentation, flooding and possible specific environmental impacts.

- Assess the current condition of existing community-based reservoirs and irrigation schemes and their development potential.
- Estimate the potential for and feasibility of increasing the water supply and/or improving the performance (at current supply levels) in the inspected schemes.  
Select and prioritize community irrigation systems that can be improved based on potential water yields and preliminary estimated investment costs.
- Estimate the potential for community-based and individual irrigation in the two regions and identify the potential geographical areas.
- Identify and review relevant rights/entitlements to water sources and/or regulations that may potentially limit the development scope of existing and new schemes.
- Prepare preliminary designs and cost estimates for irrigation options based on rough estimates of quantities of works.
- Provide preliminary estimates of the expected benefits from improvement of selected irrigation schemes, in terms of potential increase in beneficiaries, increased water supply, regularity of water, resilience to climatic variations, acreage irrigated, etc.
- Assess the capacity of communities to manage and operate the schemes in an equitable, transparent and sustainable manner, and identify any particular constraints to such intentions.
- Review the existing mechanisms applied for the distribution of water to individual plots and assess the need for capacity strengthening of water user bodies, such as Community water Committees, and by-laws regulating its functions and authority.
- Outline the existing/preferred model for how maintenance and repairs will be financed, managed and implemented.
- Assess the current performance and condition of existing individual irrigation techniques and their development potential from the perspective of SHF and cost-efficiency.
- Propose alternative irrigation models and techniques for individual use with opportunities for replication.
- Estimate the potential for individual low-cost irrigation opportunities.
- Prepare draft designs of potential and existing individual irrigation forms and the estimates of costs and benefits.
- Review current water and land uses and explore potential crops, methods and practices that can make better use of water at the receiving end of the identified schemes.

### **Scope of the Study**

The study will cover the regions of Lango and Busoga.

### **Expected**

The study is expected to provide feasible options for investing in small scale irrigation and irrigation infrastructure including water harvesting and conservation to increase production and productivity in the face of climate change challenges, based on the above indicated analyzes. Furthermore, the study is expected to provide technical design and estimated costs to develop some of the recommended small-scale irrigation schemes, both for individual and communal schemes.

The study will refer to ongoing interventions by other development partners and the government.