

Vote: 152 NAADS Secretariat

QUARTER 1: Highlights of Vote Performance

V1: Summary of Issues in Budget Execution

This section provides an overview of Vote expenditure

(i) Snapshot of Vote Releases and Expenditures

Table V1.1 below summarises cumulative releases and expenditures by the end of the quarter:

Table V1.1: Overview of Vote Expenditures (US\$ Billion)

<i>(i) Excluding Arrears, Taxes</i>	Approved Budget	Cashlimits by End	Released by End	Spent by End Sept	% Budget Released	% Budget Spent	% Releases Spent
Recurrent Wage	2.185	0.546	0.546	0.501	25.0%	22.9%	91.8%
Recurrent Non Wage	4.085	1.021	1.021	0.510	25.0%	12.5%	50.0%
Development GoU	172.413	28.012	27.963	3.514	16.2%	2.0%	12.6%
Development Donor*	0.000	N/A	0.000	0.000	N/A	N/A	N/A
GoU Total	178.683	29.579	29.531	4.526	16.5%	2.5%	15.3%
Total GoU+Donor (MTEF)	178.683	N/A	29.531	4.526	16.5%	2.5%	15.3%
<i>(ii) Arrears and Taxes</i> Arrears	0.000	N/A	0.000	0.000	N/A	N/A	N/A
Taxes**	0.292	N/A	0.048	0.000	16.5%	0.0%	0.0%
Total Budget	178.975	29.579	29.579	4.526	16.5%	2.5%	15.3%

* Donor expenditure data available

** Non VAT on capital expenditure

The table below shows cumulative releases and expenditures to the Vote by Vote Function :

Table V1.2: Releases and Expenditure by Vote Function*

Billion Uganda Shillings	Approved Budget	Released	Spent	% Budget Released	% Budget Spent	% Releases Spent
VF:0154 Agriculture Advisory Services	178.68	29.53	4.53	16.5%	2.5%	15.3%
Total For Vote	178.68	29.53	4.53	16.5%	2.5%	15.3%

* Excluding Taxes and Arrears

(ii) Matters to note in budget execution

The NAADS Secretariat approved budget for FY 2015/16 is UGX 178.975 billion including taxes. By end of quarter one, a total of UGX 29.53 billion (16.5%) of the budget had been released and of which UGX 4.53 billion (2.5%) has been spent. The percentage releases spent was 15.3%.

This state of affairs can be attributed to the following:

- Whereas the financial performance is low, the September planting season stretches up to late November, especially for perennial crops implying that payments for the supplies can only be made in the subsequent quarter. Accordingly, by the end of first quarter, NAADS Secretariat had several unpaid commitments in on-going contracts under the contracts framework.
- Limited number of suppliers on framework contract for value addition equipments.
- Lengthy and complex process involving importation and limited capacity for potential local suppliers especially for Milk Coolers.
- Shortage of good quality seed on the market.
- Underperformance in Livestock distribution is attributed to shortage of disease diagnostic test kits and limited number of suppliers on framework contract.

Table V1.3: High Unspent Balances and Over-Expenditure in the Domestic Budget (Ushs Bn)

<i>(i) Major unspent balances</i>
Programs , Projects and Items
24.50Bn Shs Programme/Project: 0903 Government Purchases
Reason: Whereas the financial performance is low, the September planting season stretches up to late November, especially for perennial crops implying that payments for the supplies can only be made in the subsequent quarter. Accordingly, by the end of first quarter, NAADS Secretariat had several unpaid commitments in on-going contracts under the contracts framework.

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Items	
23.78 Bn Shs	Item: 224006 Agricultural Supplies Reason: Whereas the financial performance is low, the September planting season stretches up to late November, especially for perennial crops implying that payments for the supplies can only be made in the subsequent quarter. Accordingly, by the end of first quarter, NAADS Secretariat had several unpaid commitments in on-going contracts under the contracts framework.
Programs , Projects and Items	
0.56 Bn Shs	Programme/Project:01 Headquarters Reason: - One staff member went on leave without pay for three months. - Accumulated monthly gratuity for all staff members is paid at the end of the Financial year.
(ii) Expenditures in excess of the original approved budget	
* Excluding Taxes and Arrears	

V2: Performance Highlights

This section provides highlights of output performance, focusing on key outputs and actions implemented to improve section performance.

Table V2.1: Key Vote Output Indicators and Expenditures*

Vote, Vote Function Key Output	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
Vote Function: 0154 Agriculture Advisory Services			
Output:015414	Provision of Agricultural Inputs to farmers		
<i>Description of Performance:</i>		Procured and distributed Seeds including;	Whereas the financial performance is low, the September planting season stretches up to late November, especially for perennial crops implying that payments for the supplies can only be made in the subsequent quarter. Accordingly, by the end of first quarter, NAADS Secretariat had several unpaid commitments in on-going contracts under the contracts framework.
		•2,744.8 tons of maize seed to 103 District Local Governments (DLGs) under Operation wealth Creation (OWC) to establish 274,483.3 acres (for 548,996 Households).	
		•2,000.85 tons of bean seed to 94 District Local Governments (DLGs) under Operation wealth Creation (OWC) to establish 56,121.2 acres (for 224,448 Households).	
		•134.22 tons of soya bean seed to 9 District Local Governments (DLGs) under Operation wealth Creation (OWC) to establish 3,355.5 acres (for 13,422 Households).	
		•12 tons of rice seed to 3 District Local Governments (DLGs) under Operation wealth Creation (OWC) to establish 480 acres (for 960 Households).	
		•26 tons of sorghum seed to 3 District Local Governments (DLGs) under Operation wealth Creation (OWC) to establish 6,500 acres (for 26,000 Households).	
		•44.73 tons of groundnuts seed to 15 District Local Governments (DLGs) under Operation wealth Creation (OWC) to establish 1,491 acres (for 5,964 Households).	
		Procured and distributed Vegetative/Planting Materials	

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<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
		including;	
		<ul style="list-style-type: none"> •7,526 bags of Irish potato in 28 District Local Governments (DLGs) to establish 579 acres (for 2,316 households). •70,000 Banana tissue cultured plantlets in 8 District Local Governments (DLGs) to establish 155.6 acres (for 311 households). 	
		Procured and distributed Livestock including;	
		<ul style="list-style-type: none"> •158 heifers in 9 District Local Governments (DLGs) to support 158 households. •99,796 layers with 218,992 Kgs of chick and duck mash, 2,000 broilers with 6000 Kgs. of feeds and 2,000 kuroilers in 15 District Local Governments (DLGs) to support 124 households. •9,555 Tilapia fingerings in 2 District Local Governments (DLGs) to support 7 households. •103,749 Catfish fingerings and 30,000 Kgs of fish feeds in 6 District Local Governments (DLGs) to support 36 households. 	
<i>Performance Indicators:</i>			
No. of poultry units established	1,200		207
No. of Dairy and beef cattle distributed	8,000		158
No. of farmers supported with inputs by enterprise	717,515		822417
Acreage established under crop by enterprise	679,189		343166
<i>Output Cost:</i>	UShs Bn:	75.069	UShs Bn: 2.565
Output:015415	Managing distribution of agricultural inputs		% Budget Spent: 3.4%
<i>Description of Performance:</i>		<ul style="list-style-type: none"> •2Adverts for procurement of agricultural inputs in newspapers published. •15 verification exercises for 15 enterprises conducted. •2 Capacity building sessions for producing quality seeds and vegetative planting materials conducted. •TORs for redesigning web based database, Data entry exercise and Data clerk developed •Local Government Budget Consultative workshops facilitated. •TORs for review of the NAADS M&E result frame work developed. Issued a RFP to the prospective consultant. 	<ul style="list-style-type: none"> - Bi-annual and annual review meetings are held in the middle and end of the Financial Year respectively. - Some of the planned activities will be undertaken by consultants who are paid in installments like M&E framework, Database design and Data entry.
<i>Performance Indicators:</i>			
No. of monitoring exercises	12		2

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<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
undertaken			
<i>Output Cost:</i>	UShs Bn: 2.660	UShs Bn: 0.171	% Budget Spent: 6.4%
Output: 015416	Strategic interventions supported		
<i>Description of Performance:</i>	<ul style="list-style-type: none"> •94,960 seedlings of Mango in 9 District Local Governments (DLGs) to establish 1,356 acres (for 2,713 households). •886,735 seedlings of Citrus in 41 District Local Governments (DLGs) to establish 7,268 acres (for 14,536 households). •Draft specifications for tractors and implements in place. 	Whereas the financial performance is low, the September planting season stretches up to late November, especially for perennial crops implying that payments for the supplies can only be made in the subsequent quarter. Accordingly, by the end of first quarter, NAADS Secretariat had several unpaid commitments in on-going contracts under the contracts framework.	
<i>Performance Indicators:</i>			
No. of farmers/farmer groups supported with agro-machinery	470	0	
No. of farmers/farmer groups supported by strategic commodity	74005	17249	
Acreage established under crop by strategic enterprise	78368	8624	
<i>Output Cost:</i>	UShs Bn: 72.103	UShs Bn: 0.119	% Budget Spent: 0.2%
Output: 015417	Agribusiness Development Supported		
<i>Description of Performance:</i>	<ul style="list-style-type: none"> •Partnership to promote agribusiness related activities involving World Food Programme, UNFFE, UCA, UCUSCU, and NAADS Secretariat and Operation Wealth creation Secretariat coordinated. •A meeting of Farmer Leaders on challenges encountered at post-harvest handling including storage and marketing attended at Bukalasa Agricultural College. •NAADS achievements, including the Official launch of promotion of value addition equipments show cased at the Annual National Agricultural Show in Jinja. •NAADS achievements and networks for better access to markets, show cased in the Agricultural Show in Fort Portal, Kabarole District. 	Processes of establishing partnerships on-going and payments are to be made in the subsequent quarter in a phased manner.	
<i>Performance Indicators:</i>			
No. of Partnerships for agribusiness development established	17	0	
No. of MSIPs strengthened	20	0	
No. of MSIPs established	20	0	
No. of Information packages disseminated through print and other media	184	0	
No. of Higher level Farmer Organisations (HLFOs)	27	0	

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Vote, Vote Function Key Output	Approved Budget and Planned outputs	Cumulative Expenditure and Performance	Status and Reasons for any Variation from Plans
supported			
No. of business plans in place by enterprise	42	0	
<i>Output Cost:</i>	UShs Bn: 0.740	UShs Bn: 0.035	% Budget Spent: 4.8%
Output:015418	Support Agricultural Value Chains development		
<i>Description of Performance:</i>	<ul style="list-style-type: none"> •Draft MOU partnership between NAADS Secretariat and The Grain Council Uganda for establishing warehouses in 5 Districts in place; •Draft proposal for establishing district warehouses in 5 DLGs in place. •Concept for establishing two Medium scale Fruit processing plants in Central (Pineapple) and West Nile (Mango) under PPPs submitted to the Policy Analysis and PPPs department MoFPED 	<ul style="list-style-type: none"> - Limited number of suppliers on framework contract for value addition equipments. - Lengthy and complex process involving importation and limited capacity for potential local suppliers especially for Milk Coolers. 	
<i>Performance Indicators:</i>			
No. of farmer groups supported in management of value addition equipment	1,298	0	
No. of farmer groups supported with value addition equipments	2,360	0	
<i>Output Cost:</i>	UShs Bn: 20.930	UShs Bn: 0.572	% Budget Spent: 2.7%
Vote Function Cost	UShs Bn: 178.683	UShs Bn: 4.526	% Budget Spent: 2.5%
Cost of Vote Services:	UShs Bn: 178.683	UShs Bn: 4.526	% Budget Spent: 2.5%

* Excluding Taxes and Arrears

Under the output area of provision of agricultural inputs to farmers, two key performance indicators were achieved above average due to adequate pre-season preparations and high demand for seeds. The acreage established under crop by enterprise is 343,166 against the target of 679,189 acres which makes it 50.5% and the number of farmers supported with inputs by enterprise is 822,417 against the target of 717,515 farmers which makes it 114.6%.

Under the output of support to agricultural value chain development, the key performance indicators were not achieved as targeted due to limited number of suppliers on framework contract for value addition equipments and lengthy/ complex process involving importation and limited capacity for potential local suppliers especially for Milk Coolers.

However, the following performance challenges are likely to be experienced in the subsequent quarter;

- Some District Local Governments take long to respond to the needed planning information which delays the whole implementation process.
- Uncertainty about the on-set of the rain season in various parts of the country leading to delay in the supply of planting materials especially in Karamoja sub region.
- Delay in delivering of materials by some suppliers.
- Lack of proper coordination of all key stakeholders across the value chain; from farm to fork; research, infrastructure, budgeting and planning, financing, processors and exporters, etc.
- Lack of storage/value addition and high post- harvest losses.
- Weak extension system.

Table V2.2: Implementing Actions to Improve Vote Performance

Planned Actions:	Actual Actions:	Reasons for Variation
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Vote Function: 01 54 Agriculture Advisory Services		
Improve efficiency in the procurement and distribution process for timely delivery agricultural inputs	Process of expansion of the existing framework contracts under way both to accommodate additional commodities	Limited number of suppliers for quality seed, vegetative and stocking materials

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Planned Actions:	Actual Actions:	Reasons for Variation
	(including Passion fruits and grapes propagated seedlings; garlic, onions, pumpkin and tomato seeds) and expand the number of suppliers for dairy heifers, local goats, Crosses-Boer savannah Goats, Pigs/Gilts and local sheep	
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Vote Function: 01 54 Agriculture Advisory Services		
Building capacity for supply of quality vegetative planting materials such as seedlings based a network of registered and certified community-based nursery operators in each District located at the Constituency or Sub county level; as well as quality seed	-Two capacity building sessions conducted for both seed and stocking/ planting materials suppliers; -Process of formation and registering the Association of Nursery operators initiated	N/A
Improved access by farmers and other value chain actors associations/ cooperatives, processors associations, SMEs and other organized entrepreneurs to value addition equipment and agribusiness development services	Processes for procuring the various value addition equipment underway, delivery of some maize mills and milk coolers at advanced stage	Lengthy and complex process involving importation and limited capacity of local suppliers

V3: Details of Releases and Expenditure

This section provides a comprehensive summary of the outputs delivered by the Vote and further details of Vote expenditures by Vote Function and Expenditure Item.

Table V3.1: GoU Releases and Expenditure by Output*

Billion Uganda Shillings	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:0154 Agriculture Advisory Services	178.68	29.53	4.53	16.5%	2.5%	15.3%
<i>Class: Outputs Provided</i>	178.45	29.47	4.53	16.5%	2.5%	15.4%
015406 Secretariat Programme management and coordination	6.94	1.81	1.06	26.1%	15.3%	58.7%
015414 Provision of Agricultural Inputs to farmers	75.07	22.01	2.56	29.3%	3.4%	11.7%
015415 Managing distribution of agricultural inputs	2.66	0.66	0.17	25.0%	6.4%	25.8%
015416 Strategic interventions supported	72.10	3.00	0.12	4.2%	0.2%	4.0%
015417 Agribusiness Development Supported	0.74	0.19	0.04	25.0%	4.8%	19.1%
015418 Support Agricultural Value Chains development	20.93	1.80	0.57	8.6%	2.7%	31.8%
<i>Class: Capital Purchases</i>	0.24	0.06	0.00	25.3%	0.0%	0.0%
015475 Purchase of Motor Vehicles and Other Transport Equipment	0.24	0.06	0.00	25.3%	0.0%	0.0%
Total For Vote	178.68	29.53	4.53	16.5%	2.5%	15.3%

* Excluding Taxes and Arrears

Table V3.2: 2016/17 GoU Expenditure by Item

Billion Uganda Shillings	Approved Budget	Releases	Expenditure	% Budget Released	% Budget Spent	% Releases Spent
Output Class: Outputs Provided	178.45	29.47	4.53	16.5%	2.5%	15.4%
211102 Contract Staff Salaries (Incl. Casuals, Temporary)	2.56	0.64	0.55	25.0%	21.6%	86.5%
211103 Allowances	0.05	0.01	0.00	25.0%	0.0%	0.0%
212101 Social Security Contributions	0.24	0.06	0.05	25.0%	22.9%	91.6%
213002 Incapacity, death benefits and funeral expenses	0.05	0.01	0.00	25.0%	0.0%	0.0%
213004 Gratuity Expenses	0.50	0.13	0.00	25.0%	0.0%	0.0%
221001 Advertising and Public Relations	0.47	0.12	0.08	25.0%	16.1%	64.4%
221002 Workshops and Seminars	0.36	0.09	0.02	25.0%	5.8%	23.1%
221003 Staff Training	0.20	0.03	0.02	15.0%	10.5%	70.2%
221004 Recruitment Expenses	0.03	0.01	0.00	25.0%	0.0%	0.0%
221006 Commissions and related charges	0.27	0.07	0.05	25.0%	19.7%	78.9%
221007 Books, Periodicals & Newspapers	0.05	0.01	0.00	23.0%	4.3%	18.8%
221009 Welfare and Entertainment	0.12	0.03	0.03	25.0%	21.1%	84.4%
221010 Special Meals and Drinks	0.07	0.01	0.00	19.3%	0.0%	0.0%
221011 Printing, Stationery, Photocopying and Binding	0.12	0.02	0.00	16.7%	0.0%	0.0%
221016 IFMS Recurrent costs	0.01	0.00	0.00	25.0%	0.0%	0.0%

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<i>Billion Uganda Shillings</i>	Approved Budget	Releases	Expenditure	% Budget Released	% Budget Spent	% Releases Spent
221017 Subscriptions	0.02	0.00	0.00	25.0%	4.4%	17.8%
222001 Telecommunications	0.08	0.02	0.00	25.0%	4.9%	19.7%
222002 Postage and Courier	0.04	0.01	0.00	25.0%	12.1%	48.3%
222003 Information and communications technology (ICT)	0.08	0.02	0.00	25.0%	0.0%	0.0%
223003 Rent – (Produced Assets) to private entities	0.70	0.24	0.23	34.9%	32.6%	93.6%
223004 Guard and Security services	0.05	0.01	0.00	25.0%	0.0%	0.0%
223005 Electricity	0.09	0.00	0.00	0.0%	0.0%	N/A
223006 Water	0.04	0.01	0.00	25.0%	0.0%	0.0%
224006 Agricultural Supplies	168.98	27.03	3.25	16.0%	1.9%	12.0%
225001 Consultancy Services- Short term	0.47	0.17	0.01	36.6%	2.1%	5.8%
226001 Insurances	0.16	0.05	0.00	31.3%	0.0%	0.0%
227001 Travel inland	2.12	0.53	0.13	25.0%	6.1%	24.5%
227002 Travel abroad	0.09	0.02	0.02	25.0%	20.1%	80.4%
227004 Fuel, Lubricants and Oils	0.28	0.07	0.05	25.0%	18.3%	73.3%
228002 Maintenance - Vehicles	0.15	0.04	0.02	25.0%	12.6%	50.5%
228003 Maintenance – Machinery, Equipment & Furniture	0.01	0.00	0.00	15.0%	14.2%	94.3%
Output Class: Capital Purchases	0.53	0.11	0.00	20.4%	0.0%	0.0%
312201 Transport Equipment	0.24	0.06	0.00	25.3%	0.0%	0.0%
312204 Taxes on Machinery, Furniture & Vehicles	0.29	0.05	0.00	16.5%	0.0%	0.0%
Grand Total:	178.97	29.58	4.53	16.5%	2.5%	15.3%
Total Excluding Taxes and Arrears:	178.68	29.53	4.53	16.5%	2.5%	15.3%

Table V3.3: GoU Releases and Expenditure by Project and Programme*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	% GoU Releases Spent
VF:0154 Agriculture Advisory Services	178.68	29.53	4.53	16.5%	2.5%	15.3%
<i>Recurrent Programmes</i>						
01 Headquarters	6.27	1.57	1.01	25.0%	16.1%	64.5%
<i>Development Projects</i>						
0903 Government Purchases	172.41	27.96	3.51	16.2%	2.0%	12.6%
Total For Vote	178.68	29.53	4.53	16.5%	2.5%	15.3%

* Excluding Taxes and Arrears

Table V3.4: Donor Releases and Expenditure by Project and Programme*