

Name of the Module

Module name: Strengthening Rural Development in Northern Uganda II

Country/Region/Global

Uganda

Project Number

2022.2096.0

Duration

10/2023 until 09/2027

Impact matrix created on

28.05.2025

Goals	Indicators	Definitions, data sources and information on data collection
Module Objective The transformation of agricultural and food systems is valued for smallholder farmers and micro, small and medium-sized enterprises (MSMEs) in northern Uganda	Module Indicator 1 Number of people who have found additional good employment Baseline: 6,960 people, including 4,100 women and 4,200 young people (09/2023) Target: 9,510 people, including 5,700 women and 5,000 young people, 250 from refugee and host community (09/2027) PRUDEV I = 6.960 PRUDEV II = +2.042 PRUDEV II+ = + 508 Cumulative total: 9.510	The project conducted an annual survey using a standardized questionnaire of MSMEs and public and private service providers (Business Development Services, BDS) that employ people. MSMEs include smallholder farms, informal and formal groups, and enterprises that provide inputs, process or market raw materials. The survey is differentiated by gender, age, and location, as well as by MSME or BDS provider. Agriculture and food system is said to be of value when: Smallholders and MSMEs actively participate in value creation and derive economic (income and employment growth), social (improvement of living conditions through more stable income sources), and ecological (sustainable resource use and climate change adaptation) benefits Young people include the age group 15 to 35 years (African Union definition). Good employment is defined for this module as follows: (a) new employment and new sources of income (20 hours per week for at least 26 weeks) or (b) additional working hours per week or over the course of the year that lead to additional income if the person previously worked less than 40 hours per week or is only employed seasonally.

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		Decent employment is one of the economic manifestations of the transformation of agri-food systems for MSMEs in Northern Uganda. This value creation is made possible when smallholder farmers and MSMEs are more actively involved in value creation and derive economic (income and employment growth), social (improvement of living conditions through more stable income sources), and ecological (sustainable resource use and adaptation to climate change) benefits.
	Module Target Indicator 2 Number of supported smallholder farmers who have confirmed, based on a case study, that the resilience of their farms to external stressors and shocks has improved Baseline: 7,360 of the 23,000 smallholder farmers supported, including 4,420 women and 2,580 young people (09/2023) Target: 12,250, including 7,350 women and 4,280 young people, 250 from refugee and host communities (09/2027) PRUDEV I = 7.360 PRUDEV II = 4.140 PRUDEV II+ = 750 Cumulative total = 12.250	Gender- and age-disaggregated survey of a sample of supported smallholder farms regarding their resilience at the end of the project's term. Resilience is the ability to mitigate, adapt to, and recover from external stressors and shocks. External stress factors and shocks include, for example, climate change, weather influences, volatile markets/prices (inputs and produced products), effects of global crises (e.g. pandemics, economic crises, war), bureaucracy, short-term political decisions and an unstable security situation. The case studies are evaluated based on at least 3 of the following criteria: (a) access to early warning systems, existence of a drought preparedness plan; (b) access to adequate extension services, financial services; (c) access to quality inputs, irrigation, new technologies; (d) access to stable markets (e.g., contract farming); (e) climate-sensitive agricultural practices (e.g., intercropping, tree crops); (f) diversification of the agricultural system; (g) savings, income diversification; (h) involvement in producer organizations; (i) perception of own resilience.

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	Module Target Indicator 3 Number of MSMEs that have reduced their own operational carbon dioxide emissions (CO²) emissions along their respective supply chains by at least 1% Baseline: 0 MSMEs (Since no reduction has yet taken place, the base value is zero.) (09/2023) Target: 40 MSMEs (09/2027) PRUDEV I = 0 PRUDEV II = 40 PRUDEV II+ = 0 Cumulative total = 40	Annual survey using a standardised questionnaire of MSMEs that have introduced energy-efficient technologies or processes. The reduction of own CO² emissions concerns technologies or processes in the MSMEs (e.g. achieved through the use of by-products, waste products, recycling and reuse in the sense of the circular economy). CO² emissions along the VAC includes CO² reductions at upstream or downstream VAC stages (e.g. achieved by reducing post-harvest losses, shortening transport routes, reducing transport volumes). The indicator refers to the estimated amount of reduced, avoided, or sequestered greenhouse gas (GHG) emissions in tonnes of CO₂ equivalent per year attributable to the project's support measures. A suitable model, such as the FAO's EX-Ante Carbon-balance Tool for value chains, is used for estimation.
	Module Target Indicator 4 Number of MSMEs that confirmed that their businesses have improved in relation to three key criteria of competitiveness Baseline: 0 MSMEs (no improvement in competition criteria has yet taken place) (09/2023) Target: 40 MSMEs, of which 7 are run by women and 13 by young people (09/2027) PRUDEV I = 0 PRUDEV II = 30 PRUDEV II+ = 10 Cumulative total = 40	Annual panel survey of a sample of supported MSMEs, disaggregated by gender and age, using a standardized questionnaire to assess their competitiveness. Women-led or youth-led refers to formal or informal groups predominantly composed of women or young people, female or young owners of MSMEs, or MSMEs managed by women or young people. Improvements in at least three relevant competitive criteria are assessed on a scale of 0 to 2, where 0 represents no improvement, 1 represents minor improvement, and 2 represents significant improvement. Relevant competitive criteria include, for example: improved corporate governance, reduced costs, improved access to finance, improved labor productivity, reduced post-harvest losses, increased utilization of processing capacity, improved product quality, use of renewable energy, use of by-products, circular economy, improved access to new and lucrative markets.

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Assumptions for achieving the module objective	Climate-sensitive farming methods (climate-smart agriculture, CSA) contribute to sustainable income increases for smallholder farms and thus promote farmers' willingness to introduce corresponding innovations. Women-led MSMEs, in particular but not exclusively, are able to make strategic business decisions and implement them in a commercially successful, socially acceptable, and resource-efficient manner. Public and private BDS providers are able to support the development of economically and ecologically viable MSMEs. BDS providers deliver expert advice to MSMEs, and financial institutions appropriately consider this as a risk-mitigating factor when reviewing loan applications and determining loan terms. Evidence-based LED plans developed through public-private dialogue are capable of tapping into local economic growth potential, contributing to job creation and increasing incomes in the districts.	
Output 1 Smallholder farmers have adopted practices for climate-smart and sustainable use of natural resources.	Output Indicator 1.1 Number of supported smallholder farms that have implemented practices to improve climate change resilience and the economic and environmental viability of their farm systems. Baseline: 12.170 Smallholder farms (09/2023) Target: 15,500 Smallholder farms, thereof 300 from refugees and host community (09/2027) PRUDEV I = 12.170 PRUDEV II = 1.833 PRUDEV II+ = 1.497 Cumulative total = 15.500	Survey of smallholder farms using a standardized questionnaire on the introduction of supported practices for the economic and ecological sustainability of smallholder farm systems at the beginning and end of the project period. A smallholder farm is said to have adopted practices to improve resilience when they implement at least 2 of the following measures: (a) climate-smart agriculture (CSA) practices such as the use of climate-adapted seeds and water-efficient cultivation methods; (b) natural resource management (NRM) measures; (c) agroecological practices; (d) soil improvement measures; (e) farm system diversification as a risk mitigation measure; (f) strategic farm management; (g) financial resilience.
Output 2 The capacities of agri-based MSMEs to operate resource-efficiently and inclusively for women and	Output Indicator 2.1 Number of formal or informal contracts for embedded services concluded between upstream or downstream MSMEs and smallholder farmers Baseline: 5 contracts for embedded services, of which 0 adapted to the specific needs of women and 0 to the needs of young people. (09/2023)	Annual gender- and age-disaggregated panel survey of a sample of supported MSMEs and public and private BDS providers using a standardized questionnaire on agreements that include embedded services for smallholder farmers. Embedded services are financial or non-financial services provided by a business partner (input supplier or buyer) as an integral part of the contractual agreement.

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young people are improved.	Target: 50 contracts for embedded services, 5 of which are adapted to the specific needs of women, 5 to the needs of young people including 5 for refugees and host community (09/2027) PRUDEV I = 5 PRUDEV II = 35 PRUDEV II+ = 10 Cumulative total = 50	Adapted to the specific needs of women refers to both the organization (e.g., taking into account women's time availability considering childcare and household responsibilities alongside paid work) and the content (e.g., specific tasks along the value chain or expanded tasks considering workload) as well as creditworthiness. Adapted to the specific needs of young people refers, for example, to employment opportunities and professional interests, educational level, and entrepreneurial skills.
	Output Indicator 2.2 Number of MSMEs that have invested in innovative business models or technologies along their supply chains Baseline: 0 MSMEs (No investment has taken place yet) (09/2023) Target: 40 MSMEs, of which 7 are run by women and 13 by young people, 6 of which are investments in green technologies and 3 for refugee and host community (09/2027) PRUDEV I = 0 PRUDEV II = 30 PRUDEV II+ = 10 Cumulative total = 40	Annual panel survey of a sample of supported MSMEs and public and private BDS providers, disaggregated by gender and age, using a standardized questionnaire on investments. Investments are defined as cash contributions (financed, for example, from company profits, loans, grants, or subsidies) or in-kind contributions (e.g., personnel costs, construction services, provision of materials, machinery, or demonstration plots). Investments in innovative business models include, for example, green business models (e.g., circular economy for processing by-products or waste) or inclusive business models (e.g., providing inputs specifically tailored to the needs of smallholder farmers or contract farming with smallholder farms). Investments in innovative technologies include, for example, product innovations (e.g., improving quality, creating new marketable product lines) or process innovations to reduce production and transaction costs (e.g., using alternative or renewable energy or deploying digital solutions for supply chain management).
Output 3 The provision of non-financial and financial services for agricultural-	Output Indicator 3.1 Number of agro-based MSMEs that have used financial services from financial institutions.	Annual panel survey of a sample of supported MSMEs disaggregated by gender and age, using a standardized questionnaire on the use of financial services. Financial services include, for example, account opening, savings, loans, investments, payments for goods and services contractual agreements, and insurance,

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based MSMEs is tailored to their needs.	Baseline: 405 MSMEs, of which 40 are run by women and 80 by young people (09/2023) Target: 580 MSMEs, of which 60 are run by women and 115 by young people, 10 for refugee and host communities (09/2027) PRUDEV I = 405 PRUDEV II = 125 PRUDEV II+ = 50 Cummulative total = 580	The services are said to be adapted to the needs when they are: e.g. (accessible, affordable, relevant, scalable and if mentorship or networking opportunities are available). An MSME is said to have used financial services when it confirms use of at least 3 of the services Financial service providers include formal (e.g., banks) and informal institutions (e.g., VSLA, MSMEs in contractual partnerships with smallholder farmers). MSMEs that report using one or additional financial services for the first time are included.
	Output Indicator 3.2 % of MSMEs supported by public or private partner organizations that rated the services received as good quality Baseline: 0% MSMEs (It is assumed that currently no MSME would rate the services offered as good.) (09/2023) Target: 80% of the targeted MSMEs (09/2027)	Evaluation of a sample of participants during training, coaching, and consulting measures (e.g., development of business models and plans, improvement of financial, investment, and human resources management, access to financing, product development, market development, digitalization, business management, certification, extension services) regarding their satisfaction with the services received at the beginning and end of the project. A quality rating from (1) very poor to (6) very good is requested. Partner organizations include public and private sector organizations such as District Local Governments (DLGs), business associations, District Farmers Associations (DFAs), MSMEs providing services to other MSMEs under contractual cooperation, educational institutions, and other BDS providers.
Output 4 The capacities of the public and private sectors for sustainable local economic development have been strengthened.	Output Indicator 4.1 Number of evidence-based positions contributed by private sector organizations to improve the business climate in the district-level public-private dialogue Baseline: 0 evidence-based positions submitted (Private sector organizations approach the DLGs, but these positions cannot be considered evidence-based) (09/2027)	Evaluation with DLG of the positions presented to DLG by representatives of MSMEs and private sector organizations (including professional associations and umbrella organizations, as well as other civil society organizations) (e.g., in the context of dialogue forums at the district level). Evidence-based positions mean that these are based on sources and information from data and knowledge management systems, such as the monitoring system for data collection, analysis, and reporting of greenhouse gases (Measurement, Reporting, and Verification, MRV), good practices and

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	Target: 10 evidence-based positions submitted, including 1 that addresses the needs of people from refugee and host communities. (09/2027) PRUDEV I = 0 PRUDEV II = 30 PRUDEV II+ = -20 Cummulative total = 10	proven approaches for local economic development, as well as existing relevant issue papers or studies (e.g., MSME profitability calculations).
	Output Indicator 4.2 Number of Local Governments with established and functional Local Economic Development and Investment Committees (LEDICs) Baseline: 0 Local Government (There is no Local Government with fully established and functional LEDICs) (09/2025) Target: 4 Local Government with fully established and functional LEDICs (09/2027)	Evaluation of reports on establishment and functionality of LEDICs in supported DLG and survey of district local government authorities using a standard questionnaire. LEDICs are said to be established when the DLG, for example, a) have a LED focal person b) there is a fully constituted Local Economic Development and Investments Committee, c) the committee received training support or mentorship from MoLG to execute its mandate. The Committee are fully constituted when it has the following members: Local Government Accounting Officer (as Chairperson), Commercial Officer (as Secretary), Technical Planning Committee (Head of Departments), Representative of the Private Sector, Representative of Civil Society Organizations, Representative of Academia and Representative of the Media. LEDICs are said to be functional when for example: a) there is an investment/economic profile developed by the district b) the committee convenes meeting at least once in 3 months, c) there is an activity plan and evidence of engagement strategy with private sector, d) there is evidence of support towards identification and development of viable and bankable Projects including Public-Private and Community Partnerships. e) LED and Investment Promotion Activities incorporated in local government planning and budgeting frameworks.

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Assumptions on achieving the outputs	Agroecology, the resource-efficient use of natural resources and measures to adapt to climate change and to mitigate contributions to climate change (e.g., reducing GHG emissions) find broad acceptance in MSMEs, support at the political level and interest among non-financial and financial service providers to offer corresponding services. Women and young people are aware of their potential to drive change in local economies as entrepreneurs and workers, despite gender stereotypes, lack of access to resources, and the predominantly informal status of micro-enterprises. MSMEs and providers of non-financial and financial services recognize the potential of including women and young people in their business models. MSMEs and private providers of non-financial services are willing to invest their own resources (cash or in-kind) in the development of their business models. Professional organizations (umbrella organizations and regional associations such as the Business Development Services Providers Network (BDSPN), Northern Uganda Local Seed Business Association (NULSBA), value chain associations, and regional input traders' associations) and civil society organizations are willing to play a stronger role in advocating for smallholder farmers and upstream and downstream MSMEs in Northern Uganda. The districts local governments are allocated funding or develop revenue mobilization strategies for LEDICs to meet.	

Outputs	Key activities for outputs
Output 1	- Conceptual and technical support for training or advisory services for farmers (e.g., on entrepreneurial management (basic economic skills, BES), good agroecological and climate-sensitive practices, diversification through the combination of arable farming and livestock farming) - Technical and process consulting for producer organizations, BDS, and research centers on participatory development (combining local knowledge with research) of innovative, resource-efficient agroecological cultivation practices (e.g., soil improvement, climate resilience, carbon sequestration pilot projects, digital tools for agroecology (ICT for Agroecology, ICT4AE) for crop planning, smart irrigation, digital literacy, etc.) - Conceptual and technical support for training or consulting services for smallholder farms and informal and formal producer organizations to modernize and enhance agricultural production (e.g., resource-efficient mechanization, use of organic waste, reduction of post-harvest losses) - Conceptual and technical support in strengthening local seed systems through the local seed business (LSB) model to enhance production, access and use of climate adapted quality declared seeds amongst smallholder farmers (business models and sustainability strategy for LSBs, market linkages,) - Conceptualization and engagement of private sector actors to enhance access to the market for smallholder producers in refugees and host communities (contract farming models, Lead firm models).
Output 2	- Conceptual and organizational support for BDS providers in consulting and coaching approaches for MSMEs (e.g. business planning, strategic management, risk management), evaluation of alternative financing solutions, marketing) with a special focus on businesses run by women and young people

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	- Needs-based, tailored consulting and coaching (including digital solutions) for MSMEs on resource-efficient valorization of agricultural products (e.g., resource-efficient processing methods, energy-efficient technologies to reduce GHG emissions) - Needs-based, tailored consulting and coaching (including digital solutions) on building relationships with smallholder farmers as customers for inputs or for local raw material procurement (e.g., contract farming) - Tailored technical support for agro-processors to improve production processes and market-ready products through good manufacturing practices, certification, product development, and branding -
Output 3	- Developing the capacity of non-financial service providers to scale innovations (e.g., supporting the development of economically viable business models as BDS providers) - Advising BDS providers on scaling innovations through the development of a cascade model for training, peer learning, mentoring, and quality assurance of BDS offerings. - Networking of BDS providers and financial institutions to mitigate risk in lending to smallholder farms and upstream and downstream MSMEs - Strengthening, the governance and sustainability systems of the BDS network association including dissemination of National BDS standards to members - Organize multistakeholder events to facilitate learning, knowledge sharing and cascading best practices
Output 4	- Training and coaching to develop the analytical and communication capacities of private and civil society organizations to represent the interests of MSMEs in an evidence-based manner in public-private dialogue (e.g., to create a business-enabling environment (BEE). - Advising the Ministry of Local Government (MoLG) and District local Governments (DLG) on building internal capacity for training and scaling to other districts (e.g., establishing a trainer pool and a DLG network for peer learning). - MoLG LED team to participate in foreign exposure visits to enhance the implementation of LED in Uganda - Organize bi-annual meetings of the national propagation Team which bring together representatives of various ministries, departments, agencies, private sector, development partners and CSOs to jointly discuss matters pertaining to National LED Policy 2014. - Advising on the development/finalization of investment plans for 3 DLGs in Acholi and Lango sub region and 1 DLG in Adjumani - Support the process of developing at least 1 catalytic project proposal, arising out of the investment plans developed - Tailored capacity development for critical staff involved in the catalytic project proposal.