SOCIAL ENTREPRENEURSHIP IN UGANDA

Exploring a different approach in development
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Preface


When we entered the world of Impact Investment and Development in 2007, we had little experience in the field. As a private actor, with a background in ‘Business’, we certainly knew that we had much to learn. While other private actors generally are hesitant to cooperate with development agencies, because they are assumed to be ineffective and inefficient, MWH4impact chose the opposite and started a cooperation with a Dutch relief and rehabilitation NGO that wanted to establish a programme of rehabilitation in Northern Uganda. We committed ourselves for a long period, aiming at economic development. Since then, eight years have passed, and we have certainly learned something.

The most surprising learning points are actually very simple ones. In rapidly changing areas, rehabilitation and recovery programmes implemented by NGOs and other agencies are only run for a couple of years. So, whereas in Europe, we took centuries to develop ourselves to the level we are now, Western aid expects people who have suffered for many years from conflicts or lived in poverty for years, to ‘develop’ themselves and become self-sustaining in a relatively short period. In addition, we expect them to do this by participating in programmes that we provide, with fixed formats, procedures and time horizons, in most cases lacking the clearly defined measurable results to be achieved.

We have certainly learned a great deal. We have also learned that we cannot ‘make the world’. Societies are complex, especially in the developing world. Only through long commitments and flexible ‘interventions’, and by being committed for a long period, we are ultimately able to make a difference.

This brochure tells the story of the learning journey of one of our initiatives in Northern Uganda. In addition to our efforts in that region, we invest in various other propositions as well, aiming at economic development in rapidly emerging regions and sectors. We believe economic development is one of the main drivers to release people from poverty. And we believe that the promotion of an entrepreneurial way of thinking and acting by both development agencies and local actors has a key role in this. By ‘entrepreneurial’ we mean: look around at what is happening, take opportunities as they arise, and be open and flexible when conditions change, instead of sticking to predefined programmes.

Although Economic Development is a main driver for Development, other dimensions of human development have to fit in to make economic development possible and successful. Dimensions such as social embedding, a fair legal system, trauma counselling, good education, and adequate healthcare. Implemented with the guts to go all the way, committed for to the long haul and with the willingness to adjust daily to the rapidly changing environments that we work in.

Hans Joosse, MWH4impact

October 2015
Social Entrepreneurship in Uganda
Exploring a different approach in development

How to contribute to economic development in fragile regions in Africa? That was the main question Hans and Jeannette Joosse – impact investors and directors of the MWH Foundation – asked themselves before they started investing in agriculture and farmer entrepreneurship in Pader District in Northern Uganda in 2007. After two decades of havoc and terror (1986–2006), caused by the violent conflict between the Lord’s Resistance Army (LRA) led by Joseph Kony and the Ugandan army, the north of Uganda was one of Africa’s most deprived and fragile areas in terms of infrastructure, social fabric, and livelihood opportunities for its inhabitants. A majority of the population in Northern Uganda has lived in Internally Displaced Persons (IDP) camps for ten years or more. Since 2006, people have started to return to their land, where they are gradually rebuilding their lives. For most, the only means to survive outside the IDP camps is to start growing food again.

MWH’s proposition is that the promotion of economic development should be part of rehabilitation efforts in fragile, post-conflict regions from the outset. The argument is that if people become economically more self-sustained, the chance of new insurgencies will diminish drastically. In northern Uganda, MWH has therefore started initiatives and investments to create opportunities for local farmers to start a viable and profitable family farm. The main ingredients of what has become the Farmer-led Economic Development (FLED) programme are: using socially responsible impact investment to promote economic recovery as the key to successful rehabilitation; the establishment of a commercial social enterprise (The HUB) as a vehicle for local economic transformation; the promotion of commercial and profitable entrepreneurship among individual farmers and collective action through the commercial social enterprise; a long time perspective (at least 10 years); and high flexibility in planning and financing.

This publication tells the story of MWH’s approach to rehabilitation and economy recovery and how this has been explored and applied to promote agriculture and agricultural entrepreneurship among local farmers in Pader district. This booklet serves two purposes. Firstly, it makes MWH’s approach and experiences in Northern Uganda visible to practitioners and policymakers who are interested and involved in promoting rehabilitation and economic development in fragile areas. Secondly, it is designed to initiate exchange and discussion on how and to what extent an entrepreneurial approach can contribute to making farming not only possible in Northern Uganda but also profitable, and what role private actors can play in this process.
Pader District: Poor economy and fragile society

Pader District is located along the road connecting the towns Lira and Kitgum in Northern Uganda, and is part of the historical homeland of the Acholi. In 2014, its population was estimated at approximately 184,000 people. Pader was severely affected by the over two-decade conflict in the region between the Government of Uganda and the Lord’s Resistance Army (LRA) rebels. During the peak of the conflict, almost the entire population of the district was living in Internally Displaced Persons camps. The 2006 ceasefire agreement, and improvements in security from 2005, allowed people to leave the camps to start rebuilding their lives and livelihoods.

Poor economy

Today, most people have moved back to their original homesteads and are trying to pick up their livelihoods. In most cases this means that they start cultivating plots to grow food and other crops, sometimes in combination with non-agricultural income generating activities such as petty trading, construction, charcoal production, and so on. However, economic recovery is slow in Pader District. The conflict has destroyed the social and economic fabric in the region. The region can be characterized as a poor agrarian economy, which implies that there are several conditions and obstacles that people face in their attempts to recover their livelihoods. The total elimination of the animal herd, which was an important pillar to agriculture before the conflict, reduced opportunities to cultivate large tracks of land. Other obstacles include poor roads and telecommunications, poor human health, lack of a well-developed and diversified monetary economy, thin or even absent input and output markets, and limited access to financial services. The agricultural business environment is characterized by weak information (on prices, on new technologies, and on potential contracting parties), difficult and weak contract enforcement, high risks and high transaction costs. Last, but not least, local government services are poor.

Fragile society

At the same time, there are other non-economic factors at play, which are a direct result of the conflict and also impede people’s abilities to recover their livelihoods. These factors not only make Northern Uganda a weak agrarian economy but also a typical fragile area. For example, labour is scarce. Researchers estimate that in Acholi land, where Pader is located, the LRA abducted one-third of male adolescents and one-sixth of female adolescents. In addition, land conflict is mentioned as a major source of insecurity; landlessness, the rise of inheritance conflicts given the increased number of women-headed households, and land boundary conflicts are all the result of the conflict. The rise of HIV/AIDS is also mentioned, and across Northern Uganda, alcoholism is one significant outcome of the conflict. Some household surveys indicate that an increase in the number of male adult earners in the family is actually associated with a household moving towards poverty, because adult male earners tend to spend a greater proportion of their consumption of expenditure on alcohol beverages. Alcoholism is a reported cause of ‘male idleness’, and is considered a major cause of domestic violence.

A major detriment of livelihood recovery is also related to the social dynamic that many women have simultaneously experienced both conflict-related and domestic violence. Many abducted women and girls have a difficult time reintegrating in their communities. The psychosocial effects of mass violent conflict are also mentioned as a key factor hindering livelihood recovery. For example, it was found that recent exposure to conflict was correlated with individual pessimism about future well-being, in particular among young people and individuals older than 50. Other hindering factors in the region include the continued prevalence of arms and insecurity, high level of crime and violence, and mutual distrust between the national government and Acholi authority structures.

The poor and fragile conditions in the region form a major challenge for any agency or actor that comes into the region to promote rehabilitation and a ‘peace economy’. During the conflict, well-connected individuals and some among the military are perceived by many Northern Ugandans to have exploited the conditions of the conflict in order to accumulate personal wealth. Some have argued that precisely this enrichment by some of the military to exploit the chaotic economic conditions led to the LRA conflict dragging on for so long. These people acted as ‘peace spoilers’. The experience of politically
connected individuals profiting while others suffer will undoubtedly influence popular perceptions of any post-conflict investment and economic activity. It has created mistrust towards post-conflict interventions directed at economic recovery and may lead to claims and accusations of others exploiting business opportunities, and buying up land and property. It is widely known that in conflict-prone societies, rumour and perception can be as salient in determining outcomes as facts and ‘reality’.9
The MWH approach

In 2007, the MWH Foundation – in collaboration with a Dutch NGO - took the initiative to support the inhabitants of Pader in their efforts to rebuild their lives and to invest in the economic development of the region. The aim of the support has been to support farmers to develop viable and profitable family farms. Creating and supporting Farmers’ Led Economic Development (FLED) has been key in MWH’s initiatives in Pader District from the outset. The assumption of FLED is that if people become economically more self-sustained and the local economy becomes stronger and starts playing its role again in the country, the chance of new conflicts will diminish drastically. In Northern Uganda farming seems to be the best way to become economically more self-sustained.

Before the conflict, Northern Uganda was the agricultural powerhouse of Uganda. Today, a large part of the population under 18 years has no agricultural skills, driving them into non-agricultural activities such as boda boda (motor taxi) driving, petty trade, charcoal burning and beer brewing. Many more people participate in the (casual) labour market; it is estimated that 71% of women and 72% of men now participate in some form of labour market. However, the non-agricultural and casual wage work activities are generally low-rewarding, irregular and provide only for meagre incomes for most of the households involved. Against this background, the promotion of agricultural livelihoods and enhancing agri-business through development interventions and investments are important elements for promoting a ‘peace economy’. In 2008, for instance, International Alert observed that for Northern Uganda “opportunities for empowering smaller-scale agriculturists to move from subsistence production to value added processing are critical.”

‘Theory U’

Investing in the economic development of fragile areas is a risky decision though. The adverse economic and social conditions in Pader District not only confront its inhabitants, but also those who come to invest or assist from outside. To MWH it was clear from the start that in such complex situations long-term strategic development plans with clearly described outputs, outcomes and activities simply would not work because this would require a clear understanding of the environment with all its strengths, weaknesses, opportunities and threats. MWH has no illusion that it can make the world the way it wants it. Instead, MWH decided to follow a ‘U-process’. This is a key element in Otto Scharmer’s ‘Theory U’, a social technology for bringing about transformations in communities in complex situations. Complex situations need decision makers and investors who are able to seize the ever-changing opportunities, to quickly prototype possible solutions and to constantly re-adjust their course of action, following a patient step-by-step approach. MWH has adopted ‘Theory U’ as the theory of change underlying its actions and informing its learning process in Pader District.

High flexibility

In its daily practice, MWH translates the U process into an entrepreneurial way of working, in which flexibility in planning, finance and investment decisions are key. MWH advocates that in the long run this way of working is more effective in realizing economic recovery in complex situations than conventional rehabilitation and economic recovery programmes, usually implemented by (inter)national non-governmental organizations (NGOs). While the importance of their interventions, with a strong focus on relief and social services delivery, is not being denied, MWH thinks that the relatively short time perspective and engagement (less than five years), the lack of integration of social and economic goals, and the lack of flexibility in terms of planning and financing, which prevents effective responses to unexpected opportunities or circumstances, culminate in sub-optimal results for beneficiaries in the long run. MWH is convinced that the realization of sustained economic recovery in fragile areas therefore asks for a different approach.

Socially responsible impact investment

MWH uses socially responsible impact investment to promote economic recovery as the key to successful rehabilitation and economic recovery. This implies that MWH’s work as an ‘impact investor’ is different than that of a charity: besides social returns, MWH also wants farmers to see a financial return. It is also different from many other social impact investors, in the sense that MWH accepts that the financial return on investment will take much longer; if it
happens at all. MWH’s objective is to promote entrepreneurship among farmers to achieve the financial returns. MWH wants to communicate and promote the idea that successful farming is not just cultivating a plot in the backyard of a homestead, but needs an entrepreneurial attitude and approach to make it a profitable business that can provide for sustained and adequate livelihoods for farmer families.

MWH invests itself in a social enterprise called ‘The HUB’. This is a one-stop service centre, which farmers can become members of without necessarily focusing on one crop or chain. Inspired by the long history of agricultural cooperatives, farmers can get low-price and high-quality inputs and services, and sell (part of) their harvest to The HUB, which buys it at fair prices, stores it and sells it when the prices are higher, redistributing the profits to all members once profit is being made. The HUB is a commercial enterprise, because its long-term aim is to make financial profits out of entrepreneurial activities and it is run as a business: there is clear tracking of costs and benefits, and decision-making is done on the basis of accurate figures. The HUB is a social enterprise, because creating sustainable social change is just as exciting to social investors as getting financial return on their investment.

**Establishing individual client relations**

MWH applies an individual, client-oriented approach instead of a group-based approach. The liberalisation of the economy, a low level of government investment in agriculture, the lack of national legislation (and compliance with it), coupled with the severe damage to the social tissue resulting from the long years of war, have encouraged opportunistic behaviour of people within groups and towards development interventions. A substantial part of MWH’s work is therefore directed towards building trust through establishing long term individual client relations, which in the long run make it more difficult for opportunistic behaviour to go unnoticed. Furthermore, MWH is convinced that cooperatives and associations need to rise from the bottom-up. People should not create them at the request of external agents in order to access services or goods. These collectives need to be formed by people who are able to run their farms and enterprises in a profitable and sustainable way.

**Long term perspective**

MWH adopts a long-term perspective. Many rehabilitation and economic recovery programmes run for three and sometimes five years at most. These programmes intend to make a substantial difference in the lives of the rural poor during this short period of time, and also to develop conditions under which these initiatives can continue and prosper after the funding runs out. MWH considers this a rather naïve way of thinking and working when developing enterprises and promoting rural economic growth are concerned. It generally takes a much longer development of a region before it becomes ‘interesting’ for the mainstream economic actors in a country. MWH has committed itself for a minimum of ten years, inviting business partners (farmers and their enterprises) to commit themselves to a long-term effort.

It is with these ingredients and points of departure that MWH started to invest and work in Pader District. How did this turn out in practice, and what have the results been? The next sections tell the story, following the seven distinct but closely related and not necessarily sequential steps that are distinguished in the U process that informs MWH’s theory of change and actions.
The first step

MWH’s first action followed the first step in the U process, called ‘holding the space’: listen to others and to what life calls you to do; learn to suspend judgement. This is important because far too often newcomers enter a new region as experts claiming to be informed about what needs to be done. MWH started working in Pader District in 2008 because it felt moved to join people in their exodus out of IDP camps and years of oppression. Instead of setting up its own organization, MWH chose to operate in this first stage through a Dutch NGO specialized in emergency aid and rehabilitation. This NGO was an attractive partner at that time because it was already active in South Sudan, operating from an office in Arua in Northern Uganda, and was interested in expanding its activities into Northern Uganda with support from MWH. Its management in Uganda was interested in MWH’s ideas about working more flexibly through quarterly reviews sessions, adopting flexibility in funding, and including economic recovery elements in its rehabilitation programme. This short implementation line in combination with the NGO’s local expertise and its willingness to operate differently from a ‘classical’ relief agency, created a head start for MWH’s operations in the region.

Food Security and Income Generation (FSIG) programme

The objective in 2008 was quite straightforward: help people to return to their land and to rebuild their livelihoods. No great context analysis; no five-year plan. This implied a start with the basics, a ‘Food Security and Income Generation’ (FSIG) programme that included money for work projects, the establishment of Farmer Field Schools, and the introduction of Village Loan and Savings Associations.

Initially, MWH worked – through the Dutch NGO - with approximately 3,000 farmers, reaching out to about 15,000-18,000 people (farmers representing families of, on average, 5-6 members each), following the Farmer Field School approach: forming groups in which farmers could learn from field observation and their own experimentation, improve their household food security and generate some income. The programme mainly targeted smallholder farmers who produced at subsistence level and slightly above. The major aim was to raise production per farmer household to a level that could provide at least for annual household food security needs, which for the region was estimated at 800 kg of starch crops and 400 kg of protein rich crops per year. A second aim was to stimulate farmers to produce slightly more in order to raise a sufficient annual income (at least 500,000 Ugandan Shillings) to cover the annual educational and health needs of the family. And a third aim was to enhance the capabilities of smallholder farmers to cope with shocks and hazards by having at least two sources of income.

Results of FSIG

Did FSIG succeed in making farmers families more food secure? This question is difficult to answer, firstly, because no baseline for the farmers was determined before the interventions. In 2013, the African Studies Centre in Leiden, commissioned by MWH, conducted a small sample survey among about 100 farmers. The sample was stratified and included emerging commercial farmers who subsequently participated in The HUB (see next section), but its results might give an indication of what farmers participating in the FSIG programme had achieved in 2012. The ASC asked farmers whether they thought their production was enough to feed the family throughout the year. 77% said this was the case in their perception, but there were significant differences between groups of farmers. Among smallholders the percentage was lower and among those with larger cultivated acreage it was higher. The ASC also worked with the farmers to calculate estimates of their agricultural production and income in 2012. The ASC calculations included maize, beans, millet, sorghum and groundnuts. The results show that 61% of the farm households was food secure in 2012, although variation still exists between smallholders and farmers with bigger lands. The estimates are probably at the lower end and the figures would perhaps improve if cassava and sweet potatoes are included. Indeed, in this case, the percentage of farmers who were food secure in 2012 would probably come close to the ‘informed guess’ made by farmers themselves.

But many farmers also sold produce in 2012, either for commercial purposes or to cover emergency situations, selling from the stock that was meant to feed the family. The ASC report concludes that, after deducting sales, about 22% of the farm households was still food secure in 2012. Other reasons for an increased risk to food insecurity are the improper storage of the harvest and highly variable weather conditions in the region. In the ASC study, there
were only a few farmers who indicated that they had no losses because of improper storage. And harvest failure because of floods and drought spells was mentioned as one of the most important unforeseen risks.

90% of the respondents said that agriculture provided their main source of income. The ASC also tried to estimate with the respondent how much money they raised in 2012 through farming. This is gross income, because it soon became clear that hardly anyone could estimate the net income after having deducted costs involved. Calculations show that, in 2012, 68% of the farmers realized an agricultural income above the threshold of 500,000 Ugandan Shillings that was set in the MWH programme. Variations are high though. The calculations show, for instance, that the more land that is cultivated, the higher the income. This difference is also significant when smallholders and emerging commercial farmers are compared, whereby the latter earn relatively more from agriculture.

**Towards an agricultural livelihood?**

Can family members survive on agricultural income? The threshold of 500,000 Ugandan Shillings set by the programme is relatively low and in 2012 was equal to approximately 195 US Dollars per year. The ASC calculated the agricultural income per day, per head for each family. The findings show that almost all people included in the sample live below the poverty line of 1.25 US Dollars per person per day. These figures rather dramatically put into perspective how unrewarding engaging in agriculture in the region currently is. Agriculture contributes to reducing poverty, but it does not lift people out of poverty; it contributes to monetary income but other income generating activities are needed to reach above the poverty line, and this is exactly what people do. These findings are in line with findings from the Poverty Status Report 2014 from the Ugandan Ministry of Finance, Planning and Economic Development, which states that 43.7% of the population in Northern Uganda lives on less than 1.25 US Dollars per day and 37.1% are classified as insecure non-poor living on less than 2.5 US Dollars per day. Most people (81%), if not poor, are certainly vulnerable to poverty, which may also help to explain why emergency sales of agricultural produce meant for subsistence is so widespread in the region, endangering the food security of families.

From the start, FSIG became well-known in the area. The ASC survey asked farmers about their motivations to join. The group formation aspect of the Farmer Field Schools and the ambition to take up and increase agricultural production were the most cited answers. Some farmers left their Farmer Field School group, though, stating that the group gradually became a straightjacket that prevented them from concentrating fully on and putting their efforts into their own business. Some also referred to increasing differences among group members with regard to interests, ambitions and level of operation. Leaving a group is not an easy decision in Acholi culture, as it is viewed by others as individualistic behaviour. This is one reason why some other farmers mentioned that they are still members of the FFS group despite perceiving that there are almost no benefits to being part of the group after some years of membership. That said, most farmers were positive about the programme, and rated the programme on average with a 7.5 (on a scale of 1 to 10). In addition, farmers who had left the group or had become more ambitious in their production plans (see next section) were positive, because the programme allowed them to make a step forward and become better farmers and - in some cases - successful commercial farmers.
Lab 11. Orange flesh sweet potato

Plot Number: 15A

Plot Size: 

Person responsible: Patrick

Lab questions:
- Does orange flesh sweet potato grow well and can it compete with the local variety in terms of productivity?
- Is this crop a potential source of Vit A among smallholders in our region?

Preparation plot:
Field was well prepared; loosened with the rotator. Ridges should be made at the ridge tops. Field was harrowed in October 2014 and previous crops were removed.

Specifications planting:
The plot will be divided into 3, one sub plot for every 30 cm on top of the ridge.
Entering a new stage: Serving emerging commercial farmers

During the implementation of FSIG, MWH remained alert to changes and new opportunities and was ready to engage them. ‘Holding the space’ is not enough, you must also be ready to observe and to redirect thinking, and see the next step in the U-process. Certainly, when people are in dire need, you must respond quickly, even at the risk of making mistakes; at the same time, MWH remained conscious that its first response needed to be adjusted fairly quickly. MWH wanted to know whether the actions by the NGO were the rights ones to follow. An assessment was done and it became clear that the group of former camp dwellers, now smallholder farmers, was not as homogeneous as MWH had been told. Many development initiatives seem to assume that rural areas in Africa are inhabited by a homogeneous group of mostly smallholder farmers, and develop programmes and projects to help these ‘average’ farmers enhance food production and reach the market with their (small) surpluses through setting up local or international value chains. From the assessment, it became clear that, even in Pader, the socio-economic reality shows an enormous diversity. For many farmers, farming is a default activity: with no other jobs available and no state-organized social security system in place, they have no other option than to farm. But a number of farmers have easier access to land and others have a keen interest in developing their farms beyond the smallholder status. It became clear that FSIG tended to miss out on what is called the ‘missing middle’; that is, those farmers who cannot be classified as smallholders outright, whose ambitions are much more profit than survival oriented, and who aim at developing a viable family farming enterprise.

**From one size-fits-all to diversification**

The one-size-fits-all approach is probably the only way forward in emergencies, but does not hold as soon as a society becomes more stable. People have different ambitions and, as MWH learned, different binding constraints. Thus, it soon became clear that MWH needed to develop its approach further; and that the one-size-fits-all approach that had been rolled out at the beginning through the Dutch NGO needed adaption. Subsequently, in addition to working with the participants of the Farmer Field Schools, MWH opted for an economic development perspective working with those farmers who showed the ambition, attitude and possibilities to turn their agricultural activities into a family-owned commercial farm, be it a large-, medium- or small enterprise. MWH took farmers who had never left their area on learning journeys to other farmer groups in Uganda. They too had to see, to observe and to realize that more is possible than they thought. How can you dream of a better future, if you remain unaware of what is achievable?

**Constraints for emerging commercial farmers**

MWH’s vision was that by developing a long-term, market-oriented, crop production and rotation plan, farmers would be able to generate a sustainable family income, and invest part of these profits in their enterprise for further growth. MWH discovered that the development of family-owned commercial farms is still an untrodden path, especially in the fragile context of areas like northern Uganda. These emerging commercial farmers face serious constraints in their attempts to become commercial. Labour, for example, is a serious bottleneck. Labour is scarce; not everybody is interested in agriculture or willing to participate in it, so hired labour is expensive. Since labour is scarce, it takes farmers a long time to get their crops planted once the rains have started. Consequently, most farmers only grow one crop per year. It also became clear that farmers who are interested in producing more than their immediate household food security require capital for seeds, equipment and hired labour; but neither the capital, nor good quality inputs are readily available.

Finally, and just as importantly, agricultural output markets are highly fragmented and dysfunctional, resulting in prices that do not adequately reflect existing demand and supply conditions. Generally, price levels are too low or too high and highly unpredictable, and therefore are not helpful in terms of informing farmers’ production decisions. There is a downward pressure on prices because of the bad physical infrastructure. As most farmers lack own means of transport to go to nearby markets in towns, the few traders that make the effort to enter the area with their trucks have an almost monopolistic position in terms of buying produce and can therefore dictate any price they want.
Establishing The HUB

MWH began to determine an initial group of emerging commercial farmers and designed a specific way of working with them; namely, through a social-commercial enterprise, The HUB. The idea of The HUB emerged in 2010, and its first operations started in early 2012 from its premises in Pajule sub-county. The HUB serves as an agro-HUB for emerging commercial farmers by providing agricultural and marketing services and helping member farmers to develop and maintain a profitable commercial family farm enterprise. Since the start, The HUB has provided the following services: mechanization services to plough, harrow and plant the land; quality inputs such as seeds, fertilizers, and pesticides; simple equipment; agricultural advice through so-called Agricultural Support Officers (ASOs); and harvest storage and buying facilities for several crops, including maize and soy beans. Interested farmers can become members of The HUB and get access to the services provided. These services are not for free; services are provided in the form of a supplier credit, which is deducted from the sum paid to the farmer when he or she sells his produce to The HUB after harvest or is paid for in cash.

Much more than FSIG, The HUB embodies the ingredients of the MWH approach to rehabilitation and economic recovery and its ideas on Farmer Led Economic Development. The HUB is established with a long-term perspective. Although not yet operating at break-even point, the intention is to develop The HUB from a manager-owned (i.e., MWH) social enterprise into a farmers’-owned profit-making cooperative. MWH is aware that this may take many years to achieve. The underlying idea is that after 20 years of conflict in the region, commercial family farm enterprises can become important drivers for local economic recovery and development. The HUB is not meant to set up holistic value chains. The development of these chains is based on the assumption that the different actors in the value chain exhibit clear business behaviour (they are reliable, competitive, client oriented, etc.), have a long-term perspective and operate in a conducive environment. Such conditions do not (yet) exist in Pader. Each farmer in the region can become a member, without necessarily focusing on one product or chain.

Building trust

In addition, the HUB develops individual client relations with farmers, a departure from the group-based approach in the first steps. MWH thinks that building individual relationships with farmers is a better tool to prevent opportunistic behaviour. It is no surprise that The HUB members regularly display opportunistic behaviour, given the severe damage to the social tissue resulting from the long years of war. The most common form is side selling, where farmers sell their products to another buyer or use the crop they are growing as a collateral for an additional loan. It is not uncommon for the quality of produce to be compromised, because there is no quality control in the region and produce infected with aflatoxins can be sold freely and used for human consumption. Free-riding, whereby farmers use subsidised inputs and services for crops they do not intend to sell to The HUB, was a notable phenomenon during the first years of operation of The HUB.

A substantial part of The HUB’s work is therefore directed towards building trust: intense personal contacts make it more difficult for opportunistic behaviour to go unnoticed. Membership of the group aims to combine economic and social motives and provide a sense of belonging and trust that the wider society still needs to regain. Increasingly, MWH has seen that farmers quickly understand what quality criteria are and 95% of the maize presented for sale in 2014 met 1st grade East African Standard criteria.

There is little doubt that it will take a couple of years before any business in post-conflict Pader can become profitable. This applies to the family farm enterprises as well as to The HUB. For this reason, MWH created a Trust that holds all assets. The ultimate aim is for farmers to unite and collectively take ownership of the HUB. In the meantime, the HUB is run as a social enterprise, which, in itself, is a new concept in Uganda. It is a business unit that operates according to commercial principles, but where decisions are not based purely on financial considerations. The long-term benefits in terms of collaborative and sustainable production systems and the creation of economically viable commercial family farms, and the short-term financial benefits of The HUB are equally important.
The HUB in action

From the outset, the dark orange building of The Hub’s office in Pajule, with its clean look was incongruous in the small, dusty and rather chaotic and small town of Pajule, which used to be an IDP camp. But it attracted the attention and the curiosity of the town dwellers and the farmers around Pajule. But also those who were located more remotely from The HUB’s location in Pajule heard about it. Many of them were informed through MWH’s programme with the Dutch NGO, but also the Chairmen of the Local Councils (basic administrative units in Uganda) and neighbours acted as informants. Others had seen The HUB’s extension workers passing through and working in the villages.

Both through the programme with the Dutch NGO and by own initiative, farmers started to visit and join The HUB and in 2012, the year the HUB became operational, 155 farmers became members, approximately 27% of which were women. The decision to become a member of The HUB differs highly among the respondents who joined in 2012. In order of importance, farmers most frequently mentioned: access to quality inputs (68%); in need of good agricultural advice (54%); tractor services (50%); ‘supplier credit’ (40%); and the intention to become a commercial farmer (28%). The HUB offers a broad service package no farmer took the full package. The ASC study in 2013 showed that there is a significant relationship between the number of HUB services farmers took and the land size of the farmer. Those with 10 acres or more took more services than those below 10 acres, which may be an indication that The HUB is attractive for the plus 10 acres group of farmers. That said, in all groups the majority of the farmers took two or three services from The HUB, mostly the supplier credit, the agro extension and the mechanization services.

The HUB’s service delivery in figures

Tables 1 presents figures on the sale of agricultural inputs and mechanization services to farmers from 2012 to July 2015. While some of the figures fluctuate through the years there is an upward trend in most of the inputs and mechanization sales. Farmers have, for example, begun to discover the value of high-quality seeds and of paying attention to the fertility of their soils: for some of them average maize yields increased from 400 to 800 kg/acre. A number of farmers have understood what commercial farming really means and – more interestingly – are already investing their profits in order to improve their production system and reach more consumers with their products. The opening of a sales branch in Pader in 2014, about 15 kilometres from Pajule, has helped to increase farmers’ access. The 2015 figures on seeds and fertilizers are relatively low, though, because the Ugandan government has started free hand-outs of these inputs.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015*</th>
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<tbody>
<tr>
<td>Agricultural inputs</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Seeds (kg)</td>
<td>6.077</td>
<td>4.873</td>
<td>5.226</td>
<td>1799</td>
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<tr>
<td>Fertilizers (kg)</td>
<td>2.210</td>
<td>1.150</td>
<td>3.864</td>
<td>1068</td>
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<tr>
<td>Herbicides (litres)</td>
<td>98</td>
<td>63</td>
<td>256</td>
<td>162</td>
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<tr>
<td>Insecticides (in bottles)</td>
<td>2</td>
<td>11</td>
<td>63</td>
<td>54</td>
</tr>
<tr>
<td>Veterinary (in units)**</td>
<td>1.098</td>
<td>1.301</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tractor Services (in acres)</td>
<td>48.070</td>
<td>53.856</td>
<td>22.787</td>
<td>533</td>
</tr>
<tr>
<td>Pre-Harvest</td>
<td>638</td>
<td>711</td>
<td>593</td>
<td>533</td>
</tr>
<tr>
<td>Ploughing</td>
<td>298</td>
<td>270</td>
<td>60</td>
<td>10</td>
</tr>
<tr>
<td>Harrowing</td>
<td>207</td>
<td>281</td>
<td>406</td>
<td>501</td>
</tr>
<tr>
<td>Planting</td>
<td>133</td>
<td>160</td>
<td>127</td>
<td>21</td>
</tr>
<tr>
<td>Post-Harvest Shelling (kg)</td>
<td>47.432</td>
<td>53.144</td>
<td>22.194</td>
<td></td>
</tr>
</tbody>
</table>

*Figures January - July 2015
**Figures on veterinary inputs are in units, which include bottles, sachets, injections, etc.

Source: The Hub database

Insightful experiences with supplier credit

The 2013 survey by the ASC revealed that, while the supplier credit HUB service was popular among farmers, it was little understood. For emerging commercial farmers who want to use improved seeds and plough a bigger area using a tractor, finance is the binding constraint. So MWH gave them an interest
free loan. But the last thing MWH wanted was to become a microfinance institution. MWH quickly realized that it did not have to give loans, but could provide goods and services on credit with favourable terms of payment. MWH calculated that the easiest way for farmers to repay their credit was to sell their produce to MWH. Hence, obtaining credit was linked to an obligation to sell produce to MWH. MWH viewed this as killing two birds with one stone: providing finance and creating a market.

However, MWH had not yet understood ‘bounded rationality’. Farmers did not want to sell their produce to MWH, even when MWH paid a better price than the local middlemen. With their limited insight and information about the incomplete markets in the region they wanted to gamble and wait for the jackpot. Unfortunately, maize prices never really skyrocketed; moreover, storing maize became a problem. To keep five bags in your hut is feasible, but once you start harvesting thirty tons of maize you have a problem. Other farmers may have thought that MWH would leave shortly, like all the other actors before, and decided that avoiding repayment was an option. The result was that in 2012 - the first year of operation - the recovery rate of outstanding supplier credits was only 55%.

In the first two years of operation, The HUB’s experience has been that some farmers simply did not show up or hid after a request had been made to come to The HUB to resolve the problems. The HUB has had several outstanding credit accounts of farmers who either disappeared (moved away from the area) or refused to communicate. MWH sees these cases as examples of opportunistic behaviour among farmers, or farmers who may not have fully understood the HUB model, or farmers who may have miscalculated or overestimated their own ability and capacity to become a ‘commercial farmer’.

The history of conflict in the area and the lack of social control and cohesion in IDP camps have undoubtedly promoted opportunistic and ‘cheating’ behaviour among people, as was also reported by respondents in the ASC survey. Finally, The HUB had not installed enforcement procedures to be able to control farmers’ behaviour, except for excluding them from membership in the next season. The HUB chose to establish an individual ‘client’ relation with the farmer, using Ugandan law in case of breach of contract, but no social controls were used to limit opportunistic economic behaviour.

In 2014, MWH therefore decided to change the supplier credit system. Since The HUB does not adopt contract farming, it was decided to delink the access to products and services on credit from the sales of produce. Members are now free to choose their own buyers and to either repay their credit in cash or to settle through sales of produce to the HUB. In addition, the credit arrangement is only made with individual members if they are supported by a guarantor. Furthermore, the initial deposit is set higher and has risen from 15 to 30% of the credit. More stringent membership conditions for commercial farmers and legal pursuit by court for non-performing debts are other measures that have been taken to reduce non-recovery of debts. These measures have resulted in less farmers opening a credit line in the last two years (on average 33 per year compared to about 100 per year in previous years), but the recovery rate has become much better, 76% in 2014.

Buying farmers’ produce

Table 3 presents the volumes that farmers sold to The HUB. In 2012, 88 farmers marketed about 90 tons of maize and 15.5 tons of soya through the HUB, most of which was sold in Pader and in the nearby districts of Lira and Gulu. White sorghum was bought from farmers as well and resold to a local beer factory, which experimented with local sourcing. In 2014, The Hub’s purchase of soya and white sorghum stopped for reasons beyond control. Farmers could not cultivate soy beans in 2014 because soy seeds were unavailable in Uganda in 2014. And the beer factory decided to change its purchase policy and only purchase high volumes, therewith excluding low volume deliveries by smallholder farmers and agents like The HUB.

Findings from the 2013 ASC study show that in some cases farmers reported that they felt ‘forced’ or ‘under pressure’ to sell to The HUB, which may have to do with an incomplete understanding of how The HUB operates, i.e. that supplier credit is provided on the condition that produce is sold to The Hub. In some other cases, the harvest had failed and farmers were concerned about how to pay back the supplier credit they received from The HUB. Others complained about the strict rules that were applied regarding the quality of the produce that had to be delivered and that they were concerned about whether they could meet these standards. Currently, the sale of produce to The HUB has more or less stabilized, with 26 farmers being members and selling to The HUB.
Table 3  Purchased crops (kg) by The Hub 2012-2014

<table>
<thead>
<tr>
<th>Crops</th>
<th>2012 Kg</th>
<th>2013 Farmers</th>
<th>2014 Kg</th>
<th>2014 Farmers</th>
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</thead>
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<tr>
<td>Soya</td>
<td>15,523</td>
<td>34</td>
<td>7,144</td>
<td>11</td>
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<tr>
<td>Maize</td>
<td>91,362</td>
<td>50</td>
<td>113,329</td>
<td>69</td>
</tr>
<tr>
<td>White Sorghum</td>
<td>1,401</td>
<td>2</td>
<td>522</td>
<td>5</td>
</tr>
<tr>
<td>Greengram</td>
<td>124</td>
<td>2</td>
<td>2059</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>108,410</td>
<td>88</td>
<td>123,053</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>109,619</td>
</tr>
</tbody>
</table>

Source: The Hub database

The above arguments apply to the members of The HUB. It must be said that farmers do not have to become member if they want to buy agricultural inputs or mechanical services. All farmers, both subsistence-oriented smallholders and emerging commercial farmers, can buy inputs, hire mechanical services and come for agro-advice at The HUB and the agro-input shops. From here, MWH reaches out into the communities through training and advice. Non-member customers are exempt, however, from the supplier credit line and certain discounts on inputs. The number of farmers that are in contact with The HUB as clients is therefore much higher than the membership number of The HUB suggests. In 2012, 720 transactions were recorded with 196 unique farmers. In 2014, these figures had risen to nearly 4,400 and 2,336, respectively. 2015 will show another increase; indeed, in September 2015, 5,500 transactions with 3,055 unique farmers had already been recorded.

Table 4  The HUB Membership 2012-2015

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Female</td>
<td>35</td>
<td>31</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Male</td>
<td>120</td>
<td>140</td>
<td>43</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>155</td>
<td>171</td>
<td>49</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: The HUB database

The membership figures also show that less women than men are HUB members, while over the years the percentage of women members remains more or less the same. Generally, the lower number of women says little about their involvement in commercial agriculture. In those farm households that are HUB members, men and women collaborate and, in many cases, the household head, usually male, represents the household to The HUB. That said, if women choose for commercial activities they prefer to engage in trading and less in commercial agriculture, as the former can more easily be combined with domestic activities.

The HUB membership

Table 4 below shows the membership of The Hub. The numbers have declined since 2013, for several reasons. Firstly, in the beginning many of the smallholder farmers who joined The HUB were not interested in becoming a commercial farmer, but gave it a try to see what The HUB could offer them. A substantial part of these farmers ran into problems repaying the supplier credit, as outlined above, and decided not to join The HUB in subsequent years. Secondly, given the experiences in the first two years, The HUB changed its rules of engagement, and became much stricter about who to accept. The HUB decided to focus on emerging commercial farmers; to support farmers who want to become commercial farmers and need, among others things, agro-support to achieve this ambition. Furthermore, the rules on the provision of supplier credit became tighter. The new rules of engagement still appealed to ambitious and innovative farmers, but less to farmers who joined for ‘join and we will see’ reasons. A third reason for the decline in membership, as the findings from the ASC 2013 survey also show, is that farmers move in and out of commercial farming; being a smallholder who is subsistence oriented in one year and a family-based commercial farmer and all sorts of other things in between in another year. Vulnerability to poverty and (the lack of) capacity to cope with risks is a major determinant here.
Does the MWH approach work? Action learning results

MWH has gone through a learning process during its engagement in Pader district. This learning process has not been informed by textbooks and academic studies on how to promote agricultural development. It has been informed by action learning, constantly adapting its approach in the field when circumstances changed or proved to be different than MWH assumed. Fragile areas, complex realities and a tormented population are a far from ideal mix for taking clear, straightforward decisions. It requires one to be at ease with the contradictions, ambiguities and tensions that are constantly arising and played out. Scharmer calls this step in the U-process ‘presencing’, which is a blend of the words ‘presence’ and ‘sensing’. As decision-makers, MWH made it a point to be in the field when decisions were to be made. Examples have been given in the previous sections.

Flexibility proved to be key

MWH also realized that flexibility is the only way forward. Five times a year MWH takes a couple of days out in Pajule to discuss with staff, to immerse in daily life and then to allow decisions to arise. This more entrepreneurial mode of operation and decision-making differs from the way most non-governmental organizations operate. Whether it is more effective than other ways of working is yet to be proven (see also below) but experiences so far suggest that it is suited for decision-making in fragile and complex realities, such as those prevailing in Pader district. Under such conditions, five year plans do not work, nor do fixed routines or modes of operation that replicate so-called best practices from elsewhere. MWH first tried to implement its approach through the international relief agency it previously contracted, but it became clear that changing mind-sets and routines proved to be difficult and even counterproductive. The latter is one of the reasons why, in 2013, MWH decided to stop its collaboration with the international relief agency and started working in the region under its own name.

Differentiation rules

Flexibility also proved to be key to better addressing the various needs and constraints of different groups of farmers. MWH soon learnt that a large group of those who are usually referred to as ‘smallholders’ (owning and cultivating less than five acres) are, in fact, destitute people farming by default, to raise some meagre income in combination with other non-agricultural income generating activities. The term smallholder might still apply, but to equate this group with the term ‘farmer’ is far less obvious. Growing some maize and cassava does not make someone a farmer in the same way as cooking these food items does not make someone a chef in a restaurant. Another part of the smallholder group are farmers, but generally this group is more advantaged in terms of having more land or specializing in more intensive crops like growing vegetables. Some of these farmers have ambition to grow, but they face binding constraints in access to other resources, in particular labour; lack of input and output markets, and the lack of economic, social and political networks to mobilize resources.

A third group consists of farmers who succeed in becoming commercial farmers. These farmers also face binding constraints, but are able to overcome these constraints in part because they: are better embedded in social and economic networks that can mobilize scarce resources; are generally better educated and informed; have access to finance and income from non-agricultural activities; have a better fall-back position which helps them to mitigate and cope with risks. MWH gradually learnt that it is actually the extent to which a farmer is able to overcome binding constraints at each stage of the farming enterprise that will determine his or her success. This will depend, in part, on a sense for entrepreneurship and being creative; but, to a greater degree, the wider context in which the farmer has to operate will determine his or her options for overcoming bindings constraints as well.

Relocating focus

Over the years, MWH learned that the ‘farmers’ population is even more diverse: farmer/traders; micro agro-entrepreneurs who deliver specific services; market-oriented farmers; progressive smallholders; specialist smallholders; lead farmers with the ambition to train others; part-time farmers; please-the-donor farmers; survival smallholders; destitute smallholders. Each group has its own binding constraints, expectations and possibilities. Designing products and services for these specific customer groups is a challenge. Getting affinity
with all these different groups without having clear answers is another step in the U-process: empathic listening or connecting with the heart. We organized large group events using Open Space Technology where one to two hundred participants engaged in meaningful conversations about what they thought was important to them.

The differentiation among farmers was a main reason for MWH to rethink its actions and programme. MWH decided to focus on ‘farmers’ in the true sense of the word, i.e. those who consider their farm as an enterprise and who have a keen interest in improving their household food security and generating some additional income from farming activities. Farming as a profession on whatever scale is to be learnt and to be improved constantly. The HUB has been established to serve emerging commercial farmers. This group contains both smallholders and those who own and cultivate larger tracts of land. Agro-input shops have been established for another large group of smallholders who try to improve on their farming practices, but who do not have a long-term objective of achieving a commercial family farm. At these shops, farmers can buy small quantities of inputs at affordable prices, can get agro advice, and sell small quantities of their produce when in need of cash.

MWH also realized that its programme is not meant for very poor and destitute people. They are probably better served by integrated rehabilitation programmes that combine the provision of social services with support programmes to set up small-scale income generating activities. As Henk Breman, Director of the International Center for Soil Fertility and Agricultural Development (IFDC) says: “Agricultural development should not focus on the poorest of the poor. One does not win a war with disabled troops.”

Agricultural development is not a welfare service to support rural poor and destitute to survive, agro-development is a service to professionalize agriculture and to turn farming into a respectful profession. This does not necessarily mean big farms, but if the rural youth in the region seek to leave their villages and despise ‘digging’, MWH wants to show them how farming can be a respected profession that can make a decent living.

Social and financial impact

Initially, MWH thought it could combine social and financial impacts for the farmers with financial return on its own investments. It soon became clear that MWH became part of the local context from the moment it became active in the region. For instance, trade volumes are still too low to make The HUB a profitable business. MWH faces the same disabling and fragile environment as local farmers do, and agents do not always behave in ways that one initially would expect. The economically poor and socially fragile environment of Pader District, combined with life histories of people that are characterized by long-term confrontation with violence, mistrust, cheating and short-term opportunistic behaviour, have put people in a ‘survival mode’. Entrepreneurship is made subject to secure survival, and this may compromise entrepreneurial attributes such as reliability, competitiveness, client orientation, and a long-term perspective.

An additional handicap for operating in the region is that the agricultural sector in general in Uganda is poorly developed. Accessing the required services like input supply, mechanization, technical and commercial advice and training, finance and marketing is extremely difficult for an emerging commercial farmer in Pader. Markets are absent or incomplete and the physical infrastructure (for instance, rural feeder roads) is either absent or defective. That said, MWH is convinced that its approach, which is rooted in the idea of entrepreneurship, can contribute to improved standards of living for those farmers who want to establish a profitable commercial family farm. The initial results are outlined in this booklet, but for MWH, as a social investor, it is the social return on investment that counts rather than the financial return. MWH’s experiences therefore also put into perspective the views of those who advocate that private investments from abroad or from inside Uganda could play a role in promoting local economic development. Fragile areas like Pader District can benefit from such investments, provided investors accept that, in the short run, they will only realize a social return on investment and not a financial return. Investors who seek financial return in the short term will probably shy away from such environments.
Social innovation

MWH also realized that the way it operates is new to people living in the area. As with all innovations it takes time to become appropriated by both the staff and management and the end users or clients, in this case, the farmers. MWH thinks that the underlying intervention logic is good and the approach it advocates is right, but also realizes that the stakeholders involved have different perceptions of what the ‘innovation’ entails and should attain. The hardware may therefore not correspond with the software that is in people’s minds. The way people build their lives, take their decisions, the way communities interact and the way a market functions is much more opaque than we are often willing to accept. You might think that everything is linked with everything but, as economist Dani Rodrik explains, this is not necessarily the case: different developments can run parallel. We also do not sufficiently take into account that farmers we work with and actors in the local economic and political arena are operating with what is called bounded rationality. When they make their decisions their rationality is limited by the information they have, the cognitive limitations of their mind and the time available to make the decision.
Social Entrepreneurship in Uganda
The emerging future

MWH found that Scharmer’s insights are helpful when working in a fragile area that is emerging from a long, horrific and devastating rebel insurgence; an area with limited information, a non-transparent market, poor infrastructure and a severely damaged social tissue. Kurt Lewin, one of the founders of action research, said it best when he suggested that nothing is as practical as a good theory. The U-process wants to be both: a theory and a tool. It offers a (different) way of looking at reality and one’s own practice and it offers concrete instruments. In this sense, it helped MWH to make sense of the challenge. The theory, however, gives the impression that the U-process is fairly linear in terms of participants moving from one stage to another. This is true as one insight builds onto another; but at the same time there are several U-processes going on simultaneously. In other words, it is both linear but iterative; more a spiral going deeper and deeper. This is certainly the experience of MWH over the last couple of years.

From here, MWH steps into the emerging future: what is it that needs to be done? MWH calls it ‘creating opportunities’. Any predetermined, long-term plan must be shed; instead, opportunities must be created from our collective understanding of reality. ‘Letting it come’ is a next step in the U-process, immediately followed by what is called ‘prototyping’; you can prototype just about anything – a new product or service or a special promotion. What counts is moving the ball forward. Or, paraphrasing Johan Cruijff, the renowned Dutch football player and coach: “often something needs to happen before something happens”.

Moving to the next level

MWH is gradually seeing its work with emerging commercial farmers move to a new level with a growing group of dedicated farmers who have understood and found a way of working and who want us to team up with them. From the prototyping phase, MWH is moving towards consolidating its way of working with them. Supporting farmers in improving on-farm storage capacity continues to be an issue, as well as the correct use of external inputs like herbicides and chemical fertilizers. Both farmers and MWH have a fuller understanding of what works and what is the best way forward. It may take a long time before they will organize themselves into a cooperative or association that can financially participate in The HUB, but MWH thinks it is moving in the right direction. The launch of a couple of HUB branches will soon be followed by more openings. These branches operate as agro-input shops and from there MWH can reach out into the communities through its members and provide training and advice. Post-harvest loss reduction is an important theme and the introduction of hermetic bags seems to be an interesting tool to disseminate.

Soil fertility needs more attention

Ask a smallholder or a farmer in Pajule why he is not using chemical fertilizers and nine out of ten times the answer will be that his soil is very fertile. And indeed, after a fallow period of over ten years, many fields are, at present, reasonably fertile, but this will not last! The myth of fertile African soils is a common one, but the reality is that most African soils are poor with limited capacity of nutrient retention. The negative effects of the green revolution have encouraged development agents to distrust technical solutions. Many agents tell people to focus on ‘sustainable’ agriculture using manure, compost and crop residues to improve soil fertility. It is true that fertilizers (both mineral and organic) are expensive but it is an illusion to think that soil fertility can be maintained without bringing in nutrients from outside the farm. Animal manure and compost certainly contribute, but most farmers will never be able to produce the required quantities.

MWH does not believe that high levels of external inputs are the remedy for agriculture in Pader; but it is of the opinion that soil fertility is an extremely important aspect of farming that is not yet sufficiently understood in such areas. The increased population pressure on land and people’s growing monetary demands will quickly reduce fallow periods. What is needed is an integrated soil fertility management that includes soil analysis, use of chemical fertilizers through micro-dosing, use of nitrogen fixing plants and trees, a well-planned crop rotation scheme, use of organic resources, new varieties of crops, conservation agriculture techniques, effective micro-organisms, etc. No development agent has yet produced a scientifically supported proposal that can realistically be implemented on farms in Pader. This is another path for MWH to explore in the future.
And ICT could open up interesting avenues

Lastly, MWH firmly believes that agro development can benefit hugely, both in terms of quality and scale, from modern information technology. Most farmers and smallholders have a mobile phone which can be used to targeted information sharing and regular contact. At the level of extension staff, the use of IT puts relevant and recent information at their fingertips. Impact can also be measured more easily and more accurately. Specialized applications can make extension work much more efficient and effective.

It is clear that much depends on the developments in the context that are outside MWH’s sphere of influence. For example, the tarmacking of the Gulu – Kitgum road will certainly have an important impact on the region, as will more stringent quality control by the national authorities. MWH will have to stay alert to grasp opportunities and to embrace challenges as they emerge. Paraphrasing Johan Cruijff once again: MWH will continue to make things happen, so that something can happen.
Notes

2. See also Wairimu 2014 for a good description of living conditions in the area.
3. Annan et al. 2007.
11. For more information on this survey and its results, see Leliveld 2015a and 2015b.
12. The rooters and tubers were left out, because these crops are harvested throughout the year and production estimates by farmers therefore show high variations and are probably inaccurate.
13. See Wairimu 2014.
Sources


Scharmer, O. 2007, Theory U – Leading from the Future as it Emerges, Cambridge Massachusetts, SOL.


## Credits

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SOCIAL ENTREPRENEURSHIP IN UGANDA
Exploring a different approach in development