Independent Evaluation
UGANDA
UNIDO Integrated Programme
Agro-processing and Private Sector Development—Phase II
Independent Evaluation

UGANDA

UNIDO Integrated Programme

Agro-processing and Private Sector Development—Phase II
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Acronyms and abbreviations

AFDB   African Development Bank
BUDS   Business Uganda Development Scheme
COP    Codes of Practices
CP     Cleaner Production
CPTC   Community Productivity and Training Centres
CTA    Chief Technical Advisor
DANIDA Danish International Development Assistance
DBIC   District Business Information Centre
DFID   Department for International Development Africa
EAC    East-African Community
EMA    Essentials of Managing Associations
EU     European Union
FAO    Food and Agriculture Organization
GDP    Gross Domestic Product
GoU    Government of Uganda
HACCP  Hazard Analysis and Critical Control Points
HDI    Human Development Index
ICT    Information and Communication Technology
IMF    International Monetary Fund
IP     Integrated Programme
ISO    International Organization for Standardization
MAAIF  Ministry of Agriculture, Animal Industry and Fisheries
MAPS   Marketing and Agro-processing Strategy
MCP    Master Craftsman Programme
MDG    Millennium Development Goal
MFIs   Micro Finance Institutions
MFPE D Ministry of Finance, Planning and Economic Development
MoU    Memorandum of Understanding
MSE    Micro and Small Enterprise
MSMEs  Micro, Small and Medium Enterprises
MTCS   Medium-Term Competitiveness Strategy
MTTI   Ministry of Tourism, Trade and Industry
NAAIDS National Agricultural Advisory Services
NAPU   Natural Pride Uganda Ltd.
NEMA   National Environmental Management Agency
NES    National Export Strategy
NetMIS Network Management Information System
NFSSP  National Food Strategic Plan
NHRM P National Honey Residue Monitoring Plan
NIP    National Implementation Plan
NORAD  The Norwegian Agency for Development Co-operation
NUMA  Northern Uganda Manufacturers’ Association
NGO   Non Governmental Organization
NPC   National Programme Coordinator
PEAP   Poverty Eradication Action Plan
PRAFORD Participatory Action for Rural Development
PSD  Private Sector Development
PSFU  Private Sector Foundation Uganda
PMA  Plan for Modernization of Agriculture
QMS  Quality Management System
Sida  Swedish International Development Agency
SOP  Standard Operating Procedures
SPS  Sanitary and Phytosanitary
STRATEX  Strategic Export Programme
TEXDA  Textile Development Agency
TBT  Technical Barriers to Trade
ToR  Terms of Reference
TOT  Training of Trainers
TUNADO  Uganda National Apiculture Development Organization
UBIN  Uganda Business Information Network
UBOS  Uganda Bureau of Statistics
UCOFPA  Uganda Cottage Food Processors Association
UCPC  Uganda Cleaner Production Centre
UIA  Uganda Investment Authority
UIP II  Uganda Integrated Programme, Phase II
UEPB  Uganda Export Promotion Board
UFPEA  Uganda Fish Processors and Exporters Association
UNBS  Uganda National Bureau of Standards
UNCTAD  United Nations Conference on Trade and Development
UNDAF  United Nations Development Assistance Framework
UNDP  United Nations Development Programme
UNEP  United Nations Environmental Programme
UNICEF  United Nations International Children's Emergency Fund
UNIDO  United Nations Industrial Development Organization
UNTFHS  UN Trust Fund for Human Security
USAID  United States Agency for International Development
USSIA  Uganda Small Scale Industries Association
UVAB  Uganda Veteran's Board
UWEAL  Uganda Women Entrepreneurs Association
WB  The World Bank
WFP  World Food Programme
### Table 1: Basic Economic Indicators

<table>
<thead>
<tr>
<th>Uganda Basic Indicators (2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
</tr>
<tr>
<td>Real GDP growth %</td>
</tr>
<tr>
<td>GDP per head at current prices</td>
</tr>
<tr>
<td>Current account balance</td>
</tr>
<tr>
<td>Inflation Rate (average consumer prices)</td>
</tr>
<tr>
<td>Life Expectancy</td>
</tr>
<tr>
<td>HDI Rank (out of 177)</td>
</tr>
<tr>
<td>Doing Business 2009 rank (out of 181)</td>
</tr>
</tbody>
</table>

Sources: IMF, UNDP and World Bank data
Executive summary

Introduction and background

The Uganda Integrated Programme, Phase II (UIP II) – *Agro-Processing and Private Sector Development in Uganda* - is implemented by UNIDO, in cooperation with the Ministry of Tourism, Trade and Industry (MTTI). The Programme was to cover the period 2005 to 2007 but has been extended for one additional year. The total budget of the UIP II is about US$ 7.5 million and it covers 7 main components, out of which 4 are financed by Norway, one by Japan, one by Austria and one through UNIDO seed funding.

An independent evaluation of the Programme was carried out during September and October 2008. Members of the evaluation team were Margareta de Goys (Director of the UNIDO Evaluation Group and Team Leader), Patricia Scott (UNIDO Representative in Tanzania), Andreas Tarnutzer (International Consultant) and Lucy Aliguma (National Consultant). The purpose of the evaluation was to assess the relevance, effectiveness, efficiency in implementation and prospects for sustainability and impact of the Programme as well as of individual components. An additional objective was to come up with recommendations to guide UNIDO’s future cooperation with Uganda.

The UIP II is a large Programme, with several stakeholders and components and many outputs. The objective of the Programme was to contribute to poverty reduction, focusing on agro-processing and Private Sector Development (PSD). More precisely the Programme was to:

- Strengthen capacities of agro-processing support frameworks and develop the human resources required
- Strengthen capacities of MSEs, focusing on rural areas and women
- Promote business partnerships and market networking between domestic and foreign entrepreneurs

There has been a high level of funding, notably 91 per cent and by the time of the evaluation the disbursement rate was, equally, 91 per cent. The Uganda IP II was preceded by the UIP I and many of the components are continuations of the interventions initiated during this first phase. The seven components included in the UIP II are:

(A) Strengthening the Department of Industry and Technology of the MTTI - *Industrial Policy*
(B) Strengthening the Food Industry Supply Chain – *FOOD*
(C) Master Craftsman Programme focusing on Rural Women – *MCP*
(D) Enhancing Cleaner Production – *UCPC*
(E) Assistance to Textile and Garment MSEs – *TEXDA*
(F) Establishment of 8 Pilot District Business Information Centres – *DBIC*
(G) Multi-skills training and community facility for ex-combatants (skills for peace and income) – *SKIPI*
The programme as a whole, as well as the individual components, such as FOOD, have been operational at the macro, meso and micro levels, thus working with policy frameworks, sectoral support institutions and direct support to individual enterprises. It has been contributing to economic growth and poverty reduction with some, rather localized, intermediate effects but with potential for long-term effects. The value addition of agricultural products and of micro and small enterprises has a clear poverty reduction focus and the promotion of food standards, pollution control and energy efficiency can be expected to lead to increased exports and a more sustainable environment.

Particular emphasis has been given to strengthening technical support institutions like the Uganda National Bureau of Standards (UNBS), the Kyambogo University, TEXDA and the Uganda Cleaner Production Centre (UCPC), as well as to establish demonstration facilities to integrate global value chains and to promote rural livelihoods. Of strategic importance has also been the assistance rendered in the development of a National Industrial Policy. A positive finding was that there were high levels of synergies and actual collaboration between the different components.

Relevance

The Programme has had a clear poverty focus and should be given credit for having been able to promote livelihoods of disadvantaged groups, which includes being active in one of the remotest and poorest parts of the country and targeting women. It has been directly promoting many of the MDGs and, above all, poverty reduction, combating HIV/AIDS and environmental sustainability. Moreover, it has made definite progress in the establishment of a conducive business environment, in developing efficient and effective business development services and in addressing pro-poor growth through relevant policies and strategies.

The Programme was well aligned to the priorities and strategies of its main counterpart, the MTTI, which has demonstrated a high level of commitment and ownership. There was also a high level of donor involvement in the formulation of the UIP II. Moreover, it was found to be in line with national strategies such as the Poverty Eradication Action Plan (PEAP) due to its focus on post-harvest agro-processing, rural income generation and the promotion of sectors with an export potential. The Programme can be said to have been a path-breaker in agro-industry development since many relevant frameworks and instruments have been put in place. Moreover, the UCPC has been able to offer hands-on solutions to environmental problems as well as respond to demands for higher energy efficiency, which was triggered by the present fuel crises and has led to an even increased relevance of the cleaner production component.

The FOOD component was found to be highly relevant in that it addresses issues of food security as well as the problem of post-harvest losses. It has introduced appropriate preservation and hygiene practices and fostered sanitary and phyto-sanitary standards. The established pilot centres have spread know-how about agro-processing technologies. Moreover, the component provided support to the export strategy of the Government and direct support to many companies targeting the export markets. The DBIC component
might have triggered the use of ICT in enterprises, but also have provided subsidized services in a market with many private entrants.

In short, the UIP II can be considered to have been doing the right things at the right time. Furthermore, the Programme was in line with UNIDO’s competencies and thematic priorities and UNIDO has been considered as a competent and credible partner. In fact, the Programme has integrated many UNIDO thematic priorities such as private sector development, trade capacity building, industrial energy efficiency, environmental management and not least agro-industry development.

Effectiveness

The UIP II has been able to address problems of widespread poverty (particularly in the North) of low-level productivity, post-harvest losses and inefficiencies in the use of energy and raw materials. As a whole, the Programme has been able to contribute to poverty reduction through the promotion of PSD, the agro-industry supply chain and agro-processing as well as to a more sustainable environment through the implementation of CP strategies at the level of enterprises. Relevant capacity has been built for Industrial Policy Development.

The Industrial Policy component has produced the intended outputs, the Government was provided with reliable industrial information and there is a high level of satisfaction with the end product, the National Industrial Policy.

The FOOD Component has made substantial progress in the development of relevant policies, such as NFSSP and SPS, in building up national and regional frameworks and regulatory bodies and in introducing essential food quality and safety standards. A range of private enterprises has been assisted to introduce and apply the standards and pilot agro-processing centres have been established.

Uganda, like many other countries all over the world, is faced with fierce competition, threatening its textile and garment industry. The support to TEXDA has been faced with high turnover of managers, a passive Board and a costly move to new premises and the objective of making TEXDA sustainable has not been achieved. Nevertheless, TEXDA has been able to provide quality training, which resulted in new and improved business operations of its clients. The MTTI considers the textile sector to be of high strategic importance and a Textile Sector Policy is under development in which TEXDA is expected to play an important role.

The evaluation team met many entrepreneurs, whose enterprises had prospered as a result of the MCP Programme and it is estimated that 200 trained advisors have, in their turn, trained 2000 entrepreneurs. 60 per cent of the advisors are women and an even larger percentage is estimated to be women beneficiaries.

The UCPC has been able to raise awareness of Cleaner Production (CP) principles and has effectively implemented the Eco-Benefits Programme. Many of the CP tools and advices have been applied and contributed to cleaner production, energy efficiency and cost-
savings. There has been a successful integration of HIV/AIDS issues but so far little progress in relation to CP financing or CP enforcement.

The District Business Information Centre (DBIC) project has resulted in 8 District Business Information Centres, which provide ICT training and internet access services. Less progress has been made with regards to providing business information services or actual networking between DBICs.

**SKIP! has been able to effectively assist the Ugandan Government in its rehabilitation and reconstruction efforts**, by introducing avenues to economic recovery and the provision of livelihoods. **Hundreds of war veterans and former rebels**, trained in productive skills, **have been able to find employment or generate income.**

**Efficiency**

The Programme has been working closely with its partners, including the MTTI, and this enabled a high level of cost-effectiveness. It has been implemented by a team of highly competent national experts, complemented with international expertise, when national capacities have not been available. There has been a good use of budgetary resources. On the negative side are the many delays in implementation, frequently for reasons beyond the control of the Programme management but often due to cumbersome disbursement procedures in Vienna and in Kampala. It was also found that the absence of a UNIDO Representative in Kampala had impacted negatively on Programme management and monitoring.

The participatory and MTTI led approach to Policy formulation proved to be efficient and resulted in a high level of ownership of the developed products. There have been important synergy effects of the FOOD component, working simultaneously at the macro, meso and micro levels. The efficiency of the post-harvest pilot centres to demonstrate and disseminate new technology, or build up internal export capacities, has mostly been proven when operated by private sector set-ups while producer- or women group run centers have been less successful. The evaluation also found that more attention could have been given to market development.

The MCP project has implemented hands-on, in-company training, directly working in and with the companies of the beneficiaries. This real life and peer training has proven to be very efficient and to complement vocational schools, not least by directly targeting existing entrepreneurs. Moreover, the holistic approach of incorporating both business management and technical training has proven to be successful.

The efficiency of TEXDA has been seriously curtailed by weak internal management capacities and insufficient steering and support from its Board. Low numbers of trainees and low sales levels have aggravated the financial situation.

The UCPC was able to provide simple and useful services and, above all, applied advice to 120 companies through the Eco-Benefits Programme. Moreover, important synergies have been developed by cooperating with the FOOD component.
The efficiency of the **DBIC** project was reduced by persistent power failures (which required the supply of generators) but also by internet-access problems and rising competition from private sector service suppliers. The envisaged networking among the DBICs never took off due to problems with the software and the absence of a web portal. MoUs between the national stakeholders and UNIDO were still to be signed and uncertainties due to outstanding MoUs and remaining asset transfers seem to have negatively affected the operation of the DBICs.

**SKIP** has been able to provide need-based training, covering socio-economic as well as technical aspects. The training has been market-oriented and provided the trainees with employable skills and many beneficiaries have been able to secure employment or generate income. Generally, despite many constraints and delays, the Programme has been implemented in an efficient manner.

### Sustainability

Sustainability is an issue for many components. The sustainability of the **FOOD** component is, however, estimated to be high, with the partial exception of the pilot centres.

**TEXDA** is today somewhat of a hybrid between an NGO and a Government facility and is, like many training institutions, not self-sustainable. At this stage, there is a need for the Government to indicate the way forward, as it is not possible for TEXDA to support its operations with the income generated.

The sustainability of the **MCP** is affected by weak partner organizations and there will be a need for continuous support to keep activities going and this may well be justified from a development angle. The MCP has not yet been institutionalized within the partner organizations, whether on the national or on the district levels. Many of the advisors have been found to only initially train entrepreneurs, but after 1-2 years the training stops, mainly due to difficulties in raising fees but also due the absence of a reward system.

The **UCPC**, on the other hand, is today a unit with a relatively high level of technical and financial sustainability.

The sustainability of **DBICs** is threatened by high level staff turnovers, limited demand for the business information services and competition from a growing private sector providing similar ICT training and internet-access services.

The sustainability of the training centres established by **SKIP** is doubtful but it should be kept in mind that they were not established for the purpose of sustainability, due to the focus, of this Project, on direct impact at the beneficiary level. Various decentralized training facilities have, nevertheless, been established and the sustainability of these facilities needs to be looked into. **PRAFORD** as an organization existed before the project and will continue to exist. The evaluation team took note of the fact that business plans, for the different centres, were in the process of being developed.
Generally, the evaluation mission found that there could have been more attention paid to institution building and the strengthening of partner organizations.

**Impact**

There is a high likelihood that the UIP II will contribute to poverty reduction, in the short but primarily in the medium and long term. In fact, pre-conditions for agro-industrial development and increased exports were created through policies and frameworks and through the strengthening of institutions. Moreover, the Programme has already contributed to the generation of employment and income in rural areas and for disadvantaged segments of the population. Above all, capacities have been created which will constitute a sound basis for other interventions of the Government and of its partners. However, the pilot nature of many components has produced limited tangible effects and challenges remain in terms of identifying and scaling up successful approaches and in developing multiplier effects. In this respect, the sustainability of the pilot food processing centres is not proven and the multiplier effects of the MCP remains uncertain. SKIPI has produced many promising results, but three years will be too short and 3000 beneficiaries too few to have an impact on this relatively large target population.

**Conclusions**

The UIP II has been an effective instrument to promote agro-processing and PSD and to induce change at the macro, meso and micro levels. Above all, it has managed to strengthen the agro-processing support framework, to develop relevant human resources and capacities of MSMEs and to target women entrepreneurs. In addition, it has substantially contributed to the development of internal markets and increased the export potential for Ugandan companies. Many IP objectives are still relevant, as many constraints to the development of the targeted sectors persist. UNIDO has played an important role in Uganda and continues to be in a position to provide relevant support.

**Recommendations to UNIDO and the Government**

**Recommendations of general nature**

- The UIP II is coming to an end and there is a need to initiate preparations for a next phase (UIP III), including the development of an updated Programme Document. A Plan of Action should be developed for this process and for consultations with the Government and existing and potential donors.

- Reinforce monitoring and reporting procedures.

- Terminal reports should be prepared for all projects, including the DBIC project, which already ended in February 2008.
IP objectives continue to be relevant and the new UNIDO Programme in Uganda should continue to address the areas of industrial policy, agro-industry, MSME development, Cleaner Production and livelihood creation in the North.

In case of a new UNIDO Programme of a similar size, it will be important, for effectiveness and efficiency, that a UNIDO Representative is in place in Uganda.

A new UNIDO Programme should continue and deepen the work along agricultural value chains and promote the increase in the processing of agricultural products, promote sustainable employment in the agro-industry sector and link MSMEs to larger companies and to expanded markets.

More emphasis should be given to the market side and to assess opportunities for developing and integrating national and foreign markets.

More attention should be given to developing capacities of partner organizations and to supporting organizations with a mandate in MSME development.

Interventions targeting micro enterprises and self-employment should be separated from those targeting formal sector enterprises and industrial development.

Ways should be found to strengthen linkages between enterprises; linking big and small and introducing the cluster instrument in Uganda.

Baseline and tracer studies should be developed for all projects and the impact monitored, in terms of income and employment generation, of interventions working at meso or micro levels.

HIV/AIDS and CSR should be mainstreamed.

The Fair Trade Labeling Organization, with whom UNIDO has entered into a strategic alliance, should be brought in as a partner in a future programme.

The ITPO network should be used to foster investment, technology transfer and private sector cooperation.

Component-specific recommendations

Policy

- Provide more business environment-related policy support, including follow-up on the competitiveness survey and the development of a competitiveness intelligence unit in the MTTI. This would allow for the monitoring of trends and developments and the formulation of an implementation strategy of the National Industrial Policy for the MTTI.
• UNIDO should continue to support the MTTI, in strengthening its capacities for policy formulation and donor co-ordination and in supporting the development of sectoral industrial policies.

**FOOD**

• The FOOD component activities should be finalized where required, and, where promising, expanded. This latter refers, in particular, to the macro- and meso-levels.

• On the macro-level the legal and institutional frameworks (PSP Policy, adjustments of NFSSP and Food and Drug Act) need to be completed. Based on the capacities and expertise available in the country, a UNIDO follow-up programme may be helpful in advising on the final set-up.

• On the meso-level, emphasis should be placed on finalizing the accreditation of the chemistry lab and the institutionalization of the food quality and safety courses at Kyambogo University. The two issues are, however, also being addressed by the UNIDO EAC project, financed by Norway.

• On the micro-level, the future focus should be on fostering private sector based and export sector oriented activities – foremost in the more developed areas of the country. A separate line of activities, potentially based on a revised and more professional concept for food processing pilot centres, could be run in less developed areas of the North and focus on self-employment and socio-economic development objectives.

• Related to this is a need to first monitor and assess the impact and sustainability potential of the food processing centres, before taking any decision on up-scaling.

• A study to identify market opportunities for agro-industry products and to assess the potential to develop organic cotton and eco-products should be carried out.

**TEXDA**

• Provide TEXDA with competent managers, a Government budget and an active and committed Board.

• Settle the legal status and ownership of TEXDA and its assets.

• Develop a realistic Business Plan for TEXDA and a budget for the coming two years, with commitments from the Government and donors.

**MCP**

• Develop a sustainability and institutionalization strategy for the MCP; in a future phase give more operational responsibility to partners, on a learning by doing basis, coupled by technical assistance from experts.

• The monitoring of MCP advisors and the management of the monitoring system should be the responsibility of the partner organizations.
• Look into the possibility of introducing a cost-recovering apprenticeship system within the MCP.

UCPC
• Continue to support the UCPC, through Government allocations and UNIDO global and regional programmes.
• Establish the UCPC as a Government Trust.
• Continue the efforts to establish CP financing and a regulatory framework.

DBIC
• UNIDO should urgently sign the 8 DBIC MoUs and settle outstanding transfer of assets issues.
• The impact and sustainability of the DBIC should be assessed before deciding on any up-scaling or dissemination to new areas.

SKIPI
• The land title issues and the legal status for facilities developed under SKIPI should be settled.
• Expand SKIPI to other districts with high prevalence of poverty and a large population of demobilized soldiers and ex-combatants or unemployed and unskilled youth.
• Carry out an impact evaluation of SKIPI.

Lessons learned
• Peer training can be an efficient and effective training modality for micro and small-scale entrepreneurs but attention still needs to be paid to the strengthening of support institutions for long-term sustainability.

• Support to the development of subsidized, public or semi-public business service providers is not always conducive to Private Sector Development and can be contradictory to the fostering of a conducive environment for the private sector. The DBIC project shows that subsidized business service providers are often not sustainable and, moreover, compete with private sector actors.

• Piloted small scale agro-processing centres do not, systematically, lead to replication and dissemination of new technologies and have inherent weaknesses to sub-sector development as they do not address constraints along the entire value chain.
1 Introduction and Background

The Uganda Integrated Programme (UIP) Phase II Programme Document was signed, on 12 January 2004, by the Ugandan Government and was approved by UNIDO’s Project Approval Committee on 12 May 2004. The overall objective of the UIP is to contribute to the reduction of widespread poverty in Uganda through assisting the country to gradually strengthen the market orientation of its agricultural production through strengthening agro-industry value chains and micro and small-scale entrepreneurs. It was built upon the results of the UIP Phase I, which, equally, focused on agro-processing and private sector development.

The UIP Phase II was structured along the following three main objectives:

1. Strengthen the capacity of the agro-processing support framework and develop the human resources required;
2. Strengthen the capacity of micro and small-scale entrepreneurs through training and demonstration operations with focus on rural areas and women;
3. Promote business partnerships and market networking between local and foreign entrepreneurs.

The UIP II is a large Programme with a planned budget of almost US$ 8 million and a total allotment of about US$ 7.5 million. The Programme started in 2004 and all but one component were expected to come to an end in December 2008. Phase II was originally planned to last from November 2004 to December 2007 but has, due to various delays, been extended until the end of 2008. An additional component, SKIPI, was added on, in May 2006, and is planned for completion in May 2009.

The IP incorporates a substantial number of projects and many stakeholders are involved in its implementation. There have been altogether 30 projects of various sizes executed through the UIP II. Out of these, the following seven projects/components can be classified as important in terms of funding or expected outputs/outcomes:

(A) Strengthening the Department of Industry and Technology of the MTTI – Industrial Policy
(B) Strengthening the Food Industry Supply Chain – FOOD
(C) Master Craftsman Programme Focusing on Rural Women – MCP
(D) Enhancing Cleaner Production – UCPC
(E) Assistance to Textile and Garment MSEs – TEXDA
(F) Establishment of 8 Pilot District Business Centres – DBIC
(G) Multi-skills training and community Facility for ex-combatants (skills for peace and income) – SKIPI

The Programme has operated throughout the entire country and a sincere effort has been made, by all components with a field-level orientation, to reach out to remote rural areas.
The table below shows the planning figures, total allotment and total expenditure for the three programme areas, as well as for general management, which was mainly used to fund the UNIDO Coordination Unit in Kampala.

Table 2: UIP II budget and expenditure overview

<table>
<thead>
<tr>
<th>Major Programme Areas</th>
<th>Current planning figure in US$</th>
<th>Total allotment in US$</th>
<th>Total expenditure in US$</th>
<th>Balance in US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0.00 Strengthening the capacity of the agro-processing support framework and developing the human resources required, includes: Industrial Policy, FOOD, UCPC, SKIPI</td>
<td>3,293,500</td>
<td>4,596,185</td>
<td>3,822,503</td>
<td>773,682</td>
</tr>
<tr>
<td>2.0.00 Strengthening the capacity of micro and small-scale entrepreneurs focusing on rural areas and women, includes FOOD (partly), TEXDA, MCP and DBIC</td>
<td>4,295,300</td>
<td>2,621,344</td>
<td>2,205,640</td>
<td>415,704</td>
</tr>
<tr>
<td>3.0.00 Promote business partnership and market networking between local and foreign entrepreneurs</td>
<td>155,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>99.0.00 General management</td>
<td>180,000</td>
<td>294,708</td>
<td>292,637</td>
<td>2,071</td>
</tr>
<tr>
<td>Total</td>
<td>7,923,800</td>
<td>7,512,237</td>
<td>6,320,780</td>
<td>1,191,457</td>
</tr>
</tbody>
</table>

Source: UNIDO Database, September 2008

The table reveals that the UIP II, mainly consisted of interventions implemented under Programme Areas 1 and 2, which have had substantial budgets, whereas Programme Area 3 was small and, in addition, never managed to solicit the required funding.

The evaluation of the UIP II was carried out in September/October 2008 by a team composed of Margareta de Goys (Director of the UNIDO Evaluation Group) who functioned as Team Leader, Ms. Patricia Scott (UNIDO Representative in Tanzania), Mr. Andreas Tarnutzer (International Evaluation Consultant) and Ms. Lucy Aliguma (National Consultant and Specialist in Agricultural Value Chains). The team was supported by Ms. Sophie Zimm (UNIDO Intern). The members of the evaluation team had not been directly involved in the design nor implementation of the Programme or any of its components. The fieldwork in Uganda took place between 15 and 26 September 2008. The team would like to thank all those who assisted them in carrying out their duties.
Evaluation purpose and scope

The purpose of the independent evaluation of the Uganda Integrated Programme was, and in line with the learning and accountability functions of UNIDO evaluations, to:

- Assess the outputs produced and outcomes achieved as compared to those planned and to verify prospects for development impact and sustainability.
- Assess the efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities.
- Provide an analytical basis and recommendations for the focus and design of the Programme in case of its possible continuation.
- Draw lessons of wider application for the replication of the experience gained, in this Programme, in other countries.

The evaluation has applied the five DAC criteria for evaluating development assistance: relevance, effectiveness, efficiency, sustainability and impact. The evaluation has also applied specific criteria developed by UNIDO for IP evaluations, such as ownership, fund mobilization, programme coordination and programme identification and formulation.

The evaluation was conducted at two levels: evaluation of selected IP components and evaluation of the Programme as a whole. A major focus has been the achievement of expected outcomes. At the same time, the evaluation team has assessed the intervention logic and to what extent the provided inputs produced planned activities, and lead to expected outputs, outcomes and possible impact.

The evaluation was conducted in compliance with the UNIDO Evaluation Policy and the Guidelines for the Technical Cooperation Programme and in accordance to the Terms of Reference (ToR) established for the evaluation (see Annex A). The reason for undertaking the evaluation, at this time, was the fact that the UIP II is coming to an end. There was, thus, a need to take stock of strengths and weaknesses of this Programme, in order to provide information for the formulation of a new UNIDO Programme in Uganda.
Evaluation methodology

The evaluation was conducted as an Independent Terminal Evaluation and attempted to determine, as systematically and objectively as possible, the relevance, efficiency, effectiveness (achievement of outputs and outcomes), impact and sustainability of the Programme. The evaluation assessed the achievements of the Programme against its key objectives, as set in the Programme Document and in individual Project Documents, including re-examination of the relevance of the objectives and of the design. It also identified factors that have facilitated or impeded the achievement of the objectives.

The evaluation was carried out through analyses of various sources of information including desk analysis of relevant documents, survey data, visits to project sites, observations at beneficiary companies, interviews with stakeholders in the field and at UNIDO Headquarters and through the cross-validation of data. Documents consulted included national policies and strategies, the UNDAF, programme and project documents, progress reports, expert reports, internal project monitoring data and various manuals or periodicals produced by the various projects. A major constraint was the fact that self-evaluation reports had not been prepared prior to the evaluation and that terminal reports had not been prepared for the two concluded projects.

While maintaining independence, the evaluation was carried out based on a participatory approach, which sought the views and assessments of all parties. In order to cover a representative sample of projects and interventions implemented, the evaluation team split into two. While Team A covered Northern and Eastern Uganda, Team B travelled through Western and Southern Uganda. Major stakeholders were given a possibility to review the Draft Evaluation Report and the final report reflects comments received. The list of principal documents and people consulted can be found in Annexes B and C. Interview Guidelines were developed to guide the interviews with stakeholders and can be found in Annex D.

An independent evaluation of one UIP II project; the UE/UGA/062 – Strengthening of the Uganda Business Information Network (DBIC), had already been carried out in 2008, and this evaluation was taken into account and information updated. In addition, the evaluation team took note of the findings of the Mid-term Review, commissioned by the Norwegian Government in November 2006, and which covered the four Norwegian financed components.

The evaluation team made an in-depth assessment of the 7 main projects of the IP. These seven projects cover 81 per cent of the total UIP II allotment and 80 per cent of total expenditure. The remaining 20 per cent can be mostly ascribed to general IP management. It can therefore be assumed that the evaluated projects are representative for the UIP II as a whole and provide a reliable basis for this report.
The projects that have been subjected to an in-depth scrutiny were, with the exception of the DBIC, ongoing and the major part of the respective budgets had been spent. The advanced stage of the IP guarantees a better validity of results, while the fact that the projects were not yet completed enabled the evaluation team to meet with project staff and visit ongoing activities.
4 Programme identification and formulation

The Phase II UIP took into consideration the lessons learned (positive as well as negative) from Phase I and findings from the UIP I evaluation were fed into the design. Throughout the formulation phase, views of Phase I beneficiaries and other stakeholders were collected and analyzed. Attention was given to priorities of the Government and donors and to funding potentialities. Furthermore, UNIDO competencies and service modules as well as the potential for integration of programme components were given due consideration.

The substantial involvement of the Government and the interaction with donors resulted in a considerably larger Programme than the UIP I, which had an overall budget of about US$ 5 million. A donor conference organized by the Government in 2004 contributed to bring the donors ‘on board’. Norway had already financed FOOD and TEXDA in the first phase and naturally took an active part in the UIP II programme design. The final UCPC and MCP project documents were developed with inputs from Norwegian consultants (financed by NORAD) and Norway was also instrumental in placing a major focus on women in the second phase MCP.

Most projects had started during the UIP I and were continued in UIP II and many entities supported in the first phase continued to receive support during Phase II. This relates to some agro-processing pilot centres as well as to DBIC, FOOD, MCP, TEXDA and UCPC. This contributed to proper problem analyses and need-based projects. There is, for instance, a good situation analysis and discussion of CP and environmental problems in the UCPC project document. The reasons for continuing the projects varied. Phase I of the FOOD component was considered to have been very successful and to have achieved good results, in particular for the fish sector, and was continued in order to address remaining constraints. On the contrary, TEXDA had not been so successful but was to be given a final chance to become sustainable.

The weaknesses in many first-generation IPs of very broad programme objectives had been remedied for UIP II, which represents a focused Programme with inter-related components and potentials for synergies. The Programme was designed to address constraints at macro, meso and micro levels and to cover the entire agro value chain, from post-harvest to market and through institution and capacity building, transfer of technology and the promotion of business partnerships and linkages.

The UIP II Programme Document was designed in two parts: (1) general context and (2) information about individual components/projects. The Programme Document was complemented with individual Project Documents for the different components. The Programme Document and the individual Project Documents provide good overviews of the Ugandan context and of challenges facing the economy, the industrial and the private sectors. They contain, as mentioned above, good situation and problem analyses and the objectives are linked to identified problems and constraints.
An effort was made in the documents to follow a results based framework, logically linking immediate objectives/outcomes, outputs and activities as well as to assign indicators to objectives at different levels. This has not always met with full success, for instance, indicators for the FOOD and DBIC components were formulated in a sub-optimal manner and could not be used to monitor progress. Often, more care could have been given to the formulation of realistic and measurable objectives at the outcome level, but, on the whole, outputs and activities were well defined. Most of the Project Documents are comprehensive and analytical.

The graph below shows the percentage share, of the UIP II, allotted to the 7 largest projects, which account for 89 per cent of the total Programme.

Graph 3: Project size as % of total IP
5
Funds mobilization and disbursement

As mentioned earlier, the total allotment of the UIP II was US$ 7.58 million, which is around US$ 2.5 million more than for UIP I. UIP II is, for UNIDO, a medium sized Integrated Programme and compares well to an average UNIDO IP, which has an approved budget of $US 7.32 millions.

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Namibia</td>
<td>1.73</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>1.93</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>2.62</td>
</tr>
<tr>
<td>Colombia, Phase II</td>
<td>3.62</td>
</tr>
<tr>
<td>Mozambique, Phase II</td>
<td>4.16</td>
</tr>
<tr>
<td>Burundi</td>
<td>4.49</td>
</tr>
<tr>
<td>Cambodia (Country Programme)</td>
<td>7.20</td>
</tr>
<tr>
<td>Average</td>
<td>7.32</td>
</tr>
<tr>
<td>Uganda, Phase II</td>
<td>7.92</td>
</tr>
<tr>
<td>Senegal, Phase II</td>
<td>9.90</td>
</tr>
<tr>
<td>Guatemala</td>
<td>11.39</td>
</tr>
<tr>
<td>Egypt</td>
<td>17.04</td>
</tr>
<tr>
<td>Morocco, Phase II</td>
<td>17.55</td>
</tr>
<tr>
<td>Nigeria, Phase II</td>
<td>18.37</td>
</tr>
<tr>
<td>Viet Nam, Phase II</td>
<td>24.15</td>
</tr>
<tr>
<td>India II (Country Programme)</td>
<td>41.82</td>
</tr>
</tbody>
</table>

The UIP II was originally to cover the period 2005 to 2007 but has been extended for one additional year. It covers 7 main components, out of which 4 are financed by Norway, one by Japan, one by Austria and one through UNIDO seed funding. At the time of the evaluation, total expenditure was 6.88 million or 91 per cent of the allotted budget. Disbursement rates for individual projects ranged between 99 and 79 per cent. In all, UIP II consisted of 30 projects (see ANNEX E), out of which 9 were ongoing at the time of the evaluation. Six large-scale projects, together, accounted for 81 per cent of the total UIP II budget.

As one can see in Graph 5 below, the largest disbursement has been for the FOOD Component, which actually surpassed the planning figure. As mentioned above, the third objective “promoting business partnership and market networking between local and foreign entrepreneurs” was never funded. The general management of the Programme has accounted for US$ 342 000, which is around 5 per cent of total expenditure.
Graph 5: Main financial figures for components in $US millions

Graph 6 below shows the disbursement rates for the different components. Variations are small and all components have spent most of their disposable budgets.

Graph 6: Disbursement rates by component

The UIP II had an exceptional high funding rate of 91 per cent. There are many reasons for this success. During the formulation phase, discussions were initiated with potential
donors and only components with a high likelihood of funding were retained in the final Programme Document. Throughout the planning process, there was a high involvement of the MTTI, which also organized an IP Donor Conference in 2004. Another reason was the clear linkages with PEAP and the alignment to other Government strategies. Already by December 2004, about US$ 5 million had been mobilized, which represented 62 per cent of the total budget. This included US$ 625,274 available from Phase I and US$ 792,389 of UNIDO seed money, approved by the Executive Board.

The Project Managers were actively mobilizing funding for Component I – *Strengthening the Capacity of the agro-processing support framework* and for Component II – *Strengthening the capacity of the micro and small-scale entrepreneurs, focusing on rural areas and women* but there was less involvement and thus limited success in mobilizing funding for Component III – *Promote business partnership and market networking between local and foreign entrepreneurs*. Moreover, planned projects in the field of rural energy and energy savings and management did not solicit funding and the same was the case for an envisaged project in the field of hides and skins collection. Other projects that were suggested for inclusion in the UIP II, but remained unfunded, were the entrepreneurship development programme and “small-scale agricultural technologies”.

Norway had been a donor in the first phase of the UIP and decided, in 2004, to fund four out of the seven components of the UIP II. The total contribution amounted to NOK 23 million. The four components funded by Norway were:

- Component 1: Strengthening of the Food Industry Supply Chain
- Component 2: Assistance to textile and garment MSEs
- Component 3: Women’s Master Craftsman Programme with focus on agro MSEs
- Component 4: Strengthening the National Capacity in Cleaner Production.

One component was funded by UNIDO internal funds:

- Component 5: Capacity Building for Industrial Policy Development; effective Governance and Economic Management.

**Austria** continued to fund the Business Information Services:

- Component 6 Establishment of Pilot District Business Information Centres.

**Japan**, through the UN Trust Fund for Human Security (UNTFHS), decided to fund a reintegration project in Northern Uganda, which was added to the UIP II and commenced in 2006:

- Component 7 Multi-skills Training and Community Facilities (SKIPI).
Graph 7: IP Funding by donor

UNIDO's own funding amounted to 13.6 per cent of the total IP budget. In addition to IP management, UNIDO funding was allocated to respond to the Government's request to support the formulation of a National Industrial Policy.

The Government of Uganda has contributed office premises for the Coordination Unit and for the National Cleaner Production Unit as well as land for the new TEXDA premises. The Government also contributed to the purchase of furniture and equipment for laboratories of the Uganda National Bureau of Standards.
Since Uganda embarked on a comprehensive restructuring of the economy, it has witnessed significant growth of around 7 per cent per year. GDP growth has been accompanied by a decline in poverty from 56 per cent in 1992 to 31 per cent in 2005/2006. This can largely be explained by sound macro-economic management and a relatively stable political environment. However, in spite of numerous reforms in favor of the private sector and high GDP growth rates, Uganda faces high unemployment rates and declining productivity for the agricultural sector. Although ranked as a medium “human development country” by the UNDP, Uganda is still one of the poorest countries in the world. This is reflected in gender inequalities, regional disparities and a HIV/AIDS infection rate that could only recently be reduced, from 18 per cent in 1992, to a single digit figure.

Although Uganda’s coffee in manufacturing exports have been rising in absolute terms since 2003, it is interesting to note that the overall export/GDP ratio remains low (see Graph 8 below).

**Graph 8: Uganda’s exports and imports as a percentage of GDP**

Growth in the export sector is constrained by insufficient infrastructure, an underdeveloped and expensive energy sector and a lack of diversification. Uganda’s
exports are dominated by a few agricultural products like coffee, tea, fish and cotton, which make it dependent on global commodity markets and subject to price fluctuations.

Realizing the Government’s ambitious plan to maintain growth rates of at least 6 to 7 per cent annually and to reduce the poverty rate to no more than 10 per cent therefore requires a comprehensive plan of action. The key to economic development will not only be to increase productivity in the agricultural sector but also to further diversify the export sector and to move up the value chain. This is also what Uganda’s main policy, the Poverty Eradication Action Plan (PEAP) emphasizes. The PEAP is being updated every three years and focuses on private sector development, industrialization and export growth. The PEAP particularly recognizes the important role that MSMEs and small agro-producers can play in the growth process of the country.

Additionally, the recently adopted National Industrial Policy (2008) that had been developed together with UNIDO provides a framework for a sustainable industrialization process. By introducing this new policy the Government acknowledges Uganda’s current constraints but also addresses the threats and opportunities arising from globalization. Table 3 below presents the results of the situation analysis that the Government carried out and which formed the base for the National Industrial Policy.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diverse natural resource base</td>
<td>Low institutional development</td>
</tr>
<tr>
<td>Flexible labor force</td>
<td>Inadequate infrastructure</td>
</tr>
<tr>
<td>Liberal policy environment</td>
<td>Weak knowledge management</td>
</tr>
<tr>
<td>Political commitment to industrial development</td>
<td>Low agricultural productivity</td>
</tr>
<tr>
<td>Relatively high rating on innovation and R&amp;D</td>
<td>Limited financial resources</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats and Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>East African market of 120 million people</td>
<td>Globalization</td>
</tr>
<tr>
<td>Global market opportunities for export products</td>
<td>HIV/AIDS and Malaria</td>
</tr>
<tr>
<td>Location of Uganda as a regional hub</td>
<td></td>
</tr>
</tbody>
</table>

The Industrial Policy aims to create a business-friendly environment, to provide a framework for public and private sector cooperation and to increase foreign direct investment. All these objectives are embodied in Uganda’s Vision 2025 that describes the country’s aspiration to become a vibrant and competitive economy. Bonna bagaggawale (“prosperity for all”) is the guiding principle of Uganda’s efforts to turn the country, “from a peasant society into a modern, industrial and prosperous country” (Mr. Museveni, President of Uganda, 2008). However, in order to turn its vision into reality and to achieve the targets of the PEAP, Uganda will have to undergo some further fundamental structural change.

1 This makes the Government’s plan even more ambitious than the MDG goal to reduce poverty to 28 percent by 2015.
Uganda’s economic structure

In Table 4 below we can see that agricultural value added, as a percentage of GDP, has continuously decreased since the 1980s and that the industry and service sectors have gained in importance.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>72%</td>
<td>57%</td>
<td>37%</td>
<td>33%</td>
<td>31%</td>
<td>29%</td>
</tr>
<tr>
<td>Industry</td>
<td>4%</td>
<td>11%</td>
<td>20%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Services, etc.</td>
<td>23%</td>
<td>32%</td>
<td>42%</td>
<td>49%</td>
<td>51%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Source: World Bank (World Development Indicators)

UNIDO decided to focus its second Integrated Programme on two main areas: Agro-processing and private sector development, both expected to play important roles in the development process of Uganda.

Agriculture

The growth in traditional export crops (coffee, cotton, tea and tobacco) has recently been accompanied by a significant rise in non-traditional exports. However, the graph below needs to be interpreted carefully, since the majority of small-scale rural farmers still live off traditional export crops. Therefore the steep upward line does not mean that a big part of the

Graph 9: Traditional and non-traditional exports of Uganda

Source: Uganda Export Promotion Board
The Ugandan population has benefited from this increase. Moreover, much of the recent growth (especially in coffee exports) has been the result of sharp increases in prices.

The agricultural sector’s contribution to GDP fell from 72 per cent in 1980 to 29 per cent in 2007 and the growth rate of the agricultural sector has declined to only 0.4 per cent in 2005/06. However, this is not an indication of the economy shifting to non-agricultural sectors but rather that the agricultural sector, which still employs more than 70 per cent of Uganda’s workforce, has not been able to improve its performance and productivity. Hence, even as the GDP has increased during the last years and exports are rising, large segments of the population are not benefiting.

In fact, it has been argued, that only a rise in productivity and diversification of the agricultural sector would enable pro-poor growth. The Government has reacted to the problems of the agricultural sector by introducing the Plan for the Modernization of Agriculture (PMA). The PMA aims to enhance productivity and income of small farmers by increasing their access to rural services.

**The private sector**

The private sector, which was chosen as the main driver of economic growth by the PEAP and the National Industrial Policy, is the major employer, with an estimated 12 million workforce. Nevertheless, the formal private sector is very small and the majority of small-scale entrepreneurs belong to the informal sector. Together, informal and formal MSMEs cover around 90 per cent of the private sector. Uganda’s MSMEs therefore have the potential of being a key player in the growth process.

At the same time, Uganda’s private sector has not always responded to market opportunities and is constrained by low productivity and significant technology and technical skill gaps. Moreover, inadequate management skills and a rather weak entrepreneurial spirit have dampened productivity and capacity utilization.

The food industry, which has a potential to grow, is still at a very early development stage. The underlying problem is limited integration and agriculture products of low quality. As a result, most of the agricultural production is sold with low value added and under poor food safety conditions.

The situation in the textile sector is also challenging. While the textile industry and especially cotton exports laid the foundations for industrialization in Uganda, the picture has now changed. During the 1970s and 1980s, cotton production declined and the whole textile industry was almost at a stand-still. Today, second-hand imported clothes supply most of the domestic market.

The Medium-Term Competitiveness Strategy (MTCS), which was introduced in 2000, addresses impediments in the business environment. Moreover, it declares export promotion and the improvement of business environment for MSMEs as key priorities.

**The donor landscape**

Uganda is still rather dependent on donors and donor disbursements, of about US$ 700 million annually, equal almost 14 per cent of the GDP and about 50 per cent of public funds.
The largest donors are the World Bank (29 per cent), the United Kingdom (13 per cent), the European Union (10 per cent), the United States (8 per cent), and the African Development Bank (5 per cent), followed by the Netherlands, Ireland, Denmark, Germany and the World Food Programme (all 4 per cent). 47 per cent of donor funding goes to budget support, while technical assistance accounts for 20 percent.

The following tables (5 and 6) list the main donors and the focus of their ongoing development assistance programmes in Uganda:

### Table 5: Biggest bilateral donors in Uganda

<table>
<thead>
<tr>
<th>Bilateral Donors</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>justice, law and order, agriculture and environment, education, health, and public administration</td>
</tr>
<tr>
<td>United States</td>
<td>rural sector growth, improved human capacity and effective governance</td>
</tr>
<tr>
<td>Denmark</td>
<td>infrastructure, education, health, agriculture, water, democracy, and private sector</td>
</tr>
<tr>
<td>Netherlands</td>
<td>decentralization, local government capacity building, and gender</td>
</tr>
<tr>
<td>Sweden</td>
<td>resources, agriculture, health, democratic governance, infrastructure, and trade and industry</td>
</tr>
<tr>
<td>Japan</td>
<td>health and sanitation, human resource development, basic education infrastructure, and agricultural development</td>
</tr>
</tbody>
</table>

*Others: Norway, Italy, Ireland*

### Table 6: Biggest multilateral donors in Uganda

<table>
<thead>
<tr>
<th>Multilateral</th>
<th>Focus</th>
</tr>
</thead>
</table>
| The World Bank | non-lending: rural development, capacity building, and private sector development  
|               | Loan portfolio: infrastructure, civil service reform, and HIV/AIDS prevention and care |
| EU           | infrastructure, education, health, agriculture, environment, private sector and sanitation |

*Others: WFP, UNDP, UNICEF, IMF*
In Table 7 below, some reference projects of other donors in Uganda are listed.

### Table 7: Reference projects in Uganda

<table>
<thead>
<tr>
<th>Donor</th>
<th>Project Description</th>
<th>Size (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP</td>
<td>Enterprise Uganda Entrepreneurship and management training, as well as mentoring and counseling services to participating enterprises</td>
<td>251,750</td>
</tr>
<tr>
<td></td>
<td>Support to Business Development Services - Improvement of operational efficiency, strengthening of market linkages, and facilitation of MSEs to access financing</td>
<td>500,000</td>
</tr>
<tr>
<td>WB</td>
<td>Private Sector Competitiveness Project II • Provision of priority infrastructure and related facilities to support the growth of the industrial and business sector • Improvement of enterprise creation and growth, particularly in MSMEs • Addressing critical issues in the business environment</td>
<td>70,000,000</td>
</tr>
<tr>
<td>USAID</td>
<td>Increase Agricultural Productivity Development and transfer of improved agricultural technology, establishment and strengthening of producer organizations, development of competitive agricultural and rural enterprises</td>
<td>9,188,000 (2005) 8,114,000 (2006)</td>
</tr>
<tr>
<td>DANIDA</td>
<td>Agriculture Sector Programme Support II Agricultural Research, Agricultural Advisory Services, Agro-Business Development, National Reform Processes and District Agriculture Training and Information Centres</td>
<td>45,000,000</td>
</tr>
</tbody>
</table>

Source: Respective donor data

It is interesting to note that interventions of most of the multilateral donors (UNDP, UNICEF, WFP, etc) are included in the UNDAF, whereas UNIDO was not part of the UN Country Team that signed the joint mission statement for Uganda.
Relevance and ownership

Relevance

This sub-chapter discusses to what extent the objectives of the UIP II were consistent with Ugandan needs and priorities. Various stakeholders consulted by the evaluation team were generally of the opinion that the UIP II and its components were relevant and addressed real weaknesses, constraints and bottlenecks to industrialization and private sector development. At the time of Programme design, manufacturing valued added represented only about 6 per cent of the GDP and had been declining as there were still many barriers and there was no industrial policy to guide the development of the sector.

The UIP II is aligned to key Government policies and strategies and in particular to the Poverty Eradication Action Plan (PEAP), the Medium Term Competitive Strategy (MTCS) and the Plan for Modernization of Agriculture (PMA) as well as to the Strategic Export Programme (STRATEX). It also finds its relevance in the National Industrial Policy, which was formulated with support from the Programme. Industrial development is an integral part of the Government's development strategy that, among other main objectives, aims at agricultural added-value transformation and increasing exports of higher value products. This is in line with the UIP II objectives of enhancing the agro-processing support framework and MSME development for rural income generation and economic and export growth.

Moreover, the IP addresses constraints identified in the above strategies and plans such as inadequate skills levels, inappropriate technologies, limited access to information technology, low quality standards and low level of competitiveness. The focus on agro-processing was motivated by an estimated 40 per cent post-harvest waste. The Programme also contributes to specific targets in the National Industrial Policy such as SME and industrial development for employment creation. The close involvement of the Government in the Programme formulation stage clearly contributed to a highly relevant IP. In addition to what has been mentioned earlier, the Programme covered priority areas such as environmental sustainability and the integration of ex-combatants.

Furthermore, the Programme focuses on areas where UNIDO has substantial competence and could be expected to generate value added, being the only multilateral agency with a distinct industrialization mandate. Furthermore, UNIDO’s experience in the development of agro-industry value chains and cleaner production was considered as highly relevant.

Some components even seem to have increased in relevance during the Programme’s lifetime. The UCPC and its focus on environmental sustainability and energy efficiency have become more relevant in view of the growing climate change and fuel crises agendas. In view of recent, external to Uganda, scandals in relation to food standards and a growing recognition that not every country is benefiting from globalization, the support to the FOOD sector has gained in relevance. For other components, the relevance has somewhat
decreased with the appearance of many private ICT service providers, often offering similar services as, for instance, the DBICs.

Below, the relevance of the individual components is discussed in more detail.

**Industrial policy**

One component with an un-contested high level of relevance and with a high level of Government ownership is the Policy component. This is evidenced by the fact that the Industrial Policy has been officially adopted and, moreover, is being used as a policy tool by the Government.

The development of the Policy offered a valid opportunity to review policies in place to respond to the challenges of globalization and primarily the Medium-Term Competitiveness Strategy 2005-2009. The process enabled a forward-looking assessment of the macro-economic situation and the contribution of industry. Critical problem areas and constraints were identified and among them we find: limited capabilities for policy analysis and development, inappropriate policies for sustainable industrial development, inadequate technologies for the processing of agricultural products and inadequate entrepreneurial capabilities. These are, in fact, all areas that have been addressed by the UIP II.

Although it is widely recognized that the driving force of the industrialization process and of economic growth should be the private sector, there are many challenges that need to be addressed by the Government and an industrial policy can be an important instrument and tool. The previous industrial policies and plans acknowledged the role of the private sector but did not properly address the challenges of increased external competition and the need for a sustainable development. The new Integrated Industrial Policy addresses these and many other issues. Moreover, the way the Industrial Policy was developed, makes it even more relevant as it involved the building of capacities of MTI personnel and the development of a partnership with the private sector.

**FOOD**

The relevance of the Component’s focus on food safety and product quality remains undisputed, both for the domestic market as well as for international markets and the export industry. Several recent international scandals show that the relevance of the core topics is even increasing. Equally relevant is the chosen approach that aims at concurrently developing the required macro-level basics in terms of policies and strategic frameworks, building up the necessary meso-level infrastructure, organizations and human resources as well as piloting the application of the systems and procedures with food sector actors on the micro-level. Thus, the evaluation team concludes for the FOOD Component, that it did indeed do the right things.

The project is directly addressing main constraints in the world, and also in Uganda, such as post harvest losses (estimated at 40 per cent) and the absence of appropriate technologies to produce and process food. The project leads to an increase in the availability of safe food and of the storability, durability and marketability of agro-industry products. In addition, the component has, through its work on food standards, contributed to the modernization and efficiency of the Ugandan agro-industry sector. The relevance is
confirmed by the high demand for and appreciation of the FOOD certificate university courses.

**MCP**

The MCP project fits well into the Government's priority objective of poverty reduction and is well aligned to the PEAP, the Plan of Modernization of Agriculture, the Medium Term Competitive Strategy and the Presidential Initiative on the Promotion of the Strategic Export Programme.

It is estimated that there are around 800,000 Micro, Small and Medium Enterprises (MSMEs) in Uganda, generating employment to 1.5 million workers and that the sector accounts for about 20 per cent of the Gross Domestic Product (GDP). As such, the MSME sector is estimated to represent 90 per cent of non-farm employment and to provide employment to about 20 per cent of the working-age population. Moreover, the MSMEs are at the centre of the PEAP since they are seen as the link between an agricultural and an industrial economy. At the time the UIP was formulated, women were estimated to constitute around 75 per cent of the agricultural labor force but only 34 per cent of the Uganda Small Scale Industries Association (USSIA) membership.

A strategic component of the National Gender Policy is to “develop the entrepreneurial capacities of women”. The MCP Programme was designed to address the above constraints and opportunities and had a clear gender focus. In the original Programme Document there is a full focus on women, while in practice the project has targeted both men and women entrepreneurs, however, with a clear bias towards women beneficiaries.

**UCPC**

Uganda, similarly to most countries in the world, is confronted with numerous environmental challenges and problems. Industrial development is accompanied with its own constraints and there is often a need for corrective actions to ensure a sustainable development. The UCPC has proven its relevance as an efficient agent in raising awareness on cleaner production issues and in the combat against pollution and environmental degradation and was during, the first phase, able to assist a larger number of enterprises in implementing a “Cleaner Production”. There was, however, a need to spread and deepen the assistance and to continue interventions in the field of pollution prevention, water conservation, waste minimization, energy efficiency, ecological and economic efficiency and good housekeeping. The inclusion of the UCPC in the UIP II was therefore found to be of utmost relevance.

In addition, environmentally sound industries are becoming a competitiveness factor in international trade and the support was thus justified from an export angle. Generally, there is a good problem analysis in the project document and many activities have targeted and actually been able to address identified problems.

The Counterpart Minister has taken a personal interest in the UCPC and visited various project sites. There have been regular meetings with the Commissioner for Industry. There is now a need for the Government to deepen its commitment to cleaner production and, as the UNIDO project is coming to an end, there will be a need for a Government budget from 2009 onwards.
TEXDA

As mentioned earlier, the overarching objective of the UIP II was to contribute to the Government’s strategy on poverty reduction by focusing on the agro-processing sector and private sector development. The development of the textile sector is an important part of this strategy and TEXDA would be well placed as an institution to provide training and services to the sector and, thus, to a priority sector of the Government. Not to forget is the link to cotton, a major agricultural product and that there is a potential for employment creation.

TEXDA has been recognized, during surveys with direct beneficiaries and interviews with partners and stakeholders carried out by the evaluation team, as an institution that has indeed the potential to bring benefits to Uganda’s textile industry and its entrepreneurs. TEXDA is being considered by the MTI as an important training entity and figures prominently in the Draft Textile Policy, which is currently being developed.

DBIC

It is undisputed that information and communication technologies (ICT) increase efficiency of SMEs, provide access to new markets or services, create new opportunities for income generation and accessing information and give poor people a voice. ICTs are therefore attributed a key role in both economic growth and poverty reduction and an effort towards closing the digital divide between Africa and most of the remaining world is definitely relevant.

This project was logical and relevant at the time it was conceived. It addressed identified constraints of access to the Internet, ICT training and business information. It seems likely that the project has sparked private sector development and that the DBICs have functioned as demonstration or pilot centres. Today, many Internet cafes and ICT service providers are established and often in the same locations as the DBICs. The envisaged demand for ICT services and Internet access thus proved to be correct. On the other hand, the demand for business information has been low.

The increasing competition by private Internet service and training providers is felt by all the DBICs visited by the evaluation team. It will therefore be instrumental for the DBICs to prove their added value in terms of satisfying specific demands for business information for MSMEs, if they are to remain relevant. This also refers to the envisaged but not yet realized role that the NetMIS was to play in interlinking the DBICs.

SKIPi

The SKIPi project was initiated by the Uganda Veteran’s Board (UVAB) and was thus demand or host country-driven. It fitted well in the prerequisites to qualify for the United Nations Trust Fund for Human Security and is clearly in line with the Poverty Reduction Action Plan and its focus on economic reintegration of ex-combatants and their families. The project targets poor and vulnerable segments of the population, namely ex-combatants and demobilized soldiers and their families and supports their reintegration into civilian life. There was and still is a large population of unemployed ex-combatants.
and their families and the only skills-based training that has been provided in the Yumbe area has been the training organized by SKIPI.

The project is relevant in that it does not only provide skills and tools for improved income or employment opportunities and to address the lack of skilled manpower but also because of its socio-economic aspects. The Yumbe District was a rational choice having been a conflict-affected area and with a high prevalence of poverty. The project has, moreover, targeted communities with a high degree of ex-combatants. In order to benefit from the project the ex-combatants were supposed to be (re)-integrated in a community. Out of the direct beneficiaries, 70 per cent have been ex-combatants and demobilized soldiers or family members of these two categories.

There have been requests for a closer involvement of the beneficiary population, in order to increase local ownership and transparency. Various stakeholder workshops were held during the first stages of the project but less intensively in the subsequent phases. This has resulted in some negative feelings, probably due to a limited understanding of the process of selecting direct beneficiaries.

In summary, and as is obvious from the graph below, the UIP II components contribute to five of the MDGs and prominently to the second pillar of the PEAP.

Graph 10: Contribution of UIP II components to MDGs and PEAP

Ownership

An important aspect of a Country Programme is that it responds to Government requests and that the Government manages to convey its strategic priorities and actively participate in programme/project design and formulation. A high deal of attention has been given to Government ownership of the UIP II during the design, formulation and implementation stages. The draft Programme Document was designed jointly with the MTTI, in close
cooperation with national partner agencies and in consultation with various other stakeholders.

There was a high appreciation of the Government for UNIDO’s assistance in the formulation of the National Industrial Policy, which, in addition to being an important planning tool, contributes to and improved donor dialogue and donor coordination. Ownership was definitely one of the main strengths of this component. The Government not only commissioned the development of an Integrated Industrial Policy, but also truly embraced the process. It is particularly positive that the Government wants to further cooperate with UNIDO in relation to the operationalization of the Industrial Policy. The participative method used, in the process leading up to this policy, was an important success factor and resulted in Government and other stakeholders’ ownership of the various outputs.

Throughout the implementation, the Government and donor involvement has been at a high level, with participations in Steering Committee meetings and visits to project sites. The evaluation mission took note of the fact that the State Minister for Trade and Industry was taking a personal interest and had visited many projects. It was also noted that the Norwegian Embassy had played an active role and carried out its own mid-term review. Furthermore, the Austrian Development Agency commissioned a team of consultants to review the DBIC project, in October 2006 and the Japanese Embassy was intensively involved in project formulation of the SKIPI project and has maintained close contact with the project.

The evaluation team also found that there has been a high level of counterpart agency commitment and that beneficiaries in many cases, such as for the MCP, have been a driving force. A very strong involvement was noted of the Uganda Veterans’ Board (UVAB), for the SKIPI project. Moreover, representatives of the private sector have, in great numbers, participated in and adhered to the project (UCPC, FOOD) objectives.

For TEXDA, ownership of the private sector has been weak and there is, equally, a need to strengthen the ownership of the partner organizations in the MCP. In fact, the issue of ownership was one of the main concerns of TEXDA and MCP Phase 1 and which should have been addressed in the second UIP. The current status of TEXDA being an NGO reporting to the MTTI without any formal links is not satisfactory and will be discussed in more detail below. Neither has TEXDA established formal links with the industry it serves or with vocational training institutions. It is however, seen as an important service provider in the Draft Textile Policy, which the Government is in the process of finalizing. There are indications that TEXDA will be supported by the Ministry in the future.

The MCP National Technical Committee has met regularly and has been chaired by the Commissioner for Trade and Industry. The Uganda Women Entrepreneurs Association (UWEAL) was initially to be the national focal point of the project but this did not materialize and the MCP continued with USSIA as the main implementing partner and with Gatsby and the Northern Uganda Manufacturers’ Association (NUMA) as associated partners. There has, however, been limited involvement of these partners, which was mainly due to weak capacities of the partner organizations at the central national level and above all at the district level. Moreover, USSIA claims it never saw nor was given the chance to comment on the project document or the job description of the national experts and did not really know what they were supposed to contribute. Even though MCP experts are working from USSIA premises, the two have not formed a team and MCP activities are not an integrated part of USSIA’s programme.
Programme coordination and management

Coordination and management

Insufficient attention was given to management, monitoring and reporting requirements in the UIP II Programme Document. In line with UNIDO common practice, various UIP II coordination and management mechanisms were established at UNIDO Headquarters and in Uganda. At Headquarters, the IP Team was lead by the IP Team Leader. Altogether, there have been five UIP II Team Leaders, each serving for an average of only 8 months. The last Team Leader came on board in June 2007; by this time the funds for IP coordination were almost depleted and it was never possible to visit Uganda.

According to UNIDO’s Guidelines for the Technical Cooperation Programme and Project Cycle (TC Guidelines), IP progress reports are to be prepared annually. The last UIP II Progress Report was prepared for the General Conference in 2005 and no updates were made for the Industrial Development Board 31, 32, 33 or for the General Conference 12. Neither, have there been regular UIP II coordination meetings at Headquarters.

The role of the UIP II Team Leader seems mainly to have been the supervision of the UIP Coordination Unit in Kampala. UNIDO Regular Budget seed money (programmable resources) was used to finance the UIP Coordination Unit, while the office premises were contributions from the Ugandan Government. The problem has been that the technical cooperation projects were being “no cost extended” due to various delays but that there were no similar savings, due to the nature of the “Seed money for the Uganda Integrated Coordination Unit - project (Y AUG06001)”. The funding for this project ran out in spring 2008 and for the remaining part of 2008 the budget of the Coordination Unit has been financed through contributions from the budgets of the ongoing projects, a solution facilitated by the IP Team Leader. This funding arrangement has been subject to discussions about the use of seed money and support costs and whether or not donors should, in addition to the 13 per cent support costs, fund coordination and management through the core projects’ budgets. From UNIDO’s side, it has been argued that regular budgetary resources have been insufficient to cover a more permanent field representation.

Three staff members were assigned to the Coordination Unit. A National Programme Coordinator (NPC) has been responsible for the administration, supervision and monitoring of the Programme, liaison with national actors, networking with national and international partners and overall coordination of the UIP II. The NPC also participated in meetings of the Private Sector Donor Group and has thus been able to coordinate with donors and other development assistance agencies. Moreover, the NPC acts as the secretary to the UIP Steering Committee. In addition, the NPC has attended to general matters pertaining to UNIDO in Uganda. The NPC has been assisted by two general service staff members.
The National Programme Coordinator has been supervised by the IP Team Leader in Vienna, being the allotment holder for the “Coordination Unit project” but has also reported to the UNIDO Representative of the Regional Office in Addis Ababa. Overall, there has been a substantial delegation of project management to the field level. Qualified National Project Managers were recruited for the four major projects (UCPC, FOOD, SKIPI and MCP) while DBIC had an International Chief Technical Advisor (CTA), based in Uganda. TEXDA has suffered from a high turnover of national managers but benefited from an ad-hoc international CTA. SKIPI has had an international expert stationed in Yumbe. All projects have, in addition, recruited short-term international consultants to complement national competencies.

Project offices have been set up, normally at the premises of the counterpart institutions; at PRAFORD for SKIPI, at USSIA for MCP and at UNBS for FOOD. The supervision by UNIDO Headquarters-based managers has for the most part, been regular and in-depth. For all components, individual steering or advisory committees were established and the large majority has been active. One exception is the Technical and Management Committee of the MCP, which has not been meeting regularly. The MTTI is heading and actively involved in the UCPC Board.

There was no formal coordination mechanism with regular national IP coordination meetings in the presence of all national project managers, but managers met, informally, on a regular basis. In addition, around three annual visits by the UNIDO Regional Representative of the Office in Ethiopia, which also covers Uganda, offered opportunities for meetings within the Ugandan IP team.

Under the coordination of the NCP, the UNIDO experts in Uganda prepared UIP II Progress Reports in June 2005, October 2006, May 2007 and April 2008. In addition, Annual Reports, covering the four components funded by Norway and in accordance with the Trust Fund Agreement between UNIDO and Norway, were prepared in November 2005 and November 2006. Furthermore, progress reports have been prepared for all the major individual projects. For the FOOD and MCP projects it was noticed that the reports were often repetitive and overlapping and it was difficult to assess what had actually been accomplished during the last reporting period. Another observation is that reports sometimes lack in results focus. No final report was prepared for the DBIC project, which ended in February 2007. In addition to the above, comprehensive “End of Assignment Reports” were prepared by the National Programme Coordinator at the end of 2005, 2006 and 2007.

Monitoring data exist for all major projects and the most in-depth system has been developed for SKIPI for which a comprehensive monitoring system was designed. The system is being applied but it has averred difficult to get beneficiary data. Baseline data is, however, available for all the beneficiaries. There was, according to the SKIPI project document, supposed to be a Phase I evaluation after 15 months but this evaluation never took place. A final project evaluation has been budgeted for and it is envisaged that this will be an impact-oriented evaluation, to be carried out in cooperation with UNIDO's Evaluation Group, in March/April 2009.

Since there has been no UNIDO Representative or other UNIDO staff posted in Uganda, it has not been possible to take part in UN inter-agency coordination meetings or to delegate any administrative authority to the field. Payment authorities have been processed through the Regional Office in Addis Ababa and actual payments have been released through UNDP, Kampala. The financial administration of the Programme is coordinated, in
Uganda, by the IP Coordination Unit in Kampala, which is in regular contact with the national project coordinators. Financial management procedures have often affected project implementation; it has been difficult for project personnel to finance activities in advance, UNDP has been slow in reimbursing costs or effectuating payments, and there have been long delays in the issuance of MODs at UNIDO HQ. The NPC has played an important role in the processing of payments (through UNDP) and in the processing and renewal of contracts for national experts and consultants. The NPC has been able to carry out her functions in a professional manner, without formal induction or orientation training and often facing fund disbursement problems.

On 15 December 2005, an Annual Meeting was held for the Norwegian funded projects of the UIP II. The UIP II Steering Committee, however, was only established in 2006 and met on the 23 November 2006 and 31 May 2007, with the presence of the UNIDO Representative and Head of the Regional Office in Addis Ababa, and with the Permanent Secretary of the MTTI as Chairman. The meetings were well attended and minutes were prepared. The frequency of these Steering Committee meetings has, however, been less than foreseen (6 monthly meetings). At the November 2007 Meeting, a decision was made to extend the IP for one additional year.

No Mid-term Review of the UIP II was initiated by UNIDO but a Mid-Term Review for the 4 Norwegian-funded projects was carried out by a Norwegian firm, contracted by the Norwegian Embassy in October/November 2006. This review brought up various management issues, such as lack of petty cash for the NPC, lack of UNIDO HQ support at country level and delays in the disbursement of funding. The problems have persisted and sometimes due to the need to comply with UNIDO's rules and procedures. It seems, however, as if project managers have become more used to the imposed constraints and been able to plan ahead and to minimize disruptions.

Reviewing the minutes of the Steering Committee meetings, the evaluation team noticed references to inadequate numbers of field visits by Project Managers based in Vienna and it has been pointed out that, for instance, four persons in the Food Unit manage projects in 60 countries. During the evaluation mission, many stakeholders expressed concerns about the “lean UNIDO IP management structure in Uganda” and it is likely that decisions about future funding will depend on UNIDO personnel resources, available in Uganda, to manage and monitor future interventions.

**Synergy benefits derived from programme integration**

As mentioned earlier, the UIP II is a truly integrated programme and the potentials for synergies have to a large extent been exploited. Coordination has been particularly efficient at the field level and national project managers have proactively communicated with each other about potential synergies and informed themselves of the possible usefulness of instruments and tools developed by others.

UCPC and FOOD have been actively collaborating in training the staff of 60 Ugandan hotels in food safety management systems and cleaner production principles and this led to clear synergy effects. The evaluation mission also noted that MCP has collaborated with UCPC in the development of a CP programme for small-scale entrepreneurs.

There are many other examples of active collaboration; FOOD and SKIPI developed joint training programmes in the fields of beekeeping/honey and bakery and SKIPI was able to take advantage of previous activities implemented and outputs produced by the FOOD

26
project. In addition, there has been extensive cooperation between TEXDA and MCP and the latter project has used facilities and trainers of the former.

On the other hand, expected synergies between DBIC and MCP did not materialize. There are still some avenues to be explored like the use of MCP trainers in SKIPI, widening the collaboration between SKIPI and FOOD (beyond beekeeping/honey and bakery) and MCP advisors have the potential to assist, to a greater extent, the Food Processing Pilot Centres, established under the FOOD component.
In the following, the effectiveness of the Programme and its individual components in terms of achieving the stated objectives and outputs will be discussed.

**Contribution to industrial objectives of Uganda**

Overall, the evaluation team finds that the UIP II has achieved two of its three main objectives; to strengthen the capacities of the agro-processing support framework and to strengthen the capacities of MSEs with focus on rural areas and women. However, the third objective has not been achieved because the component to promote business partnerships and market networking was not funded. In achieving the first two objectives, there has been a consolidation of the results of the first phase UIP. In the remaining parts of this chapter, we will assess the effectiveness of the individual components of the UIP II.

**Effectiveness of individual components**

**Industrial Policy**

The immediate objective of this component was to provide the Government and the private sector with assessed and reliable information about the industrial sector, the status of the competitiveness platform, growth potentials and investment opportunities, as well as policy instruments. In line with the above, the MTTI requested UNIDO to undertake an industrial sector survey/competitiveness analysis and support the development of an integrated industrial policy for sustainable development and competitiveness.

This component has been executed through three small projects, in terms of budgetary resources (total budget of about US$ 200,000), but produced a variety of tangible outputs. These include a comprehensive assessment of the industrial sector, a survey on competitiveness, growth potentials and investment opportunities and an Integrated Industrial Policy, encompassing both a macro-level policy and a policy for micro and small industries development. All the outputs were delivered using a participatory approach and discussed at national workshops. Based on these outputs, the Government formulated the National Industrial Policy, which has been endorsed by the Parliament.

The participatory and interactive process, involving a variety of key stakeholders ensured a high level of ownership of the outputs. In addition, UNIDO staff and the contracted consultants have collaborated closely with the core policy team at the MTTI and the collaboration contributed to the strengthening of its capacities. The MTTI expressed a high level of satisfaction with UNIDO’s contribution and has requested UNIDO to assist in the operationalization of the Policy and in developing sectoral policies.
A major event was the National Public-Private Consultative Meeting/Workshop organized jointly by the MTTI and UNIDO, in September 2004, to discuss and come up with recommendations for key actions that would be required to improve the competitiveness platform of Uganda. In 2005, the project produced another main output, in the form of the *Industrial Enterprise/Competitiveness Survey* and the results of the survey was used as an input into the *Integrated Industrial Policy for Sustainable Industrial Development and Competitiveness*. This three-policy document was presented at a National Public-Private Consultative Forum and comments were incorporated in the final draft. Later this draft was used by the MTTI in the development of the National Industrial Policy. The project has thus been highly successful in producing concrete outputs and results.

The new Policy is an important step forward in that it acknowledges the role of the private sector, addresses the challenges of increased competition and the need for sustainable industrial development.

In the table below we present a summary of the main achievements of this component.

**Table 8: Overview of Industrial Policy component**

<table>
<thead>
<tr>
<th>Immediate objective:</th>
<th>Expected Outputs</th>
<th>Activities</th>
<th>Status/Assessment</th>
<th>Completion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A National Public-</td>
<td>An Integrated</td>
<td>Draft, review, edit and finalize the Integrated Industrial Policy Part I, II, and III</td>
<td>All outputs produced. Industrial Policy developed and endorsed by the Ugandan Parliament.</td>
<td>100 %</td>
</tr>
<tr>
<td>Consult with the</td>
<td>Industrial Policy</td>
<td>Analyse any new critical and emerging trends in the country, region and globally if any and incorporate such elements in final policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>counterpart</td>
<td>for Sustainable</td>
<td>Publish 300 copies each of Integrated Industrial Policy Part I, Part II and Part III to be distributed by MTTI to the key stakeholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development and</td>
<td>Development and</td>
<td>Review Integrated Industrial Policy at a National Public-Private Consultative Forum to reach consensus on key elements of the policy to be submitted by MTTI to Parliament for endorsement/adoption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitiveness</td>
<td></td>
<td>Publish the second issue of the Review of Industrial and Trade Performance (a major background document to the Integrated Industrial Policy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>A National Public-Consult with the counterpart</td>
<td>Forum successfully</td>
<td>100 %</td>
</tr>
</tbody>
</table>
Private Consultative Forum on the Integrated Industrial Policy jointly and successfully organized by UNIDO, the Ministry of Tourism, Trade and Industry and the organized private sector

institutions and determine framework for implementation of the under-mentioned activities to produce output

Prepare aide-memoire and programme for the Forum in consultation with counterpart institutions and international expert

In cooperation with MTTI, PSF, UMA and NCCI identify and select participants, organize and conduct a National Public-Private Sector Consultative Forum on the Integrated Industrial Policy

Prepare report of the Forum including any recommendations relating to the Integrated Industrial Policy

organized Al outputs produced

FOOD

The interventions of the FOOD component are partly a continuation of but also an expansion of the UIP Phase I Component FOOD INDUSTRY SECTOR. For the UIP II, the component has been designed to (1) finalize the legal, strategic and institutional frameworks for food safety and product quality (macro level); (2) further develop the required standardization and supervision systems and related processes (meso level) as well as (3) promote their practical application in private companies and in pilot centres (micro level).

Due to its size and considerable number of activities and partner organizations, the component is something like a programme within the Uganda Integrated Programme. The FOOD Component contributes to the UIP II Programme Objectives 1 and 2 through four Immediate Component Objectives, which are to be achieved by producing a total of 12 Expected Outputs. The four objectives are spelled out below.

UIP Programme Objective 1: Strengthen the agro-processing support framework and develop the human resources required.

- Immediate Objective 1: Strengthen the national coordination framework for food inspection and quality control activities and raising general awareness on food safety and quality;
- Immediate Objective 2: Strengthen the SPS and TBT institutional infrastructure;
- Immediate Objective 3: Strengthen the supply side capacity in food safety and quality;

2 The Component planning processes has gone through several stages. The Component Project Document of September 2003 lists three Immediate Objectives to be achieved through 11 specific Outputs. Financing for these was provided by Norwegian Government Trust Fund (TFUGA04001). Subsequently, a 12th Output was added, directly financed by UNIDO seed money (YAUGA04414).
UIP Programme Objective 2: Strengthen the capacity of micro and small-scale entrepreneurs focusing on rural areas and women.

- Immediate Objective 4: Establish 82 post harvest commercial operations to function as food processing pilot centres.

Table 9 below summarizes the performance and the main achievements in relation to the 12 planned outputs.

### Table 9: Overview of the FOOD component

<table>
<thead>
<tr>
<th>Immediate objective 1: Strengthen the national coordination framework for food inspection and quality control activities and raising general awareness on food safety and quality</th>
<th>Completion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outputs</td>
<td>Status / Assessment</td>
</tr>
<tr>
<td>1. The Food Safety Bill approved by the Parliament and the National Food Safety Strategic Plan implemented</td>
<td>The most visible achievement is the approval and official launching of the National Food Safety Strategic Plan (NFSSP) 2006 – 2016 by the Ministry of Health in May 2007. A Sanitary and Phytosanitary (SPS) Policy, required under the WTO agreements, still needs to be drafted. Subsequently revisions of the NFSSP and the Food and Drug Act as well as the strengthening of the National Food and Drug Authority will be required which will take time to materialize.</td>
</tr>
<tr>
<td>2. Consumer education and public awareness on food safety and quality strengthened</td>
<td>A start has been made in this certainly not easy task. Several workshops and seminars were held. A national food safety week and media campaign were organized in 2004, but not repeated in 2007 due to lack of commitment by the ministry. A meat safety week was conducted in 2007. Current efforts concentrate on university courses; a school awareness program is planned.</td>
</tr>
<tr>
<td>3. The Food control system in Uganda integrated in the East Africa system and harmonized with international requirements</td>
<td>This output depends on the commitment of EAC decision makers. Supported by FAO, the EAC developed Draft 5-Year Strategic National Action Plans (NAP) for updating food control systems. The Draft NAP for Uganda has been reviewed by the Food Component Team, finalized and approved by the 32nd National Codex Committee in 2007. FOOD Component experts are also actively involved in the UNIDO EAC project on “Trade Capacity Building in Agro-industry Products for the Establishment and Proof of Compliance with International Market Requirements”.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Immediate objective 2: Strengthen the SPS and TBT institutional infrastructure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4. National capacity in risk analysis and traceability increased</td>
<td>Overall, good progress has been made with meso-level systems and institutional infrastructure as well as with human resource development to operate the systems. The National SPS/TBT Committee, consisting of public and private sector actors, was supported and national level umbrella organizations for export promotion and organization were successfully strengthened in core sectors.</td>
</tr>
</tbody>
</table>
5. Capacity of regulatory authorities and institutions in charge of food inspection increased

A range of training was organized for the Uganda National Bureau of Standards (UNBS), including risk analysis and traceability. A commendable initiative, not part of the initial UIP, ate the university courses in food safety and quality control with Kyambogo University.

6. Capacity of UNBS strengthened in standardization and certification of quality schemes

UNBS staff (and private sector actors) was trained in ISO auditing for certified auditors and lead auditors. 8 people passed the final exam for lead auditors in ISO 22,000 and 10 passed for ISO 9001. 56 people have been trained as internal auditors.

7. At least one chemical laboratory strengthened and accredited

The UNBS chemistry laboratory was to be accredited. UNIDO has provided infrastructure support and staff training. The lab is currently operational for seven essential chemical parameters and related tests. No clear deadline could be given when the chemistry laboratory will be accredited though it is under process.

### Immediate objective 3: Strengthen the supply side capacity in food safety and quality

8. GHPs fully implemented on board of fishing boats, fish landing sites and in the food pilot centres

Outputs 8 to 10 are fully interlinked and can therefore not be separated. Due to the export market requirements and related standardization processes, the more professional and export-oriented companies were motivated to participate. 84 companies from the fishery, meat, dairy, honey, fruits and vegetables and hotel sectors have participated in training on ISO 22'000, HACCP and GHP/GMP. 11 food processing companies are preparing for HACCP certification. 27 hotels have applied for ISO 22'000 certification and 5 for HACCP certification. The biggest abattoir has successfully implemented HACCP and ISO 22'000.

In Kyambogo University, a Food Technology Department is set up and a first Certificate Course for food inspectors has been launched. A Post-Graduate Diploma Course on food safety management will be launched soon, with involvement of the UNIDO EAC project mentioned above.

9. GMPS and HACCP implemented in all food factories participating in the project (about 30)

10. ISO certification expanded to other food companies

100%

11. Quality, standardization and certification of Uganda honey

After initial clearance in 2005, honey exports to the EU are currently put on hold due to quality problems. Exports are currently confined to Middle East and Australia. The Department of Livestock Health and Entomology is confident about implementing the National Honey Residue Monitoring Plan (NHRMP) beyond the five centres set-up under UIP II. Honey related SOP and COP are ready for implementation.

### Programme objective 2: Strengthen the capacity of micro and small-scale entrepreneurs focusing on rural areas and women

12. Establishment of 82 post harvest commercial operations to function as food processing pilot centres

22 centres have been established: 4 for dried fruit, 12 for honey and 6 for fruit and vegetables. The Component is thus far from reaching its quantitative target (which was very high for pilot ventures). Some centres are success stories with 2000 farmers trained and 1200 farmers selling quality organic products. However, no consolidated figures existed on the additional income generated. A range of fruit processing pilot centres visited showed a less positive picture and question marks surfaced in relation their ownership status, number of active members, cost of equipment delivered, etc. Supported private companies, on the other hand, were found to be successful in exporting.
The FOOD component was assessed through a NORAD initiated Mid-Term Review in 2006. The review report concluded that “the aggregated effectiveness of the component seems to be rather satisfactory, as related to the achievements and the initially formulated targets.” Overall, however, the Review noted deficiencies in the logical framework of the component and related shortcomings in monitoring but also in reporting. Evidently, these original design deficiencies continue and made a systematic analysis of progress achieved somewhat difficult. However, in addition to the reports available\(^3\), the National Experts have provided sufficient and up-to-date information to enable an assessment of progress made. In the following, the achievement of the component in obtaining its immediate objectives is assessed.

**Macro-level Immediate Objective 1:** “Strengthen the national coordination framework for food inspection and quality control activities and raising general awareness on food safety and quality.”

The current situation in relation to the national-level legal, strategic and institutional framework for food safety and quality control is somewhat complicated. The outdated Food and Drug Act, which does not provide for effective inspection, regulation and enforcement, has still not been revised, despite earlier attempts during UIP I. Related to this is the equally pending need to transform the existing National Drug Authority into a fully independent and professional National Food and Drug Authority.

The most visible achievement is the approval and official launching of the **National Food Safety Strategic Plan (NFSSP) 2006 – 2016** by the Ministry of Health in May 2007. The strategic plan is the result of a cooperation between the Ministry and UNIDO that started as early as 2001 and involved other Ministries, such as the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and the MTTI, universities as well as a range of national experts and international consultants. The plan spells out the roles and responsibilities of all key stakeholders of the food industry in Uganda and addresses issues of institutional linkages, collaboration and harmonization activities aimed at promoting and improving the status of food hygiene and safety in the country. The NFSSP is meant to form the basis for discussing new food sector projects and programmes that are being considered by the Government and donors like the EU, Norway, Sweden and Denmark but also the World Bank and African Development Bank.

However, while the NFSSP has thus finally been made official, the situation has recently become increasingly complicated by the need to draft a Sanitary and Phytosanitary (SPS) Policy, as a requirement under the WTO agreements. When a team of consultants assessed the NFSSP in June 2008, they strongly called for its revision in order to include what they called “modern SPS-Food safety principles”. It could not be fully clarified why the development of such an SPS policy and its inclusion in the NFSSP had not been initiated at an earlier stage.

According to the Ministry of Health, a draft of the SPS policy does already exist but some discrepancies continue as to the exact shape and powers of the Food and Drug Authority, not the least caused by differing visions of different consultants that provided advice to the

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\(^3\) The last comprehensive progress report made available deals with the period May to December 2007.
Ministry over the last few years. No exact timetable seems to exist for finalizing the SPS Policy.

It is evident that as long as the SPS policy is not formally approved, the subsequently necessary revisions of the NFSSP and the Food and Drug Act as well as the strengthening of the National Food and Drug Authority remain on hold and the envisaged component objective of creating a sound legal base and implementing the food strategy plan cannot be readily achieved. What seems clear is that the issue of food safety has to compete, in the Health Ministry, with priorities and resources linked to important health problems and related large programmes to combat HIV/Aids and malaria.

The second line of activities, consumer education and public awareness-raising for food safety and quality was less successful. However, a start has been made in this certainly not easy task, given the prevailing food distribution systems for the domestic markets. A national food safety week and a media campaign were organized in 2004 but not repeated for an apparent lack of initiative and resources by the Ministry of Health. During a Meat Safety Week in 2007, abattoirs were jointly inspected, some closed down and the media were informed accordingly. Currently, efforts have shifted to the Kyambogo University (see below) and a school awareness programme is being planned.

While there has thus been some progress in consumer education and public awareness, it is evidently still a long way to go until the indifferent attitudes of the majority of consumers (as well as policy makers) towards food safety and quality will visibly change. Export-related pressure has helped to improve the situation for the upper range of export-oriented industries but (informal sector) producers for the local markets have not really been influenced so far.

The third line of activities on the macro level relates to the engagement in the on-going process to build up regional food safety and quality control structures and processes, foremost within the East-African Community (EAC). A start has been made towards the medium-term vision of establishing a common EAC market by conducting surveys on trade capacities and potentials but no concrete action has been taken so far. In this context, FOOD component experts are actively involved in the UNIDO East-African Community project on “Trade Capacity Building in Agro-industry Products for the Establishment and Proof of Compliance with International Market Requirements”, which was initiated in Uganda and is also financed by Norway. It aims at establishing regional coordination mechanisms and food safety frameworks including a harmonized assessment and control infrastructure. The project is also involved in the chemistry lab accreditation process and the post-graduate course at Kyambogo University (see below under meso-level objective 2).

On a more general level, Health Ministry officials have expressed their satisfaction with UNIDO’s qualified team of local and international experts and their general ‘hands-on’ approach that has led to visible results. Overall, the evaluation team concludes that the FOOD Component has made good progress in establishing the basic macro-level framework for food safety and quality control in the country but, so to speak, much remains to be done and the job is clearly not yet finished.
Meso-level Immediate Objective 2: “Strengthen the SPS and TBT institutional infrastructure.”

Overall, good progress has been made in building up the required meso-level systems and institutional infrastructure as well as in developing the human resources to operate the systems. As in Phase I, the Uganda National Bureau of Standards (UNBS) has been in the centre of activities. UNBS is a statutory body under the MTI and its basic functions are to enforce national standards, provide testing facilities and conduct verification and control inspections. The National SPS/TBT Committee, consisting of public and private sector actors, was also supported with the aim of sensitizing its members on the importance of compliance with the SPS/TBT agreements.

Like in Phase I, UNBS staff and other interested parties were trained on food safety systems including the aspects of risk analysis and traceability. Recently, the focus has been in training staff and private sector actors in ISO auditing, to allow them to become certified and lead auditors. At present, eight people have passed the final exam for lead auditors in ISO 22000, 10 have passed the examination for ISO 9001 and a total of 56 people have been trained as internal auditors. The human resources needed to operationalize the food safety systems are thus being built up.

Important and commendable initiatives, which have not been part of the initial programme document, are the university courses in food safety and quality control that are in the process of being launched. After a first pilot course at Makerere University (which was not repeated due to insufficient commitment by the University), Kyambogo University has now taken the lead. A Food Technology Department is being set up and a first Certificate Course for food inspectors has been launched. A Post-Graduate Diploma Course on food safety management will commence as soon as the National Council for Education has given the green light.

Both the current short-term measures for training auditors as well as the medium- and long-term measure of university courses are driven by the vision of building up the required resources for a ‘national’ ISO certification system. Currently, expensive foreign auditors have to be employed and this is one of the most important reasons given by companies against having their factories certified or re-certified. The intention is thus to slowly build up local competencies for establishing lower-cost national certification capacities.

Next to human resources, the technical infrastructure for food safety investigations and control is essential. Currently, one private laboratory and the UNBS labs can fulfill these tasks in Uganda. UNIDO has earlier assisted the UNBS in bringing its microbiology lab up to accreditation. It has recently been re-approved thus its accreditation continues.

Under the UIP II, the chemistry laboratory was also to be accredited and UNIDO has provided consultancy services for selection of the equipment as well as funds for purchase of the equipment. Staff has been trained and the chemistry lab is currently operational for seven essential chemical parameters and related tests. It has consequently registered a 50 per cent increase in processing samples for exports, imports and locally marketed products. On the other hand, no clear deadline could be given for when the chemistry laboratory will be accredited. As on the macro-level, successes have thus undoubtedly been
achieved but the accreditation is still pending and will probably not be possible in the near future.

Also situated at the meso-level are the activities to strengthen umbrella organizations for export promotion and organization. These include the Uganda Fish Processors and Exporters Association (UFPEA), Natural Pride Uganda Ltd. (NAPU) for dried organic fruit processors, the Uganda Cottage Food Processors Association (UCOFPA) for juice and flour processors and the Uganda National Apiculture Development Organization (TUNADO). These organizations are instrumental in motivating their members to establish food safety systems as preconditions for exports. In each organization, most member companies are active and participate in the training offered; however, some also drop out after the initial enthusiasm has waned and as it becomes clear that an ISO certification and re-certification come at a price.

In relation to the important goal of increasing Ugandan exports, the Component has been assisting the above associations but also the related Government bodies to obtain the much needed export clearances for crucial markets like the EU. In the fishery sector, Uganda is today a so-called harmonized or category 1 country, in that it is recognized to comply with EU control requirements for the safety of fish products, a pre-condition for export. Dried organic fruit companies were assisted to participate in trade fairs and exhibitions and some now export their products to countries like Germany.

In the honey sector, the picture is less bright. After initial clearance (obtained in 2005) honey exports to the EU are currently put on hold due to persistent quality problems. Exports are therefore, for the time being, confined to the Middle East and Australia. The Department of Livestock Health and Entomology is still confident about implementing the National Honey Residue Monitoring Plan (NHRMP) and plans to use an AfDB loan for setting up the required quality systems in three pilot districts – in addition to the five centres that were set-up under UIP II. The related Standard Operating Procedures (SOP) and Codes of Practices (COP) have been developed and are ready for implementation.

Finally, next to the direct impact on companies and government agencies, the FOOD Component has also played an important role in building up qualified human resources for food safety and quality control in the country. A good indicator for this is that donors and other projects are actively soliciting the established capacities.

**Micro-level Immediate Objective 3:** “Strengthen the supply side capacity in food safety and quality.”

First, the fishery and honey sectors are briefly discussed. The discussion of the fruit and vegetable sector is then separated for the private sector companies and factories on the one hand, and the groups and associations that operate the pilot centres on the other hand.

As mentioned above, currently, honey exports to the EU had to be put on hold but continue to other regions like the Middle East and the EAC region. Also, more honey is increasingly being sold on the local markets. The number of farmers involved in producing honey is said to have increased as a series of training have been organized in several locations in the country, including areas in the North under the UIP II SKIPI Component.
Unfortunately, again, no consolidated figures on honey production or exports were made available.

Unlike in Phase I, the fisheries sector has not been specifically targeted but the larger exporting companies have participated in the ISO related training. Eight companies have recently passed a surveillance audit by an international firm. In relation to the problem of fish transportation on Lake Victoria, a prototype has been developed which, however, does not yet function satisfactorily. A new effort to develop a second prototype is planned but no specific timeline could be elicited.

**Private sector companies**

The Component has been instrumental in introducing quality management systems and food safety standards in a number of individual companies along with the necessary training of staff. The companies are today at various stages starting with training in GMP/GHP and HACCP and related COP/SOP. The final stage is then certification in the ISO 22000:2005 food safety system.

Though figures vary slightly, the current situation in relation to Quality Management Systems and food safety systems is approximately as follows: a total of 84 companies from the fishery, meat, dairy, honey, fruits and vegetables and hotel sectors have participated in training on ISO 22000, HACCP and GHP/GMP. 11 of the food processing companies are preparing for HACCP certification with the UNBS. 27 hotels have applied for ISO 22000 certification and five for HACCP certification. The biggest abattoir has successfully implemented HACCP and ISO 22000. By and large, the more professional and export-oriented companies are naturally more motivated due to the export market requirements and consequently devote more time and resources to the standardization processes.

Special mention is due to the good collaboration and coordination with the UCPC in that most food sector companies and hotels underwent both the food safety related processes (leading to ISO 22000) as well as the cleaner production processes (leading to ISO 14000). Synergies were clearly tapped here and the range and depth of change and improvements in individual companies could be increased.

Overall, it can be concluded that the Component has made good progress with the private sector. Still, the number of companies involved is not overwhelming and evidently much remains to be done. On a positive note, the Component and the respective organizations have to be complemented on their intent to build up local standardization and certification capacities as this can be expected to bring down costs and make it more feasible for smaller, local- or regional market oriented companies to also go for certification.

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4. Hazard Analysis and Critical Control Points (HACCP) is a systematic preventive approach to food safety and pharmaceutical safety that addresses physical, chemical, and biological hazards as a means of prevention rather than finished product inspection. HACCP is used in the food industry to identify potential food safety hazards.

5. Code of Practices (COP) are a set of guidelines and regulations to be followed in each industry or sector; Standard Operating Procedures (SOP) contain all quality impacting processes and procedures for a given step in the production line.

6. ISO 22000 is a standard developed by the International Organization for Standardization dealing with food safety and is a general derivative of ISO 9000.
Post-harvest pilot centres

The target set under Output 12 was to establish 82 post harvest commercial operations to function as food processing pilot centres. Currently, 22 centres have been established: 4 for dried fruit, 12 for honey and 6 for fruit and vegetables. The Component is thus far from reaching its target.

On the other hand, it can also be argued that to target 82 pilot centres was too ambitious in the first place and that a lower figure would have been more appropriate. The important question now is whether the experiences made so far warrant an up scaling or not. As will be argued below, the evaluation team is not totally convinced that the current strategy is indeed the right one and that an up-scaling of pilot centres is called for, at this stage.

Some centres are undoubtedly success stories in that farmers are being trained (as of now, a total of 2000 in organic farming) and quality products are being produced and sold (so far by 1200 participating farmers). Available anecdotal evidence suggests that producer incomes and product exports increase when the potentials on the production side are successfully matched with export requirements. Unfortunately, however, no consolidated figures existed on the additional income generated for the participating farmers and export companies. The impact of the pilot centre activities can therefore not be assessed.

Regrettably, a range of the fruit-processing pilot centres visited showed a less positive picture and question marks surfaced in relation to several issues. The first relates to their legal and institutional status. The mission visited one centre (KASPER), which was a not very transparent mixture of private company and some sort of an NGO without clearly separated book keeping and accounts. Another centre (KARAMBI) was run by a women association, with very few active members and a corresponding low level of equipment utilization. In a third centre (RUCID) imported and certainly expensive drying equipment had been defunct for a long period of time due to lack of leadership and commitment, again from an organization with mixed private sector and NGO ownership. Needless to say that the prevailing erratic power supply in the country also had its impact on disrupting processing and led to cost increases.

Fully private sector operated centres, on the other hand, are large and successful and have often been organically certified for exporting (Envalert, Fiona, BioUganda). Some even have capacity problems with their current equipment and are trying to find affordable finance for expansion purposes.

Another issue is the usefulness of providing small groups with rather expensive equipment for free. The pilot idea would imply that success stories should incite other groups to invest in equipment and to start producing. That has apparently not always been the case since most equipment is simply too expensive and it is thus doubtful whether this will happen in the near future. It was concluded that the demonstration and replication effects have not yet been proven.

A general question, finally, relates to the levels of professionalism and product quality that is required for successful exports. Private companies, like Envalert, have organized their own chain of (certified) producers with whom they have raw material supply contracts.
Processing and packaging is then done centrally and professionally. Group-run centres visited, on the other hand, only produced what can be labeled cottage-type products which have a corresponding limited and probably only domestic market potential.

Two additional issues emerge in relation to the pilot centres. The first is that a sound and comprehensive value chain analysis would have been helpful at the design stage, including an analysis of the market potential and the estimated level of demand. The impression is rather that fruits (or vegetables or honey) were available and therefore had to be processed in order to generate added value and less attention was paid to whether or not there was a market for the products. Marketing only came into the picture later and proved to be the most difficult part.

**Master Craftsman Programme - MCP**

The project aims at strengthening the productivity, profitability and sustainability of MSMEs, with focus on rural women and through the provision of demand driven MCP training /advisory services. Four main groups of activities /outputs were foreseen:

- Establishment of MCP advisory services
- Enhanced technical and business skills of women entrepreneurs
- Improving women entrepreneurs accessing information and technology and
- Strengthening networking among women entrepreneurs.

A MCP Phase I project was implemented under the UIP I and achieved positive results. It was therefore recommended that the project should be extended into a second phase, in order to cover more districts but also to specifically target women entrepreneurs. During the first phase, MCP was implemented in seven districts and trained 102 entrepreneurs as MCP advisors, out of which 20 per cent were women. It was estimated that about 65 per cent of the advisors actively promoted their services and assisted about 1,300 clients. Indications are, however, that the activity rate of the advisors decline with time and one reason provided is the difficult to charge fees.

The main achievements of the UIP II component are summarized in Table 10 below.

**Table 10: Overview of the MCP component**

<table>
<thead>
<tr>
<th>Immediate Objective</th>
<th>To improve business development skills of MSEs with emphasis on rural women entrepreneurs in MSEs and particularly in rural areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCP Advisory Services with emphasis for Women in Industry Programme established for the provision of self-sustaining training and technical advisory services for women managed MSEs</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expected Outputs</th>
<th>Activities</th>
<th>Status/Assessment</th>
<th>Completion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCP Advisory Services</td>
<td>Review in-depth the experiences of already existing Master Craftsman Programme (MCP)</td>
<td>Target of 80 trained MCP advisors has been exceeded and 200 were trained during this phase</td>
<td>100%</td>
</tr>
<tr>
<td>with emphasis for Women in Industry Programme established for the provision of self-sustaining training and technical advisory services for women managed MSEs</td>
<td>Define strategic areas where training and advisory services under the MCP - with emphasis on rural women - contribute</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task</td>
<td>Description</td>
<td>Output</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Develop the Operational Plan (business plan) for the MCP</td>
<td>Develop criteria for the selection of industrialists who will be trained as advisors of MCP Advisors</td>
<td>Target of 300 train women entrepreneurs have been exceeded and estimated that about 2000 entrepreneurs have been trained (60% women)</td>
<td></td>
</tr>
<tr>
<td>Adapt already existing MCP manuals and train identified potential MCP Advisors</td>
<td>Train women advisers and administrators of USSIA/NUMA and UWEAL</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Identify appropriate programmes and projects to which MCP-Advisors could be connected</td>
<td>Provide on-the-job training to MCP women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assist in the organization of awareness building and information sharing meeting</td>
<td>Enhanced technical and business development skills of women entrepreneurs in rural areas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review specific skill enhancement needs and identify the most viable modes of training of textile, food, leather as well as other relevant sectors</td>
<td>Prepare appropriate training modules and programmes and organize the training programme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organize shop-floor level training programmes</td>
<td>Provide specific training and information sessions both on-the-job and at production level on the matters such as quality control, standardization, pollution control and waste management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design the modalities of providing training and advisory services with those institutions on a continuous basis</td>
<td>Women entrepreneurs' access to information and technology improved.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review and assess the available information on the profiles of women entrepreneurs both in Kampala and in the districts (names and location, sector orientation, scale of operation and no of employees, etc.) and develop strategies to improve the inventories of women entrepreneurs and business owned by women</td>
<td>The output was to be implemented in collaboration with UWEAL but the collaboration did not materialize</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>
Prepare a comprehensive inventory of women entrepreneurs starting from the districts targeted by the programme and update it constantly

Define the information needs of women entrepreneurs

Develop and/or improve the database of information required by women entrepreneurs potentially through the network of UWEAL/USSIA[NUMA] district offices and prepare dissemination strategy and methodology on a cost recovery basis

Train the relevant staff of USSIA[NUMA][UWEAL] in the districts

Organize the information services

| Networking among women entrepreneurs in and outside Uganda established | Prepare information material on women entrepreneurship development | Organize information meetings | Identify possible horizontal and vertical integration of women and organize forum | Some networking among women at local level has materialized UWEAL did not come on board as expected | 10 % |

Lessons learned from the first phase were fed into the Phase II project, which has been implemented in 15 districts out of which four are in Northern Uganda. The project has four main implementation partners; USSIA, NUMA, the Gatsby Foundation and Enterprise Uganda. Nine sub-sectors are being covered and many with a large percentage of women, for example food processing, catering and textile. A call for potential MCP advisors resulted in over 700 applicants, out of whom around 200 were selected, out of which 60 per cent were women.

The Phase II project was found to have been successful in establishing MCP advisory services in the targeted districts. Many activities of the project were implemented in a professional manner and led to the expected outputs and there has been a clear focus on women. For instance, needs assessments of women entrepreneurs were carried out at district levels and enabled demand-driven interventions, addressing main constraints for various categories of enterprises. About 200 advisors have been trained during this second phase and the target of 80 MCP advisors has thus been surpassed. There has been a clear emphasis on women entrepreneurs with 60 per cent of the Phase II advisors being women and exceeding the established target of 50 per cent. The high percentage of women posed some challenges to the organizers; some women dropped out for socio-economic or family reasons and there has been a need to adjust to having children accompanying the mothers to training events.

The percentage of women beneficiaries of which the majority is found in the textile sector is estimated to be even higher than for the advisors. Equally, many of the sectors selected for support have a high percentage of women; food catering, food processing, leather craft, textile/tailoring and textile/surface design. Others were and are more male-dominated; carpentry, milling, metal fabrication, carpentry and motor mechanics but are important sectors, in terms of size and demand for services, in the targeted districts. There

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were indications that all the trained Master Craftsmen had ventured into some kind of advisory activity.

The advisors have been trained in areas of facilitation (TOT), business management and industrial extension and, in addition, received technical training. The technical skills upgrading training was done in collaboration with existing Ugandan institutions, such as TEXDA, the Training and Common Facility Centre, the Uganda Industrial Research Institute, the Sekasi Institute for Catering and the Nakawa Vocational Training Institute. The comprehensive training model, incorporating both basic business management training and technical training has been highly appreciated and the training manuals developed by the project have been of a high quality. As a result of this training there is evidence that the performance of the businesses of the individual advisors has substantially improved. Through the development of business strategies, the adoption of better management practices and production methods, the productivity and quality of the production were enhanced. An important lesson learned is that many enterprises are not just affected by financial constraints but that they are also subject to inherent opportunities, such as excess capacity, underutilization of existing resources or untapped market opportunities. In these circumstances, a struggling company is not helped by a loan to increase its production, but rather can benefit from advisory services.

It is estimated that around 2,000 entrepreneurs have been trained or assisted by the MCP advisors trained during Phase II. According to the project team, about 30 per cent of the advisors have been actively assisting entrepreneurs. Another positive outcome has been the formation of sector-based self-help groups and the initiation of self-help activities. Refresher courses have also been organized for the 56 (out of 100) Phase I advisors that were considered to be active. It was found that the project has been most effective in its first step, which is building capacities of the entrepreneurs selected to become MCP advisors but less effective in the provision of services to additional entrepreneurs through the MCP advisors. This issue will be further discussed under sustainability and impact.

A positive finding is that the MCP advisors have started networking and for instance, have ventured into joint marketing. Another positive development is that, although only to a limited extent, the district branches of USSIA or NUMA have been strengthened. The large majority of the trained advisors have been USSIA and NUMA members and some have held leadership positions at the district level. Training of administrators of USSIA and NUMA on the sustainable implementation of MCP took place and some activities were still being planned but it is doubtful that the partner organizations will be in a position to implement the programme on a cost-recovery basis at the end of the project. The NUMA and USSIA branches visited by the evaluation team were found to be weak in terms of budgetary resources, staff, equipment and capacities.

Remaining activities include “Self Help” training (using the UNIDO module for networking), training on the “Essentials of Managing Associations (EMA)” and active back-stopping at the enterprise level. In addition, there would be a refresher training for first batch, but still active, MCPs. One output that has not been produced is “improved access to information and technology”. A database with information on technologies and markets was not developed and the information service did not materialize. Similarly, the target of enhanced networking and information sharing was not achieved. It was foreseen that UWEAL would have been a main partner for these outputs and that the project would have been able to use the UWEAL infrastructure in rural areas but the cooperation with UWEAL did not materialize. This also meant that the project worked less than foreseen with advocacy and with promoting the interest or specific needs of women entrepreneurs, at the policy level. Neither were the foreseen linkages with the DBIC project established.
Another finding is that the Monitoring & Evaluation (M&E) system needs to be activated and data not only collected but also analyzed and presented in a holistic manner. At the moment it was only possible to collect anecdotal evidence of MCPs assisting (other) entrepreneurs and the effects of this assistance. Moreover, capacities will need to be established with the partner organizations at the district level to monitor MCP advisors and to manage the M&E system. In fact, the actual involvement of the partner associations has been limited and more or less reduced to the identification of suitable future advisors. As was highlighted in the evaluation of the UIP I, the MCP advisors have highly benefited from the project in terms of developing their own business. However the outreach to and effects on other businesses are more difficult to verify, beyond anecdotal evidence.

The evaluation team met with a large number of MCP advisors who all confirmed that they had been able to improve and expand their businesses as a result of their MCP training. Actual changes instituted are often related to new machines or technology, the introduction of new products, better plant layouts or processes, time management, improved customer care, less materials wastage, introduction of management practices, such as bookkeeping or proper costing and taking the step from the informal sector into the formal one.

Many advisors also informed the evaluation team of their activities as MCP advisors. Indications are that many start, aggressively, to train groups and individuals, but that the activity rate dwindles with time because it is “difficult to charge fees” and because “there is no reward system” for the advisors. As a result, some advisors stopped training and advising, some switched to a kind of apprentice system, exchanging skills training against free labor, others just stopped being a MCP advisor. The evaluation team also met MCP ultimate clients who had highly appreciated the peer and shop-floor training modality. Indications are that many MCP clients start production or improve the existing production. The evaluation team was also informed of many instances when the MPC advisors had been used as trainers by other projects or NGOs, some were even training in Sudan.

It is certain that the project has been able to train entrepreneurs to become MCP advisors but more uncertain if MSMEs, in any large numbers and over a longer period of time, are and will be accessing training or advisory services. In summary, the evaluation team found that valuable knowledge and skills have been imparted and the objective in terms of increasing the competitiveness of MSMEs by improving the profitability, productivity and quality of their products and management procedures at the enterprise level have been met. This has led to employment creation and income generation and thus contributed to poverty reduction.

**UCPC**

The overall goal of the component is “sustainable business development and reduced pollution from enterprises in Uganda through application of improved industrial environmental management systems” and the project purpose or immediate objective is defined as “enhanced use of cleaner production tools in enterprises and increased application of the CP concept amongst other stakeholders, in order to reduce pollution and build national capacity in CP”.
### Table 11: Overview of the UCPC component

<table>
<thead>
<tr>
<th>Immediate objective</th>
<th>Expected Outputs</th>
<th>Activities</th>
<th>Status/Assessment</th>
<th>Completion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced use of cleaner production tools in enterprises and increased application of the CP concept amongst other stakeholders, in order to reduce pollution and build national capacity in CP</td>
<td>The Eco-Benefits Programme successfully implemented in several SMEs</td>
<td>Recruit enterprises for the programme; Audits, training and advice; Preparation of company reports.</td>
<td>120 companies participated</td>
<td>100 %</td>
</tr>
<tr>
<td></td>
<td>The Eco-Design Programme successfully implemented in selected enterprises.</td>
<td>Identify international TA Institution to support the programme; Select companies that have fulfilled the Eco-Benefits Programme; Production of a sample EMS manual Design a self-help programme to guide companies; Technical assistance to companies.</td>
<td>Industrial designers from Norway were fielded and has supported selected enterprises</td>
<td>100 %</td>
</tr>
<tr>
<td></td>
<td>The EMS/ISO 14001 Programme successfully implemented in selected enterprises.</td>
<td>Development of a MSE CP Programme</td>
<td>UCPC has developed and implemented a CP training methodology for small-scale enterprises</td>
<td>100 %</td>
</tr>
<tr>
<td></td>
<td>Assistance to selected enterprises in meeting NEMA’s Compliance Programme successfully implemented.</td>
<td>Visit industries in question; Meetings with key officers; Inspection of production process; Work out programmes of improvement with enterprises; Preparation of manuals.</td>
<td>The UCPC has been actively promoting compliance issues with Ugandan companies and primarily with enterprises participating in the Eco-Benefits Programme</td>
<td>60 %</td>
</tr>
<tr>
<td></td>
<td>Assistance to the Makerere Univ. in their Post-Graduate CP Diploma training successfully implemented</td>
<td>Work out the details of the course curriculum</td>
<td>UCPC and the Department of chemistry designed a post Graduate Diploma course in CP The course was approved and will be provided in 2009</td>
<td>80 %</td>
</tr>
<tr>
<td></td>
<td>The UCPC has given adequate input and support to the Government’s process of developing a National CP Policy</td>
<td>Continuous process of advisory and supporting services to authorities; Participate in national meetings and seminars; Lobby for CP concept; Preparation of reports and notes advocating CP concept; Dissemination and awareness-raising.</td>
<td>A draft National Policy on Sustainable Production and Production was prepared and presented</td>
<td>44</td>
</tr>
</tbody>
</table>
The UCPC has given adequate input and support to the Government’s process of implementing relevant international conventions and treaties signed and ratified by Uganda.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participate in national and regional projects for implementation of multilateral environmental protocols</td>
<td>100 %</td>
</tr>
<tr>
<td>Provided input on CP to the National Industrial Policy. Has developed Draft Policy for promoting sustainable consumption and production in Uganda. Has supported POPS implementation Plan and the National Committee for the Stockholm Convention.</td>
<td>100 %</td>
</tr>
</tbody>
</table>

The UCPC has effectively assisted in and facilitated the establishment, introduction and implementation of the CP Regional Revolving Financing Facility under UNEP and African Development Bank (AfDB) in Uganda.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assist in establishment of national soft loan facility; Assist in preparation of bankable projects for approval; Train enterprises and CP experts to develop creditworthy proposals for CP investments; Development and print information material about CP financing.</td>
<td>0 %</td>
</tr>
<tr>
<td>Efforts have not met with success</td>
<td>0 %</td>
</tr>
</tbody>
</table>

The UCPC was established in 2001 and is today a well-functioning and professionally managed unit with 4 professionals and 3 support staff. Throughout the second phase there has been continuous strengthening of the Centre through technical assistance provided by international consultants and the CP unit at UNIDO Headquarters.

Various indicators were suggested in the project document for the overall goal and for the project purpose but these have not been specified, thus it is difficult to evaluate the actual achievement of the project against these indicators. The assessment of the evaluation team is, however, that the UCPC has been able to introduce cleaner production principles and strengthened CP-related capacities. At the output level there were more precise indicators, such as “The UCPC has arranged 6 Eco-Benefits Programmes and the number of participating enterprises are 40”. The evaluation found that the project has been successful in producing many of the expected outputs and that the Eco-benefits, the Eco-design, the EMS/ISO 14001 certification, the MSE Eco-benefits and the three Compliance Assistance programmes have been successfully implemented. Moreover, the UCPC should be congratulated for having put CP concepts on the agenda and in particular the Eco-Benefits Programme has been a useful instrument in this respect.

It is obvious that the UCPC has been able to introduce cleaner production practices to a large number of Ugandan enterprises and that advisory services have led to considerable energy and raw materials savings. Many enterprises mentioned these positive effects and also informed of decreasing costs and improved productivity and competitiveness, as a result of the UCPC interventions.

Output 6 related to a Post Graduate Diploma is on the verge of being achieved and there has been progress towards the development of a CP Policy but an approved CP Policy is still not in place. One output, which has not been produced, is the establishment of CP financing. In these respects, it can be argued that neither the establishment of a Post-
Graduate Diploma Programme nor the establishment of CP financing was under the direct
control of the project.

However, as indicated above, the majority of the foreseen outputs have been produced and
envisaged activities implemented. Particularly good results have been achieved through
Output 1, the Eco-Benefits Programme, which has attracted 120 participating enterprises
from all over Uganda and of which none dropped out! Beneficiary enterprises expressed
their satisfaction with the simple but useful and applicable advices and the continuous
interaction with the UCPC team. Major outcomes of this Programme have been more
efficient use of materials, environmental compliance and pollution prevention, increased
energy and water efficiency and the promotion of occupational health, including
HIV/AIDS prevention. There have thus been substantial benefits to individual companies,
to the economy and to the environment. In addition to introducing CP principles in
industrial companies, the Eco-Benefits Programme was, at the request of the Ugandan
Government, extended to 45 hotels.

The Eco-Design Programme was implemented with the Norwegian Association of
Industrial Designers as a partner but the overall target was not met. On the other hand,
Ugandan companies have benefited the EMS/ISO 14001 and 7 enterprises were certified
during this second phase and 76 CP assessors have been trained. In addition, the UCPC is
active in CP-related forums and policy discussions, CP figures in the Industrial Policy and a
draft Sustainable Consumption and Production Policy has been developed. CP has thus
definitely been put on the Ugandan agenda. Moreover, the UCPC has given support to the
Government in progressing towards the implementation of international conventions and
treaties, through carrying out studies, identifying strategies and activities for complying
with the Montreal Protocol and has contributed to the development of the National
Implementation Plan for the phasing out of POPs. The UCPC is also on the Coordinating
Committee for ensuring Ugandan compliance with the Stockholm Convention. In these
respects active collaboration with the National Environmental Management Agency
(NEMA) and with the United Nations Environmental Programme (UNEP) has materialized.

The evaluation team found a high level of satisfaction with the services rendered by the
UCPC and many of the supported enterprises gave very high ratings of the support
received and provided evidences of actual economic and environmental gains and
improvements. There was, as mentioned earlier, ample information on energy savings,
reductions in water consumption, improved waste disposal systems, improved storage
procedures, more efficient use of raw-material inputs, increased efficiency in production,
and improved workers safety and health. Many companies interviewed, reported
substantial savings (up to 30 per cent) in energy costs. The evaluation team also met with
numerous Eco-benefits participants who stated that they were now also applying energy
and water efficient principles in their homes.

The Norwegian Mid-term Review pointed out that the support to a distillers’ group in
Jinja was in conflict with Norwegian development policy, although helping the poorest
with income generation. The evaluation team visited the operational site and found that
considering the adverse effect of the distilling activity on the environment, the support was
justified from a purely environmental angle and that the distilling activity is likely to
continue with or without any outside support.
TEXDA

The TEXDA institute was started in Phase I of the UIP to build capabilities and capacities of women entrepreneurs in the textile industry in Uganda. The overall objective of the TEXDA component in the UIP II is “to build a self-sustainable centre to promote the growth of women entrepreneurs in Micro and Small Enterprises through provision of technical and entrepreneurial skills to build capacities and capabilities to successfully manufacture innovative, quality products that are competitive on both local and international markets.” Thus, the support to TEXDA was continued with the aim of establishing a self-sustainable and professional organization that delivers practical training and consultancy services to the small-scale textile sector in the country. Moreover, the efforts to build capacities of women entrepreneurs, in particular among rural women, in the textile industry were to continue.

The UIP II Programme Document formulated the following outputs: i) Strategic assessment and capacity building of TEXDA, addressing governance and financial sustainability issues; and ii) TEXDA strengthened and an outreach programme in garment production and product development, surface design and handloom weaving carried out. The strategic Development Plan later reformulated these outputs into four outputs and the periodic reporting utilized this latter format.

The table below summarizes an assessment of the performance of the component vis-à-vis the four outputs and activities:

Table 12: Overview of TEXDA component

<table>
<thead>
<tr>
<th>Immediate objective</th>
<th>The establishment a self-sustainable and professional organization that delivers practical training and consultancy services to the small-scale textile sector in the country</th>
<th>Status/Assessment</th>
<th>Completion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output/Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected Output 1: Establish 4 activity areas which contribute towards sustainability of TEXDA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introduce a new management structure for TEXDA</td>
<td></td>
<td></td>
<td>80%</td>
</tr>
<tr>
<td>Prepare a realistic business plan with detailed budget and programmes for the next 2 years</td>
<td>4 Departments created (Outreach &amp; Training, Markets &amp; Trade, Production, Finance &amp; Information), including job descriptions; new staff recruited in 12/2006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Install new equipment, training-of-trainers programmes and consultancy services</td>
<td>Strategic Development Plan for 2006-2007 prepared in 2005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assist in the installation of new premises for TEXDA (to be erected with help of government)</td>
<td>New equipment procured and installed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Move to new premises; refurbishment of buildings continuing</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to Trust Fund Agreement (November 2004)
### Expected Output 2: Develop services to promote active membership and continuous trainee participation

<table>
<thead>
<tr>
<th>Activities</th>
<th>Achievements</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen TEXDA to increase its sustainability: establishment of new training and business counseling services, production unit, sales outlet, publications, equipment and supply of raw materials services</td>
<td>Contacts established with several banks to promote access to cheaper loans for textile entrepreneurs; Proposals made to World Vision and Plan Uganda to implement rural outreach programmes &amp; establish centres for training textile entrepreneurs especially in cotton growing districts; Developed curricula with Kyambogo university; Hosted loan officials from Barclays Bank to train entrepreneurs from 13 districts; Membership scheme launched: Weavers and Fashion Designers Guilds (24 and 16 members respectively); Tracer studies carried out in 2005 and 2007</td>
<td>70%</td>
</tr>
<tr>
<td>Conduct a tracer study to assess the performance of the existing technical assistance and identify future development goals and targets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reformulate the corporate strategy in accordance with the prevailing industry needs and market situation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Expected Output 3: Create and implement a structure for dissemination of services in rural areas

<table>
<thead>
<tr>
<th>Activities</th>
<th>Achievements</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carry out training activities to support small-scale entrepreneurs through an outreach programme to be implemented in selected districts</td>
<td>Rural outreach programme to 13 districts of Uganda in partnership with MCP/MSE component of UIP: 4 weeks training of 54 candidates in (i) surface design (17), garment construction (37); Additional training provided: 13 women abductees of LRA and 9 women with HIV/AIDS in weaving, etc.; 10 entrepreneurs in screen printing</td>
<td>50%</td>
</tr>
<tr>
<td>Organize training of trainers programmes for the outreach</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Expected Output 4: Establish links with the industry, professional organizations and the government so as to contribute towards development of the Ugandan textile industry

<table>
<thead>
<tr>
<th>Activities</th>
<th>Achievements</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main activities undertaken: Co-sponsored the 4th Uganda International Fashion week 2006, including training of 5 TEXDA designers; In partnership with UWEAL, participated in Women’s Day exhibition in 2007; Registered a domain name: <a href="http://www.ugandatextiles.org">www.ugandatextiles.org</a> – but site not functional; Established links with UGAPRIVI to introduce modular textile short courses to vocational institutions; Established link with Phoenix Logistics Ltd to source second hand sewing machines from their factory; Collaboration with Sida supported Metal Fabricators cluster in Katwe, Kampala and the wood working cluster (supported by Horizon 3000), to develop local capacity to make handlooms</td>
<td>Main activities undertaken: Co-sponsored the 4th Uganda International Fashion week 2006, including training of 5 TEXDA designers; In partnership with UWEAL, participated in Women’s Day exhibition in 2007; Registered a domain name: <a href="http://www.ugandatextiles.org">www.ugandatextiles.org</a> – but site not functional; Established links with UGAPRIVI to introduce modular textile short courses to vocational institutions; Established link with Phoenix Logistics Ltd to source second hand sewing machines from their factory; Collaboration with Sida supported Metal Fabricators cluster in Katwe, Kampala and the wood working cluster (supported by Horizon 3000), to develop local capacity to make handlooms</td>
<td>50%</td>
</tr>
</tbody>
</table>

Since its establishment in 1999, TEXDA has successfully assisted and trained over 1050 entrepreneurs in upgrading their skills in textile design and production. Supplementary business management courses have enabled the trainees to develop skills in bookkeeping, production planning and business development, with the purpose of not only generating income, but also creating employment and apprenticeships. TEXDA trainees have expressed their full satisfaction with the training received and the institute remains unique in offering a practical service to Ugandan textile entrepreneurs. A tracer study conducted in 2007 showed that 25 per cent of the trainees increased their income by as much as 55
per cent. Feedback from the beneficiaries confirms that the TEXDA trainers are able to deliver good quality training and that trainees are getting practical hands-on exposure and skills-development. However, due to lack of funds and transportation, the planned outreach to rural women only materialized indirectly through the MCP programme. This resulted in the training of 54 advisors/trainers in 15 rural districts.

During the Phase under evaluation, a business plan was drafted for the reorganizing and sustainability of TEXDA. The plan was unfortunately not implemented, to a large extent due to leadership changes and management and supervision deficiencies.

The core issue that TEXDA (still) faces today is its sustainability and financial independence. The income presently generated from training and in-house production is, by far, insufficient to meet its operational costs. High costs involved in the restoration of the new premises have also affected its cost-recovering. The evaluation team is not convinced that TEXDA, in its current shape, will be able to reverse this situation and become self-sustainable. Unfortunately, the ownership and commitment of the TEXDA Board of Advisors, comprising of Government, university and industry representatives, seriously deteriorated during the last few years. The Board last met in late 2007 and has since then, more or less abandoned the institution and thus contributed to its current weak position.

On the positive side, is the indication, that the Government sees TEXDA as an important service provider and valuable training institution and expects it to play a role in the implementation of its forthcoming textile policy. It has consequently indicated that it may take the necessary steps to secure its future financial, organizational and technical viability. Decisions will have to be taken very soon as the essential UIP II financing, which encompasses staff salaries, will come to an end in December 2008.

The Government has already demonstrated its commitment to the textile sector by securing a new permanent home for TEXDA. However, since the MTTI is holding the land title in trust, the issue of ownership could have been given more emphasis in the UIP II. The current status of TEXDA, of an NGO reporting to the MTTI, makes it something of a hybrid between a governmental and non-governmental organization.

For its own organizational development purpose, TEXDA drafted a Strategic Development Plan 2006-2007, which focused on (i) training; (ii) consultancy services; (iii) provision of market information; and (iv) operation of a sales outlet. The plan proved, however, to be unrealistic and was only partly implemented. Institutional deficiencies continue to hamper progress: space is limited, marketing of services not sufficient, products are not differentiated with consequently low sales and the cooperation with specific targeted organizations does not take place to the extent needed.

A positive recent development is the planned collaboration with the Textile Section of the Faculty of Science of Kyambogo University. The idea is to jointly implement the newly developed certificate programme in Textile Design and Technology. To this end the institutions plan to share their physical and human resources.

In summing up, the quality of the training provided by TEXDA has been good but the demand for the training and the willingness to pay fees are low. Correspondingly, the income generated from training is low, which in turn continues to affect TEXDA's sustainability. In fact, the project has not been successful in developing a sustainable TEXDA, which was the main objective of this Phase.
The objective of the DBIC project was to extend the existing network of business information support to MSMEs into eight districts of Uganda. This would contribute to addressing the information requirements of micro, small and medium size enterprises in Uganda, by establishing national, sustainable capacities to provide them with ICT-based business information and solutions and ICT support. The DBIC project was a continuation and expansion of a previous UNIDO project, which supported the establishment of the Uganda Business Information Network (UBIN) and implemented it in the period 2002 to 2005. UBIN was established as a joint venture between public and private sector institutions, to serve as a central access point for business information and ICT support services to MSMEs in Kampala.

The DBIC project was not assessed in detail by the UIP II evaluation team, as it had been subject to an independent in-depth evaluation, in early 2008. However, as some activities had not been completed at the time of the DBIC project evaluation, the UIP II evaluation provided an opportunity to validate the main findings, to assess whether or not adaptive or corrective measures had been taken and to verify if remaining activities had been concluded and remaining outputs produced. Consequently, only outstanding issues are discussed in the following, additional information in relation to this project can be found in the project evaluation report, available on UNIDO's website.

Table 13 below provides a summary of the findings of the project as well as of this IP evaluation.

Table 13: Overview of the DBIC component

<table>
<thead>
<tr>
<th>Immediate objective</th>
<th>Using UBIN as a backbone for the support services, to extend the network of existing network of business information support to MSMEs into eight districts of Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Outputs</td>
<td>Activities</td>
</tr>
<tr>
<td>The establishment of eight pilot District Business Resource Centres, together with the backbone in Kampala that create a demand driven and long term sustainable information solutions network, facilitating the national information infrastructure</td>
<td>Set up of a national steering committee</td>
</tr>
<tr>
<td></td>
<td>Conduct needs assessment in the eight selected district locations</td>
</tr>
<tr>
<td></td>
<td>Development of business models/business plans for each of the 8 districts/locations</td>
</tr>
<tr>
<td></td>
<td>Endorsement of the business plans</td>
</tr>
<tr>
<td></td>
<td>Conduct of the partnership building process</td>
</tr>
<tr>
<td></td>
<td>Identify required resources to set up the centres</td>
</tr>
</tbody>
</table>

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8 Independent evaluation of “Strengthening the Ugandan Business Information Network II: Establishment of 8 Pilot District Business Information Centres” (UNIDO Project UE/UGA/04/062, July 2008).
The present assessment of the DBIC project is based on unannounced visits to five of the eight DBICs and discussions with a wide range of stakeholders, including actual and potential customers or clients. Despite delays, which were mostly outside of the project’s direct responsibility, the eight DBICs are operational in secondary cities of the country (though two had not been officially launched). The centres have been equipped with the necessary hardware, based on a preceding needs analysis of each centre and with asset values ranging from US$ 35,000 to 45,000. The last two centres have been provided with refurbished equipment resulting from a separate Microsoft-UNIDO project for PC refurbishing and sales of refurbished PCs contribute to the income of these and other DBICs. Each centre is staffed with qualified and motivated training and information experts.

Basically, the centres offer three main services: (1) computer literacy training; (2) internet access; (3) business information for MSMEs. The centres’ activities focus presently on computer and internet training and provision of internet access. Clients seem satisfied and the services are in high demand. However, in all the five locations visited, it was obvious that private sector internet service and training providers provide similar services and that the competition is strong and continues to grow.

The main justification for setting up the DBICs was, in fact, the third service area; business information for MSMEs. While it is too early to give a definite assessment of the success of this third service – with some centres operational for only a few months – indications are that demand is low and that it will be a challenging task to bring the service to a level of full cost-recovery.

| Provide technical assistance for capacity building | Increased capacity in the country to provide business information solutions to meet the demands of the MSMEs | Training of information officers | 8 information officers trained but activity rate has been low and demand is low | 50 % |
| Enriching the national objectives in support of the use of ICT and Internet by rural communities by introducing and integrating the DBIC concept. Increased opportunities for the Government to introduce e-governance in rural areas | Awareness building | Seminars/workshops conducted | Promotional materials prepared | 80 % |
| Strengthening of Uganda Business Information Network (UBIN) operations in Kampala | Strengthening of UBIN’s urban – rural communication network | IUBIN has ceased to exist and there is no functioning network in place | 0 % |
According to internal project statistics, 580 people have been trained in ICT skills and out of these 191 are SMEs while the remaining are mainly people working for the Government or NGOs. 140 information inquires have been processed, according to the former CTA, thus less than the target of 180, but this figure could not be validated by the evaluation team. In some DBICs visited by the evaluation team, the numbers of information inquiries had not been more than a hand-full. Other problems have been shortage of power and difficulties in accessing or maintaining Internet connectivity. In fact, the high cost and unreliable provision of energy has been a major challenge and resulted in the project providing each DBIC with back-up power systems.

A central element of the DBIC concept is the network management information system (NetMIS) along with a separate web site, which was also to serve as an ‘intra-net’ between UBIN and the district centres. The latest progress report states that a networking software tool – NetMIS – has been installed but, according to DBIC staff members met by the evaluation team, the software was not working. Thus as of now, NETMIS is not operational. The system should have been developed by the private company S4B (Solutions for Business Ltd.) that was to purchase UBIN, but the purchase has not been finalized. Given that this central element is still not operational and given that the ownership question is still pending, it could not be assessed whether NetMIS will be able to play its envisaged function in the future.

In addition, the MoUs relating to transfer of assets, etc. between the DBICs, the MTTI, UNIDO, etc., were still to be signed by UNIDO and uncertainties were identified due to the outstanding MoUs and remaining asset transfers persist, for instance in relation to salary payments to DBIC staff. It was evident that UNIDO needed to urgently sign the eight MoUs and settle the outstanding issue of asset transfers. As to the effectiveness of the DBIC model, it will be important to carefully monitor future developments, in particular related to the impact and sustainability of the DBICs and the demand for and ability of DBICs to provide reliable business information services to MSMEs. At the moment, the project has not achieved its stated output in terms of establishing a demand-driven and long-term sustainable information solutions network.

Related UNIDO activities that have been implemented in Uganda, but outside the UIP II, include activities under the UNIDO-Microsoft Global Partnership, and notable the establishment of a computer refurbishment centre, that was launched in June 2008. In addition, an e-waste study has been commissioned and undertaken by a Swiss research organization, in collaboration with the UCPC. Moreover, an ICT innovation centre is in the process of being established.

**Multi-Skills Training and Community Service Facilities for Sustainable Livelihoods and Poverty Alleviation - SKIPI**

The overall goal of the project is to contribute to the Government of Uganda’s efforts aimed at (i) the social and economic reintegration of veterans, former rebels and their families into civilian life and (ii) the eradication of poverty in particularly rural farming communities.

Here, we will concentrate on the achievement of SKIPI’s immediate objective which was to “provide veterans, former rebels, their dependents and the wider communities in Yumbe, with marketable skills for increased self-employment and income generation opportunities
and sustainable livelihoods”. This objective was to be achieved through the building of life skills, the development of marketable technical skills, developing complementary entrepreneurial skills and providing Community Service Facilities to ensure sustainable rural development. The project strategy is, in line with the fragile situation in the target areas, geared towards achieving rapid and visible results, at the community level.

The Project Document lists four different outputs. While pertinent, some are rather management and implementation modalities or strategies than actual project outputs, as for example “participation of local communities in project planning and implementation”. In another case the output is more stated as an impact objective, “economic situation of the extended target group improved”.

The table below provides a summary assessment of the main achievements of the project.

### Table 14: Overview of the SKIPI component

<table>
<thead>
<tr>
<th>Immediate objective</th>
<th>Expected Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>To provide veterans, former rebels, their dependents and the wider communities in Yumbe with marketable skills for increased self-employment and income generation opportunities and sustainable livelihoods.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Status/Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder meetings to discuss project activities and to finalize legal arrangements for the Community Service Facility</td>
<td>Beneficiary villages selected First training courses started in Oct 2006</td>
</tr>
<tr>
<td>Establish Project Steering Committee (PSC) and conduct regular meetings</td>
<td>Various workshops conducted</td>
</tr>
<tr>
<td>Finalize technical specifications for equipment and start of procurement process</td>
<td>46 members of CPTC committee were trained</td>
</tr>
<tr>
<td>Establish socio-economic baseline data and detailed success indicators in the target regions</td>
<td>20 link workers were trained</td>
</tr>
<tr>
<td>Determine locations for Village Productivity Centres (VPC) considering selection criteria deriving from socio-economic baseline data</td>
<td>4 Project Advisory Committee (PAC) meetings conducted</td>
</tr>
<tr>
<td>Conduct participatory community workshops</td>
<td>A total of 2,574 beneficiaries participated in workshops and meetings</td>
</tr>
<tr>
<td></td>
<td>Economic baseline survey was conducted</td>
</tr>
</tbody>
</table>

8 According to Project Document Phase I includes Output 1 and 2, Phase II includes Output 3 and 4
10 According to Second Progress Report from February 2008
| **Community Service Facility and Village Productivity Centres** established; Training modules designed according to the direct needs of the beneficiaries and implemented on a pilot basis | **Conduct skills training needs assessment with beneficiaries using participatory appraisal tools** | **Six trainers from 5 core subjects trained** |
| | **Assess marketability of skills profiles for self- and salaried employment in region** | **3 assistant trainers identified** |
| | **Hire long-term training and workshop staff for Community Service Facility (CSF)** | **Training modules developed** |
| | **Initiate trainers training for long-term training and workshop staff** | **4 CPTCs established** |
| | **Curriculum development and preparation of specific training modules** | **Management committees established for 4 CPTC** |
| | **Establish management and administration modalities for the CSF** | **Four CPTCs established** |
| | **Install Community Service Facility and Village Productivity Centres equipment** | **A central training cum service facility – New Vocational Training Initiative (NVTI) established at PRAFORD premises** |
| | **Select pilot training groups according to criteria** | **In-depth training needs assessment carried out in 48 villages** |
| | **Commence with pilot courses on basic literacy** | **Training programmes (building and concrete practice, carpentry and joinery and tailoring and garment) implemented** |
| | **Start-up of pilot multi-skills training modules** | **Up to September 2008 total 2,112 (560 female) trained in different skills.** |
| | **Start of pilot product-oriented training modules** | **90 %** |
| **Training modules adapted and upgraded; re-integration of ex-combatants enhanced and economic situation of the extended target group improved considering potential for self-employment and income generation** | **Adapt and upgrade modules according to the needs of the beneficiaries**<br>**Prepare detailed training/work plans with the PSC**<br>**Develop selection criteria to prioritize most needy training applicants**<br>**Promote training opportunities through veteran committee, community leaders, NGO’s, radio**<br>**Awareness raising workshops**<br>**Multi-skills training modules tested and Start of product-oriented training modules**<br>**Provision of entrepreneurial support to graduates with micro-business start up**<br>**Train community organizations to operate and administer VPC**<br>**Conduct regular tracer studies of graduates in the communities**<br>**Plan and organize participatory community workshops to evaluate progress (incl. final evaluation activities)** | **Most activities have been carried out an with positive results** | 80 % |
| **Sustainable rural service providers established allowing micro-business start-ups and community members to generate additional income; marketing and product design support established** | **Assess markets for products deriving from product-oriented training modules**<br>**Conduct community based product development seminars**<br>**Conduct study tour with stakeholders to local trade fairs and exhibitions for increased access to information and markets**<br>**Organize product** | **Activities have started but will mainly be carried out in remaining project period** | 20 per cent |
| exhibitions and micro-fairs in the region and eventually Kampala |
| Plan and organize basic entrepreneurship-training programmes for members of the communities to serve as micro-enterprise advisors and multipliers |
| Conduct community based workshops to develop economic activities and to strengthen village production groups |
| Conduct stakeholder (PSC-members) training seminars on business management |
| Develop business plans for CSF income generating activities |
| Promote CSF equipment rental and other services with micro-enterprise start-ups |

Overall, there has been significant progress in producing the more precise and results-oriented outputs of the project. The Veteran Committees and local communities have been actively participating in project planning and implementation, a Project Steering Committee has been formed and has met regularly, participatory community workshops focusing on life skills and conflict management have been implemented and there has been coordination and collaboration with various NGOs. Moreover, a central Training and Service Facility at the PRAFORD compound and four Village Productivity Centres have been established, training modules developed, trainers trained and training events implemented and skills have been imparted to many beneficiaries.

The 4th output, “sustainable rural service providers established”, is too early to assess. The same holds true as to whether community members will indeed be able to “generate additional income” in the long run. The evaluation team found, however, that many important activities had been initiated, such as market assessments of products related to the product-oriented training and the development of business plans for the established facilities. Other outstanding activities are planned during the remaining lifetime of the project; organization of product exhibitions and micro-fairs and training of community members to serve as micro enterprise advisors.

According to SKIP!s internal monitoring statistics, until September 2008 a total number of 2,112 people have been trained through the project and out of these 560 have been women. Some trainees have, however, been trained in different areas, for instance both in a technical skill and in business management. Thus the actual number of individuals who have been trained are probably around 1,500. To this figure, about 50 persons trained as trainers and a large number of persons who have attended awareness raising workshops should be added.
The project was found to have efficiently targeted ex-combatants/veterans, their families and poor communities. Counseling is continuously done by the project’s social counselor and by community facilitators and forms part of each training programme and it is estimated that 472 persons have benefited. Assistance is also being offered to register with the District Community Development Department in order to be able to access financing.

The technical skills training has been in areas of building and concrete practice, carpentry and joinery, tailoring and garment making, bee-keeping and honey processing, basic blacksmithing, motor vehicle mechanics, welding and sheet metal work, bakery processing (only TOT so far) and tree nursery establishment. The training follows a holistic approach and the technical training is combined with the development of social and entrepreneurial skills, functional literacy and counseling. The TOT on bakery, bee keeping and honey processing was done in collaboration with the FOOD component.

Indications are that the training has been efficient and that many trainees have been able to generate an income or find gainful employment. Many beneficiaries have, for instance, found gainful employment in Southern Sudan. High quality training modules have been developed but still need to be approved by the Ministry of Education.

Furthermore, the central training institution has been established at the PRAFORD premises and four Community Productivity and Training Centres (CPTCs) have been set up. Training to stakeholders has included training 82 members (22 women) of the CPTC management committees. Capacities of trainers have also been improved and the partner in Yumbe, the NGO PRAFORD, has been strengthened in terms of bookkeeping and other managerial skills.

A tracer study of SKIPI trainees is foreseen during early 2009 in order to assess effects in terms of income generation, general livelihood improvement, food security, property acquisition and education (family members). It is envisaged that this tracer study will feed into the final project evaluation, scheduled for March/April 2009.
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Efficiency in implementation

A positive aspect of the UIP II has been that for many components, capacities developed during the UIP I have been utilized and further strengthened. This has been obvious for the MCP component, especially in terms of training of MCP advisors, for the UCPC and for the FOOD component. In other cases, the UIP II projects have benefited from training facilities that were supported by other donors. To this category belong the JICA-supported Nakawa Vocational Training Institute, which has been used by both the MCP and SKIPI projects, for training of advisors and trainers. In addition there have been many synergy effects between IP components and the use of facilities of another component, such as MCP using TEXDA’s.

Another observation is that few of the projects had institution building as a specific objective and that the budget allocations for technical assistance have not always been utilized. Results based management principles have been incorporated but there is room for improvement in project design and in reporting.

Major delays have been encountered, as one discussant put it, “due to Ebola, Cholera, lack of money and electricity” and due to the general election. Also important were the severe delays in the processing of payments by the UNDP Office. There have also been delays attributed to the schedule of the release of installments. In other cases delays resulted from inadequate planning and monitoring. The evaluation team even found references in UIP II Steering Committee Minutes on the need for closer field monitoring by Project Managers. Generally, the delays have resulted in a one-year but no cost extensions.

In the following we will discuss, the efficiency of the individual component, or how economically inputs have been converted to results.

Industrial Policy is in budgetary terms (a total budget of about US$ 200,000) a small component but has been able to produce tangible and concrete results, with potentially high effects. The component has been efficient due to its integration of aspects of capacity building, development of public-private partnerships, the provision of reliable information and contribution to policy-making. The participatory process to develop the National Industrial Policy has probably been somewhat long in terms of duration but has been cost-effective and promoted consensus building and ownership. The use of resources of the Economic Policy Research Centre of the Makerere University also proved to be a cost-effective approach.

The FOOD component was implemented by the team of five national experts, supported by international consultants. The quality of the experts, national as well as international, has generally been good. The number of Ministries, other Government institutions and Semi-government institutions and private organizations involved is impressive but has made overall component coordination challenging. Despite this, the component implemented its activities and produced its outputs in an efficient manner. Expenditures under the Norwegian Government Trust Fund Budget stand at US $1,093,000, which equals 96 per
cent of the planned budget and leaves approximately US$ 45,000 for the remaining period until December 2008. The UNIDO seed money of around US$ 337,000 had been fully disbursed by January 2006.

There are some concerns as to the efficiency of the agro-processing pilot centres, especially if run by producer or women groups, and more precisely whether or not such centres are efficient modalities for disseminating a new technology. Indications are that the direct beneficiaries of the agro-processing centres benefit in terms of employment and income but that there are limited demonstration and replication effects. In this respect, experiences from other countries and projects show that embedded service through dealers can be more efficient for these purposes.

Efficient coordination and cooperation took place in particular with the UCPC, with a system of targeting the same companies, which evidently led to reinforcement and synergies in terms of project visibility, end results and impact at the level of individual companies.

The MCP project was able to build on the methods and modules developed during the first phase and did not need any start-up phase. It has been implemented through two national MCP coordinators. An international small business development expert and a national gender expert were foreseen in project document but these provisions were never utilized.

The modality used by the MCP project is rather long, in terms of delivery, as it trains advisors who in their turn, advice and train the ultimate MSME target group. However it has clear advantages in terms of the potential multiplier effects. This model has proven to be efficient in working at district or decentralized levels. Other advantages are that the advisors are real business people. Their peer training is thus able to focus on concrete needs and constraints of companies in a specific sector. The needs analyses carried out have shown that many MSMEs have crosscutting problems, which make the use of peer advisors and the training of trainers and group training possible. The Master Craftsmen can efficiently assist in finding solutions and in addressing skills' shortages. Many key informants interviewed by the evaluation team stated that the improvements at the level of individual enterprises were tangible and visible.

In addition the model is cost-effective because there is no need to recruit or pay advisors/trainers. The incentive for the advisors is rather that they, themselves, are being trained and that the performance of their own business will improve. The training cost per advisor is relatively high but the idea is that the advisors will in their turn train entrepreneurs with no extra cost. In addition, there is no need for training premises as the advisory services normally takes place at the premises of the client enterprise, which of course, in addition to cost-effectiveness, reinforces the demand orientation of the training. Another interesting and cost-effective modality promoted by the MCP is self-help entrepreneurship, and there are signs that self-help groups have been formed, but it is too early to see any effects.

The incentive of the advisors to advise/train other entrepreneurs is the fees that they are supposed to collect and this is the found weakness of the model. Experience indicates that it is very difficult for the advisors to raise fees for their advisory services. As a result, the activity rate of the advisors decline over time. In order to offset this, the project is now initiating refresher courses for Phase I advisors. However, indications are that more will be needed in order to incite the advisors to continue.
Another weakness has been the limited involvement of the partner organizations in managing the Project and in monitoring and motivating the advisors. The involvement of national partner organizations has been less than expected. One reason for this might be that the envisaged ToRs, defining roles and responsibilities of various partner institutions have not been developed. Another reason, evoked by various stakeholders, was the low capacity of the partner organizations at the district level. The project is reacting to this challenge and plans a specific training for the district associations using the UNIDO training module *The Essentials of Managing the Association*. This training will encompass topics related to the managing of membership-based associations.

Other challenges have been the diversified educational background of the advisors, a relatively high drop out of female participants and delays arising from the elections and in the processing of payments.

The main inputs of the UCPC have been national experts and consultants and, only as far as necessary, specialized international consultants. Even thought the UCPC has by now developed substantial capacities, there will be a need for outside ad-hoc expertise for some time to come, due to the technical and evolving nature and the audit aspects of the work. Useful support has been provided by the CP Unit at UNIDO headquarters and the UCPC has also benefited from interaction with the UNIDO Energy and Climate Change Branch on renewable energy issues as well as with the Montreal Protocol Branch.

There has been a high level of activity of the project and the national project manager should be specifically given due credit for the professional execution of the Eco-benefits Programme. The joint training with FOOD was a good initiative and proved to be an efficient and cost-effective approach. Beneficiaries of the various programmes informed the evaluation team of the many changes that had been effectuated as a result of the relevant, practical and hands-on advices provided by the UCPC. The programmes and other activities have, undoubtedly, been efficient in raising CP awareness and changing attitudes. The UCPC is registered as a *Limited Company by Guarantee*, which allows it to have own bank account but not to receive grants from the Government, which somewhat limits its scope.

A total of US$ 547,000 was attributed to the **TEXDA** component for the UIP II. Despite 86 per cent of the funds being spent so far, the objectives are far from achieved. This causes some concern of the usefulness of the inputs provided and the efficiency of the implementation. It is certain that TEXDA has suffered from inexperienced managers and a high turnover and absence of managers. At the time of the evaluation, TEXDA had no manager. The ad-hoc International CTA has made annual and semi-annual visits but this has not been sufficient as TEXDA as any other similar institution needs experienced management and continuous management support.

A major constraint has been the move to the new premises and the human and financial resources needed for the renovation of the new building. The move seriously hampered TEXDA’s ability to provide services for several months. On the positive side, the collaboration with the MCP programme provided important synergies. It probably substantially increased the performance of TEXDA as a training provider and to some extent enabled the rural outreach that was specified in the project document but that TEXDA found a challenge to deliver.

The **DBICs** have generally been established at the premises of decentralized UNDP-supported private sector development facilities, which has reduced the initial costs and provided for “free” supervision and management. Persistent problem that have affected the efficiency of operations have been power failures and breakdowns of the internet-access
There have been severe delays in implementation and although the project was operationally completed in February 2008 there were still outstanding activities at the time of the evaluation. At the time of the evaluation mission, UNIDO had not yet signed the Memorandum of Understandings (MoUs) between UNIDO, the MTTI, DBIC host organizations and other district partners. These MoUs were signed by the Ugandan partners, as early as, in February 2008. Not having signed MoUs was signalled as “creating limitations for the Centres” as early as in the May 2007, in the UIP 2 Progress Report. It has, furthermore, brought uncertainties regarding the transfer of assets to the DBIC host organizations and the actual responsibilities of the host organizations. Members of the evaluation mission were also informed that the fact that there was no valid MoU was the main reason for not paying outstanding salaries of DBIC staff members.

The envisaged networking among the DBICs never took off, due to problems with the NetMIS software and the absence of a webportal and websites for the DBICs. Moreover, S4B had been paid in advance to host the DBIC webportal and to maintain the NetMIS software for one year. This is clearly not in line with UNIDO principles and does not seem to be an efficient way of service delivery. Otherwise, inputs provided directly to the centres have been based on their identified needs. The last two centres to be established got refurbished computers, which enabled some savings.

There was some confusion as to the role of the former CTA, who at the time of the evaluation was under a contract with the computer refurbishment UNIDO project, but also interacted on DBIC issues. Various stakeholders expressed the need for a clarification of the present role and responsibility of the former DBIC expert.

The SKIPI modality has proven to be efficient in introducing livelihood skills and opportunities and this can be attributed to its multi-dimensional approach. It has a people-centred focus and incorporates interventions that transfer technology and skills directly to the beneficiaries. SKIPI has been found to be an efficient tool to reintegrate ex-combatants and demobilized soldiers to civilian life. The provided training has efficiently addressed problems of technical skills’ shortages, improved the income generating potential through entrepreneurship training and induced behavioral changes through social counseling, including obligatory post-trauma counseling.

The training of trainers activity has enabled the training of beneficiaries at relatively low costs. A successful aspect has been the “reality training”, working with real projects, like building constructing, and with metal workers, carpenters and bricklayer trainers participating in the construction and with the actual building as a direct output. This also proved to be a cost-effective approach to construct the needed training facilities. In addition, construction skills are likely to be used in a reconstruction area.

The provision of free tools has been an important factor that has contributed to SKIPI’s success in terms of empowering trainees to find employment or to be self-employed. While this is against established principles of private sector development, it seems to have been a necessary ingredient for SKIPI, considering the high rates of poverty in the project area and the almost complete absence of a cash economy. Indications are that the provision of tools “kick-started” productive activities for many of the trainees.

A positive aspect has been the close level of collaboration and ownership of the project, by the UVAB. Moreover, a full time staff member was seconded to the project and paid by
UNIDO. Another factor contributing to an efficient implementation has been an active Project Advisory Committee in Yumbe, management committees for the CPTCs and regular consultation with stakeholders. Inputs have been provided in a timely manner and have been of good quality. The developed manuals were equally of high professional standards. The collaboration with MCP and FOOD and the use of trainers on a cost-sharing basis have led to cost savings. The project should be given credit for actively taking stock of successes and failures and consequently adapting the programme. Some skills, such as in blacksmithy, were not found to be marketable and this led to a reduction in the number of trainees.

In Yumbe the project chose to work with the existing NGO PRAFORD that was able to “house” the project at its premises. PRAFORD was a suitable partner, with past experience in technical skills training, “under the mango tree training”, and had already been working in the field of construction, catering and carpentry.
Sustainability

Sustainability refers to a continuation of benefits after the completion of a programme or project and is a real issue for many of the UIP components and projects. One major role of the UIP II, and clearly spelled out in the Component I objectives, is to strengthen the capacity of support frameworks and to develop human resources. There are thus institution-building modalities with sustainability implications. Institution building has been particularly prominent in the FOOD component. Here, sustainable capacities, frameworks and mechanisms were built and should continue to exist when the external support has ended. The development of national capacities at the meso level has also been an objective of the UCPC and TEXDA projects while macro-level capacities were developed in the Policy component. For the MCP and SKIPI projects the main focus has been the development of micro level capacities but the component have also targeted the development of meso level business development service providers.

One of the “raisons d’être” of the UIP II, according to the Programme Document, was to consolidate the achievements (strengthened institutions, trained people, developed tools and instruments) of the first Phase. There are proofs of the technical capacities of some of the supported institutions having been strengthened as a result of the UIP and the UCPC, the UNBS and the MOTTI belong to this category. On the other hand, capacity development was rather limited in relation to TEXDA and USSIA. Many MSME support institutions, often membership-based, continue to be weak at both national and district levels.

The Programme has in some cases resorted to using counterpart staff as national experts (SKIPI) or to topping up salaries of Government officers in order to (cost-effectively) ensure the implementation of certain activities (FOOD). This has probably contributed to efficiency but might have reduced sustainability since it is uncertain if budgetary resources will be available in the future. For two components, TEXDA and UCPC, UNIDO has been paying the salaries of the staff of the institution/unit over a relatively long period and it is uncertain to what extent salaries will be paid once the projects end.

This Industrial Policy component has contributed to the establishment of a Public-Private Consultative Forum and to the strengthening of capacities for policy making at the MTTI. There are indications that some good foundations have been laid but that additional support would be useful to future policy oriented activities and to the operationalization of the National Industrial Policy.

As mentioned above, the UIP II has continued the strengthening of supported institutions, such as the FOOD component in relation to the UNBS and there is, for some areas, a strong likelihood of sustainable service delivery. Moreover, there has been a high degree of cost recovery for the certificate training provided through the project.
However, doubts remain as to the sustainability of the pilot processing centres in a post-programme scenario as well as to their ‘replicability’ and impact. While the subsidized conditions have undoubtedly benefited the people directly involved, including many poor farmers and disadvantaged women, the financial viability and replication potential of the centres seem limited, especially if there will be no continued external support. On the other hand, the fully private sector set-ups seem to be viable and thus sustainable and are expanding due to their own motivation and interest. For the food processing centres, there are, however, no structure or incentive to disseminate the technology or business model and there are few examples of actual dissemination and replication.

The MCP was designed as a self-sustaining, demand driven mechanism with the logic that MCP advisors continue to be active beyond the project duration. Sustainability was, however, identified as one of the main weaknesses during the first phase. This issue was addressed by incorporating awareness-raising activities in the second phase. The Project Document foresaw the establishment of MCP management structures at national and district levels but there has been limited progress in this respect and until now UNIDO experts have managed the activities of the project.

The MCP partner associations now have advisors at their disposal and are expected to make use of these advisors and promote the Programme concept but it is not certain if this will materialize. To some extent, the MCP Project will contribute to capacity building of the partner institutions and of the training institutions, which have collaborated with the project, but there are few signs of “institutionalization” of MCP within the partner organizations. It is doubtful that the management training that is going to be provided to the partners during this last phase of the project will be enough and, in addition, there seems to be an absence of an exit strategy.

In relation to the above, it needs to be noted that the partner organizations are not well endowed in terms of resources. Another factor has been the lack of clarity of roles and responsibilities of the project vis à vis its main partner USSIA and the fact that a MoU was drafted but never formalized. Future funding from the Government to run the Programme is unlikely and, furthermore, the MTTI is moving away from activities linked to direct service provision.

In addition to programme level sustainability, the question emerges as to whether the MCP advisors will continue to provide advice. The fact that the activity rates, of MCP advisors, decline over time has been evoked earlier and the main reason of not being able to collect fees. It also has to be kept in mind that MCP advisors are first and foremost business people and there is a likely opportunity cost to “advising”. There has also been a culture of getting business development services for free. This, of course, limits the potential multiplier effects and outreach of the Programme and the chances for long-term sustainability. It can be argued that the Programme is not adequately marketed and that the awareness of the potential benefits that can be reaped from a MCP advisory service is low and we come back to the need for strong and active partner organizations at the national and district levels. The Norwegian Mid-term Review team recommended support to “old” advisors in order to motivate and re-activate them and this was in the process of being implemented at the time of this evaluation.

The UCPC has a high level of technical sustainability and a definite potential for financial sustainability. Still, having been a “UNIDO project” has been a disincentive for cost-recovery. The Government, who is providing the premises has not yet felt obligated to provide core budgetary resources to the centre but has financed specific interventions such as the ones targeting the hotel sector. There have also been difficulties in collecting fees -
“why should we pay when you are paid by UNIDO”. Also the legal status of the UCPC needs to be settled. It is presently registered as a Company Limited by Guarantee but a Trust is in the process of being established. Beyond any doubt, the centre would benefit from a location outside a Government compound and with some basic demonstration facilities.

The evaluation took note of the fact that the UCPC had acquired a suitable plot through capital generated through fees. Another positive development is the fact that the UCPC is getting subcontracts from projects implemented by other donors, such as the World Bank and Sida. There is, for instance, a CP component to be implemented by the UCPC in a Sida Regional Lake Victoria project. So far, however, staff costs have been covered by UNIDO but it is evident that the Government and other partners find the UCPC very useful and that there is a growing commitment to CP principles. The expectation is that the Government will cover salaries and other core costs, starting in 2009, and that there will be a more contractual and task-oriented financing from UNIDO. Presently, the cost recovery of the UCPC is about 20 per cent but the UCPC is steadily progressing towards sustainability. There will however be a need for some continuous support and a phased out approach for UNIDO.

As mentioned above, TEXDA’s prospects for sustainability look bleak and there is uncertainty as to who will pay staff salaries from 2009, when the UNIDO project has come to an end. At the present low level of income and cost-recovery, the situation of TEXDA is serious and of immediate concern. It is somewhat disturbing as the financial sustainability of TEXDA was one of the main objectives of the project. In fact, the centre was considered to be in worse shape, in September 2008, than it was at the end of the UIP I. Landownership is an outstanding issue: in the beginning the TEXDA plot was registered in the name of TEXDA, later in the name of the Ministry, as a custodian, but with the MTTI charging a non-negligible rent, to TEXDA.

Presently, due to low sale volumes at the new, but rather remote premises and due to very low trainee numbers, TEXDA operates at a substantial loss and the income barely covers the basic running costs. Many of the consulted stakeholders doubt that the current TEXDA staff and advisory board will be able to bring the institution into a position of breaking even. However, as the MTTI envisages an important role for TEXDA in the implementation of its future textile sector strategy, there is an interest in keeping TEXDA going and one solution might be to put TEXDA, at least for the time being, under the wings of the Government.

Whether the DBICs will in the next few years become financially self-sustaining remains to be seen. Currently, their sustainability is threatened by high levels of staff turnover, limited demand for and income from the business information service and growing competition from private sector companies providing similar ICT training and internet-access services. Only in Arua there were 8 Internet cafés and this was a common pattern. One DBIC even had an internet café downstairs, in the same building. Presently, the DBIC rates are subsidized and lower than those of the competitors, but the idea is that, in the long run, the salaries of the training and information officers will, primarily, be paid by the fees generated from their services. So far, ICT training and Internet access are in high demand but the demand is low for the business information service. There is little willingness to pay for this kind of service and selling information to businesses has proven to be difficult.

The retention of trained staff has been a major problem and there are indications that not all the staff will be retained once the payment of the first 12 month salaries (covered by UNIDO) has been made and decisions on whether or not to keep the information officers
will be made, by the host institutions. In one DBIC the information officer stopped receiving a salary after the initial 12-month period, thus at the end of the UNIDO contract. There were originally 6 information officers trained by the project but only two remain. Moreover, the responsibilities of the Private Sector Development Centres, hosting the DBICs, seem to be unclear.

Records from one DBIC indicate an overall cost recovery of 60 per but only 15 per cent of the income stemmed from information services while another DBIC claimed a cost-recovery of 75 per cent. At a third DBIC, the staff had information on the revenues generated but since costs were integrated with those of the Private Sector Development Office, it was not possible to calculate the level of cost recovery. This is somewhat unfortunate as the DBIC project pilots a new model of service delivery. The “housing” by the Private Sector Development Association contributes, however, to sustainability, as the DBICs do not have to pay rent and get management support for free. Another factor contributing to sustainability is that the DBICs have started to be sales points for computers refurbished under the UNIDO/Microsoft Partnership.

**SKIPI** was established, with rather short-term delivery objectives but has, nevertheless, been developing a vocational infrastructure, consisting of the four Community Productivity and Training Centres and a central training facility. As there is still a need and a demand for training it is desirable that this infrastructure will continue to be used in the future. At the moment the established facilities are mainly used by the project, but new donors are moving in and there are high expectations that the developed human as well as physical resources will be of use. In addition, the business plans presently developed for the established centres are good steps towards sustainability.

A strength of SKIPI is that it is working with existing institutions and with a close involvement of the national counterpart organizations, mainly UVAB and PRAFORD. The component contributes to the strengthening of PRAFORD’s capacities and a small budget has been allocated for this purpose. Technical capacities have definitely been created through establishing various technical workshops at the PRAFORD (and other) premises. Discussions are underway to register PRAFORD as a training institution under the Ministry of Education, something that would probably contribute to sustainability. There are, however, uncertainties as to whether or not the lead trainers, trained by SKIPI, will stay with PRAFORD.

Sustainability of ongoing activities was to be achieved by ensuring local ownership of the project, building on existing institutions and providing long-term services (for micro-enterprise start-ups). The project strategy of building on a high level of community participation and local ownership is conducive to sustainability. This is also the case for the project’s attention to strengthening community-based organizations and to have local steering committees consisting of project staff, local Government officials and veterans’ committees. Moreover, the project has made a special effort to ensure the economic sustainability of the Community Service Facility and the Village Productivity Centres by providing opportunities for income generation. Furthermore, the buildings, machinery and equipment will become the property of PRAFORD or the Productivity Centres, which will be responsible for maintaining the assets. Management committees for the facilities have been established and sustainability strategies were in the process of being developed by external consultants. It is uncertain, however, whether, these centres will be able to charge fees for the training and pay for the trainers’ salaries. The CPTCs have started training against a fee and the response has been positive. Another strategy has been to cover part of the costs by selling what is being constructed, produced or serviced during the training. At the main centre there is also an apprentice system being put in place by the trainers. The evaluation team appreciated the hands-on and cost-recovering methods being used in
the training. Examples are buying an old car, rehauling it and selling it or training people in construction by actually constructing a building and “subcontracting” parts to other training courses, such as the doors to carpenter trainees. The fact that the SKIPI trainees, in many cases, are receiving tools and other equipment for free will probably contribute to the sustainability of the ongoing entrepreneurial activities.

All CPTCs have an appointed centre administrator whose salary is supposed to be generated though the income generated by the centre itself. The centre administrators have received basic training in group management, project formulation, bookkeeping and adult training methods. The centres have, moreover, been provided with plastic chairs and other catering items in order to be able to hire out services and lease out the premises for various events in order to generate additional income. These centres have no permanent trainers but have been supplied with some basic equipment. There is supposed to be continuous coaching from PRAFORD. There is also a need to settle land title issues for the training centres. Land has been acquired through loose agreements between the landlord, the District Government and SKIPI. A problem is that the CPTCs are not legal structures and cannot acquire land. However, CPTC land will be registered with the Land Board, in order to get free hold lease and expected to be registered with the Sub-County and District, in order to get legal status.
Impact

As with many development programmes, it is difficult to assess the direct impact or long-term effects of the UIP II on agro-processing and private sector development. Both sectors are large and complex and facing a wide variety of constraints. Furthermore, a direct attribution of sector-level changes to the UIP is often not possible as UNIDO is only one of many contributors. In this respect, the UIP II has to be regarded as a small Programme that however can contribute to the development of the sectors. Nevertheless, in the following, it will be discussed to what extent the individual components have produced results that have contributed to long-term effects or impact.

For the National Industrial Policy component, the potential impact is high; however, for the full potential to be realized, the Policy will need to be operationalized and actions put behind words. This will, in turn, require the development of sectoral policies and, in particular, related implementation plans along with the necessary financing. The Government has already signaled its interest in receiving continued support from UNIDO to carry out these tasks.

In relation to the FOOD component, the university courses in food safety and quality control can be credited with a substantial long-term impact potential and the Kyambogo University may well develop into a regional centre of excellence for food safety management. On the meso level, the component has also achieved positive effects in that systems and procedures were developed and organizations, such as the Ministry of Health, UNBS and industrial umbrella organizations have been strengthened. Given their importance for export, the effects of this support can be high. Still, while, the chemistry lab at UNBS is up and running, in order to realize its full impact potential it will have to be officially certified.

In regards to micro-level activities, the FOOD component certainly had a good impact on the level of the participating private sector companies. The evaluation team positively assesses potential for sectoral growth and export by a continuous adherence to the food safety procedures introduced (HACCP, COP, SOP, ISO). However, it is equally clear that the current momentum needs to be kept up as, for instance, ISO certification will require regular renewals. In the medium and long term, the move towards building up local certification capacities can be expected to bring down costs, which in turn will increase the affordability of the services and increases chances for dissemination.

For the food processing centres, the impact so far has remained limited – with the clear exception of private sector run centres. With most group-run centres, outreach is small, as no dissemination strategies were put in place and replication has been limited. One constraint for replication seems to be the relatively high costs of the demonstrated equipment and of running the centres. As a consequence centres are often handed over to a promoter, which probably increases chances of survival but limits their poverty reduction potential.
The UCPC was expected to have positive effects in terms of increased profitability of individual enterprises, improved external and internal environments and thus to contribute to poverty reduction. Baseline data has been collected for supported enterprises and there are tangible effects of the Eco-Benefits programme in terms of reduction of waste and electricity, water and fuel consumption. It is expected that the UCPC’s contribution to the development of a National Implementation Plan (NIP) for phasing out Persistent Organic Pollutants (POPs) will have future positive effects on the environment.

There is plenty of anecdotal evidence - though primarily in relation to the enterprises of the MCP advisors - of impact through substantial improvements in product quality, productivity, management and profitability, but also in terms of employment creation. Thus the project has been able to impact positively on the life of immediate and secondary beneficiaries. Many advisors and clients seem to have applied what they have learned, which resulted in many positive direct effects on their businesses. As regards secondary effects in terms of economic growth or poverty reduction at the local level, this information is not available but there are indications of sector growth in specific locations, for example in relation to tailoring or furniture making. Unfortunately, no proper tracer study, of direct and indirect beneficiaries has been carried out so far.

At the enterprise level, the MCP project has been able to address identified constraints to MSE development, such as lack of managerial and entrepreneurial skills, inappropriate and inefficient technologies and limited access to business support services. However, this does not mean that these kinds of services will be readily available at national or district levels, as advisors are not trained in very large numbers. In addition, other constraints need to be addressed, such as lack of capital and limited cooperation and networking among MSEs.

In terms of training related outputs, TEXDA has, between 1999 and 2008, assisted and trained, over 1,050 entrepreneurs and upgraded their skills in textile design and production. Supplementary business courses have enabled trainees to develop skills in bookkeeping, production planning and business development so that their ventures not only generated income, but also have a potential to grow and create employment and traineeships. However, due to the absence of reliable data, it is not possible to quantify to what extent this support has contributed to the development of the textile sector or to the generation of income or employment. Surveys indicate that between 1 and 3 per cent of the trainees have become successful entrepreneurs. It seems as if TEXDA still has the potential to evolve into an efficient instrument for the development of the sector but it still has to prove its usefulness.

There are indications that the DBIC project has benefited a number of MSMEs but the actual effects, in terms of enterprise and industry sector growth or employment generation cannot be assessed due to the unavailability of data.

SKIPi is to contribute to the Government’s efforts aimed at social and economic re-integration of veterans and former rebels and their dependents into civilian life and the eradication of poverty in particularly rural farming communities. The expected impact, according to the project document, was that the project would contribute to this by imparting technical skills. Moreover, beneficiaries were to be empowered to influence their status and prosperity in terms of income, food security, health, access to services and employment opportunities. Finally, based on the inclusionary approach, the project would lead to sustainable rural development, contributing to poverty reduction and, as such, to local peace and order in the Yumbe district.
There is evidence that many of the trainees find gainful employment or self-employment but no tracer study is yet done. Basic registration data of trainees were, however, collected, which can form the basis to generate viable impact-oriented data, and an impact-oriented evaluation is foreseen towards the end of the project.
Gender has not really been mainstreamed in the UIP II but the second component has a specific gender focus. The project *Strengthening the capacity of micro and small-scale entrepreneurs, focusing on rural areas and women* has been able to promote a much higher participation of women in the Phase II project than was the case during Phase I. At the same time, the MCP project has faced high drop out rates of women participants, apparently due to social responsibilities but the project has also been able to adapt to this challenge. The evaluation also found that the cottage industries promoted by the FOOD components belong to sectors with a high participation of women and that, in addition, many disadvantaged women, including child mothers have been benefiting. The evaluation mission also took note of the fact that gender issues have been incorporated in the National Industrial Policy.

According to a UIP II Progress Report (November 2006 to April 2007), it should be ensured that there is a gender balance in the numbers of staff employed by each DBIC. This had, however, averred difficult and the large majority of DBIC staff is men.
Conclusions, recommendations and lessons learned

Conclusions

The UIP II is a highly relevant programme, efforts to align projects and components to existing Government policy frameworks and strategies have been as successful, and there is a high level of Government ownership. Many of the objectives of the IP are still relevant and in line with the National Industrial Strategy. In particular, interventions aiming at the strengthening of the capacity of the agro-processing support framework, the UCPC and strengthening the capacity of MSMEs in rural areas and targeting women entrepreneurs have a high and continuous relevance.

Through the UIP II, UNIDO has played an important role and contributed to industrial and private sector development. In spite a rather weak field representation of UNIDO, the large majority of the projects have been effectively and efficiently implemented and a large majority of the objectives are in the process of being achieved. There has been a high level of synergies between different components.

The support towards the development of a National Industrial Policy was highly appreciated. The development of TEXDA has, on the other hand, been disappointing. There has not been much progress towards sustainability of the institution and there is a need for the Government and private sector partners to be more involved in its management and in taking decisions on its strategic orientation. On the other hand, capacities of the UCPC have clearly been strengthened and the Unit is providing valuable services to a large and wide variety of enterprises. The MCP and SKIPI instruments have been efficient in promoting MSE development and resulted in the creation and expansion of many small businesses.

Overall, the FOOD component has addressed relevant issues and has been largely effective on the macro and meso levels, and to some extent with private sector-oriented activities at the micro-level. Legal and institutional frameworks have been put in place and progress has been made with regard to the establishment of a national certification and accreditation system. Uganda is still in a position to benefit from UNIDO’s competences and expertise in the areas of trade facilitation and export promotion. In the past, the support to the sector has been a mix of supporting larger formal enterprises and micro enterprise and self-employment activities. These two target groups demand different kinds of interventions and instruments and many stakeholders would welcome a more diversified approach in supporting the two sub-sectors and a two-pronged strategy could be useful. This could encompass focusing on programmes like SKIPI and MCP in the North while using more industry, market, cluster or export oriented approaches in the South.
The support to the UCPC has been efficient and effective. The UCPC is today a professional institution and its activities continue to be relevant from environmental, energy efficiency and economic angels. Another project with a lot of visibility has been the DBIC project. It has most likely stimulated ITC awareness within the government and contributed to national policy making in this sector. The eight District Business Information Centres are today operational, but with somewhat disappointing developments in relation to the business information and networking activities.

At this comparatively ‘mature’ stage of the UIP, it seems advisable for any future activities to switch to more comprehensive value chain approaches that also pay attention to market development. Thus a move away from a direct support to individual enterprises, to the development of capacities to address sectoral constraints and to service different markets and segments is recommended.

The way forward

Many partners in Uganda expressed the need for a more prominent UNIDO presence, for the purpose of alignment, coordination and above all, for contributing in a more comprehensive manner to the industrial development process. It is expected that the new UN Plan/Programme will be aligned to the forthcoming National Development Plan, focus on Northern Uganda and provide increasing resources towards rehabilitation and support to the peace and recovery process. Other priority areas will be rural energy and economic development and there is a wish for a substantial UNIDO involvement. The new UN Plan will be aligned to the Delivering as One principle.

The Government sees a role for UNIDO in the implementation of the Industrial Policy and in the further strengthening of capacities of the MTTI. It sees a need for continued support to agro processing frameworks and the UCPC. Through the MCP there are signs of rudimentary cluster formation and companies cooperating in the development of human resources, procurement of raw materials and the developments of markets and these efforts could be built on.

Recommendations to UNIDO and the Government

Recommendations of general nature

- The UIP II is coming to an end and there is a need to initiate preparations for a next phase (UIP III), including the development of an updated Programme Document. A Plan of Action should be developed for this process and for consultations with the Government and existing and potential donors.

- Reinforce monitoring and reporting procedures.

- Terminal reports should be prepared for all projects, including the DBIC project, which already ended in February 2008.

- IP objectives continue to be relevant and the new UNIDO Programme in Uganda should continue to address the areas of industrial policy, agro-industry, MSME development, Cleaner Production and livelihood creation in the North.
• In case of a new UNIDO Programme of a similar size, it will be important, for effectiveness and efficiency, that a UNIDO Representative is in place in Uganda.

• A new UNIDO Programme should continue and deepen the work along agricultural value chains and promote the increase in the processing of agricultural products, promote sustainable employment in the agro-industry sector and link MSMEs to larger companies and to expanded markets.

• More emphasis should be given to the market side and to assess opportunities for developing and integrating national and foreign markets.

• More attention should be given to developing capacities of partner organizations and to supporting organizations with a mandate in MSME development.

• Interventions targeting micro enterprises and self-employment should be separated from those targeting formal sector enterprises and industrial development.

• Ways should be found to strengthen linkages between enterprises; linking big and small and introducing the cluster instrument in Uganda.

• Baseline and tracer studies should be developed for all projects and the impact monitored, in terms of income and employment generation, of interventions working at meso or micro levels.

• HIV/AIDS and CSR should be mainstreamed.

• The Fair Trade Labeling Organization, with whom UNIDO has entered into a strategic alliance, should be brought in as a partner in a future programme.

Component-specific recommendations

Policy
• Provide more business environment-related policy support, including follow-up on the competitiveness survey and the development of a competitiveness intelligence unit in the MTTI. This would allow for the monitoring of trends and developments and the formulation of an implementation strategy of the National Industrial Policy for the MTTI.

• UNIDO should continue to support the MTTI, in strengthening its capacities for policy formulation and donor co-ordination and in supporting the development of sectoral industrial policies and in the operationalization of the National Industrial Policy.

FOOD
• The FOOD component activities should be finalized where required, and, where promising, expanded. This latter refers, in particular, to the macro- and meso-levels.
On the macro-level the legal and institutional frameworks (PSP Policy, adjustments of NFSSP and Food and Drug Act) need to be completed. Based on the capacities and expertise available in the country, a UNIDO follow-up programme may be helpful in advising on the final set-up.

On the meso-level, emphasis should be placed on finalizing the accreditation of the chemistry lab and the institutionalization of the food quality and safety courses at Kyambogo University. The two issues are, however, also being addressed by the UNIDO EAC project, financed by Norway.

On the micro-level, the future focus should be on fostering private sector based and export sector oriented activities – foremost in the more developed areas of the country. A separate line of activities, potentially based on a revised and more professional concept for food processing pilot centres, could be run in less developed areas of the North and focus on self-employment and socio-economic development objectives.

Related to this is a need to first monitor and assess the impact and sustainability potential of the food processing centres, before taking any decision on up-scaling.

A study to identify market opportunities for agro-industry products and to assess the potential to develop organic cotton and eco-products should be carried out.

**TEXDA**
- Provide TEXDA with competent managers, a Government budget and an active and committed Board.
- Settle the legal status and ownership of TEXDA and its assets.
- Develop a realistic Business Plan for TEXDA and a budget for the coming two years, with commitments from the Government and donors.

**MCP**
- Develop a sustainability and institutionalization strategy for the MCP; in a future phase give more operational responsibility to partners, on a learning by doing basis, coupled by technical assistance from experts.
- The monitoring of MCP advisors and the management of the monitoring system should be the responsibility of the partner organizations.
- Look into the possibility of introducing a cost-recovering apprenticeship system within the MCP.

**UCPC**
- Continue to support the UCPC, through Government allocations and UNIDO global and regional programmes.
- Establish the UCPC as a Government Trust.
- Continue the efforts to establish CP financing and a regulatory framework.
**DBIC**

- UNIDO should urgently sign the 8 DBIC MoUs and settle outstanding transfer of assets issues.

- The impact and sustainability of the DBIC should be assessed before deciding on any up-scaling or dissemination to new areas.

**SKIPI**

- The land title issues and the legal status for facilities developed under SKIPI should be settled.

- Expand SKIPI to other districts with high prevalence of poverty and a large population of demobilized soldiers and ex-combatants or unemployed and unskilled youth.

- Carry out an impact evaluation of SKIPI.

- Move to best point of recommendations of a general nature.

**Lessons learned**

- Peer training can be an efficient and effective training modality for micro and small scale entrepreneurs but attention still needs to be paid to the strengthening of support institutions for long-term sustainability.

- Support to the development of subsidized, public or semi-public business service providers is not always conducive to Private Sector Development and can be contradictory to the fostering of a conducive environment for the private sector. The DBIC project shows that subsidized business service providers are often not sustainable and, moreover, compete with private sector actors.

- Piloted small-scale agro-processing centres do not, systematically, lead to replication and dissemination of new technologies and have inherent weaknesses to sub-sector development as they do not address constraints along the entire value chain.
I. BACKGROUND

The Uganda Integrated Programme (UIP) Phase II Programme Document was signed on 12 January 2004 by the Government and was approved by the Project Approval Committee in its meeting on 12 May 2004. The objective of the IP is to contribute to reducing widespread poverty in Uganda through assisting the country to gradually strengthen the market orientation of its agro-production through the improved functioning of agro-industry value chains. It was built upon the results of the UIP Phase I, focusing on agro-processing and private sector development.

The UIP Phase II was structured according to the following three main objectives:

- Strengthen the capacity of the agro-processing support framework and develop the human resources required;
- Strengthen the capacity of micro and small-scale entrepreneurs through training and demonstration operations with focus on rural areas and women;
- Promote business partnerships and market networking between local and foreign entrepreneurs.

II. BUDGET INFORMATION

<table>
<thead>
<tr>
<th>Components</th>
<th>Current planning figure in US$</th>
<th>Total allotment in US$</th>
<th>Total expenditure in US$</th>
<th>Balance in US$</th>
</tr>
</thead>
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<tr>
<td>1.0.00</td>
<td>Strengthening the capacity of the agro-processing support framework and develop the human resources required</td>
<td>3,293,500</td>
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<td>3,822,503</td>
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<td>2,621,344</td>
<td>2,205,640</td>
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11 Closing figures as of end-March 2008 (prepared for UNIDO, IDB.34, May 2008)
<table>
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<tr>
<th>Components</th>
<th>Current planning figure in US$</th>
<th>Total allotment in US$</th>
<th>Total expenditure in US$</th>
<th>Balance in US$</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td>capacity of micro and small-scale entrepreneurs focusing on rural areas and women</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.0.00</td>
<td>Promote business partnership and market networking between local and foreign entrepreneurs</td>
<td>155,000</td>
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<td>99.0.00</td>
<td>General management</td>
<td>180,000</td>
<td>294,708</td>
<td>292,637</td>
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<td>Total</td>
<td>7,923,800</td>
<td>7,512,237</td>
<td>1,191,457</td>
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### III. PURPOSE

The purpose of the independent evaluation of the Uganda Integrated Programme is to:

(a) Assess the outputs produced and outcomes achieved as compared to those planned and to verify prospects for development impact and sustainability.
(b) Assess the efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities.
(c) Provide an analytical basis and recommendations for the focus and design for the possible continuation of the program in a next phase.
(d) Draw lessons of wider application for the replication of the experience gained in this Programme in other countries.

The evaluation is conducted in compliance with UNIDO evaluation policy and the Guidelines for the Technical Cooperation Programme.

### IV. EVALUATION METHOD AND REPORTING

The evaluation is conducted as an Independent Terminal Evaluation.

The independent evaluation will attempt to determine as systematically and objectively as possible the relevance, efficiency, effectiveness (achievement of outputs and outcomes), impact and sustainability of the Programme. The evaluation assesses the achievements of the Programme against its key objectives, as set in the programme document, including re-examination of the relevance of the objectives and of the design. It also identifies factors that have facilitated or impeded the achievement of the objectives.

The evaluation will be carried out through analyses of various sources of information including desk analysis, survey data, interviews with counterparts, beneficiaries, partner agencies, donor representatives, programme managers and through the cross-validation of data. While maintaining independence, the
evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties.

The evaluation will be conducted at two levels: evaluation of selected IP components and evaluation of the programme as a whole.

A) Programme-wide evaluation

Relevance and ownership

The extent to which:

(i) The IP was jointly identified and formulated with the central coordinating authority, as well as with the involvement of programme counterparts and their target beneficiary groups.
(ii) There is an agreement among the stakeholders that the objectives of the IP are still valid and that the programme supports the country industrial strategy.
(iii) The programme did and continues to contribute to the MDGs and other international targets and is related to UNIDO’s Corporate Strategy.
(iv) The programme is complementary with relevant bilateral and multilateral cooperation and coordination programmes (especially UNDAF and CCA).

Funds mobilization

The extent to which:

(i) The central national management and counterparts were able and willing, to contribute (in kind and/or cash) to IP implementation and in taking an active part in funds mobilization.
(ii) UNIDO HQs and the Field representation paid adequate attention to and were effective in funds mobilization.
(iii) The IP team and its stakeholders were in a position to participate in the process of allocation of seed money.

Programme coordination and management

The extent to which:

(i) The central national management and overall field coordination mechanisms of the Programme have been efficient and effective.
(ii) The UNIDO HQ based management, coordination and monitoring of its services have been efficient and effective.

Programme identification and formulation

The extent to which:

(i) A participatory programme identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support.
(ii) The IP has a clear thematically focused development objective, which will contribute to goals established by the country, the attainment of which can be determined by a set of verifiable indicators.

(iii) The project/programme was formulated based on the logical framework approach

**Synergy benefits derived from programme integration**

The extent to which:

(i) Coordination amongst and within components led to benefits (such as cost savings in implementing UNIDO services; increased effectiveness resulting from providing different services to the same target group; increased effectiveness resulting from interventions aiming at strengthening linkages within a system and improved effectiveness due to services provided simultaneously at the level of policy-making, support institutions and enterprises).

(ii) The transaction costs of the IP (management and coordination of many stakeholders, complexity in funds mobilization, etc.) were commensurate to the benefits of integration.

**Results at the programme-wide level (contribution to industrial objectives of the country)**

Assessment of:

(i) The results achieved so far at the output, outcome and wherever possible impact level.

(ii) If the IP has contributed, or is likely to contribute to the achievement of the Millennium Development Goals.

(iii) To what extent result indicators were developed and facilitated the assessment of progress towards national and international development targets.

(iv) Sustainability and impact of results achieved

**B) Evaluation of (sub-) components**

**Ownership and relevance**

The extent to which:

(i) The component was formulated with participation of the national counterpart and/or target beneficiaries, in particular the industrial stakeholders.

(ii) The counterpart(s) has (have) been appropriately involved and were participating in the identification of their critical problem areas and in the development of technical cooperation strategies, and were actively supporting the implementation of the component.

(iii) A logically valid means-end relationship has been established between the component objective(s) and the higher-level programme-wide objective.
(iv) Changes of plan documents during implementation have been approved and documented.
(v) The outputs as formulated in the IP document are still necessary and sufficient to achieve the component objectives.
(vi) Coordination envisaged with other components within the IP or with any other development cooperation programmes in the country has been realized and benefits achieved.

**Efficiency of implementation**

The extent to which:

(i) UNIDO and Government/counterpart inputs have been provided as planned and were adequate to meet requirements.
(ii) The quality of UNIDO services (expertise, training, equipment, methodologies, etc.) was as planned and led to the production of outputs.
(iii) The resources and inputs were converted to results in an economical manner

**Effectiveness of the component**

Assessment of:

(i) The achievement of planned outcomes and outputs

**Sustainability**

Assessment of the probability of continued long-term benefits

**Impact**

(i) Identify what developmental changes (economic, environmental, social) have occurred or are likely to occur

**V. EVALUATION TEAM**

The evaluation team will be composed of the Director of the UNIDO Evaluation Group, Ms. Margareta de Goys, one international evaluation consultant and one national evaluation consultant (to be selected jointly by UNIDO and the Government). Ms. de Goys will act as the team leader of the evaluation.

The international and national consultants will be contracted by UNIDO. The tasks of the consultants are specified in their respective job descriptions, attached to this Terms of Reference.

Members of the evaluation team must not have been directly involved in the design and/or implementation of the Programme.
The UNIDO Field Office in Uganda will support the evaluation team. Donor representatives from the bilateral donor representations will be briefed and debriefed.

VI. TIMING

The evaluation is scheduled to take place September and October 2008. The field mission for the evaluation is planned to take place between the 15 and 26 September.

VII. REPORTING

The evaluation team will present its preliminary findings to the Uganda Government, to Programme staff and at UNIDO Headquarters. A draft evaluation report will be circulated for comments. The reporting language will be English.

Review of the Draft Report: The draft report will be shared with UNIDO and the Government for initial review and consultation. They may provide feedback on any errors or fact and may highlight the significance of such errors in conclusions. The evaluation team will also seek agreement on the findings and recommendations. The evaluators will take comments into consideration in preparing the final version of the report.

The Final Report will be submitted 6-8 weeks after the field mission, at the latest, to the Government, the donors and to UNIDO.

Quality Assessment of the Evaluation Report: All UNIDO evaluations are subject to quality assessments by the UNIDO Evaluation Group. These apply evaluation quality assessment criteria and are used as a tool for providing structured feedback. The quality of the evaluation report will be assessed and rated against the criteria set forth in the checklist on evaluation report quality (annex 2).

<table>
<thead>
<tr>
<th></th>
<th>Identification</th>
<th>Formulation</th>
<th>Implementation</th>
<th>Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy relevance and interaction</strong></td>
<td>Expected contribution to MDGs, PRSP and National Industrial Strategy</td>
<td>IP objectives are relevant to and aligned with MDGs, PRSP and NIS</td>
<td>Integration of IP into national policy framework; contribution to MDGs, PRSP and NIS</td>
<td>Better integration of IP into national policy framework; better leverage</td>
</tr>
<tr>
<td>Counterpart ownership</td>
<td>Partners are interested in integrated approach</td>
<td>Partners are committed to integrated approach</td>
<td>Consensus with counterpart that IP contributes effectively to country efforts</td>
<td>Optimized counterpart structure identified and agreed</td>
</tr>
<tr>
<td>Sustainability of the intervention</td>
<td>“After assistance scenarios” developed</td>
<td>Realistic vision of an “expected end of project situation” shared among partners</td>
<td>Progress towards sustainability</td>
<td>From institutional sustainability to systemic sustainability</td>
</tr>
<tr>
<td>Reaching target groups</td>
<td>Direct relevance of the IP to target groups</td>
<td>Needs of target groups assessed and reflected in the planning</td>
<td>Significant percentage of the target groups perceives improvements</td>
<td>Larger diffusion, refocused targeting</td>
</tr>
<tr>
<td>External coordination</td>
<td>Active dialogue under UNDAF and with other donors and relevant players</td>
<td>Planning includes mechanisms and budget for external coordination</td>
<td>Synergy with UNDAF and activities of other donors maintained</td>
<td>Integrated action across donors and within UNDAF further strengthened</td>
</tr>
<tr>
<td>IP integration</td>
<td>Convincing ‘identity’ of the IP envisaged</td>
<td>Planning foresees integrated contributions by UNIDO technical branches</td>
<td>Synergy benefits demonstrated and IP perceived as an entity</td>
<td>Further develop IP identity according to changing needs and conditions</td>
</tr>
<tr>
<td>Results Based Management</td>
<td>Proper ‘logframe’ including realistic assumptions about external factors and risks</td>
<td>Fully fledged intervention logic; realistic and flexible planning in appropriate detail</td>
<td>Timely, efficient, effective and flexible implementation</td>
<td>Improved logframe in the light of experience of previous phase</td>
</tr>
<tr>
<td>Funds mobilization</td>
<td>Donors interested in integrated approach and actively involved</td>
<td>Funding of key components secured</td>
<td>Continuous fund mobilization strengthens IP identity</td>
<td>Donors committed to funding next phase</td>
</tr>
<tr>
<td><strong>UNIDO Corporate Strategy</strong></td>
<td>IP encapsulates UNIDO corporate strategy and comparative advantage</td>
<td>IP planning makes comparative advantage of UNIDO visible</td>
<td>Stakeholders recognize specific value of UNIDO contributions</td>
<td>Next phase refocused on UNIDO core competences</td>
</tr>
<tr>
<td>Innovation and lessons learned</td>
<td>Innovative approach envisaged</td>
<td>Innovative services designed and planned</td>
<td>Innovative UNIDO services tested and implemented</td>
<td>Diffusion of innovative services across UNIDO</td>
</tr>
</tbody>
</table>
### Annex 2

#### Checklist on evaluation report quality

<table>
<thead>
<tr>
<th>Report quality criteria</th>
<th>UNIDO Evaluation Group Assessment notes</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Did the report present an assessment of relevant outcomes and achievement of programme objectives?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Were the report consistent and the evidence complete and convincing?</td>
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<td></td>
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<tr>
<td>c. Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible?</td>
<td></td>
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<tr>
<td>d. Did the evidence presented support the lessons and recommendations?</td>
<td></td>
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<tr>
<td>e. Did the report include the actual programme costs (total and per activity)?</td>
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<tr>
<td>f. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?</td>
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<tr>
<td>g. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'): Can they be implemented?</td>
<td></td>
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</tr>
<tr>
<td>h. Was the report well written? (Clear language and correct grammar)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Were all evaluation aspects specified in the TOR adequately addressed?</td>
<td></td>
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</tr>
<tr>
<td>j. Was the report delivered in a timely manner?</td>
<td></td>
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</tbody>
</table>

#### Rating system for quality of evaluation reports

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1, and unable to assess = 0.
## ANNEX B
### Bibliography

### General Background Documents


### UNIDO internal documents (by component)

#### Integrated Programme

5. Mid-term review of UGA-2855, the Norwegian Assistance to Four Components, By Nordic Consulting Group, November 2006.

INDUSTRIAL POLICY


FOOD

3. BTOMR for the period 30 May to 2 June 2007 (Mr. Ouaouich).
4. BTOMR for the period 27 May to 5 June 2007 (Ms. Bucyana).
5. BTOMR for the period 24 to 31 March 2007 (Mr. Ouaouich).

MCP/SME

5. Project Document for “Women’s Master Craftsman Programme with focus on agro-MSMEs, September 2003.

UCPC

6. UNIDO Regional Cleaner Production Programme for Africa and the Arab Region Phase II, 2007.
TEXDA

1. BTOMR for the period 17 to 26 June 2008 (Mr. Lee).

DBIC


SKIPI

3. BTOMR for the period 10 to 20 September 2007 (Mr. Hierold).
4. BTOMR for the period 18 to 26 April 2007 (Mr. Hierold)
## ANNEX C

### Organizations visited and persons met

<table>
<thead>
<tr>
<th>Name</th>
<th>Function</th>
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<tbody>
<tr>
<td><strong>UNIDO Headquarter Austria</strong></td>
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</tr>
<tr>
<td>Ms. K. Bucyana</td>
<td>Industrial Development Officer PTC/AGR/FPU</td>
</tr>
<tr>
<td>Mr. H. Leuenberger</td>
<td>Industrial Development Officer PTC/EMB/OD</td>
</tr>
<tr>
<td>Mr. J. Hierold</td>
<td>Industrial Development Officer PTC/AGR/AIS</td>
</tr>
<tr>
<td>Ms. B. Kreissler</td>
<td>Industrial Development Officer PTC/PSD/CBL</td>
</tr>
<tr>
<td>Ms. C. Pitassi</td>
<td>Industrial Development Officer PTC/PSD/RWE</td>
</tr>
<tr>
<td>Mr. D. Lee</td>
<td>Industrial Development Officer PTC/AGR/TLU</td>
</tr>
<tr>
<td>Ms. F. Bennani-Baiti</td>
<td>Senior Field Operations Officer PCF/RFO/AFR</td>
</tr>
<tr>
<td>Ms. O. Panfil</td>
<td>Private Sector Development</td>
</tr>
</tbody>
</table>

| **UNIDO Field Staff and Project Staff Uganda** |                                                     |
| Ms. R. Sabano      | National Programme Coordinator UNIDO/ UIP          |
| Ms. J. Namuyomba   | Secretary, Coordination Unit UNIDO/ UIP           |
| Ms. B. Atuheirwe   | Secretary, Food Component UNIDO                   |
| Mr. A. Mbalinda    | National Expert for Food Security FOOD             |
| Mr. S. Balagadde   | Food Component Coordinator, NE Food Inspection and Legislation FOOD |
| Mr. G. Arinaitwe   | National Expert, Food Safety FOOD                  |
| Mr. M. Mukasa      | National Expert, Agribusiness FOOD                |
| Mr. M. Mukasa      | National Expert, Agribusiness FOOD                |
| Mr. P. Mwesiuye    | Executive Director UCPC UCPC                      |
| Ms. G. Kirabo      | Administrator, Textile Development Agency TEXDA   |
| Mr. C. Mpala       | Weaving-studio Supervisor TEXDA                   |
| Mr. S. Musanah     | Production Supervisor TEXDA                       |
| Mr. M. Ekwangu     | Sales Supervisor TEXDA                            |
| Ms. O. Panfil      | CTA TEXDA                                         |
| Mr. S. Ssebagala   | Deputy Director UCPC UCPC                         |
| Mr. P. Mwesiuye    | Component Coordinator UCPC UCPC                   |
| Mr. L. Wilberforce | Technical Officer UCPC UCPC                       |
| Ms. J. Rohe        | Youth Employment Officer, UNIDO                   |
| Mr. E. Mugisha     | Technical Officer UCPC UCPC                       |
| Mr. A. Semukutu    | Team Leader, SME Specialist MCP                   |
| Mr. P. Tibasiimwa Atwooki | MSE Specialist MCP                             |
| Mr. F. Apiko       | National Programme Coordinator, SKIPI SKIPI       |
| Mr. R. Singh       | CTA, SKIPI SKIPI                                  |
| Mr. A. Aliga       | Vice Chairman, Management Committee SKIPI (Omba) |
| Mr. K. Azubu       | Management Committee SKIPI (Omba)                 |
| Mr. D. Onyoin      | Chief Executive Officer, TESOPS DBIC              |
| Mr. J. Oryokot     | Training Officer DBIC (Soroti)                    |
| Mr. V. Ratnarajah  | Chief Technical Advisor, Business Information Networking DBIC |
| Mr. G. Apedu       | Information Officer DBIC (Soroti)                 |
| Mr. R. Sekiti      | Manager/Training Officer DBIC (Mbale)             |
| Mr. M. Mulondo     | Secretary Steering Committee DBIC (Jinja)         |

<p>| <strong>UNDP Field Office Uganda</strong> |                                                     |
| Mr. T. Nifyema         | Resident Representative UNDP                      |</p>
<table>
<thead>
<tr>
<th><strong>Government</strong>&lt;br&gt;Uganda</th>
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<tr>
<td>Mr. E. Kamuntu</td>
<td>Minister of the State for Industry</td>
</tr>
<tr>
<td>Mr. S. Ssenkungu</td>
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<tr>
<td>Mr. C. Okulo</td>
<td>Assistant Commissioner, Industry &amp; Technology</td>
</tr>
<tr>
<td>Mr. J. Mutambi</td>
<td>Principal Industrial Officer</td>
</tr>
<tr>
<td>Mr. H. Minh</td>
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<tr>
<td>Mr. T. Buringuriza</td>
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<tr>
<td>Mr. K. Ayisuga</td>
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<tr>
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<td>National Treasurer</td>
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<tr>
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<tr>
<td>Mr. A. Gladys</td>
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<tr>
<td>Mr. O. Abwa</td>
<td>Business Development Service Manager</td>
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<tr>
<td>Mr. N. Kyagera</td>
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</tr>
<tr>
<td>Mr. O. Abdullay</td>
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<tr>
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<tr>
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<tr>
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<td>Advisor, Tailoring</td>
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<tr>
<td>Ms. R. Nyeko</td>
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<tr>
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<tr>
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<tr>
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<tr>
<td>Ms. I. Huijy</td>
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<td>Mr. L. Kinyua</td>
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<tr>
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<tr>
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<tr>
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<td>Production in Charge</td>
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ANNEX D
Interview Guidelines

Relevance

- Your view of the relevance of the IP and of the individual components?
- Relevance in relation to national needs and priorities?
- Relevance in relation to Poverty reduction Strategy and Industrial Development Strategy?
- Relevance in relation to UNIDO Corporate Strategy and Thematic priorities?
- Relevance in relation to UNDAF and the CCA?
- How were the various components of the IP identified and formulated?
- What was the involvement of the Government in the preparatory phase?
- Involvement of counterparts and beneficiaries?
- Involvement of national parties in fund mobilization?
- Were critical problem areas identified in the preparatory phase?
- Are the IP and its components still valid?
- How do the Programme and its components complement interventions of other development agencies?

Programme design

- Was there a logical relationship between objectives at various levels, activities and inputs?
- Were results indicators developed and did they facilitate the assessment of progress?
- Were changes during implementation approved and documented?
- Origin of component concept and approach used?

Effectiveness

- Achievements of outputs and outcomes (for each project/component)?

Efficiency

- Timeliness, adequacy (quantity and quality) and cost of UNIDO inputs and activities
- To what extent were UNIDO HQ and field staff active in funds mobilizations?
- What were the national management and field coordination mechanisms?
- Involvement of UNIDO HQ in management, coordination and monitoring.
- To what extent has there been coordination between components? If yes, has this led to cost savings in implementation? Are different services provided to the same target groups?
- Do we find linkages between components and integrated services such as policy making, support institutions and enterprise support?
• Were inputs provided by the Government and by UNIDO adequate to meet requirements?

**Sustainability**

• Sustainability of Programme/component results?

**Impact**

• How would you assess the actual or potential impact of the programme/ an individual component?
• In what way will the Programme be able to contribute to poverty eradication?
• How has/will the Programme contribute to the advancement of agro-processing and PSD?
• Actual or potential effects in terms of economic development, provision of job and income opportunities?
• Contribution in terms of promotion of food security?
• Actual or potential economic, environmental and social oriented developmental changes?

**Funds mobilization**

• Volume, origin and use of mobilized funds?
• Funds mobilized by UNIDO vs. the Government?
• What kinds of mechanisms were used for funds mobilization?

**Programme management**

• UNIDO branches involved in the Programme?
• Counterpart agencies?
• Involvement of HQ, Regional and Field Offices and at which points?

**Lessons learned**

**The Future**

• Recommendations for a next phase?
## Uganda IP project overview

### Component 1. Strengthen the capacity of the agro-processing support framework and develop the human resources required

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<th>Component</th>
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Total: 4,596,185 - 4,187,856
### 2. Strengthen the capacity of micro and small-scale entrepreneurs focusing on rural areas and women

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**Total Project Costs:** 7,779,460

### 3. General Management

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**Total Project Costs:** 2,244,209

**Total General Management Costs:** 361,931

**Total Project Costs:** 341,358

**Total Costs:** 7,579,460
Independent Evaluation
UGANDA

UNIDO Integrated Programme

Agro-processing and Private Sector Development—Phase II