The Management and Staff of Office of the Prime Minister wish to extend their sincere salutations to His Excellency, the President of Uganda, Yoweri Kaguta Museveni and the entire people of Uganda on celebrating 55 years of Independence.

LONG LIVE THE PRESIDENT, LONG LIVE UGANDA
The Third Northern Uganda Social Action Fund (NUSAF3) is a five-year programme implemented under the Office of the Prime Minister that is in its second year of implementation. The Development Objective of NUSAF3 is to provide effective income support to and build the resilience of the poor and vulnerable communities of Northern Uganda. NUSAF3 is funded by a 130-million-dollar loan from the World Bank. The Project was approved by the Cabinet on 5th August 2015 and later by the Parliament of Uganda on September 4th 2015. The Project was subsequently declared on March 14th 2016.

The Project provides income earning opportunities to the poor households in Northern Uganda through regular and short-term deployment in public work projects that employ a large number of the poor and through engagement in sustainable market driven enterprises. The Project also provides resources and opportunities to help build the resilience of vulnerable households in the face of economic shocks.

The Project Director Dr. Robert Limlim states that: “NUSAF3 is all about establishing a new platform for our people in Northern Uganda to develop and achieve micro economic stability at household, community and regional level. We want our people to engage in the market and from the market to obtain the best rewards through what they have worked for. NUSAF3 is focused on increasing the competitiveness of Northern Uganda.”

Since NUSAF3 started operations in 2016, 43,113 households (over 342,000 beneficiaries) are already benefiting from the Project and more will benefit in subsequent implementation cycles of the Project. A good sign of the success of the Project so far is that 344 investment groups have saved up to Shs134 million, which they did even before they received any Project funds for their chosen enterprises.

Having received the NUSAF3 training on the importance and requirement to establish group savings, the groups responded accordingly. Currently 900 community projects worth over 3 billion shilling have received funding and are in the process of implementation. It is expected that over 7,700 community investment projects will be funded over the life of the Project and will reach over 3 million direct beneficiaries. Some of the Community Investment Group stories are posted below.

**THE IMPROVED LIVELIHOOD INVESTMENT SUPPORT PROGRAMME**

The Improved Household Investment Programme (IHISP) targets the active poor households to help develop their livelihood skills and to use grants and assets in a more effective manner. The end goal is to enable households create opportunities for self-employment by engaging in market orientated businesses. Households are supported to earn more money, save and to revitalize the economy at village level with special attention given to the youth and women.

In Nwoya district, NUSAF3 funded groups have focused on cassava growing. Several targeted groups that are located within the same location are being encouraged to grow cassava so they can attract and impact the local and national cassava market.

**KAREU FARMERS TREE NURSERY, KATAKWI**

Kareu Farmers Tree Nursery Group is located in Magoro sub county which is one of the poorest sub counties in Katakwi district and therefore was targeted for NUSAF3 intervention. Before NUSAF3 came on the scene, Kareu group had raised 300 orange tree seedlings.

Some members also operated retail stalls but without extra work, they were unable to cover living costs and take care of their families.

When NUSAF3 started sensitisation meetings in the sub-county, the group members attended the meetings where the NUSAF3 guiding principles (participatory approach, community contribution, regular meeting, saving, lending, record keeping etc) and criteria for eligibility were explained. The group was subsequently selected by their own community as beneficiaries eligible for NUSAF3 support.

The group members were then trained on group management that focused on group dynamics, the five core principles of NUSAF3 (regular meetings, regular savings, regular inter loaning, regular loan repayment and record keeping), basic life skills trainings, visioning, goal setting and leadership.

Through this training, Kareu Farmers Investment Group members were able to build their confidence, and acquire the knowledge and skills needed to expand their enterprises. They also began to save regularly and borrow from the group funds.

Mr. Oling, a member of the group states: “I was initially afraid to apply for a loan of the fear associated with it - because taking credit and not being able to pay it back had its consequences. I finally gained the knowledge and courage to do so after the group management training and have applied for two loans, which have helped in the expansion of my retail shop business. Customers now have a variety of goods to choose from and they no longer bounce. I have become more financially stable and able to take care of my family.”

Through his savings, Mr. Olinga invested in his shop and was able to stock it with more goods and bought groundnut seeds which he cultivated on two acres of land.
WAKHAMOSI DIARY FARMERS GROUP  
-BUDUDA DISTRICT

Wakhamosi Diary Farmers group started with 12 members in 2007 in Buluchecke sub-county of Bududa district. The group got the good news that their parish was selected to benefit from NUSAF3 and attended the sensitisation meetings, where they were subsequently classified in the category of the poor and selected as beneficiaries by their community. Dairy farming was identified as the most suitable intervention for their group. According to Rogers Masaba, the community facilitator, the group was happy with the approach of NUSAF3 because of the emphasis on savings, inter-loaning and market orientated enterprises which help groups to increase their incomes and eradicate poverty. Even before receiving NUSAF3 funds, the group enthusiastically begun following the guiding core principles and begun saving on a weekly basis through their own initiative. Each member is now saving Shs10,000 to Shs20,000 every week. Currently the group has over Shs1,000,000 on their savings account.

The savings will be invested in productive enterprises to sustain the livelihoods of the Project beneficiaries. Quote from The Minister of State for Northern Uganda, Hon. Kwiyuucwiny Grace; states that; “In Northern Uganda, we should plan the use of land and use it economically but also our land conflicts. Let us make our products marketable, access external markets like Congo and Sudan and even export to Europe.

However, we need to do quality processing and bring factories to the communities. The Government is supportive but our people need to support the Government Programmes.”

THE LABOUR INTENSIVE PUBLIC WORKS PROGRAMME (LIPW)

This sub-component will provide beneficiaries with seasonal transfers in return for their employment or participation in labour intensive public works (LIPW) that will enable them to increase their assets and not fall back on their consumption of basic necessities during lean seasons. Since communities will be employed in public work projects, this will also result in the creation of physical assets like roads, terraces, tree lots, drainage channels, valley dams and valley tanks which will be of value to the local communities.

This component is referred to as “Labour Intensive” because in most cases, 70 percent of the budget is to be spent on cash transfers to the employed beneficiaries while 30 percent is to be spent on inputs, like tools or equipment. Beneficiaries of LIPW are also required and encouraged to save 30 percent of the cash they have earned and invest the proceeds in productive ventures.

All LIPW investments will be focused in selected parish based watershed (water catchment) areas so as to achieve critical mass, sustainability and maximum impact within communities.

Multi-year planning of the watershed activities will be done, whereby communities will identify their needs and priorities and set up 3-5-year watershed development plans of interventions for economic and environmental development.

Currently it is expected that the LIPW beneficiaries will earn up to 4.9 billion from the community projects already approved in this year alone and up to 1.48 billion will be saved from the wages earned.

The Disaster Risk Financing (DRF) is a sub-component (under the LIPW sub-component) designed to scale up LIPW to poor and vulnerable households in Karamoja sub-region following a drought disaster. A drought situation was anticipated in 2016 in Karamoja and a decision was reached by the DRF committee in September 2016 to scale up Labour Intensive Public Works (LIPW) through implementation of the DRF. Following presentation of the scalability report to the World Bank and a withdraw application to support scale up to 33,422 households. A total of 179 sub- projects were approved for funding under the DRF as a response to early warning reports of drought conditions that were expected during the 2016/2017 growing season. Funds were released to districts for implementation in March 2017. The results of the scale up were tremendous as 31,386 Karamoja beneficiaries earned incomes to help them recover from the shock of the long drought.

A total of over 3.3 billion was earned by the beneficiaries and 920 million shillings was accumulated in savings. Communities were employed in clearing large block farms, gulley control, tree planting, community access road construction, construction of terraces, desilting of water ponds and dams and others.

This new approach of DRF has already begun to reduce the need for Government and donor interventions and emergency food relief in Karamoja.
One of the major lessons of the past phases of NUSAF, was that providing inputs alone was not sufficient to spark economic growth and the sustainability of the Projects.

Therefore, the design of NUSAF3 specifically made provision for building the capacity of the beneficiaries in skilling, results orientation, attitude change and sustainability. So a wide range of expertise is sought from Capacity Building and Skilling Partners to provide agreed upon services where necessary in the NUSAF3 project.

These private sector players will provide training and support in areas like financial literacy, entrepreneurship, provision of quality seeds, farming inputs like irrigation, training in specific crop products, value addition and processing, management of savings, applied research and more. They will be a driving force for the success of implementation and sustainability after the project ends and are paving the way for community-public and private sector partnerships.

The Capacity Building Partners may enter into separate contracts and agreements with communities for implementation of specific enterprises and business partnership. Currently NUSAF3 partnerships include organisations such as: Enterprise Uganda, Agromax (Irrigation and Crop Services), Victoria Seeds, Inspire Africa, Trado PEDO and Gulu University. These partnerships are already having a tremendous impact on NUSAF3 beneficiaries.

The Project Director, Dr. Limlim states that; “Northern Uganda still has a very long way to go but is poised for success, fast development, micro-economic stability and competitiveness if we continue on the path of industrialization, increased production and the participation of our households in the local, regional and international markets.”

Reducing the disproportionate poverty levels of Northern Uganda cannot be achieved without a positive attitudinal change to work, production and savings which is also enshrined in the NUSAF3 design. NUSAF3 in addition has an in-built component to ensure transparency, accountability and zero tolerance of corruption. This component is implemented by the Office of the Inspectorate of Government (IG). The unique and unprecedented approach of NUSAF3 is the reason for much jubilation and excitement among the target communities in Northern Uganda.