Village Agent Model Study:
Likely effects on the Ugandan agricultural sector

September 2019
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**Acronyms**

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<th>Acronym</th>
<th>Description</th>
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<tr>
<td>CPM</td>
<td>Commodity Production and Marketing activity</td>
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<tr>
<td>DAES</td>
<td>Directorate of Agricultural Extension Services</td>
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<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<td>IFPRI</td>
<td>International Food Policy Research Institute</td>
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<td>LCV</td>
<td>Local Council 5</td>
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<td>MAAIF</td>
<td>Ministry of Agriculture, Animal Industry and Fisheries</td>
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<tr>
<td>NAADS</td>
<td>National Agricultural Advisory Services</td>
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<tr>
<td>NUTEC</td>
<td>Northern Uganda: Transforming the Economy through Climate-Smart Agric.</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>VAM</td>
<td>Village Agent Model</td>
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SUMMARY

The Village Agent Model (VAM) is a private-sector driven approach to agricultural value chains that uses agricultural produce marketers to help farmers increase their production. The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) intends to address staffing shortages in the Directorate of Agricultural Extension Services (DAES) by training 32,000 village agents in 3 years, or one village agent per 181 agricultural households. The ratio of agricultural extension workers to farming households was about 1:1900 in FY 2016/2017 compared to the recommended ratio of 1:500 (DAES 2017a). Funding is a significant limitation as DAES receives only about 4 percent of MAAIF’s budget (MAAIF 2018a).

The purpose of this study is to analyze the possible impacts of the Village Agent Model on each of the links in the agricultural value-chain—from supply of inputs to production to processing and marketing—and to propose solutions to address challenges and improve the model’s implementation. The study uses qualitative methods including key informant interviews, focus group discussions, and document review. It focuses on three research areas: the effectiveness of village agents to provide agricultural extension services, contracts between farmers and village agents, and levies proposed under the VAM.

Effectiveness

The consensus from interviews and focus group discussions is that village agents can provide limited agricultural extension services and can mobilize farmers but should not be relied upon to meet the full extension needs of farmers. Village agents regularly interact with farmers in remote areas and can reach farmers for the last-mile of service delivery. However, the incentives are weak for provision of extension services by village agents and agents’ effectiveness is challenged by their lack of technical knowledge and their primary business focus of produce marketing. In addition, public extension workers do not have performance-based contracts and may not sufficiently support village agents.

Contracts

Contracts between village agents and farmers are a required part of MAAIF’s Village Agent Model. These contracts are intended to lend formality to markets, facilitate credit for traders, and ensure incentives and assurances are present for village agents to offer extension services. Contracts would require that: 1) the cost of inputs provided by the village agent or trader be repaid in cash or in-kind and 2) at least 65 percent of the crop be sold at market price to the village agent. There is a common theme among interviewees that contracts between village agents and farmers should be secondary to building trust in relationships, both in importance and in timing. In Acholi sub-region, there was an outright concern about government being involved in a business contracting process, which invoked suspicion of the intentions from government.

Levies

There are two types of levies proposed in the Village Agent Model. The first type is seasonal fees to be paid by traders (120,000 shillings) and farmers (5,000 shillings) to fund capacity building and training as well as enforcement. If 5.8 million farming households paid the fee each season, 58 billion shillings ($15.7 million) would be generated by the farmer fee each year. In comparison,
the recently created Agricultural Extension Conditional grant is 39.6 billion (MAAIF 2018a). The other levy in the VAM is a proposed 3 percent Local Service Tax for local government revenue generation. Among stakeholders interviewed for this study, there is widespread concern that tying taxation to the Village Agent Model will derail its implementation. Representatives of local governments—who would benefit from the tax—are the only category of interviewees who did not uniformly express this concern.

Governance

There are challenges of governance throughout the Village Agent Model. The challenges start at the top, as three MAAIF senior staff summarized the model alternately as 1) refining an informal sector to a formal sector, 2) helping farmers negotiate better and moderating traders’ excessive profit motivation, and 3) offsetting the gap in extension workers. Only one of the three addresses agricultural extension. VAM rollout and implementation are further complicated by the reality that it is a national model and is also promoted as requiring adoption on a district-by-district basis. Sensitization and training for the VAM have been rushed and insufficient—in part due to donor deadlines. Stakeholder engagement has been weak throughout the rollout of the Village Agent Model. Some stakeholders think they were intentionally left out of VAM discussions because they would oppose the model. Others are engaged with the model but have received limited information. For stakeholders who are interested in learning more about MAAIF’s Village Agent Model, documentation is scattered and incomplete.
I. INTRODUCTION

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF or the “Ministry of Agriculture”) is rolling out the Village Agent Model (VAM) to aid farmers in their transition from subsistence to commercial farmers and complement agricultural extension service delivery by addressing shortages of public agricultural extension workers. The village agent model has been implemented by different development organizations since 2012. The USAID Feed the Future Commodity Production and Marketing Activity (CPM) implemented and attempted to develop best practices and standard operating procedures for the VAM. The interest of MAAIF in the VAM arises from the success of CPM to streamline the roles and functionality of village agents.

The classic village agent model transforms produce aggregators into agents of change who work with farmers to increase production. The goal is typically to increase quantity and improve quality of agricultural produce so that produce marketers benefit from increased commissions, farmers benefit from increased sales, and traders benefit from increased volumes to process or trade. The Ministry of Agriculture conceptually has dual goals for the Village Agent Model: the classic emphasis on production and marketing and a new goal of addressing shortcomings in agricultural extension service delivery by training 32,000 village agents in 3 years. Sensitization training was held in Seeta in December 2018, with all but one of the 129 districts in attendance. Sensitization has included all extension staff, farmer leaders, traders, local government leaders, and inaugural village agents. At the time of this report, implementation has not advanced beyond sensitization and training. The establishment of contracts, payment of fees, and capacity building by public extension workers have not been executed. The Village Agent Model is billed as a national program, but there are plans to facilitate the VAM at the district level by adopting an enabling ordinance in every district.

Study Objectives

The purpose of the study is to analyze the possible impacts of the Village Agent Model on each of the links in the agricultural value-chain—from supply of inputs to production to processing and marketing—and to propose methods and resources of addressing challenges to improve the model’s implementation. The study includes analysis of potential positive and negative impacts of the Village Agent Model in terms of:

- Quality and frequency of the delivery of advisory and other services to farmers by village agents;
- Operational feasibility of the process of contracting the village agents and traders, as foreseen in the VAM program model;
- Impact of additional taxes on key agricultural value chains (including but not limited to: coffee, maize, beans and oilseeds) and possible responses to these taxes by different actors in the value-chains.

Report Structure

This report begins by providing the agricultural and extension context as well as an overview of the village agent model in Section 2. Section 3 identifies the methodology used for this study.

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1 The village agent model written in lower case refers to the model generally and the capitalized Village Agent Model refers to the model being implemented by the Ministry of Agriculture.
including research questions, data collection methods, sampling procedures, and data sources. Section 4 includes the research findings as they relate to the three research questions. Section 5 highlights conclusions about the Village Agent Model and Section 6 includes recommendations to improve the implementation of the model.

2. CONTEXT AND OVERVIEW

The environment in which a model is implemented affects its form and function. This section provides a brief overview of the setting for agriculture and agricultural extension in Uganda as well an overview of the Village Agent Model and its predecessors.

Agricultural Context
At the time of the last national census, 79 percent of Uganda’s households were involved in agriculture (UBOS 2016). Production agriculture accounts for roughly 24 percent of gross domestic product and coffee is the country’s top export, accounting for 19 percent of formal export earnings in 2017 (UBOS 2019). The vast majority of agricultural production is informal as 83 percent of agricultural gross domestic product came from informal sources in 2017 (UBOS 2017). With 5.8 million households (UBOS 2016) operating in an informal sector, service delivery is a challenge.

Agricultural Extension
Agricultural extension services have taken many forms in Uganda. Most recently, agricultural extension was part of the mandate of the National Agricultural Advisory Services (NAADS). NAADS implemented a private sector demand driven extension model, where the farmer forum defined the agenda for agricultural extension and the government outsourced private extension service providers to deliver customized extension services. In 2015, the mandate to provide agricultural extension services was transferred to the Directorate of Agricultural Extension Services within the Ministry of Agriculture, which was established that year. The Directorate of Agricultural Extension Services implements an integrated, coordinated, and harmonized single-spine public extension system. The system mainstreams extension services through local government production departments and eliminates parallel systems with districts (EPRC 2016). Thus, agricultural extension remains a decentralized function implemented by districts with the Ministry of Agriculture providing technical backstopping. With the adoption of the National Agricultural Extension Policy in 2016, the single-spine system allows for pluralistic extension support from private-sector, NGO, and other extension service providers, with the Ministry of Agriculture again providing technical backstopping as well as quality assurance and quality control.

Staffing levels of extension personnel in districts are low with many vacant positions. The large number of vacancies is due to limited public financing of extension services, which has hindered effective service delivery. This is a challenge at every level as the Directorate of Agricultural Extension Services operated with only 38 percent of staff and local government staffing was only 68 percent in FY 2017/18 (MAAIF 2018a). Staffing at the district level was 40 percent in FY 2016/17 and 65 percent at the sub-county level that same year (DAES 2017a). This leaves the ratio of agricultural extension workers to farming households at about 1:1900 compared to the recommended ratio of 1:500 (DAES 2017a). Funding is a significant limitation as the Ministry of Agriculture receives less than 5 percent of the national budget allocation, and the share of the
Ministry of Agriculture budget allocated to the Directorate of Agricultural Extension Services is only about 4 percent (MAAIF 2018a).

Village Agent Model Overview

The village agent model is a private-sector driven approach to agricultural value chains. In brief, the village agent model links market intermediaries (middlepersons) to a formal business (either an input supplier or produce buyer) and trains them to establish ongoing relationships with and offer a range of services to farmers. The relationship with the formal business provides the financial incentive for market intermediaries to become village agents, as input suppliers offer commissions for sales of agricultural inputs and produce buyers offer commissions for brokering or aggregating agricultural commodities. The goal of the model is typically to increase marketable volumes and improve quality of agricultural produce, although it can also be focused on the provision of agricultural inputs. The key players in the village agent model are shown in Figure 1 along with synonyms that can also be used to refer to the various value chain actors.

Figure 1. Village agent model actors and synonyms

<table>
<thead>
<tr>
<th>Farmer</th>
<th>Village Agent</th>
<th>Trader</th>
<th>Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Producer</td>
<td>-Aggregator</td>
<td>-Processor</td>
<td>-Exporter</td>
</tr>
<tr>
<td>-Rural producer</td>
<td>- Produce buyer</td>
<td>- Cooperative</td>
<td>-Processor</td>
</tr>
<tr>
<td>organization</td>
<td>- Buying agent</td>
<td>- Farmer</td>
<td>- End buyer</td>
</tr>
<tr>
<td>-Farmer group</td>
<td>- Village procurement officer</td>
<td>- Village loan shark</td>
<td>- Big buyer</td>
</tr>
<tr>
<td>-Area Cooperative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
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</tbody>
</table>

Adapted from MAAIF. (2019a). Integrating the Village Agent Model (VAM) into Agric. Extension System.

The theory of change for the village agent model generally includes these core components:

- Village agents are selected by traders or exporters from among their trusted aggregators → village agents are trained on topics such as good agricultural practices, use of inputs, and record keeping → village agents share knowledge with farmers → farmers acquire improved inputs from village agents and adopt good agricultural practices → farmers' yields increase → farmers sell more produce to village agents who receive larger commissions → farmer and village agent incomes are increased and the buyer receives more marketable produce → all participants reap financial rewards for their efforts and are incentivized to continue using the model.

Predecessor Village Agent Models and Results

The first iteration of the village agent model in Uganda was developed by Sasakawa Global 2000 in 2012 through their Commodity Association Trader/Trainer (CAT) model. Sasakawa continues to operate the CAT model and reportedly reached 25,000 farmers from 2012-2015 through their efforts (Sasakawa 2019). One of the most prominent village agent programs by a development partner was USAID’s Commodity Production and Marketing Activity (CPM), which operated a village agent model from 2013 to 2018. CPM reached 435,000 farmers across 34 districts. Over 97 percent of the farmers were trained in good agricultural practices and more than 90 percent adopted them, a significant change from about 30 percent adoption at baseline (CPM 2016). Over the life of the activity, CPM was attributed with increasing farm-level sales by $392 million, which
amounts to a cumulative increase in sales of $902 per farmer beneficiary or $408 per hectare over five years.

DFID’s NUTEC Market Development program is implementing a village agent model and reaching 37,000 households as of March 2019 (NUTEC-MD 2019). Value for money results of the NUTEC village agent model are provided in Table 1. In addition, NUTEC-MD also reports early signs of systemic change as “firms completely unrelated to NU-TEC MD are hearing about these new business models and investing company resources into their adoption and adaptation” (NUTEC-MD 2019 p.22). Kilimo Trust is another noteworthy implementer of the village agent model, incorporating it into various projects in East Africa.

Table 1. Village agent model results from DFID’s NUTEC program

<table>
<thead>
<tr>
<th>Investment description</th>
<th>Value for Money^</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel months spent per partner*</td>
<td>5.10</td>
</tr>
<tr>
<td>Cost per partner</td>
<td>$106,464</td>
</tr>
<tr>
<td>Partner investment per $ spent by NUTEC</td>
<td>$21.66</td>
</tr>
<tr>
<td>Ratio of sales revenue to investment by partners</td>
<td>1.04</td>
</tr>
<tr>
<td>Cost per direct beneficiary</td>
<td>$31.05</td>
</tr>
<tr>
<td>Cost per household with real income increase</td>
<td>$63.08</td>
</tr>
</tbody>
</table>

^Values converted from Great British Pounds to U.S. Dollars using exchange rate 1£=$1.21
*Partner = Trader or Buyer

MAAIF Village Agent Model
The classic village agent model focuses on production and marketing, with marketing as the primary goal and production as a means to that end. However, the Village Agent Model that the Ministry of Agriculture is implementing ostensibly has extension as its primary focus and the program is under the Directorate of Agricultural Extension Services. In the Village Agent Model, district commercial officers establish relationships with traders who identify produce aggregators in their existing network to be trained as village agents. These agents continue working with the farmers from whom they already buy produce and expand their businesses to offer more services to farmers, which in turn improves farmers’ yields and increases revenue for the village agent. Farmers and traders fund the program through seasonal fees that are used to mobilize existing public extension workers to train and provide technical backstopping to village agents, who in turn bridge the gap in extension services by training farmers. The Ministry targets to train 15,000 village agents by the end of 2019 and 32,000 village agents in 3 years, establishing roughly 240 village agents per district and one village agent per 181 agricultural households. In comparison, there were 3,062 public extension workers in FY 2016/17 (DAES 2017a).

3. METHODOLOGY
This qualitative study primarily employed key informant interviews, focus group discussions, and review of village agent model documentation for data collection. The study’s research questions, research methods, and sources of data are detailed below.
Research Questions

Three main questions guide this study and capture three significant ways in which Village Agent Model implementation is proposed to change from the classic model. The questions are focused on topics of effectiveness, contracts, and taxation. Each question is listed below and sub-questions are expounded upon.

1) To what extent will village agents provide effective last-mile delivery agricultural extension services?

Given the increase in prominence of the role of agricultural extension services in the national Village Agent Model, the first and most critical research question is “Will village agents deliver effective last-mile agricultural extension services?” This question can be broken down further to look at three sub-components 1) whether village agents reach farmers across the country including in its most remote corners, 2) whether they are properly incentivized to provide agricultural extension services, and 3) whether village agents can effectively provide agricultural extension services.

2) Is the elaborate system of district local government-trader-village agent-farmer contracting desirable, necessary and logistically feasible, especially in light of Uganda’s liberal economy?

A second noteworthy deviation from donor implementation of the village agent model is the requirement for seasonal sales contracts between village agents and farmers. Local enforcement units would notarize these contracts, with funding support from a farmer fee. The critical sub-components in this question are whether contracts are 1) desirable, 2) necessary, and 3) logistically feasible.

3) What is the likely impact of additional levies on farmer livelihoods, agricultural production, and program success?

The third significant change from donor implementation of the village agent model is the introduction of fees and the planned pairing of the program with taxation, which has attracted significant attention from stakeholders. The national Village Agent Model is proposed to include three main levies: a 5,000-shilling fee to be paid by participating farmers each season, a 120,000 shilling fee to be paid by participating traders each season in each district in which they work, and a Local Service Tax of 3 percent of the value of agricultural production to be paid by traders each season. The sub-components for this question are 1) what impact would these levies have on farmers, traders, and other value chain participants, 2) what impacts would the levies have on agricultural production, and 3) how might the levies affect the implementation of the Village Agent Model.

Methods

The researchers held focus group discussions and interviews stakeholders from several value chains including coffee, maize, chia, rice, watermelons, apiary (honey), and oilseeds. Value chain

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2 In this context, last-mile is used to refer to logistical challenges in delivering extension services to farmers. An assumption of this study is that the binding constraint to agricultural extension service delivery is the last-mile rather than insufficient training or education for extension workers, weak linkages to agricultural research, or other challenges.
actors who participated in the study included farmers, village agents, traders, an input supplier, processors, and exporters. Value chain facilitators who participated in the research included 7 member organizations of the VAM Task Force, 3 national agricultural umbrella organizations, local government representatives including a Local Council 5 (LCV) chairperson, district commercial officer, and district production officer, staff from the Directorate of Agricultural Extension Services, and development partners and their implementing partners. Group discussions and interviews were held in Uganda’s Central and Northern regions to capture regional differences that might exist, such as access to information, access to markets, mindset, commodity variations, and value chain structures.

Key informants participated in the study through 26 interviews, which are listed generically in Annex A to maintain the anonymity of interviewees and listed by organization in Annex B. Village agent interviews included agents trained as part of CPM, agents trained under NUTEC, and agents who recently participated in VAM trainings hosted by the Ministry of Agriculture. The researchers identified appropriate individuals for interviews based on feedback from the Ministry of Agriculture, development partners, documentation review, and suggestions from other interviewees.

Focus group discussions were held with farmers and village agents. Three farmer focus group discussions and one village agent focus group discussion were held in the North Central sub-region with value chain actors who participated in USAID’s CPM activity. The CPM trader was chosen randomly from the listings for a certain district in the CPM trader profile booklet, and one group of village agents who were recently trained by the Ministry of Agriculture as part of the national rollout. A farmer focus group discussion was held in Acholi sub-region and individual interviews were conducted with village agents due to difficulties in gathering village agents as a group during the busy harvest season. A focus group discussion was also held with a current implementer of the village agent model. The discussion included approximately ten staff members from the implementing partner including the director, market manager, monitoring and evaluation manager, and seven members of the extension team who train village agents.

In each farmer and village agent focus group discussion, there were 15-25 participants who received 5,000 shillings to provide support for transportation and refreshment. Visual assessments of each focus group indicated that they all included women and youth. At the beginning of each focus group discussion, the research team verbally provided participants with an overview of the Village Agent Model study, the involvement of IFPRI and MAAIF, and the purpose of the research. Researchers also notified participants of their anonymity and their rights to participate or abstain from participating in the discussion in whole or in part.

Documentation Review
A range of documents were reviewed for this study. The primary sources of information were MAAIF Village Agent Model documents, project documents from implementation of village agent programs by development partners, policies of the Directorate of Agricultural Extension Services, and other government statutes such as the Local Governments Act. The Bibliography section includes more detail about the documents that informed this study.

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3 The list of VAM Task Force Members is provided in Annex C.
4. FINDINGS
The results of stakeholder interviews, focus group discussion, and document review are provided below and are grouped to address the three primary research questions. One theme from the interviews and discussions is that the village agent model provides value to farmers, village agents, and traders. In fact, most interviewees focused on the benefits of the model in formalizing markets, increasing incomes, assuring markets for farmers, and other model benefits. Extension service delivery did not appear to be an established role for village agents and in most cases, the role of extension service delivery was not brought up by stakeholders. Similarly, matters of contracts and taxation were only discussed when prompted by the researchers. In most instances, it seemed these topics were simply less important to interviewees but in other instances, stakeholders were unaware of contracting and taxation components of VAM. Even some stakeholders who provided training support for VAM sensitization were unaware of these aspects of the model.

Extension
The consensus from interviews and focus group discussions is that village agents can provide limited agricultural extension services but should not be relied upon to meet the full extension needs of farmers. Village agents regularly interact with farmers in remote areas and can reach farmers for the last-mile of service delivery. However, the incentives for village agents to provide extension services are weak and agents’ effectiveness is challenged by their lack of technical knowledge and their primary business focus of produce marketing, as noted in Box 1.

There was an indication from the respondents that village agents can be an effective avenue for extension services information networking, where public extension workers can benefit from agents’ close interactions with farmers to channel information to farmers and gather information from farmers for early warning systems relating to farmer’s extension needs. They can also gradually develop capacity in line with their business interest to work in collaboration with government extension workers to offer limited extension services support.

Box 1.

“For those (market intermediaries) who do adopt VAM, extension services have never been part of their core model so they are really incurring a risk.”
*Implementing partner*

“These people (village agents) don’t replace the extension that is already there, they complement it. They will do extension at their will and for their benefit.”
*Development partner*

Last-mile
The strength of village agents is in their ability to interface directly with farmers on a regular basis. The consensus from interviews and focus group discussions is that village agents regularly interact with farmers and do indeed work in the last-mile. This is a critical element for the Ministry of Agriculture and local governments, given the staffing shortages they face.
Due to the dispersion of farmers and poor access to transportation in Uganda, multiple intermediaries are often involved in transferring agricultural commodities from farmers. Because of their presence in difficult to reach places and their existing relationships with farmers, they are now being leveraged by MAAIF to provide last-mile extension services. Many village agents buy more than one crop and those crops mature at different times, which means a village agent may visit the same farmer numerous times over the course of the year. This provides ongoing opportunities for village agents to interact with farmers while pursuing their core business of produce marketing.

In four focus group discussions with farmers, two groups of farmers reported that they are never visited by public extension workers. A third group said that they do interact with extension workers and that sometimes it takes workers three months between visits and sometimes it is more like six months between visits. This group reported that extension workers bring coffee seedlings and provide sensitization about fish farming and crop diseases. In the fourth farmer group, farmers in Northern Uganda indicated that government extension workers often visit when facilitated by NGO projects, but the visits end once project ends and facilitation support is no longer provided. Existing village agents (who are also farmers) were asked in a focus group discussion about the support they receive from public extension workers and they unanimously agreed they receive no support at all from public extension workers. One village agent’s response was “we are struggling for ourselves.”

As noted in the Agricultural Extension section above and Box 2, below, there are significant shortages of public extension workers. Multiple interviewees mentioned that the Ministry of Agriculture’s interest in the Village Agent Model was piqued when they saw it as an opportunity to bridge the gap in the number of extension workers. One member of MAAIF senior staff estimated it would take ten years for the Directorate of Agricultural Extension Services to fill personnel vacancies, given the shortage of resources for recruitment and hiring.

**Box 2.**

“We don’t have enough extension workers and districts are multiplying so that makes matters worse...The model is good because it provides an opportunity to really assist the farmers where extension workers may not even be able to reach. Village agents can mobilize communities for trade, address the extension resource shortage, and pass on extension messages very quickly.”

*MAAIF senior staff*

**Incentives**

There are limited financial incentives for village agents to provide agricultural extension services. This is due to a number of factors, including the focus of village agents on their core business of produce marketing, inconsistent price response to quality differences, and the lag time between the implementation of most good agricultural practices and increases in yield or quality improvements that would result in increased financial returns. Furthermore, the liberalized market environment means many buyers may be operating in the same village and there is no safeguard for any agent to reap the benefits of investing in extension.
One of the critical aspects of the village agent model is that it is private sector focused and is therefore touted as a sustainable model. In practice, the research team found that “village agent” is a broadly applied term and those who consider themselves village agents do not always receive financial incentives. A focus group discussion was held with village agents in the North Central sub-region who work with a trader randomly selected from the CPM Trader Profile Booklet (CPM 2017). These village agents are more like lead farmers. They were selected by a trader when he was approached by CPM to participate in the village agent program and receive backpack sprayers, but they do not engage in produce marketing. They lead farmer groups of 20-30 farmers in their villages and support their farmers with information on basic agronomy, prices, and assistance programs. They do not receive any financial benefits for their efforts, which is not surprising since they are not buying produce for the trader. These same village agents were asked about non-financial benefits they receive and they acknowledged the only benefit they receive is that they may be first in line for provision of coffee seedlings by the government.

Development partners and implementing partners who run village agent models underscored that provision of extension services should be minimal so it does not take away from the core business of village agents. Interviewees repeatedly mentioned that if extension service provision distracts from the core business of village agents—without receiving compensation from farmers or other stakeholders for their efforts—then agents will be less likely to take on agricultural extension services delivery.

**Box 3.**

“Very few farmers are able to pay for extension because it is supposed to be free to them.”
*Implementing partner*

“Extension service provision is likely to be seen as a distraction from their core business and may be limited to one-on-one information sharing process, rather than advisory.”
*Development partner*

“There is an incentive for VAs to do extension because it increases production and search costs are there biggest costs as aggregators.”
*VAM Task Force member*

“Some village agents have disappeared after USAID left. If village agents existed as aggregators before CPM and simply got more training, why didn’t they stick around?”
*Development partner*

VAM documents postulate that village agents are incentivized to provide extension services because they result in improved quality and quantity of marketable produce, generating larger commissions for village agents (MAAIF 2018b). However, there can be a significant lag between training on an agricultural practice, farmer adoption of that practice, and a production response to the practice. This lag diminishes the incentive of the village agent. Side-selling also undermines incentives for village agents. Even if village agents invest time in providing extension services for farmers, farmers may still sell a portion of their crop to another buyer who offers a better price.
In this case, the reward is limited and likely not worth the effort. Farmers were asked what services they would seek that they would be willing to pay for and no one in any of the groups mentioned agricultural extension services, as echoed in Box 3. Because farmers consider agricultural extension services to be a public good and are therefore unwilling to pay for them, interviewees note that the cost of these services is best embedded in other goods and services such as the cost of inputs and agro-chemical spraying.

Another reality that undermines village agents’ incentive to deliver agricultural extension services is that quality differentiated pricing is not always present in agricultural markets. Village agents and farmers had mixed responses when asked about price differentiation. In a discussion with village agents they reported price differentiation is common, though this appears to be different prices for different varieties, not different prices for different qualities of the same variety. In one farmer discussion, the consensus was that prices do vary based on quality. For instance, when maize is not yet dry buyers may offer 700 shillings when the standard price is 800 shillings. In a second farmer discussion farmers reported they are paid the same whether maize is wet and has insect damage or is dry and freshly harvested. In a third farmer focus group discussion, farmers report that if the quality is good then the price is higher and if the quality is low then the price is low. The indication is that quality-based price discrimination is not a common practice across value chains.

Two development partners who are implementing village agent models indicated that in their interactions with MAAIF trained village agents, they have encountered a perception that village agents will receive support from the government. One development partner stated that village agents were promised seed money from the government at a training in Kampiringisa. Another development partner tried to recruit CPM- and MAAIF-trained village agents but the village agents were not interested in working for commission because they had been told they would receive a stipend. These expectations are bound to undermine efforts to roll out the VAM as a private sector-lead venture that leverages government’s limited resources.

Effectiveness
The effectiveness of village agents as agricultural extension service providers is the core question for this study to address. As noted above, the consensus from interviews and focus group discussions is that village agents should not be relied upon to meet the extension needs of farmers. Stakeholders indicate that one area where village agents can and have filled a critical gap is in acting as information channels. As village agents regularly interact with farmers, they can relay messages, disseminate critical information, and bring back information on what they are seeing in farmers’ fields.

One example that was cited by stakeholders was Uganda’s quick response to Fall Army Worm compared to neighboring countries. When Fall Army Worm spread into Uganda, technical specialists were able to quickly share the best prevention methods with village agents who in turn shared that knowledge with farmers. In addition, village agents kept technical experts abreast of the developments on the ground.

4 Variety-based price differentiation was reported for oilseeds, tomatoes, and rice.
The ability to mobilize farmers is another critical contribution village agents can make toward agricultural extension service delivery. They can help create demand by mobilizing farmers for group trainings by extension workers, including facilitation for the extension workers’ travel costs. Senior staff at the Ministry of Agriculture says demand for agricultural extension services is currently lacking from farmers. Interviewees noted that village agents meet with farmers regularly and can identify knowledge gaps.

Stakeholders are skeptical that village agents can train farmers, guide production, and monitor progress as an extension worker might. There is also consensus among stakeholders that village agents should focus on a few crops grown in their areas of operation and receive capacity building for those commodities. The wide range of agricultural commodities and production methods requires significant attention and village agents do not have the time or the knowledge to deliver such services, as noted in Box 4. The Ministry of Agriculture noted that the Village Agent Model will be limited to the priority commodities in the sector strategic plan. This seems a reasonable proposition given that interviews indicate that village agents are more successful in well-defined and structured markets such as coffee and oilseeds.

Box 4.

“He’s busy with business work. Where does he get time for extension even if he had the knowledge? And he doesn’t have the capacity. He’s just an agent, not an expert.”
National agricultural umbrella organization

“Most of the agents don’t have the right extension skills. But they can organize for the extension worker if the village agent has a technical shortcoming. As teammates, they can improve things. But not on their own.”
District production officer

“The village agent model can be effective to improve service delivery to disseminate info easily.”
Village agent

“We are using village agents as knowledge communicators because we don’t have manpower and we don’t have to pay them salaries…They can provide basic training and be knowledge hubs so that if you want the community to know something you can tell the village agent.”
MAAIF senior staff

In both interviews and focus group discussions, the research team asked stakeholders about the attributes that make a village agent successful. In interviews, entrepreneurial skills, literacy, record keeping, and negotiation skills were often repeated along with the ability to mobilize farmers. In a focus group discussion with village agents, they noted that a village agent needs to be an exemplary member of the community, communicate well with farmers, pass along information about prices and programs to help farmers, and do research to help farmers address their challenges. In one focus group discussion, farmers were asked if it is important to them that their village agent is a member of their community and there was a strong positive response.
No stakeholders interviewed indicated that village agents currently have the necessary knowledge to provide agricultural extension services, so training is a critical component of the Village Agent Model. Senior staff at the Ministry of Agriculture indicated village agents would be certified by the ministry when they complete the VAM curriculum. Unfortunately, plans for training and technical backstopping are not well documented. For example, one VAM document says extension workers will train village agents three times per season (MAAIF 2018c), a second document says there will be six seasonal trainings provided to village agents (MAAIF 2019b), and a VAM Task Force member indicated that sub-county agricultural officers will provide trainings to village agents four times a season, which will be funded by traders’ fees. There is no evidence of guidance to local government or extension workers regarding how or where extension workers should train village agents, which topics should be the focus, how often trainings should be held, or how harmonized extension materials will be used. 2,500 shillings per farmer per year will be available from farmer fees to facilitate extension workers for trainings, but it is unclear how the funds will be prioritized for disbursement. Information and communication technology was often mentioned to support training but plans to develop and distribute ICT tools to extension workers or agents are vague.

There was a concern expressed by stakeholders that government extension workers will not provide sufficient support to the Village Agent Model for it to succeed. A national agricultural umbrella organization noted that public extension workers receive their salaries regardless of their performance so there is no incentive for them to train farmers or village agents. A district production officer—whose office is responsible for managing local government extension workers—echoed similar concerns that public extension workers are unmotivated to perform well because their contracts are not performance-based. He notes they may only work two days a week while still receiving a full salary. An LCV chairperson made similar observations.

There have not been any reported trainings of village agents by public extension workers under the VAM. Critical training needs for village agents were identified as agronomic and technical gaps, business skills, and record keeping. Training materials were not availed to the research team so it is unclear whether these topics were the focus of the trainings to date. The manager of a private extension program for a major exporter noted they provide four training modules on good agricultural practices to their extension workers each year. They often repeat modules every year because uptake of knowledge is so slow, even for full-time extension workers with bachelor’s degrees specializing in just one crop.

In terms of the general effectiveness of the Village Agent Model, outcomes are stronger in agricultural value chains that feed into a few major processors or exporters, such as oilseeds and coffee. Crops such as watermelons, which have no major buyers, are not as well suited to the VAM because the markets are always shifting and farmers do not consistently market to the same village agent or trader.

Contracts
Contracts between village agents and farmers are implicitly required under the Village Agent Model, though the draft district ordinance and other documents are not explicit about this (Dollo 2019). These contracts are intended to lend formality to markets, facilitate credit for traders, and
ensure incentives and assurances are present for village agents to offer extension services. This is an innovation of the Village Agent Model as being implemented by the Ministry of Agriculture. All three development partners interviewed for this study who are implementing village agent models indicated that they have never had village agents sign contracts with farmers.

A VAM Task Force member indicated that the contract process would primarily involve the Ministry of Agriculture’s legal counsel developing a contract template, which would be reviewed by local governments. He noted that contracts would only require that: 1) the cost of inputs provided by the village agent or trader be repaid in cash or in-kind and 2) at least 65 percent of the crop be sold at market price to the village agent. One implementing partner reported that a processor they work with has indicated they get at most 50 percent of their farmers’ production and some stakeholders noted that it is difficult to verify and enforce “market price”. The Ministry indicated that village agents would work with farmer groups that can sign contracts, though it is unclear from VAM documentation whether contracts are anticipated to be signed with individuals, groups, or both.5 One implementing partner questioned whether rural producer organizations and village savings and loan associations have the legal authority to sign contracts.

There is a common theme among interviewees that contracts between village agents and farmers should be secondary to building trust in relationships, both in importance and in timing. This sentiment was strongest from development and implementing partners managing village agent models, as identified in Box 5. Interviewees indicated that having trust in business relationships is most important and the focus should be on building that trust. It was asserted that contracts are not be well-suited to the rollout of the model but could be valuable as the model matures.

**Box 5.**

“Why do they want these contracts? They need to build trust first. The [contract] paper just shows we don’t trust each other. They [contracts] would be better used later on in the relationship when finance is involved.”
*Implementing partner*

“Where CPM was working, there was a lot of trust. There were no formal agreements but it was working very well. We thought if we could formalize it, it could work even better.”
*MAAIF senior staff*

“There’s no need for local contract enforcement, let people make contracts legally and go through the courts.”
*National agriculture umbrella organization*

“The contracts idea is noble and good…They need to structure the market first, have quality standards, build the capacity of village agents, build the confidence of farmers to trust agents.”
*District production officer*

5 For example, there is no mention of contracts in the 32-page *Frequently Asked Questions on the Village Agent Model* document from November 6, 2018.
Farmers expressed wariness of contracts. In Acholi sub-region, there was an outright concern about government being involved in a business contracting process, which invoked suspicion of the intentions from government. Farmers in the North Central sub-region were more open to contracts until one farmer explained how he had his fingers burned by a buyer who promised money and never came back. The main consideration for these farmers seemed to be the presence of economic hardship that would force them to forward contract. One village agent interviewed had a positive view of contracts and reported that his farmers are waiting for a contract template to be availed to them. There is little belief among stakeholders that contracts will be honored. One implementing partner has seen village agents make contracts with farmer institutions, but it was not common practice.

VAM documents indicate that half of the seasonal farmer fee (2,500 shillings) will be used to fund contract enforcement, which would generate 125 million shillings per district per season. That would be a considerable amount of revenue generated for accountability and mobilization by “local enforcement units.” A VAM Task Force member indicated the village enforcement units already exist, and acknowledged they may be called something else in the Local Governments Act (Chapter 243). However, the Training of Trainers report says participants were “informed of the creation of the local enforcement committee at the sub county” (MAAIF 2018c p.9). If these enforcement units do already exist, it is unclear what authority they have. It is perceived by some stakeholders that these committees are intended to enforce contracts between farmers and village agents, but a VAM Task Force member indicated their primary role will be to assist with tax collection and “ensure proper drying and take people to jail for poor drying” (personal interview). A one-page VAM document that includes a field implementation guide indicates that the local enforcement unit would include an Agricultural Officer, sub-county Operation Wealth Creation representative, Traders Association, parish chief, and Local Council I chair (MAAIF 2019b). The report from a training of trainers in Seeta adds to this list a village agent representative, Community Development Officer, District Commercial Officer, and Local Revenue Collection Committee representative (MAAIF 2018c). Because of the support the Uganda Local Government Association will provide to the local enforcement unit, VAM documentation indicates the farmer fee will be paid to traders and would be remitted to the association (MAAIF 2019b). It is unclear how the association, a non-governmental advocacy association, would facilitate transfer of funds to local enforcement units.

A few project documents discuss notarization of contracts by sub-county officials, but this was contradicted by a VAM Task Force member who indicated local governments would simply review a contract template. If indeed contracts are made with individual farmers and require notarization by local government officials, the feasibility of such notarization is questionable. This is particularly true given the practice of contracting farmers during the pre-harvest stage, which would leave a narrow window for agreements to be notarized.

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6 According to the 2014 Population and Housing Census, Uganda’s districts had an average population of roughly 311,000 people per district (UBOS 2016). With an average rural household size of 4.9 people (UBOS 2016), there are roughly 63,500 households per district on average. This means districts could have 125 million shillings (about US$34,600) available for contract enforcement each season if each of the 79 percent of households engaged in agriculture (UBOS 2016) participated in the Village Agent Model.
The draft standard operating procedures for the VAM implies that the emphasis on notarization is to provide village agents and traders with reliable lists of farmer clients and yield estimates that they can present to financial institutions to obtain marketing loans (MAAIF undated a). If contracts are designed to enable lists of notarized farmers so that traders can take the list to the bank then the process needs to be feasible. As it is, local enforcement units would not have the time to accurately review farmer lists and make them reliable enough for banks to rely on them.

There does not appear to be a legal basis for requiring contracts to be made between farmers and village agents. Furthermore, the line ministry for agricultural trade is the Ministry of Trade, Industry and Cooperatives (Ministry of Trade) as it covers the sale of agricultural commodities, district commodity officers who would be involved in contract notarization, and the function of cooperatives with whom some contracts would likely be made. There is no evidence that the Ministry of Trade was involved in the development of the contracting component of the VAM but the World Food Program is leading efforts to engage the Ministry of Trade in VAM.

**Levies**

There are two types of levies proposed in the Village Agent Model. The first type is seasonal fees to be paid by traders and farmers to fund capacity building and training as well as enforcement. The other levy is a proposed 3 percent Local Service Tax on agricultural produce for local government revenue generation. Among stakeholders interviewed for this study, there is widespread concern that tying taxation to the Village Agent Model will sabotage its implementation. Representatives of local governments—who would benefit from the tax—are the only category of interviewees who did not uniformly express this concern.

**Fees**

The Village Agent Model includes fees to be paid by participants each season. A 5,000-shilling fee will be assessed to farmers, half of which would fund trainings for village agents by public extension workers and half of which would fund enforcement (MAAIF 2018c). No portion of the farmer fee would be remitted to village agents for mobilization and training. In one document, the farmer fee is said to be paid to the trader who remits it to the Uganda Local Government Association (MAAIF 2019b). It is unlikely that a non-governmental advocacy organization would perform this function, but there is no alternative documentation stating where the fee would be paid. A 120,000-shilling fee will be paid by traders to the sub-county chief accounting officer to support extension workers to train village agents (MAAIF 2019b). In addition, a one-page document on the operational process of the Village Agent Model indicates there would be a 30,000-shilling registration fee for traders (MAAIF 2019b), but this is the only document where this fee is mentioned. If 5.8 million farming households paid the farmer fee each season, 58 billion shillings ($15.7 million) would be generated each year. In comparison, the recently created Agricultural Extension Conditional grant is 39.6 billion (MAAIF 2018a).

The stakeholder feedback regarding fees is fairly mixed, as captured in Box 6. On the whole, key informants did not express significant concern that fees would be burdensome to farmers or

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7 This fee appears to be the basis of a rumor that traders will be limited to working in only one district. In reality, a trader can work in any district in which he or she has paid the seasonal fee.

8 Converted using rate of $1 = 3,700 Uganda shillings
traders, though farmers may be unwilling to pay the fees. As noted in the Methodology section, farmers who participated in focus group discussions received 5,000 shillings to offset their transportation and refreshment costs. When this was announced at the end of each discussion, it was often met with applause. If a 5,000-shilling payment is significant enough to generate applause, then a 5,000-shilling fee per season is likely to generate resistance. As a couple of stakeholders indicated, messaging in support of the fee is important. As noted in Box 6, farmers who are sensitized to the benefits they receive in return for their funds may be more willing to pay the 5,000-shilling seasonal fee. At present, there is a general unwillingness from farmers to pay for extension services, which may make them unwilling to pay the fee. At the Training of Trainers in December, “some participants had reservations on the proposed structure fees to be paid by actors and how it will be used to benefit farmers under VAM. However, they were advised to always have a positive mind-set and were also informed that fees structure was at proposal stage subject to revision” (MAAIF 2018c p.9).

Box 6.

“My farmers are supportive of the 5,000-shilling fee because they have been sensitized about how VAM will simplify their work as farmers.”
Village agent

“The 120,000-shilling fee only affects the buyer and in return the buyer gets good quality and reduces time in securing produce and reduces transport costs.”
LCV chairperson

“Given the level of corruption that we have in Uganda, I would not recommend a fee. VAM is self-propelling. All we need from the government is an enabling environment.”
Development partner

“The 5,000-shilling fee is the same as a farmer might pay for a drink in the village. It’s just a matter of messaging.”
VAM Task Force member

“These people cannot afford to buy salt—the cheapest commodity and a necessary good. Farmers paying the 5,000-shilling fee is like a big man paying 50 million shillings.”
National agricultural umbrella organization

When asked what would happen to farmers who do not pay their fee, a VAM Task Force member stated they would still receive extension services from their village agent, but it would be a lower level of service. He likened it to receiving services at a hospital that has both a public wing and a private wing. Services are provided in both cases, but the quality of and timeliness of services is much better in the private wing. Though this appears to be a reasonable analogy, it contrasts with reality because medical services are provided as an emergency occurrence, which may not be the case with extension services.

If all of a village agent’s farmers did pay the fee, there would be an excessive amount of money set aside for training. A VAM Task Force member indicated that it costs $47 (173,900 Uganda
shillings\(^9\)) for an extension worker to reach a farmer, four times in a season, based on estimates from the FAO Farmer Field School. Presumably the cost would be similar to reach a village agent working in the same area as the farmer. However, a village agent working with 200 farmers would generate 500,000 shillings from farmer fees for training each season, about three times what is needed. In addition to these funds, the 120,000-shilling trader fee is also earmarked for extension workers for training.

It is unclear who will receive and distribute the farmer and trader fees. This is an information gap that needs to be closed quickly as Village Agent Model rollout and implementation are underway. The basis for disbursements is also lacking in VAM documentation. A VAM Task Force member indicated the funds will be managed by sub-county farmer forums established under the NAADS program, but the farmer forums are not operational now that NAADS is disbanded.

**Taxation**

The Local Service Tax is identified as a 3 percent tax on agricultural produce in most VAM documentation and named as a 1 percent tax in the standard operating procedure document on enforcement (MAAIF undated a). A Local Service Tax is not mentioned anywhere in the VAM FAQ or Implementation Guide, both of which were published in November 2018. This relatively new addition to the Village Agent Model is being pursued primarily by the Uganda Local Government Association. The Ministry of Local Government does not appear to be involved in revenue generation discussions related to the VAM. An LCV chairperson interviewed for this study indicated this is because the Ministry of Local Government has a disincentive to assist districts in finding revenue sources, saying “If the Ministry of Local Government pushes for an increase in revenue at the local level it is another problem politically. If local government has more money, it is a threat to the central government.”

A VAM Task Force member indicated the Local Service Tax would replace District Development Fund (DDF) taxes, providing traders and buyers with a uniform tax in all districts. However, as currently discussed, each district would need to adopt the tax and there is no evidence of efforts to create a uniform national tax. The tax would be charged to the trader or buyer and the potential effects on traders, village agents, and farmers are not documented (MAAIF undated a). Some VAM documents allude to discussions regarding marked bags to indicate the origin of agricultural produce to avoid double taxation, but these procedures are not documented. This appears to be part of a larger initiative between UNCDF and NUCAFE to increase traceability by digitally tracking bagged produce. A development partner involved in digital revenue collection noted the bags would be paid for by the end buyer but it is not clear how side-selling would be accounted for.

A common theme among interviewees is that including a Local Service Tax with the rollout of the Village Agent Model would derail the adoption of the model, as noted in Box 7. A number of stakeholders indicated a tax would not be unreasonable to pursue at a later time once the model is established. It was noted that this delay would not only help the Village Agent Model as it scales, but it would also ensure that agricultural producers and traders are indeed more formalized when

\(^9\) Converted using rate of $1 = 3,700 Uganda shillings
the tax is implemented, which is what the Local Service Tax proponents say is the benefit of tying the tax to the model.

It was indicated by an LCV chairperson that the Village Agent Model facilitates tax collection by formalizing traders. However, the Village Agent Model is an optional program and many traders would undoubtedly remain outside the model. If there are no clear alternative means of collecting taxes from non-participants, then that would be a significant disincentive to VAM participation.

The legal authority for a local government tax does not come from the Directorate of Agricultural Extension Services, but it is unclear what tool is needed to initiate a Local Service Tax. An interview with an LCV chairperson included a brief call to a district chief financial officer who at first indicated a local council resolution would be required and then asserted that a Local Service Tax is covered by the Local Government Act and districts would not need any additional legislation. Other possible tools that were mentioned in interviews included district ordinances and a district MOU.

Box 7.

“Taxation would affect the VAM rollout. Nobody likes taxes. Sometimes, we who collect taxes abuse them. When you tie a tax to a new program, it will suffer.”
        District production officer

“VAM is a private initiative, so how does it also talk about taxation?”
        National agricultural umbrella organization

“Whatever cost is added on coffee is a burden.”
        National agricultural umbrella organization

“We need to expand to more traders and more districts but it would be difficult to scale with taxation.”
        Implementing partner

“If you want to create upheaval, do it like this.” (referring to the taxation component)
        Processor/exporter

“Kampala politicians are fighting this tax because they are afraid to tell people to pay taxes.”
        LCV chairperson

“Even the best program will be spoiled by taxation. The tax discussion can continue to determine the best level to target but the VAM needs to take shape and root first.”
        MAAIF senior staff

“Districts are hungry and angry for revenue…If a Local Service Tax is going to be pursued, it should be part of a coordinated national tax plan.”
        Development partner
The financial impacts of a Local Service Tax are not known. A district production officer—who would benefit from increased local government revenue—acknowledged that a tax on agricultural production would likely reduce production. A district commercial officer interviewed noted that farmers would not pay the tax directly, rather “any taxes are likely to be met by the agents and their masters. Farmers may not feel it except if it has impact on the farm gate price”. The coffee sub-sector was particularly concerned about the proposed Local Service Tax. Coffee stakeholders noted that coffee farmers already pay a 1 percent cess and that the pending Coffee Bill could increase that cess to 2 percent. Multiple coffee stakeholders asserted that the 4 percent levy on Kenyan coffee—as well as the number of intermediaries in the market structure—have crippled the Kenyan coffee industry.

5. CONCLUSIONS

The Village Agent Model has merit, but it should not be expected to address agricultural extension staffing shortages and extension service delivery challenges. The general benefits of the model are what most stakeholders—including key staff in the Directorate of Agricultural Extension Services—are interested in, rather than the provision of agricultural extension services. The VAM is threatened by the relatively recent additions of contracting requirements, seasonal fees, and local government taxes.

Effectiveness

Village agents can provide limited support to agricultural extension service delivery but they cannot be relied upon to offer fundamental extension services such as training farmers directly or monitoring crop production. Village agents can deliver extension messages and mobilize farmers to receive training from public extension workers. The incentives to provide agricultural extension services are weak and they distract agents from their core business of produce marketing. However, the extension delivery role could be allowed to evolve as stronger relationships and contractual arrangements develop between the farmers and the village agents through mutual understanding and benefits.

Contracts

Contracts between village agents and farmers are not desirable, necessary, or feasible. Instead, contracts would complicate the model unnecessarily. Requiring contracts restricts agricultural value chain actors by dictating the manner in which they conduct their businesses. Contracts are intended to provide incentives for village agents by reducing the likelihood that farmers will sidestep to another buyer after the village agent invests in extension training. However, there is a widely held belief among stakeholders that contracts will not be honored. This undermines the other purpose of contracts, which is to provide a means of estimating traders’ volumes before harvest so they can obtain trade finance.

Levies

The fee structure proposed for the Village Agent Model is infeasible; farmers simply will not pay the fees in significant numbers. Interviewees see the farmer fee as a tax, which would undermine the VAM. Farmers would better receive fees if they were embedded in other goods and services,
which is what implementing partners encourage their village agents to do. In addition, the farmer fees may be challenged for lack of a clear legal framework specifying these as payable fees.

Interviewees expressed deep concern that rolling out a new local government tax alongside the Village Agent Model will hinder the model before it can gain momentum. There is very little support for the tax and it threatens to alienate key stakeholders, including farmers. Furthermore, if taxes and fees are not uniformly implemented by districts it will create problems of competitiveness which may undermine trade and impact the farm gate price since traders will transfer these costs to farmers.

**Governance**

Throughout the Village Agent Model, there are challenges of governance. The challenges start at the top, as three MAAIF senior staff summarized the model alternately as 1) refining an informal sector to a formal sector, 2) helping farmers negotiate better and moderating traders’ excessive profit motivation, and 3) offsetting the gap in extension workers. Only one of the three addresses agricultural extension. Clarity of purpose is sorely needed as the model is ostensibly transitioning from one focused on strengthening markets and increasing demand for agricultural products (referred to as a “pull” approach) to one focused on increasing agricultural production (referred to as a “push” approach). This is a fundamental change with implications for incentives, relationships, and accountability in the model. However, this change is ignored rather than being addressed with significant changes to the model. With extension as the key goal, it has parallels to Community Health Workers and a study of the comparisons could prove useful in guiding a public model in which lay people provide basic support in rural villages with connections to technical backstopping.

VAM rollout and implementation are further complicated by the reality that it is a national model and it is also promoted as requiring adoption on a district-by-district basis. At the training of trainers workshops in December, participants were told “the framework will be adopted and customized by individual districts” (MAAIF 2018c p.9). The draft district ordinance is indeed vague, and it dictates responsibilities to the Ministry of Trade when there is no indication that they have agreed to perform the training cited in the ordinance (Dollo 2019). The existence of a draft ordinance also provides the impression that the VAM is mandatory, though MAAIF senior staff all asserted that the model is voluntary.

Sensitization and training for the VAM have been rushed and insufficient—in part due to donor deadlines—leaving those who were trained asking “what’s next?” Stakeholder engagement has been weak throughout the rollout of the Village Agent Model. Some stakeholders think they were intentionally left out of VAM discussions because they would oppose the model. Others are engaged with the model but have received limited information. For example, an implementing partner who runs a village agent model and who supported VAM trainings was unaware of the contracting requirement, fees, and taxation. For stakeholders who are interested in learning more about MAAIF’s Village Agent Model, documentation is scattered and incomplete. Documentation rarely discusses the specific mechanisms through which the model’s various components will be implemented, or cites enabling authorities. The Village Agent Model FAQ (MAAIF 2018b) and Implementation Guide (MAAIF 2018d), which would presumably be the most user-friendly documents, have undergone limited changes since they were developed under the CPM activity.
and they do not reference the contentious aspects of the VAM such as contracting requirements, fees, or taxation. The 12 phases included in the Implementation Road Map for the VAM are nearly completed and yet the model is still in the early stages of implementation (MAAIF undated b). Plans for the future are not documented.

6. RECOMMENDATIONS

Most agricultural value chain actors who are familiar with the Village Agent Model have a positive opinion of it and hope for the transformation it can bring to agricultural production and markets. As the initiative evolves to fit the methods and resources of a new implementer, there are several steps that can be taken to improve the model for value chain actors. Recommendations to improve the model include:

1. **Focus attention and innovation on the provision of agricultural extension services**, as this focus is being pioneered by the Ministry of Agriculture and other iterations of the village agent model have not have had extension service delivery as a major goal. Focus on technical training of village agents and delivery of extension messages. The Ministry of Agriculture is responsible for quality assurance and quality control functions for agricultural extension service delivery and needs to be explicit and specific about what is required of local governments and public extension workers to train and support village agents. Once stakeholders are sensitized and village agents are trained, there should be procedures in place for village agents to link into technical backstopping, a program for new village agents to receive mentorship, procedures for monitoring agents and providing feedback, and schedules for extension workers to receive refresher trainings. A thorough study of community health workers and their hierarchies, communication channels, technical backstopping, and government facilitation would provide useful direction for the Village Agent Model.

2. **Do not require contracts** in Uganda’s liberal economy. Contracts between farmers and village agents are unlikely to facilitate the trust that the Village Agent Model requires or to actually provide the safeguards they are intended to provide, and will likely even lead to suspicion of the model. Contracts should be used between parties at their own discretion and enforced through the judicial system. Contracts will evolve naturally as the VAM evolves and markets formalize.

3. **Postpone plans to affiliate the VAM with revenue generation**. If local government officials pursue a Local Service Tax, they should do so once the Village Agent Model has been well established to avoid hindering the rollout and implementation. If the tax is pursued, it should be part of a national tax conversation so that stakeholders can provide input regarding the merits and disadvantages of a tax on agricultural production and so it can be uniformly adopted.

4. **Put traders and buyers on the front line**. Government engagement in rolling out the model should be limited to working with traders, who should recruit villages agents and organize trainings with public extension workers, who in turn serve as resource persons. This will ensure the model remains private sector-driven and will not be viewed as another government program similar to NAADS or Operation Wealth Creation.
5. Foster improvements to the quality of agricultural produce. There is a real opportunity for village agents and other market intermediaries to enforce quality standards. Village agents should be trained to identify and reward good quality produce and reject poor quality. Traders should be sensitized on the business case for quality differentiated pricing and should provide the necessary equipment for their agents to determine quality at the farm gate.

6. Define terms in the Village Agent Model. A number of stakeholders noted that market intermediaries have used the informality of agricultural markets to their advantage. The Village Agent Model will not lend formality to markets if definitions are not in place. The model implementers need to develop and document definitions, roles, responsibilities, and operating procedures for stakeholder input and model implementation. Among other things, a “village agent” should be defined in official documents. If fees are going to be charged to farmers and traders who work with “village agents” then the term “village agent” needs to be legally concise. It should be abundantly clear who is a “village agent”, who is a private extension worker, and who is just an aggregator or a lead farmer.

7. Standardize and document operating procedures. Only one standard operating procedure document currently exists and it captures stakeholders’ thoughts in a brainstorming session rather than dictating procedures. SOPs should be written for the collection of fees, disbursement of fees, training of village agents, and other areas. When applicable, these documents should reference other laws if they are using existing systems or if they are authorized by existing laws.

8. Engage stakeholders and other key ministries. Senior staff at the Ministry of Agriculture echoed stakeholders’ concerns that sensitization was rushed, insufficient, and that trainees left without understanding the model. Stakeholders are left feeling that they are on the outside because they were not involved from the outset. In addition, key ministries like the Ministry of Trade, Industry and Cooperatives and the Ministry of Local Government have not been engaged in development of the Village Agent Model. All key ministries should work together and demonstrate their commitment with personnel and budgets dedicated to the VAM.

9. Phase in the Village Agent Model by focusing on certain districts, certain crops, or certain aspects of production and marketing. A commodity-based approach starting with commodities with well define markets should be used to roll out the model.

10. Clarify whether the model is mandatory or voluntary. Stakeholders are uneasy about a compulsory program, especially those who have invested in private extension programs or other models that would be threatened by VAM. Senior staff at the Ministry of Agriculture reiterated that the Village Agent Model is voluntary but VAM documents do not clearly state this.


Ministry of Agriculture, Animal Industry and Fisheries. (Unpublished draft b). *Village Agent Model Implementation Road Map in Uganda*.


<table>
<thead>
<tr>
<th>Role</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>MAAIF</td>
</tr>
<tr>
<td>Commissioner</td>
<td>MAAIF</td>
</tr>
<tr>
<td>Deputy Commissioner</td>
<td>MAAIF</td>
</tr>
<tr>
<td>Deputy Director</td>
<td>Implementing partner</td>
</tr>
<tr>
<td>Senior Agriculture Specialist</td>
<td>Implementing partner</td>
</tr>
<tr>
<td>VAM Task Force Member</td>
<td>Implementing partner</td>
</tr>
<tr>
<td>Program Officer</td>
<td>Implementing partner</td>
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<tr>
<td>Program Manager</td>
<td>Implementing partner</td>
</tr>
<tr>
<td>Village Agent Manager</td>
<td>Implementing partner</td>
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<tr>
<td>Director</td>
<td>Implementing partner</td>
</tr>
<tr>
<td>Extension team members (7)</td>
<td>Implementing partner</td>
</tr>
<tr>
<td>Communications specialist</td>
<td>Implementing partner</td>
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<tr>
<td>Food Systems Specialist</td>
<td>Development partner</td>
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<tr>
<td>Agriculture consultant</td>
<td>Development partner</td>
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<tr>
<td>Country director</td>
<td>Development partner</td>
</tr>
<tr>
<td>Senior Coordinator, Post-Harvest Handling and Agro-processing</td>
<td>Development partner</td>
</tr>
<tr>
<td>Executive Director</td>
<td>National agricultural umbrella organization</td>
</tr>
<tr>
<td>Executive Director</td>
<td>National agricultural umbrella organization</td>
</tr>
<tr>
<td>District Production Officer</td>
<td>North Central sub-region</td>
</tr>
<tr>
<td>District Commercial Officer</td>
<td>Acholi sub-region</td>
</tr>
<tr>
<td>Village Agent</td>
<td>Maize processor</td>
</tr>
<tr>
<td>Village Agent</td>
<td>Unaffiliated</td>
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<tr>
<td>Village Agent</td>
<td>Horticulture input supplier</td>
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<tr>
<td>LCV Chair</td>
<td>South Central sub-region</td>
</tr>
<tr>
<td>Manager</td>
<td>Coffee trader/processor</td>
</tr>
<tr>
<td>Manager</td>
<td>Oilseed processor</td>
</tr>
<tr>
<td>Private extension manager</td>
<td>Processor/Exporter</td>
</tr>
</tbody>
</table>
ANNEX B: Organizations interviewed – development partners, implementing partners, and national agricultural umbrella organizations

Akorion
Enabling Environment for Agriculture, USAID
Kilimo Trust
National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE)
Northern Uganda: Transforming the Economy through Climate-smart agriculture, DFID
Producer Organizations Activity, USAID
Sasakawa Global 2000
Uganda Coffee Federation
Uganda Local Government Association
United Nations Capital Development Fund
World Food Program
### ANNEX C: VAM Task Force members

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Organization</th>
</tr>
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<tbody>
<tr>
<td>Robert Anyang</td>
<td>Chemonics International</td>
</tr>
<tr>
<td>Kenneth Nkumiro</td>
<td>Chief of Party, Technoserve, USAID Feed the Future Producer Organizations Activity</td>
</tr>
<tr>
<td>Esther Karwera</td>
<td>Akorion</td>
</tr>
<tr>
<td>Stephen Waiswa</td>
<td>Value Chain &amp; Digital Financial Services Consultant, United Nations Capital Development Fund</td>
</tr>
<tr>
<td>Dr. Roselline Nyamutale</td>
<td>Country Director, SASAKAWA GLOBAL 2000- Uganda</td>
</tr>
<tr>
<td>Dr. Birungi Korutaro</td>
<td>Country Team Leader - Uganda, Program Team Leader - Markets and Policy Analysis Unit, Kilimo Trust Uganda</td>
</tr>
<tr>
<td>Miyuki Yamashita</td>
<td>Head, Agriculture and Market Support, WFP Uganda</td>
</tr>
<tr>
<td>Mutabazi George</td>
<td>LCV Lwengo, Chairperson, Uganda Local Government Association (ULGA)</td>
</tr>
<tr>
<td>Dr Maureen Kamusime</td>
<td>Livestock adviser, Mercy Corps</td>
</tr>
<tr>
<td>Ambassador Philip Idro</td>
<td>Chairman rice millers association, Director, Upland Rice Millers Ltd</td>
</tr>
<tr>
<td>Emoi John Peter</td>
<td>Investments Manager, Uganda Development Bank Ltd</td>
</tr>
<tr>
<td>Beatrice Byarugaba</td>
<td>Director of Agricultural Extension Services, MAAIF</td>
</tr>
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