

**UNIDO
UGANDA INTEGRATED
PROGRAMME**

**REVIEW PHASE I
AND
ASSESSMENT PHASE II**

15/ 11 – 2003

**Erlend A. Sigvaldsen
Angela Katama**

Abbreviations

BDS	Business Development Services
COP	Code of Practice
DFCU	Development Finance Company of Uganda
DFR	Department of Fisheries Resources
EU	European Union
GMPs	Good Management Practices
HACCP	Hazard and Critical Control Points
IP	Integrated Programme (UNIDO)
IPPC	International Plant Protection Convention
MCP	Master Craftsman Programme
MSE	Micro and Small Enterprises
MTCS	Medium Term Competitive Strategy
NCPC	National Cleaner Production Centre
PC	Pilot Centre (Post harvest component)
PD	Programme Document
PRSP	Poverty Reduction Strategy Paper
PSD	Private Sector Development
QMS	Quality Management Systems
SE	Small Enterprises
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
TEXDA	Textile Development Agency
UCPC	Uganda Cleaner Production Centre
UIA	Uganda Investment Authority
UIP	Uganda Integrated Programme
UNBS	Uganda National Bureau of Standards
UNIDO	United Nations Industrial Development Organisation
USSIA	Uganda Small-Scale Industries Association
WED	Women Entrepreneurship Development
WTO	World Trade Organisation

Table of Content

1	SUMMARY AND RECOMMENDATIONS	1
2	INTRODUCTION AND BACKGROUND	6
3	REVIEW PHASE I: SUPPORT TO AGRO-RELATED INDUSTRIES.....	7
3.1	THE FOOD INDUSTRY SUB-COMPONENT	8
3.1.1	<i>Main Strategy</i>	9
3.1.2	<i>Performance and Achievements</i>	10
3.1.3	<i>Summary Assessment and Core Issues</i>	21
3.2	THE TEXTILE SUB-COMPONENT	22
3.2.1	<i>Main Activities and Strategy</i>	23
3.2.2	<i>Performance and Achievements</i>	24
3.2.3	<i>Core Issues</i>	26
3.3	SUPPORT TO UGANDA NATIONAL BUREAU OF STANDARDS	27
3.4	CONCLUDING REMARKS AND RECOMMENDATIONS	28
4	BRIEF ASSESSMENT PHASE II	30
4.1	OVERALL STRATEGY	30
4.2	CONCEPT PAPER 2: STRENGTHENING THE INDUSTRIAL FOOD SECTOR	31
4.3	CONCEPT PAPER 5: ASSISTANCE TO TEXTILE AND GARMENT MSMES.....	33
4.4	CONCEPT PAPER 9: WOMEN ENTREPRENEURSHIP DEVELOPMENT	35
Annex 1	Terms of Reference	
Annex 2	Executive Summary, Programme Document	
Annex 3	Log Frame Food Component of IP	
Annex 4	List of people met	
Annex 5	Budget for Phase II	

1 Summary and Recommendations

- UNIDO's Uganda Integrated Programme, phase I, is now in its last stages. NORAD has funded the food and the textile sub-components within the overall component named "Support to agro-processing industries".
- This review covers those two subcomponents, plus an assessment of a possible continuation of the Norwegian support within the same areas, in addition to assessment of a third, namely Women Entrepreneurship Development Programme.

Main findings: Food component

- The basic strategy of the food component was to focus on exports, and on micro and small scale activities. In the operative strategy emphasis is on issues of food safety, quality assurance and post harvest and micro scale processing technologies.
 - The food component includes 3 Immediate Objectives, 12 Outputs, and 53 Activities according to the PD. The most pronounced achievements relate to the first immediate objective: *"To establish at the national level a structured and coordinated food safety and quality assurance system"*
 - A major achievement has been the drafting of two national documents, namely the Food Safety Bill, and the National Food Safety Strategic Plan. Both are considered crucial to establish an updated national food safety and quality assurance framework, within which exports can gain international acceptance.
 - However, the most important achievement of the programme is the work done in the fishery sector, and it could be argued it alone defends the whole programme. Fishery experienced in less than three years a complete transformation from being an industry initially banned from selling to the EU, to one that is now Uganda's highest export earner (2002).
 - A number of stakeholders were involved, and improvements were necessary with regard to public authorities, regulations, inspectorate, laboratories, the processing industry, and the fishermen. UIP identified the problems, drew up a strategy, actively addressed issues, coordinated the different efforts, and monitored progress. Interviewed stakeholders maintain UNIDO played a crucial role in this process.
 - Important reasons for the success are thought to be the high national priority attached to raising the ban, the relatively strong private sector in fishery, the highly qualified UNIDO experts, and the fact that private industry was brought early into the project design, ensuring demand driven processes. The core actor was understood to be the private sector, and public authorities played supporting roles.
 - This strategy of addressing the twin issues of trade and quality in a sector from a comprehensive viewpoint appears as a highly interesting model to adapt to other sectors, and is in Uganda increasingly referred to as the "fish model".
 - UIP tried to introduce GMP and HACCP in 13 other (than fish) food enterprises, but results were mixed. Only 1 has attained HACCP standard, while 4-5 others are reasonably close, according to UNIDO. Insufficient funds and time were
-

probably invested in this activity as most of the resources were focused on the fish sector as the top priority

- The planned output of establishing quality standardization and certification of honey production was not met. Partly this is explained by the unexpected finding of deviating honey characteristics requiring more research, but this component apparently suffered from a late start of activities and generally slow progress.
- The two planned outputs relating to cleaner production were not met, but some of this work was covered by the National Cleaner Production Centre Component.
- The last three planned outputs in the food component all relate to improving post harvesting and food processing technologies. Achievement of the objectives is mixed. The actual situation “on the ground” was less advanced than assumed, and basic preparations took longer time than expected. However, where ready markets existed – as with organic dried products – progress was better.
- In sum, the achievements of the food component in the UIP are assessed as reasonable given the resources available. None of the three immediate objectives can be said to have been fully met however, and there are substantial variations between the 12 different outputs. The work in fishery is the outstanding success that partly “pardons” the slower progress in other areas.
- An added achievement across the whole food component is UNIDO’s work as an instigator and catalyst of new knowledge and innovation. The best results were achieved in those areas where conditions were ripe for change, and where there were reasonably strong intermediaries to work through. Progress was slower in areas where efforts more had a pioneer character.
- Most of structures – institutional and otherwise – involved in UIP can be considered sustainable, at least in the short term. Support has mainly been variations of technical assistance, and while most institutions like UNBS are severely underfunded, they will not collapse if UNIDO withdraws. However, the systems and structures established might be vulnerable in the longer run if they are not regularly updated and adapted. The core challenge is to establish systems with a sufficient “critical mass” of institutions, experience, balance and analytical capacity to regenerate themselves.

Main findings: Textile component

- The design of the textile component had a major weakness, namely the plan for establishing a textile agency, TEXDA. Two highly important elements were missing:
 - A realistic plan for how TEXDA was ever going to become financially sustainable. Would it sell services, would it rely on membership fees, would GoJ fund its budget? There was no exit strategy for the donor, and TEXDA is now dependent on external support.
 - There was no ready governance plan. Who will own the resources transferred to TEXDA? Who commits themselves to its survival? TEXDA is an NGO established by a few of its staff and is no business association, and is thus not a representative body for the industry.
 - The net result is that in spite of TEXDA nearly managing to train all the 300 people it had aimed for, UIP and the donors have created an institution that can hardly survive without further donor support.
-

- Operational problems included failure to attract the intended target group, already established entrepreneurs. Instead, TEXDA mostly got applicants with little or no knowledge of the sector. Thus, TEXDA became more a vocational training centre, than a professional advisor. This group of people had even less ability to pay for training than established entrepreneurs.
- It is necessary to emphasise that the “culprit” is the initial design of the textile component, to avoid the impression of a wholly bad performing institution. TEXDA has managed a number of achievements, and staff has done a commendable job within the framework given them.
- The lack of broader linkages with the existing businesses and industries in the textile sector has limited TEXDA’s impact as a sector wide development agency.
- TEXDA has a few crucial choices to make. It must decide what kind of institution it is to become, and how it will cover its costs after withdrawal of the donor. It seriously needs to consider its strategic choices, and from that formulate a strategy with a realistic business plan. The future of TEXDA is at risk unless steps are taken to turn it into a more representative and financially secure operation. GoU has now – November 2003 – started the transformation process.

Other Review Findings

- UIP’s support to the National Bureau of Standards has provided some tangible improvements like establishment of a microbiological laboratory. However, UNBS is still considered weak, and lacks vital laboratory equipment and capacity to effectively meet its mandate. There is need to assess that mandate, and also solve the potential role conflict of UNBS as a regulator and a market participant at the same time.
- UNIDO runs the risk of overselling particular modes of sector development. In some cases international models may have been proposed without sufficient local assessments. TEXDA may be such a case, and the post harvest operations another. However, it is precisely this broad international experience that makes UNIDO unique. But it must resist the temptation to start something for which the prerequisites are not in place.
- A second risk is the danger of overextending and UNIDO cannot address all of Uganda’s industrial development issues. What experience from Uganda apparently show is that the organisation is at its best when it can practically work with a particular niche/sub-sector, as in fisheries.
- Reporting has been a weakness according to NORAD, and they would have preferred both better and more timely financial and progress reporting. These reports should be more analytical in nature, and reflect real lessons.

Assessment Phase II

- The 14 concepts papers prepared for phase II basically signals a continuation of Phase I, but organised slightly differently. In general, all concept papers would need to be elaborated with concrete actions and more detailed budgets before funding can be recommended. However, the team is in principle positive to support to all there suggested concept papers, albeit depending on clarifications and some project reformulation, particularly with regard to the textile component.
 - *Concept Paper 2*, strengthening the industrial food sector lists activities at three levels, national, institutional and industrial/operational level. The Team would support the implementation of most of the suggested activities, but with one major
-

modification. While the national level appears sound it is suggested that the institutional and operational levels are focussed on a set of selected agricultural sub-sectors, possibly 3-4 all in all. The objective for each sector should be to improve production standards, and to establish necessary standards, certifications, quality control, inspections and any other procedures necessary to make goods internationally tradable.

- *Concept Paper 5*, assistance to textile and garment MSMEs, needs a comprehensive rethink of the whole strategic position of TEXDA. Without it, the rationale for further donor support is uncertain. TEXDA needs to be sufficiently broad based, well rooted in the industry, and with a clear vision and strategy of what it wants to become. Funding of the second phase should be dependent on the presentation of a sound governance plan for making TEXDA more representative of the industry, and on the presentation of a considered business plan that illustrates how TEXDA will become financially independent of donors.
- *Concept Paper 9: Women Entrepreneurship Development*, has been debated for close to two years, and it may have been somewhat overtaken by events. UNIDO now has considerably more experience with models suggested used like the MCP, and several institutions have developed increased capacities. It is suggested that the Project document is updated to take account of these developments. Budgets now seem exaggerated, and a leaner and more focused approach is suggested. A number of BDS schemes are already running, and these must be taken into account in the updated work plan.

Recommendations

Review Recommendations:

- The comprehensive, yet sector focussed model employed in the fishery sector has worked well; it should be closely studied and adapted to other food products.
 - UIP must pay due respect to long term institutional issues as governance and financial stability, particularly when establishing new operations. TEXDA is nearly a textbook example of how not to do it.
 - UNIDO should closely assess its strengths and weakness, and build future programmes around its undoubted strengths. It cannot do everything, and it needs to be realistic as to what processes it can influence and support. It also needs to balance its use of models from other countries very carefully against the actual situation in each country.
 - UNIDO must ensure timely and informative financial and performance reporting. A final account for phase II should be forwarded to NORAD as soon as possible, broken down on components and outputs as presented in the original Programme Document.
-

Recommendations Concept Paper 2:

- NORAD should support Concept Paper 2: “Strengthening the Industrial Food Sector”. It is proposed that this would be the priority element for NORAD in phase II of the UIP.
- Support depends on the presentation of a satisfactory Project Document and work plan.
- This work plan should have a substantial national level element as outlined in the Concept Paper, and a focused plan for working with 3-4 agricultural sub sectors at the institutional and operational level. The objective should be to make the products/goods from these sectors internationally tradeable, following – if applicable – the “fish model.”
- A budget extension could be considered if required to make a sound and realistic work plan for these sectors

Recommendations Concept Paper 5:

- NORAD may support Concept Paper 5: “Assistance to Textile and Garment MSMEs”, provided certain conditions are met.
- The first of these is that an updated Project Document/Concept Paper has to be presented with a realistic work plan describing the necessary strategic planning process.
- If this PD is found acceptable, funding is suggested provided in two phases, where funds for the last phase depend on a satisfactory outcome of the first.
- The first phase is mainly strategic and business planning, addressing governance and financial sustainability issues as described. The resulting plan must be realistic and implementable.
- If this plan is found acceptable by NORAD, funding for a second phase is recommended.

Recommendations Concept Paper 9:

- NORAD should support Concept Paper 9: “Women Entrepreneurship Development focussing on Agro MSMEs”, provided an acceptable revised project document is presented.
 - The revision must take into account experience gathered by UIP phase I, and improve focus in a less resource demanding project framework.
-

2 Introduction and Background

Private Sector Development (PSD) is one of the priority areas of the current Uganda-Norwegian development co-operation programme. Norway already supports a number of PSD initiatives. One such PSD initiative has been Norwegian support to UNIDO's Integrated Programme (IP). The IP consists of several components, out of which NORAD targeted support to two sub-components of Component 1, Agro-related Industries. The sub-components were support to the Food Industry and the Textile Industry.

The first Phase of the IP is now considered ended, even though some activities are still ongoing, funded by remaining budget funds. UNIDO has proposed to extend the IP into a second phase, and has circulated a set of Concept Papers describing all in all 14 different projects that it seeks funding for.

Before any new funding was to be considered, NORAD wanted to review experiences of the Norwegian financed components of Phase I of the IP. It was also decided to make a brief assessment of some of the Concept Papers. The Concepts found most interesting were primarily the suggested continuation of the food and textile activities. In addition, a third area was to be assessed, namely the Women Entrepreneurship Development component. This last has been under consideration for almost 2 years, and UNIDO has presented a full Project Document for this particular activity.

Given the comprehensive scope of this exercise, and the limited time involved, this review is by necessity brief and more concerned about general issues than details. It has for instance not been possible to physically verify whether certain actions have been done in full, and the actual impact of these. Neither are the final accounts for the activities available. The Team has had to rely on whatever documentation UNIDO has forwarded, tempered by interviews with stakeholders and other observers. We may thus have missed some nuances, but hopefully not the overall direction.

The starting point for this assessment is the Programme Document (PD) dated September 2000, as that represents the basic outline for what the programme was to do and to achieve, with the given resources. The team has chosen to examine the outcome of planned activities in some detail, but will emphasise that it is the total outcome that counts.

In the following, it is assumed that the reader is basically familiar with the UNIDO Project Document for Phase I and the new Concept Papers for a possible Phase II. These are thus mostly referred to, and not unduly repeated to avoid duplication.

The Team consisted of Erlend Sigvaldsen (Team Leader), and Angela Katama (local consultant), and started field work 17th of June and adjourned 26th of June after 8 working days of extensive meetings and discussions with UNIDO, and with different stakeholders and other observers. A draft report was sent to UNIDO and NORAD 20th August 2003, and the final report was delivered 15th of November 2003 after receiving comments from UNIDO. We would like to express our sincere thanks to all involved in this exercise, particularly UNIDO staff, for their patience, knowledge and unwavering good spirit shown during our work.

3 Review Phase I: Support to Agro-related Industries

An International Programme

UNIDO implements Integrated Industrial Development Programme in several countries across the world, and has by now gathered substantial experience from its operation. Uganda is considered one of the most successful.

While IPs are built on a common concept, each IP is tailored to each country, in particular with regard to the sectors chosen for support. The projects within each sector will vary from country to country, but is often based on common themes. As the UNIDO staff responsible for implementing the different IPs is often the same across countries, experience from one country is easily available to another.

The obvious advantage of this approach is that interventions at all times can be built around current international best practice. The benefits of this have been demonstrated in the food component of the IP in Uganda where IP's international character has been a great advantage. UNIDO has expertise in the how to make food products internationally tradable. They know international markets and what the requirements for getting into those markets are, they have experience from different countries in how standardisation and inspections systems should be set up to meet those requirements, and they have a large collection of tools, manuals, routines etc to practically implement these systems. Further, they have access to a large pool of international experts that can adapt and tailor these systems to each country. For a developing country trying to engage in international markets, this expertise is invaluable, and an international donor like UNIDO is a well placed channel for supplying it.

The possible weakness of the IP approach is on the other hand a danger of "Xeroxing". While some models may work well in some countries, they may not be as successful in others. Often, the main reason is simply differences in human and institutional capacities. The textile component in the Uganda IP unfortunately reflects this aspect of the IP approach more than the best practice experience. Establishing a brand new support institution to cater for textile entrepreneurs may have yielded good results in other countries (like Brazil), but in Uganda the concept was not fully analysed, with missing market analysis, and with unanswered questions as to the ownership of such a support institution.

These issues will be further commented in the following, but the important point is that the IP should be seen as part of a larger international effort, and not as an isolated Ugandan project. Interestingly, the most effective parts of the IP are developing their distinct Ugandan flavour, and a challenge – positive this time – is how to evolve the IP concept over time to support such an indigenisation.

Basics of the Agro-Related Component¹

The reasons given in the PD for including this component are:

¹ The Executive Summary of the Programme Document for the whole IP in Uganda is enclosed as Annex 2.

- Uganda has international comparative advantages within agriculturally based production, and the potential for trade is under-utilised
- It engages large parts of the poorest parts of the population, and improvement of its performance would have positive effects on poverty eradication.
- It is given high priority by the Government, both through the PRSP, and in more particular the PMA and the MTCS.

Three sub-components were chosen for support, namely

1. Food Industry
2. Textiles Industry
3. Leather Industry

The food industry was a natural choice given Uganda's resource endowment, and the huge challenges faced in the whole production chain from production to marketing. Particular focus was given to developing exports, and the related structures necessary to gain access to international markets. *Textiles* is an area where Uganda historically was quite strong, but which is now hampered by poor competitiveness, and large influx of second hand products. As a typically women dominated industry, improvements could potentially have substantial positive socio-economic impact. *Leather* was another industry with presumed large potential, but that was hampered by lack of basic equipment, expertise and marketing skills. Of the two components funded by Norway, food and textiles, there appear to have been scant interaction.

This Agro based component was then complemented by several of the other IP components like the second component of "Development of Micro and Small Scale Enterprises", the fourth of "Strengthening the Uganda National Bureau of Standards", and the fifth "Uganda Cleaner Production Centre." In practice, the integration between the components appears to have varied considerably, but there is little doubt that for instance the SME component has had a substantial interface with the Agro-industry component.

3.1 The Food Industry Sub-Component

The food industry in Uganda is, according to the Programme Document (PD), still at an early stage of development and is constrained by "*inadequate quality and supply of raw materials, lack of standards, high wastage levels, high production costs, low capacity, infrastructural bottlenecks, absence of cold chain, poor packaging, weak marketing and distribution systems.*" (Page 6) Basically, the industry lacks competitiveness, a situation that is compounded by the infrastructure problems associated with being land locked. This analysis is in line with the PMA, and other assessments of the agricultural sector in Uganda.

To focus efforts, the PD then identifies products with "great potential for development" (p.8):

- Fish
 - Honey
 - Fruits and vegetables in view of the strong potential for the production of dried products, juices syrups and tropical fruit jams.
 - Animal products like meat, milk etc
-

The PD does not go in more detail about why these sectors have been chosen. While few would argue about a sector like fish, others like animal products may be more borderline, particularly with regard to exports. According to an analysis done for the GoU Stratex initiative, export markets will not accept Ugandan meat until the disease status and quality of slaughter and processing have been demonstrated – which may take more than 5 years.²

The results from the UIP have so far been better in the sectors where the potential is documented like fish, than in sectors where a good initial analysis seems missing, like for animal products. (The livestock part of the programme has been very limited.)

3.1.1 Main Strategy

The strategic thinking behind the design of the food component is not spelled out in great detail in the PD, but certain elements appear clear.

- *Focus on exports*, as the home market is too limited to support sustainable development of the sector, which is necessary to combat poverty.
- *Promote micro and small scale activities*, as the efficiency gap is here the greatest, and the potential for poverty reduction the best.

These strategic guidelines are assessed as appropriate, and the emphasis on exports especially so. While not mentioned in the PD, this is also the area where UNIDO has a great deal of collected expertise.

Implementation strategy takes into account three levels of intervention, namely:

1. *National level*, emphasising an enabling environment
2. *Institutional level*, to strengthen national capacities in terms of support services in processing technologies, food safety and quality management, as well as management and marketing.
3. *The enterprise level*, on a pilot basis, in order to demonstrate the operational feasibility of the technical package and to strengthen working relationships between the support institutions and the private enterprises.

These three levels are obligatory elements of a national strategy, but the question remains whether UNIDO has the capacity and resources to truly implement a national strategy. While well written PDs from the multi-lateral system tend to contain excellent objectives and development terminology, there are often question marks as to whether the programmes have the resources to turn ambitions into reality.

In the case of the food component, the only sub-sector where a holistic three level support structure can be said to have been implemented is the fishery sector. In the others, UNIDO's involvement has been more pointed, and limited to specific sector interventions. Generally, in many economic sectors, where there is almost no end to constraints and limitations, and external interventions carry only limited effectiveness, a donor strategy of targeting particular bottlenecks is often the only viable. The UNIDO approach is thus on the whole justified, but it would have benefited later

² "Case Study: Livestock, Hides, Skins and Leather Products," A. King, European Commission, Feb 2002.

assessments – like this one - to know more about exactly why different actions were included in the first place.

Nevertheless, the list of expected outputs and actions indicates the strategies chosen. Emphasis is on issues of food safety, quality assurance and post harvest and micro scale processing technologies.

The PD of UNIDO uses an adjusted log frame, and there are in the food component altogether 3 Immediate Objectives, 12 Outputs, and 53 Activities. The three immediate objectives are as follows:

- **Immediate Objective 1:** To establish at the national level a structured and coordinated food safety and quality assurance system.

Seven outputs relate to this objective, and this area has been the major activity of the food component. This is also where the main achievements are found.

- **Immediate Objective 2:** To upgrade the processing technologies and introduce clean technology principles in the food sector.

There are two outputs, and work has involved also the Cleaner Production Component of the UIP. It has specifically targeted private enterprises.

- **Immediate Objective 3:** To introduce post harvest and microscale food processing technologies in the six ecological zones of Uganda.

Three outputs are planned for, and while pilot technology centres have been established, it is difficult to assess their effectiveness and impact.

3.1.2 Performance and Achievements

The Team has in the following briefly assessed performance on each of the planned outputs in the PD. The detailed activities are only referred to when relevant. The full work plan, including objectives, outputs and activities can be found in Annex 3.

We do not expect the work plan to be followed in minute detail. A flexible attitude would be needed to an initial three year work schedule, and certain activities would have to be changed or done differently when faced with a changing reality.

D.I Immediate objective I:

“To establish at the national level a structured and coordinated food safety and quality assurance system.”

The PD does not define what such a system ideally should look like, but includes a number of preparatory and analytical actions to assess the context before suggesting a “system”.

To reach objective 1, seven outputs were planned for. A brief assessment of these and the attached activities are as follows:

Output 1:

A national co-ordination framework for food inspection and quality control activities established.

The work commenced January 2001, and it quickly came to focus on the creation of two particular national documents:

- A Food Safety Bill
- A National Food Safety Strategic Plan

It was deemed necessary – supported by experience from other countries – to first establish an updated national regulatory framework for food safety and quality assurance issues. The current legislation was overlapping and was not up to date with more recent developments. The new Food Safety Law and a National Food Safety Strategic Plan would be the main pillars of a system that ensures international acceptance of Ugandan exports.

The status of these documents is now as follows:

- The Draft Food Safety Bill was sent to Parliament mid/late 2002, where it is currently under consideration. Not much have happened since then. The process leading up to the final draft included a wide range of workshops and meetings with stakeholders all around the country. It is based on what is considered “best practice” by FAO.
- The National Food Safety Strategic Plan was developed in collaboration with the Ministry of Health, and has been discussed through several workshops. Further discussions are necessary. It shall guide the implementation of the new Food safety law, food safety programmes, activities and other Food Safety Control Systems. The Plan will also spell out the roles and responsibilities of the key stakeholders, address issues of institutional linkages, collaboration and harmonization of activities. A key element is the establishment of an independent Food Safety Council to guide and monitor the different inspectorates and so-called “Competent Authorities”.

The strategic plan awaits the bill to be effective, but elements that are covered under existing legislation may begin to be implemented.

Assessment

The national framework is not yet finally established, so the planned output is strictly speaking not delivered. However, UNIDO together with FAO and WHO have done a commendable job in getting the two documents as far as they have. Many stakeholders and ministries are involved, and the deliberations leading up to the draft bill and the draft strategic plan appear to have been well founded and inclusive. The current impasse appears primarily political. It is difficult to know exactly why the Bill appears stuck, but one can speculate that ministerial responsibilities may be one area of contention.

UNIDO provided both international and national experts for drafting the Bill, together with people from FAO, and for managing and handholding the consultation and drafting process. The wide international experience these experts brought to the

discussions was considered of great benefit. In a process with many participants, it would be wrong to give UNIDO the full credit, however. But most interviewed stakeholders stressed UNIDO's catalytic role and none would agree to the statement that this would have happened anyway without UNIDO's presence.

Finally, it should be emphasized that the food legislation area is slightly outside of the team's main fields of specialty, and we can thus not vouch for the quality of neither the Bill nor the Policy. However, with a layman's eye, both seem sound and well designed.

Output 2:

The regulatory framework for food inspection (based on Codex Alimentar) and quality control updated and structured for easy enforcement.

Work under this output mostly belong under the same headings as Output 1, namely the Food Safety Bill, and the Strategic Plan. One of the actions under this output was for instance to compare all existing regulations related to food safety with UK Law and other international laws. This was done. International meetings of the Codex Committee were arranged in Uganda, and existing and suggested regulations discussed.

Some of the actions listed were possibly over-ambitious and even somewhat out of focus. Action number IA.2.2 *"Prepare a consolidated compilation of these regulations [everything related to food safety and quality control] under the most appropriate structure and propose updates"* was one of these. While this was done for the fishery sector – that case will be commented in full below – it would have taken an inordinate amount of resources to do it for all possible food sectors. It could also have risked being redundant work, if suggestion were later found not to agree with the proposed national framework.

The UNIDO team decided to focus on getting the overall law and regulations in place first, and then later assess the practical consequences for the individual food products. This methodology is supported by the Team.

Assessment

With the benefit of hindsight, output 2 should probably have been incorporated into 1, or scheduled for later, i.e. after the national framework was fully established. Apparently, the resources scheduled for this component was used for output 1, and also in other areas like fisheries. This change of priorities appears as a correct decision.

Output 3:

The capacity of the institutions in charge of food inspection and standardization, and of those providing advisory services in food safety and quality management strengthened.

Output 4:

Good fish handling practices introduced on board of fishing boats and at the main fish landing sites.

Output 5:

GMPs and HACCP as well as quality management principles fully implemented in the fish processing enterprises.

These three outputs are mostly about facilitating exports from the fishery sector, or as one industry representative phrased it “saving Uganda’s fishermen.” The results from this work are probably the most important achievements of the programme, and it could be argued they alone defend the whole programme. This enthusiasm stems from the remarkable transformation in less than three years of an industry that was initially banned from selling to the EU, to one that is now Uganda’s highest export earner (2002).

Uganda struggled with the quality of its fishery exports all through the late 1990s, being subject to no less than three EU bans during that period. The latest was the most serious, being instigated due to the finding of pesticide residues in fish from Lake Victoria. The ban was imposed in March 1999, and was not lifted until late 2000.

The UIP came in to force precisely at the time of the ban, and put the issue on the agenda as a matter of priority. There were problems all over the sector:

- The Competent Authority ultimately responsible for quality was the Uganda National Bureau of Standards (UNBS), but it was weak and inefficiently organised in relation to the sector.
- Regulations were weak, outdated and unclear compared to international requirements, and there was serious lack of enforcement.
- Inspections through the Department of Fisheries Resources (DFR) were ineffective. The inspectors of DFR did not have clear guidelines and standard operating practices in particular with regard to inspecting fish being landed, hygiene conditions at landing sites, sampling procedures, etc
- Non-availability of suitable laboratory for pesticide residue analysis. The Government Chemist did pesticide residue analysis, but the performance and capacity were considered totally inadequate by EU.
- Most of the processing industry lacked good and stringent practices with regard to quality production. While several had so called Hazard and Critical Control Points (HACCP) in theory, most did not implement it well.
- There were – and still are – serious quality problems at the primary production level. To put it crudely, most fishermen have no clue as to the need for quality management of export products. Most public landing sites had not been upgraded and their facilities did not meet minimum EU requirements.

Problems thus involved a host of stakeholders, fishermen, the processing industry, inspectorates, laboratories and government authorities.

The UNIDO/Uganda strategy for restructuring aimed at two objectives: In the short term to lift the ban as soon as possible and in the medium and long term to establish the necessary foundations for a reliable fish safety assurance system. The safety

assurance has to function as an integrated system with the effective participation of all the actors involved. That UNIDO succeeded in synchronizing and getting all stakeholders on board is probably one of the greatest feats of the programme.

Activities aiming at improving the organizational and regulative frameworks were carried out parallel to the strengthening of the capacity of the fish inspection services, the technical support institutions and the private sector from the fishing to the factory level. Particular focus was put on the establishment of working tools, guidelines and methodologies (fish inspection manual, code of practice, inspection guides and records, etc.)

When exports were again allowed, main improvements included:

- The position of Competent Authority was transferred to DFR, and the institution was strengthened through training of inspectors, provision of equipment, introduction of a fish inspection manual and installation of a computer based inspection system for benchmarking and monitoring.
- Regulations were updated in conformity with the international requirements, and enforced by a more competent fish inspection services.
- Laboratories were provided with equipment and technical support. The UNBS Microbiology Laboratory was equipped and introduced a Quality Management System. Chemiphar (U) Ltd., a private internationally accredited laboratory, also benefited from UNIDO support, and was approved by the EU inspectors for pesticide residue analysis.
- All of the current 9 fish processing factories implemented Good Manufacturing Principles (GMP) and HACCP as well as quality management principles, and are audited every year. Plant staff were trained and assistance given to the plants to fully implement HACCP and in the utilization of an IT software for fish safety monitoring/benchmarking. Almost all are now certified to ISO 9000 standards.
- Domestic technical support institutions were strengthened, and GMP and HACCP specialists and auditors from the private sector, DFR, UNBS, Makerere University, and the Industrial Research Institute were trained. As a result a good pool of national HACCP specialists/auditors was established.
- Hundreds of fish handlers were trained in open training and demonstrations in tailor-made Good Hygienic fish handling practices on the Lake and at the landing sites in conformity with EU quality/safety requirements. DFR also trains fishermen, and the processing factories are actively involved in teaching their suppliers good quality practices. This is, however, an area where a lot remains to be done.

The best proof of the success of the work is that that EU lifted the ban on Uganda's fish exports late 2000, and after a year Uganda was promoted to List 1, meaning full access to all of EU. Uganda can now also export to USA.

Assessment

UNIDO was not the only actor involved, and EU, DfID, LVFO and ADB all provided external support to different degrees. Also, it should not be overlooked that Ugandans themselves did most of the work necessary to comply with the EU standards. However, all interviewed stakeholders – including private enterprises that

would have little to gain by undue praise - state that it would not have been possible without UNIDO. UIP identified the problems, drew up a strategy, coordinated the different efforts, and monitored progress. They also provided Uganda with valuable assistance in their dialogue with EU.

Certainly, some elements struggled more than others, and for instance the design of new prototypes for fishing boats has so far eluded the term success. There are also substantial work left to be done on the catching, landing and transportation of fish. While a strength of the UIP has been the strong focus on indigenisation of the system, there are now fresh worries that the FDR might be slipping in standards if they are not subject to external auditing.

But all in all, the UIP should be commended for the work done in the fishery sector. In fact, the work has been so successful that it is increasingly being referred to as a model for other sectors. This is one of the add-on achievements, namely that it has shown Uganda that it is possible to conform to export standards, and that quality production is not only something one reads about in foreign newspapers.

It is suggested to consciously use this positive image and the inspiration following this success story in the second phase of the UIP, and do the "fish strategy" in other food sectors. One would most certainly find that strategies need to be differentiated, but the overall model of comprehensiveness and principles of quality would be quite similar. This implies a change in the Concept paper 2 as it has been forwarded to donors (ref. section 4.2), but it appears important to uphold the momentum, and "cash in" on the achievements so far.

Why did it succeed?

This will remain speculation, but there is little doubt that "crisis is the mother of all improvements", as an industrialist put it. The undoubted importance of getting fish back into EU was a core driver. That may have reduced some of the potential for infighting between different stakeholders, and ensured political support for necessary changes. Other sectors, which may never have had much of export sales, may not feel the same pressure to change and improve as the fishery industry.

A second reason is that the fishery industry has a group of fairly strong private sector processors that shared a common objective. The industry was both receptive and resourceful, and was a key player in the turn-around. Other agricultural products may not have the same level of private industry resources to work with, and no foreign agency can be expected to build a new industry from scratch. However, this is where the model has to be adapted, and industry associations may be a useful substitute.

Thirdly, UNIDO appears to have used highly qualified international and national experts on the job that knew very well what to do and how to proceed. After many years of working with such issues, UNIDO has developed a strong knowledge base.

Finally, and this is connected to the third, the private industry was brought into the design of the work plan from day one. The initial problem description was thus based on realities and was "demand driven". It was clearly understood that the core actor in this programme was the private sector, and that public authorities played supporting roles. If the private processors did not succeed to regain export markets, it would be of no help to have top-notch laboratories or the best educated inspectors in the world. This is a valuable lesson for many donor programmes that mainly work with public authorities in their private sector development programmes.

Output 6:

GMPs and HACCP introduced in other 10 food processing enterprises (fruits and vegetables, meat, dairy, etc.).

All in all 13 food processing enterprises (other than fish) were identified as willing to introduce GMPs and HACCP. They came from the dairy, meat and poultry, fruits and vegetables, and bakery sub-sectors. Safe and good quality food production is certainly vital for the home market as much as for exports. Work shops, training sessions, comparative audits etc have been undertaken, and the QA Managers of the fish processing enterprises were used as facilitators in several instances. Draft prescriptive voluntary Code of Practice (COP) for each of the four food sub-sectors was developed

The project has tried to establish pilot centres for training in HACCP for different sectors, like Entebbe Dairy for Dairy Sector; Uganda Grain Milling for Bakery Sector; Uganda Fish Packers for fish and meat sector. These have not yet become operative centres however.

Results are mixed. Of the 13, 1 has dropped out, 1 has attained HACCP and ISO 9000, while 4-5 others are close to getting HACCP according to UNIDO. Reading some of the working reports from the national and international experts, it is clear that some of these factories have a very long way to go.

Insufficient funds and time were invested in this activity, as most of the resources were focused on the fish sector as the top priority. UNIDO is of the view that the results obtained were promising as compared to the investment in this output.

It is indicated that the state owned industries participating are very slow moving, and that they appear mostly concerned about getting all services and training for free. This has proven costly, and cut down on activities. If the training in HACCP and auditing of its practice are ever to become sustainable activities in Uganda, UNBS, FDR, Makerere and UNIRI will have to be paid for the work.

Assessment

The planned output cannot be said to have been achieved, but UIP appears to have made a fair try. Possibly the selection of industries could have been better, ensuring that only really motivated enterprises participated.

It may be that better results would have been obtained if the "fish model" had been used, meaning attacking a particular sector "holistically", from regulations downward. Industries might be more inclined to change if it was made clear that certain standards would now become obligatory, and that a reinvigorated inspectorate would ensure compliance. A more sector focussed model is thus recommended for the phase II of the UIP.

Output 7:

Quality standardization and certification of honey production established.

Honey is claimed to have great potential for exports, and was selected as a particular sector for focus of the UIP. However, the national standard must be updated and

systems put in place to ensure production in accordance with the standard. Unfortunately, this component came off to a slow start, with controversies surrounding the appointment of the national expert. A new expert is now employed and the programme is moving ahead, but several actions lag the initial work plan.

Several areas were included in the programme. International experts would take samples and assist in the determination of a Ugandan honey standard, acceptable on international markets. At the same time, honey collection centres would be organised, and there would be training and other capacity building of the honey producers to make honey in accordance with the required standard.

The problem, however, was that the samples taken to Germany for testing indicated that Ugandan honey did not meet standard international requirements, in relation to among other moisture content. The Team is no expert in honey particulars - and we may have understood this wrongly - but there appear to be natural reasons for why Uganda produces honey outside of specifications. This is in theory not a problem, as this natural "anomaly" would just need to be scientifically verified by a reputable research institution, and then this research would have to be forwarded to EU to get a formal acceptance of being a deviating standard. There is apparently no health risk attached to the divergence from the international requirements, it is just that some Uganda honey characteristics are outside of the "normal" range.

However, Uganda cannot make a new honey standard until this scientific work is done, and that work is still outstanding. The plan is that the UNIDO international expert will do this on his next visit to Uganda.

But for now there is no internationally recognised Uganda honey standard, and no export to speak of. An additional point made by several people the team spoke to was that the standard - when it was finally determined - needed to be firmly embedded in what is possible to produce, and not on a theoretical level outside the scope of most smallholders.

The UIP has arranged training of trainers in queen rearing, colony multiplication, harvesting and processing of honey and bees wax and candle making. Requirements for the honey collection centres have also been identified. There have also been several activities within training of different stakeholders in honey control.

Assessment

The output has not been met. Partly this is explained by the unexpected finding of deviating honey characteristics, but the matter could possibly have been pursued more diligently. Three years after start up the work on standards appears lying in dead – or at least list still - water, and progress in general contrast unfavourably with the diligence and energy that characterised the work in fisheries.

The team is not in a position to assess the effectiveness and usefulness of the training and capacity building given by UIP, but the themes seem fair and reasonable. However, top priority should be to get the standard and an associated inspection system established.

D.I Immediate objective II:

“To upgrade the processing technology and introduce clean technology principles in the food sector”

While a commendable objective, it has not been particularly prioritised within the food component. Part of the reason is that it overlaps with other UIP activities, both the above referred work in fisheries and with GMP/HACCP, and with the establishment of the National Cleaner Production Centre (NCPC).

Output 8:

The R&D and other support institutions providing technical advisory services strengthened in upgraded and clean technologies.

Output 9:

Upgraded processing technologies and/or clean technology principles introduced in at least 6 food processing enterprises to serve as pilot operations (fish, fruits and vegetables, coffee, meat, dairy, cereals, etc.).

Achievements listed by UNIDO include identification of 6 food enterprises willing to upgrade their technologies and/or introduce clean technology principles, and linking fish processing plants with NCPC. Data from fish processing pilot plants has been collected and consolidated, and two of the plants are participating in the eco-benefits programme. However, the general impression is that there has been little progress on the 6 activities listed under these two outputs.

There seemed little reason to use much energy to identify “R&D and other support institutions” when the NCPC was already the core institution in this field. It may be that NCPC could well do with some competition, but these services are currently too closely related to being a public good in Uganda for it to make good sense to establish secondary points of suppliers. Having said that, it would make eminently sense for the NCPC to assist and train other institutions that deal directly with the different industries, as part of a national strategy.

A second reason for moving slowly according to UNIDO has apparently been absence of an international expert in this field, and that the International TA in NCPC did not arrive until late 2001.

Assessment

This output has apparently struggled to find its “niche” within the UIP, and would most probably have benefited from being integrated in the other activities. In fact, it appears that UNIDO implicitly did this by prioritising other aspects of the food component.

As activity seems to have been limited, there should be remaining budget funds under this component.

It is generally recommended that UNIDO forwards a statement of expenditure split on each of the 12 outputs as shown in the PD, to facilitate the assessment of what each component of the programme ended up costing. This is important in relation to assessing the budgets for the new concept papers. If we have understood this correctly, it is only Vienna that would have the full overview of the funds spent.

D.I Immediate objective III:

“To introduce appropriate post harvest and micro-scale food processing technologies in the six ecological zones of Uganda.”

The rationale for introducing this component is obvious. Post harvest losses of fruits and vegetables, as well as cereals, root crops and tubers are huge. According to conservative estimates, approximately 50 % of production is lost annually due to lack of storage and transport facilities as well as lack of preservation technologies and skills.³ The UNIDO strategy appears two pronged: a) establish pilot centres that could act as institutional vehicles for training, technology development, demonstration and dissemination of good practices, and b) assistance in identifying cheap and adapted technology that could reduce post harvest losses.

Output 10:

Post harvest and micro-scale food processing technologies to be applied in the above ecological zones identified.

Output 11:

Capacity of the R&D institutions and of those involved in extension services for farmers and rural micro and small-scale enterprises strengthened in the above technologies.

Output 12:

Six pilot operations established in districts to be selected in the six ecological zones and operated for training and demonstration purposes.

Of the activities listed, UNIDO managed to identify food products with high post harvest losses, districts with high production of these food products, and pilot demonstration and training facilities in each of the 6 districts. All pilot centres are now fully established according to UNIDO. These PCs could be companies, associations, NGOs, or whatever type of organisation as long as it was willing to act as a pilot centre.

³ "Technical Report 2-23 December 2002", Dr. A. Osakwe, UNIDO.

Establishing PCs took longer than expected, due among other reasons to non-availability of a national expert, and to the fact that few entrepreneurs could meet the selection criteria. The communities were poor, and were at a very low level of processing technology. All in all, 18 food pilot operations (10 honey, 6 cereals, beverages and fruits/vegetables and 2 for organic dried fruits) are now being strengthened to serve for demonstration and training/advisory services to micro and small-scale entrepreneurs.

It is unclear how well these pilot centres now function, but the general feeling is that there is room for improvement. Work has been done in physically upgrading premises, forming an association, preparing training and teaching material etc. One of the more successful actions has been to link with Master Craftsman Programme (MCP) under the MSE Component that took pilot centre managers on as MCPs.

Regarding the concrete matter of transferring technology, the technology identified was for fruit drying. This is more significant than it may appear, as there is a substantial market for dried fruits, including exports. Two of the three companies participating in the programme now export through a Danish company – Urterkram. This company has secured organic certification for exports to Europe.

The model for hybrid drier that is now tried introduced in Uganda comes from Burkina Faso, but there are still teething problems. A limitation of the drier is its dependence on electricity for its fan, and power interruptions have damaged other parts of the drier as well as the products.

A major obstacle for introducing new designs for equipment that could be potentially made locally is the very poor state of local ironsmiths. UNIDO has in fact included a new support component for these people in the next UIP phase.

Assessment

Many of activities listed in the PD have been started, but not completed, and the outputs can hardly be said to have been reached. It needs to be recognised that appropriate technology/equipment designed for micro-scale operations is difficult to find in developed countries. The initial design now seems somewhat overambitious, as the actual situation “on the ground” was less advanced than assumed. Basics took a lot longer time – as for instance constructing buildings for the driers - than envisaged. The strengthening of institutions was sensibly postponed until it was better known exactly what would be needed at the pilot centres.

To the team, the experiences from this component point at the need for realism in the project design. A twin lesson is the need to focus on a limited number of tasks and objectives. UNIDO's main mode of work has limitations in projects where the ground is unprepared, and a lot of encouragement, pushing and involvement are needed to move ahead. A third lesson is that progress is better when the production is linked to a market niche like the organic dried products.

The international experts that UNIDO have used appear very capable analysts with lots of experience, but they are only in Uganda for a couple of weeks at the time. The national experts are also knowledgeable and skilled, but the inspiration and the infusion of new ideas come mostly from the international experts. That is after all the rationale for them. In very pristine projects this input may not be enough to force work forward. New technology and new methods of production are typically areas where motivation of participants is as important as the technology itself. At least

theoretically it can then turn into a stop-go situation, where things move when the international experts visits, and then stops as soon as the plane leaves.

In such situations, given UNIDO's methodology, it might be wise to concentrate on a few objectives, and to carefully plan how continuous progress is to be maintained.

3.1.3 Summary Assessment and Core Issues

The achievements of the food component in the UIP are assessed as reasonable given the resources available. None of the three immediate objectives can be said to have been met, however and there are substantial variations between the 12 different outputs. Fishery is the outstanding success that partly "pardons" the slower progress in other areas.

A common achievement across almost the whole food component is that UNIDO has been an important instigator and catalyst. Organisations, authorities and individuals have all been exposed to new knowledge and new ways of doing things. The best results were achieved in those areas where conditions were ripe for change, and where there were reasonably strong intermediaries to work through. Progress was slower in other areas, where efforts more had a pioneer character.

It is by now a tired truth, but no less important, that improving agriculture in Africa is crucial to fight poverty. As the example of Uganda illustrates, there are needs in almost every area. UNIDO has in this context played a valuable role so far, and a continuation of that work is recommended. As will be further commented in the assessment of the new concept papers, emphasis should be put on a comprehensive approach in chosen sectors, with realistic ambitions. In addition, UIP has a great success to its name that should be used for all it is worth, either as model, reference or simply experience background.

Institutional Issues

UNIDO is overall found to have had a sound approach to local institutionalisation in the food component. There must be an institutional framework to disseminate knowledge, and to carry that knowledge into a future without UNIDO. The team has not had time to go in detail into the strengths of the organisations involved, but there appears to be a representative mix of strong and not so strong collaborators. In some cases, as with FDR in fishery, institutional strengthening has yielded good results. The UNBS, on the other hand is weaker, but it has a more complex background. Apparently, capacity strengthening of institutions has worked better the more practical, and the more demand driven it has been.

Several components have not only focussed on strengthening particular organisations, they have also included strengthening of secondary support institutions. In fishery, when HACCP principles have been tried introduced in private companies, UIP also deliberately trained and taught local institutions like UNBS and Makerere those same principles, thus hopefully ensuring local capacity in the longer term.

In most cases – as in the above with fishery - UNIDO has actively sought to facilitate the building of markets, meaning that Makerere is supposed to sell its HACCP services to the industry in the future. UNIDO has also tried to mostly use existing

organisations, and been careful with introducing new ones. An exception is partly the post-harvest area, where existing organisations of different colour have been convinced to take on new roles as Pilot Centres. The question remaining is whether these institutions are primarily motivated by the UNIDO connection, or by their own inner drive for better production methods. Reports seem to indicate a bit of both, which is probably what to expect. In the future, UIP would be well advised to emphasise those groups and centres that show the greatest initiative and the most commercial orientation in their business.

Sustainability Issues

Most of structures – institutional and otherwise – involved in UIP can be considered sustainable, at least in the short term. There has been very little support in the form of covering operational or other direct financial costs, and while most institutions like UNBS are severely underfunded, they will not collapse financially or organisationally if UNIDO withdraws. Most of the support has been variations of technical assistance.

However, the systems and structures established might be vulnerable in the longer run if they are not regularly updated and adapted. The core challenge is to establish systems with a sufficient “critical mass” of institutions, experience, knowledge and analytical capacity to regenerate themselves. Otherwise, and this is for instance a potential danger with regard to the fishery sector, they will not be able to keep pace with global developments, and old problems might again surface.

There is no guarantee for maintaining the quality of such systems, not in Uganda and not in Norway. What organisations like UNIDO can assist with is setting up structures that have the greatest chance of “regeneration”. That is why UNIDO should be complemented for how the fishery sector problems have been attacked. The ban was never a problem of the FDR alone, it involved all actors. And even more importantly, it involved getting a modern food policy and regulatory structure in place that could oversee and supervise what happened in the fishery sector from a national perspective. There are already requests for auditing the FDR, as rumours would have it inspectors are slipping in standards. This would be a typical function of the planned Food Authority, as envisaged in the National Food Safety Strategic Plan.

Structures may thus not be quite sustainable yet, but UNIDO's approach to the issue is mostly found relevant and based on international best practice. (As will be commented in the next section, this contrast sharply with the approach in textiles where institutional sustainability is seriously in question.)

Certainly, some systems may have problems also in the short run, as for instance the post harvest pilot centres. These may require additional push and shove from outsiders before being able to function as information nodes for technological upgrading.

3.2 The Textile Sub-Component

The inclusion of the textile sector in the UIP seems partly due to its historic importance 25 years ago, when Uganda textiles employed nearly half a million people and could compete world wide. The industry later collapsed.

The business environment has changed dramatically since then, with one important trend being the liberalisation of trade in textiles and a consequent flooding of African markets of second hand clothes.

Rebuilding the textile industry almost from scratch was thus never going to be easy, and the typical Ugandan producers were plagued by a number of competitive disadvantages. These include small scale production, lack of domestic raw materials, limited credit availability, old equipment and technology, and limited market access and few market channels, particularly for exports. It might even be asked whether the sector is too difficult to work with, in relation to what could be said are Ugandan international comparative advantages.

However, the Team supports the inclusion of textiles as a particular component in the UIP, primarily because it is a women dominated sector with almost no other support structure at present. Textiles are not likely to become a major export sector, but it is an important occupation for a substantial number of poor people.

3.2.1 Main Activities and Strategy

Unfortunately, the design of the textile component in UIP had distinct weaknesses. The basic problem was that there was no institution available from which technical, business and entrepreneurial skills could be provided. So UIP started an NGO, called TEXDA, a training institution, with the objective of building the capacity of textile sector businesses, particularly through entrepreneurship training.

There is nothing wrong in principle with establishing a new institution, but it has to be done carefully and with a well founded plan for making it sustainable, with or without government funds. With regard to TEXDA, however, thoughts of sustainability seem to have been rudimentary at best. Thus UIP has created an institution which appears highly dependent on continued donor funding.

Achievement and details about the operations of TEXDA will be commented further below, but the basic problem with this component is its design. It contrasts sharply with the mostly well considered institutional work in the food component. The two basic principles of donor institutional support that seems violated are

- a) A sound plan for how TEXDA was ever going to become financially sustainable was missing. Would it sell services, would it rely on membership fees, would GoU fund its budget? As far as the Team knows, no such plan was made at the time of starting TEXDA. If it was, later developments have proven it inadequate. There was in reality no exit strategy for the donor.
- b) There was no ready governance plan. Who will own the assets and resources transferred to TEXDA? Its current managers? UNIDO? Who is in the end responsible for operation, and who commits themselves to its survival? TEXDA is no business association, and is thus not a representative body for the industry, or even a sub-sector of the industry.

Rather, it appears that TEXDA was started without giving much thought to what might happen later, and how TEXDA would manage at the end of the project. It is tempting to speculate that the establishment of TEXDA is a model taken from another country, where such an institution worked well, but under very different

conditions. If so, it illustrates how crucial it is to assess every idea in a national perspective.

TEXDA made several Business Plans later in the project, but none of these were able to patch the basic flaws of the basic design, as the dependence on donors only deepened.

Indeed, it is necessary to emphasise that the “culprit” in this is the initial design of the textile component, to avoid the impression of a wholly bad performing institution. As will be commented below, TEXDA has managed a number of achievements and come very close to the target of training 300 people. Staff has made great efforts to stretch limited resources and done a commendable job within the framework given them. It is just that if a solid institutional foundation is missing, much of this work might come to nothing.

3.2.2 Performance and Achievements

The immediate objective was as follows:

D.I Immediate objective IV:

“To strengthen national capacity and capabilities in the small-scale textile sector to successfully manufacture innovative quality products that are competitive on both local and export markets”

As already noted, it is a highly ambitious objective that does not quiet square with the more modest expected output of training 300 women.

Output 1:

Technical training on product development, hand weaving, dyeing, printing, tailoring, and sewing machine repair provided to 300 women; cleaner production promoted; and extension services developed.

TEXDA offers training in five textile /garment-making topics together with a course in business management. A small team of trainers has been established and almost all training is carried out at TEXDA’s small training centre, which is located in rented accommodation at Lugogo show ground. Project management capacity has been established and training operations have been maintained using project funding. Required equipment and machinery have been procured.

All in all, TEXDA has managed to train about 270 beneficiaries up to summer 2003. TEXDA has linked up with the MCP component of UIP, and the 16 MCPs has trained about 90-100 additional people according to UIP.

Another design weakness became apparent after start-up, namely the fact TEXDA was not able to attract the main target group, already established entrepreneurs. Instead, TEXDA mostly got applicants straight from school with little or no knowledge of the sector. The majority of beneficiaries were not engaged in business. Thus, TEXDA became more a vocational training centre, than a professional advisor honing entrepreneur's skills for the export market.

Failure to attract entrepreneurs to TEXDA courses is attributed by management to general poor awareness on the part of entrepreneurs of the need to up-grade their capacities. However, it seems TEXDA did not have a marketing strategy and/or selection criteria aimed at targeting existing businesses or individuals who exhibit business potential.

Better information about needs and potentials among entrepreneurs would have been useful tools for designing interventions more responsive to entrepreneurs training needs. However the activities intended to generate this were not carried out.

The combined effect was that firstly the curriculum had to be redesigned with more basic skills training, and secondly that income fell far short of the mark. School leavers had much less capacity to pay for services than ongoing entrepreneurs. Thus, a business service unit was never established and as explained above, the training that in the end was carried out did not relate to established entrepreneurs.

As funds started to become scarce, TEXDA started different activities to increase income. Fees for training were increased, and are now contributing more sizably to the income of the institution. TEXDA also sells (on a commission basis), products made by existing and past students. Revenues from this source are still quite modest. Management of TEXDA has never lacked plans, and they now play with ideas of subcontracting for others, do more direct production themselves and start professional advisory business.

The issue, however, is what the role of TEXDA is now to be. Is it to become another private sector operator that primarily concentrate on profit, or is it to stay true to the original intention of establishing a textile promotion agency? Possibly it can combine the two, but the current muddle of roles and plans is a direct result of a flawed design process.

TEXDA has managed to obtain government funding to purchase half an acre of land to erect own building. Once this site is ready for occupation, TEXDA will be relieved from rental expenses Government and donors are being approached to provide for the construction/renovation of office premises.

Assessment

The overall expenditure for this component to date is estimated at \$ 476,000. When this figure is examined against the background of the number of persons (less than 300) who have benefited from training, the cost per beneficiary at between USD 1500 – 1770 appears rather high. (It should be noted that the number of attendees according to TEXDA records is 976, indicating that some of the trainees have attended more than one course).

The overall assessment is that the while the textile component has put in place an enthusiastic and committed training team in TEXDA, flawed institutional design and planning has limited impact both in the short and long run. The lack of broader linkages with the existing businesses and industries in the textile sector has limited

TEXDA's effect as a sector wide development agency. Now, the future of TEXDA is at risk unless steps are taken to turn it into a more representative and financially secure operation.⁴

Again, this is not to detract from the hard work of TEXDA's staff. Most others would probably have given up already and gone back to business. The tenacity of the involved people is in fact an important reason for why NORAD should consider support also in the second phase. However, it will require that certain steps are taken regarding sustainability and governance. .

3.2.3 Core Issues

The observant reader would already have guessed what the two core issues are considered to be, namely governance and financial sustainability.

Governance Issues

At present TEXDA's governance structure is fairly informal, composed of the founders and staff of the centre. It is believed that a key to a sustainable long term position - in line with the original intentions of establishing TEXDA - is to make it a more representative body of the sector. It needs to work within a broader framework with a larger support base, and have tighter relations to its clients and members. To achieve recognition as a sectoral institution, it is essential that the business community in the sector takes ownership of the institution and plays a more active role in its governance.

Preliminary overtures have been made to industry leaders to attract their interest in this initiative. At the same time, the establishment of an association made up of TEXDA graduates has been mooted and it is expected that once a meeting of the proposed membership has been held, TEXDA will be formally registered as an organization. Consultations are yet to be carried out in order to agree on the objectives of this association and to identify appropriate ways of linking this group's development needs with industrial development priorities.

What is less acceptable from a donor point of view is an institution run by a few, targeting the few, creating a subsidised competitor to other BDS providers within SMEs.

Financial Sustainability Issues

Given TEXDA's currently limited revenue sources and experience in resource mobilisation, the attainment of financial sustainability represents a considerable challenge. To begin with, it will be essential to address the institutional ownership and governorship issues highlighted above. In addition market intelligence will be required in order to ascertain which products/ training services are likely to represent potential for revenue generation. It is clear that the current target group of trainees are not likely to contribute significantly to fees income.

⁴ UNIDO comments: "The Government through the Ministry of Tourism Trade and Industry has started on the process of formation of the National Textile Association (NTA). TEXDA is to transform from project mode to be owned and monitored by the stakeholders namely NTA. The role of TEXDA is to service the stakeholders in the textile industry and enable their enterprises to become more competitive which is in line with the very original concept."

The issue of effective outlets for revenue generating products and services while not at the same level of importance is of relevance since both TEXDA's existing and proposed locations are "off-the-beaten" track. Options which might be more workable include the negotiation of marketing arrangements with other business associations or entrepreneurial groups.

All of the above considerations presume that TEXDA starts moving decisively in a more commercial direction. However, this is not inevitable. It may be that TEXDA would be best placed as a "public service" provider, funded by government. Or as business association funded by members. The point is that TEXDA must decide what kind of institution it is to become, and how it will cover its costs after withdrawal of the donor. It seriously needs to consider its strategic choices, and from that, formulate a strategy with a realistic business plan.

3.3 *Support to Uganda National Bureau of Standards*

UNBS plays an important role in the economy, by setting and enforcing standards, verification of weights and measures, quality assurance activities, inspection of domestically traded goods in relation to agreed standards etc.

The institution was supported directly through a particular sub-component in the UIP. While the immediate objective of enhancing "*the operations of UNBS and commercialize and market its services so as to enable UNBS to provide Ugandan industries with integrated services in standardization, quality assurance, metrology and compliance testing*" cannot be said to have been fully met, UIP's support contributed to some tangible improvements:

- Establishment of a microbiological laboratory that has received international accreditation,
- a metrology laboratory,
- Introduction of a quality assurance scheme to better commercialize UNBS services and training of staff in laboratory analyses and in auditing ISO 9000 Quality Management Systems (QMS).

However, UNBS is still considered weak, and lacks vital laboratory equipment and capacity to effectively meet its mandate. Indeed, this is one of several structural issues UNBS grapples with. It has an ambitious mandate, but only ten percent of the resources necessary to meet that mandate, according to an outside observer.

The pressure on UNBS has been relived somewhat with the establishment of Chemiphar, a private, internationally accredited laboratory in Uganda. Most exporting industry uses this laboratory for the necessary tests, but complains about the cost. UNBS apparently intends to establish themselves as a competitor in certain market segments, which might be a good idea, but only if competition is fair. It would be damaging to Ugandan exports if Chemiphar closed down due to subsidised competition from a state and/or donor sponsored laboratory. There is thus concern about the double role of UNBS as a regulator and a market participant at the same time. This is one reason given by donors when asked why support to UNBS was not forthcoming.

On the other hand, UNBS would need a certain level of own laboratory capacity to check, monitor and supervise whether agreed standards are met, in other words to fulfil its regulatory mandate. There is thus need to a) look closely at the mandate and

operational guidelines of UNBS, and to b) then equip UNBS to fulfil its intended role. Apparently, UNBS is now grossly underfunded by government, and substantial donor support to UNBS should probably be made dependent on renewed government commitment to UNBS.

As UNBS is expected to play a role in the UIP phase II, continued capacity building should take place, particularly in relation to the work in selected food sectors. Such support is included in Concept Paper 2 of the second phase of the UIP, and Norwegian support to UNBS is recommended channelled through this component. However, Nub's mandate and role should be assessed anew, and UNBS provided with resources commensurate with that role. The current national food safety and security process could be an arena to further this discussion.

3.4 Concluding Remarks and Recommendations

While the results in the food and textile components are different, the sectors themselves are also highly different. Fisheries have a much stronger backbone than textiles, and a substantially more developed private sector. The common lesson, however, is that while fisheries involved the private entrepreneurs immediately, textiles seems only to have brought a limited few into the design phase. It created something for which demand was inadequate. Again, the infrastructure for communication was ready in place in fishery and the ban was something of a national catastrophe, so the sector got a quite different priority than textiles. The comparison may thus not be quite fair, but it is hard to escape the impression that also textiles could have done better if only the preparatory phase had been more thorough.

UNIDO Role

This brings the discussion over to UNIDO. In many ways, UNIDO acts like an international consultancy, with the primary selling feature being "brains and knowledge". Its strengths include strong networks, international outreach, sound knowledgebase, a wide variety of models, a large pool of practical tools, access to policy makers, etc. It has in particular built expertise and management capacity within the vital area of international trade and export. A number of observers say that UNIDO advice works better the more practical it is.

But as many international consultancies that grow too fond of their models, UNIDO runs the risk of overselling particular modes of sector development. The analysis appears in some cases to depend more on general international experience, than in-depth local assessments. The issue of TEXDA has been mentioned, but also the design of some of the other components may be too similar to other countries for comfort. A case is the post harvest operations, where the difficulties of establishing pilot centres seem to have come as a surprise. However, it is precisely this broad international experience that makes UNIDO unique. It just needs to do sound homework when assessing national interventions, and resist the temptation to start something for which the prerequisites are not in place.

A second risk is the danger of overextending as a result of its own marketing, through the offering of national integrated industrial development. The best of institutions can get carried away by its own image, but UNIDO cannot address Uganda's entire industrial issue complex. What experience from Uganda apparently show is that the organisation is at its best when it can practically work with a

particular niche/sub-sector. A reasonably developed national structure to cooperate with does not hurt either.

Administrative Issues

Reporting has been a weakness according to NORAD, and they would have preferred both better and more timely financial and progress reporting. These reports should be more analytical in nature, and reflect real lessons. Ability to critically assess and adjust is major success factor for any project.

A lesson for the next phase would also be that there should be more donor coordination between donors both inside and outside of the project. Project documents and progress reports only briefly mention other donors, and then only in general terms.

Recommendations

While there are a substantial number of lessons to be learned from phase I, not many are of such a nature that they require further emphasis as recommendations. A week of field work is anyway not sufficient for too bombastic conclusions.

The Team has decided on four general recommendations following our Review, out of which one can be considered positive, one more negative, one is more general to UNIDO, and the final is administrative.

That does not make the last less important, however, as this touches an area the Team would have liked to analyse closer, namely the question of “bang for buck”. For instance, what did it really cost to establish the post harvest centres? In any further review, this issue will have to be tried addressed. The reason is not to catch anybody at the wrong foot, but primarily to get better knowledge as to what certain processes cost, and whether this can be said to defend the outcome. This would then feed into the planning of new projects, and the prioritisation of components.

Recommendations:

- The comprehensive, yet sector focussed model employed in the fishery sector has worked well; it should be closely studied and adapted to other food products.
 - UIP must pay due respect to long term institutional issues as governance and financial stability, particularly when establishing new operations. TEXDA is nearly a textbook example of how not to do it.
 - UNIDO should closely assess its strengths and weakness, and build future programmes around its undoubted strengths. It cannot do everything, and it needs to be realistic as to what process it can influence and support. It also needs to balance its use of models from other countries very carefully with the actual situation in each country.
-

- UNIDO must ensure timely and informative financial and performance reporting. A final account for phase II should be forwarded to Norad as soon as possible, broken down on components and outputs as presented in the original Programme Document

4 Brief Assessment Phase II

The results of the first phase of UIP have in many ways been encouraging, and stakeholders have requested UNIDO to continue its support to consolidate achievements, and expand use of established capacity. UNIDO has thus forwarded a set of 14 Concept Papers to donors for their consideration. The tentative starting date for phase II of UIP is beginning of 2004. The total budget for all components is estimated at USD 10,022,195 including support costs. A table listing the components and related costs is given in Annex 5.

4.1 Overall Strategy

The concepts papers for phase II is basically a continuation of Phase I, but organised slightly differently. The post harvest activities are for instance split of from the other food activities as a separate component. There are also new activities as support to the Ministry of Trade, upgrading of ironsmiths, and energy activities. There is also a component for reintegration of ex-combatants. The only component that has been taken out is establishment of the Cleaner Production Centre, but that will now be organised as a separate programme. Support to UNBS is not included as a separate component any more, but are integrated in the food activities.

The first reading of the list of components gives the impression of a programme that is becoming less focussed - and not more - as it is stated in the overall programme strategy (p1):

“Based on the lessons learnt from Phase I and the outcome of the continuous consultations with the stakeholders it was recommended that the activities be more focused to enhance the impact of the UIP on job creation and poverty reduction”

However, a closer inspection of the activities show that many of the individual components are supposed to be tightly integrated, and that the focus will not be as dispersed as the first reading seems to imply. However, the split in different components, all of them listing ambitious objectives at the national level, might be a double edged sword, as some of these components may try to live their own lives if coordination is not sufficiently strong.

The rationale for including both support to ironsmiths and the rural energy seems partly derived from the experience of the post harvest component in phase I, as both of these factors were found to be major constraints. However, it is a significant difference between working directly with these constraints in the setting of individual post harvest pilot centres, and one with an expected outcome of (p.5)

“Growth in competitive, company-based energy service provision extending into rural areas, offering private and institutional buyers a wide product and price range, with product standards and strong after sales and warranty services”

If these and other similar expected outcomes listed for each of the 14 components are to be taken literally, UIP II seems decidedly less focussed than phase I. Indeed, the impression of reading the different concept papers and of studying the rather breathtaking figure of the overall conceptual approach (p. 8 in the Programme Concept Paper), is one of a highly ambitious programme.

The status of these papers as “investment proposals” seems to necessitate a rather grand set of objectives to attract donors. To the Team, this is not necessary, as UIP has shown its potential to improve different aspects of the agro-industrial sector in Uganda through phase I.

The Team would recommend a stringent, focussed and practical approach in the components that NORAD supports. The ToR for the Team asks for brief and preliminary assessments of three particular such Concept Papers, namely the two sectors that have been supported so far (food and textiles), and a new Women Entrepreneurship development programme.

As the old food component is now split into several new ones, the team has after discussion with NORAD chosen to focus on the one called “Strengthening the Industrial Food Sector”. The reasons are twofold. Trade is given increased importance in Norwegian PSD efforts and this component is essentially a trade facilitation effort. Secondly, this is where the best results from phase I was realised, and where UIP has a proven track record.

In general, all concept papers would need to be elaborated with concrete actions and more detailed budgets before funding can be recommended. However, the team is in principle positive to support all there, albeit depending on clarifications and some project reformulation, particularly with regard to the textile component.

A final and common note to the Concept Papers is the need for better description and analysis of other donor efforts. There are for instance a substantial number of BDS projects now running, and almost all of the concept papers touch BDS for SMEs in one way or another. In the final Project Documents for phase II, UNIDO should assess these in relation to its own programme.

4.2 Concept Paper 2: Strengthening the Industrial Food sector

The Team finds the justification for this component sound and highly relevant in relation to PSD in Uganda. The concept paper highlights the tendency in international trade to increasingly use sanitary and technical justifications (non-tariff barriers) to constrain access to own markets. To avoid conflicts, SPS and TBT agreements have been established under the WTO framework to complement other already existing agreements. It is easy to agree with the concept paper that *“developing countries badly need to build their capacity and capabilities in food safety/quality assurance and in technology for value added and product diversification to meet the international requirements and demands.”*(p.1)

The immediate objective of this component is *“the establishment of a reliable food safety and quality assurance system meeting the international requirements (Codex*

Alimentarius, SPS and TBT, OIE and IPPC), the dissemination of appropriate technologies for value added and the introduction of clean technology principles” (p.1).

No concrete work plan is as of yet presented, but the proposed approach indicates a high degree of continuation of the work in phase I. This is particularly evident in the overall regulatory area, where UIP II intends to ensure the establishment of a “structured and appropriate co-ordination and regulatory frameworks for food safety assurance in conformity with the international standards and requirements.” (Proposed outcome, p. 7) The team considers this an area of critical importance for continued economic growth.

A lesson from phase I highlighted by UNIDO was that responsibility of food control in Uganda is shared between different ministries and institutions, and this leads to duplication and ineffectiveness of the regulatory activity, fragmented surveillance and lack of coordination. The Food Safety Bill is aimed at ensuring effective collaboration between all sectors involved in the management and control of food safety and quality.

The Concept paper suggests activities at three levels, national, institutional and industrial/operational level. The Team would support the implementation of most of the suggested activities, but with one major modification.

While the first level, the national, appears well formulated, it is suggested that the institutional and operational levels are focussed on a set of selected agricultural sub-sectors, possibly 3-4 all in all. The objective for each sector should be to improve production standards, and to establish necessary standards, certifications, quality control, inspections and any other procedures necessary to make goods internationally tradable.

Continuation of the work in fisheries should be one of the chosen areas. Consolidation of achievements is necessary, at the same time as there is need to assess systems and structures within value added products, and for aquaculture.

Other sectors might include honey, possibly horticulture and fruits/vegetables. Organic dried products are another sector to consider. This recommendation of concentration on certain sectors is based on the success of the fishery model, and our findings in relation to what seems to be the most efficient mode of UNIDO work. A comprehensive approach within a limited production chain should have reasonable odds for success within a 3-year programme. It assumes good planning, particularly with regard to bringing the private sector into the design process. Another important prerequisite is the work at the national level, as that will constitute the backbone for any sustainable food safety structure in the future.

The total budget is estimated at USD 862.190. A more targeted sub-sector approach might result in a more expensive component, requiring a higher degree of input. The team is positively inclined towards such a budget revision, given that the new work plan is focussed and realistic.

Recommendation:

- NORAD should support Concept Paper 2: “Strengthening the Industrial Food Sector”. It is proposed that this would be the priority element for NORAD in its phase II of the UIP.
- Support depends on the presentation of a satisfactory Project Document and work plan.
- This work plan should have a substantial national level element as outlined in the Concept Paper, and a focused plan for working with 3-4 agricultural sub sectors at the institutional and operational level. The objective should be to make the products/goods from these sectors internationally tradeable, following – if applicable – the “fish model.”
- A budget extension could be considered if required to make a sound and realistic work plan for these sectors.

4.3 Concept Paper 5: Assistance to Textile and Garment MSMEs

The concept paper presents a set of six objectives which can be broadly summarised into three broad themes:

- The undertaking of capital investments, in order to ensure TEXDA’s sustainability (i.e. establishment of production unit and acquisition by TEXDA of it’s premises.)
- Expansion and diversification of the training services (To include up-country outreach and the building of women’s innovative capacities.)
- The support of entrepreneurs through the development of market linkages.

To fund the activities designed to achieve the above objectives, a budget of \$ 567,260 was presented in the original concept paper. The concept paper does not justify or discuss the strategy, like the capital investment proposed in pursuit of financial sustainability. There is for instance no business plan showing how costs and income are expected to develop in the coming years.

The agenda proposed in the concept paper is broad ranging. However, the institutional development and sustainability challenges would appear to imply a more narrow focus with emphasis on institutional development gaps. Seen against the background of performance to date, the transition to a sustainable textile sector institution will require considerable internal introspection, together with market research aimed at better understanding the needs of the constituency. TEXDA will at the same time have to pay attention to attracting more entrepreneurs to its courses.

This will require an assessment of demand for technical assistance, together with review of existing course content.

The team's view is that while it is clear that there is need to focus on TEXDA's sustainability, what is really needed is a comprehensive rethink of the whole strategic position of TEXDA. Without it, the rationale for further donor support is uncertain.

While the need for a "center of excellence" institution within textile development is certainly there, the question is if TEXDA is the right one. TEXDA needs to be sufficiently broad based, well rooted in the industry, and with a clear vision and strategy of what it wants to become. Who will own the institution, and how will it be governed and managed? A business plan based on the vision and the proposed strategy should be prepared, showing costs, income and possible funding gaps

To facilitate a strategic assessment, it is suggested that support to the textile component is split in two phases. The first phase would be a planning and design phase, and the second will be an implementation phase of the business plan agreed on. Funding for the first phase should be provided as long as UIP forwards a reasonable work plan for how the larger assessment will be done. The Team will suggest that a modest amount is tied to such planning, tentatively estimated at USD 40-50.000. Any additional funding required should be met by other stakeholders involved, i.e. the industry.

Funding of the second phase, will be dependent on the presentation of a sound governance plan for making TEXDA more representative of the industry, and on the presentation of a well considered business plan that illustrates how TEXDA will become financially sustainable.

Recommendation:

- NORAD may support Concept Paper 5: "Assistance to Textile and Garment MSMEs", provided certain conditions are met.
 - The first of these is that an updated Project Document/Concept Paper has to be presented with a realistic work plan describing the necessary strategic planning process.
 - If this PD is found acceptable, funding is suggested provided in two phases, where funds for the last phase depend on a satisfactory outcome of the first.
 - The first phase is mainly about strategic and business planning, addressing governance and financial sustainability issues as described above. The resulting plan must be realistic and implementable.
 - If this plan is found acceptable by UNIDO and NORAD, funding for a second phase is recommended. .
-

4.4 Concept Paper 9: Women Entrepreneurship Development

The Women Entrepreneurship Development programme has been under discussion for over two years and the concept as currently developed mainly aims at providing business development/advisory services and training programmes targeted at women's businesses. Other proposed activities, include networking activities among women entrepreneurs and facilitation of access to micro-finance. Reference is also made in the concept paper to the need for advocacy in order to improve the business environment within which women operate.

A strong justification for the Women Enterprise Development (WED) component has been presented, highlighting women's limited access to education, finance and to information relating to technology and markets. Six interventions are proposed to address these problems. However the activities to be undertaken in pursuit of these objectives are still only elaborated in very broad terms. The work-plan in the concept paper provides for several man months of research and preparatory activities prior to actual implementation. This gives the impression that a large portion of the proposed budget will be devoted to project design and preparation activities.

Project Design Issues Requiring Review

Perusal of documents, together with discussions with project management resulted in identification of the following issues for attention:

- *Sectoral focus:* The title of the project document refers to the need to focus on agro SMEs. However, the strategy of how to do this is not reflected in the concept paper. Interventions required to make business units in the agro-industrial sectors more competitive are therefore not defined.
- *Need to focus on a few key objectives:* Based on UIP's overall goal, the primary objective of the WED component should be facilitating women-led businesses to grow and become more competitive. This will contribute to the economic empowerment of women. However, activities aimed at generally empowering women, other than through business/economic activity is deemed to fall outside of this project.

There is merit in focusing on the priority objectives which are likely to positively impact the businesses owned by women, rather than to attempt to address a broad agenda of issues relating to the economic empowerment of women. Activities such networking, etc, which are not likely to result in the development of market linkages, could easily be dropped without necessarily injuring UIP's project objectives.

- *Project Implementation Partnerships:* As part of the proposed implementation process, interaction with a number of institutions is currently proposed. In some cases, the linkage between the core missions of the organizations listed, and the WED component objectives, appears quite tenuous. It is therefore worth reviewing the need for several partners or implementing agencies. In carrying out this re-examination, the following relevant criteria should inter alia be considered:
-

- The existence within the proposed partner agency of personnel experienced in delivery of advisory and training activities, in a sustainable manner.
- The existence of up- country out reach structure
- Institutional track record in delivery of business advisory services

Any WED must approach the theme with a professional attitude, and with the same seriousness regarding business as one would with male entrepreneurs.

Based on the above, the capacities developed within the Master Craftsman Programme and the USSIA Women's desk appear to offer the soundest foundation on which to develop a realistic cost-effective WED component.

- *Budget:* The exaggerated size of the proposed project budget, is to a large extent explained by the fact that some of the preparatory activities appear unnecessarily involved. By focusing on a narrower set of objectives and either removing or adjusting some of the proposed preparatory activities, it should be possible to realize substantial savings.
- *The Micro finance component:* It is indicated that BASWIN will be used to facilitate women entrepreneurs' access to credit. UIP's management has also held preliminary discussions with Gatsby Trust on the joint introduction of a lease scheme. However it is not clear if contact has been made with other financial institutions which may have a stronger up-country outreach system. An important potential partner in this respect might be the Development Finance Company of Uganda (DFCU). The WED component must anyway ensure that any microfinance component complies with "best practice" in Uganda.

The WED idea has been debated for close to two years including the preparation of detailed Project Document, and it may have been somewhat overtaken by events. UNIDO now has considerably more experience with models suggested used in the project like the MCP, and several institutions have developed increased capacities. It is suggested that the Project document is updated to take account of these developments.

Implementation should begin with a phased pilot approach focusing on the areas where UIP has developed some strength. It would be appropriate to take advantage of the capacities within USSIA and in the MCP system to implement this component. Consideration should be given to adding other components at a later stage once well defined milestones agreed in advance have been met.

At the same time the Team would recommend a tighter and leaner approach than the one suggested, with less input. Rather, it is recommended that the project builds on what exists already in USSIA and in the MCP system, and that other components are fitted into these systems in a phased approach, as they are found feasible and practically implementable.

In designing the WED component, it is important to recognize that there are a number of BDS schemes currently under operation. The interventions offered by these schemes should be examined so as to gain from their implementation.

experience and to avoid wasteful duplication. It may also be worthwhile considering joint service delivery with some of the agencies currently involved in this field.

Our recommendation is that support should be provided to this component, conditional on a sound revision of the project document aimed at the addressing the issues highlighted above

Recommendation:

- NORAD should support Concept Paper 9: "Women Entrepreneurship Development focussing on Agro MSMEs", provided an acceptable revised project document is presented.
 - The revision must take into account experience gathered by UIP phase I, and improve focus in a less resource demanding project framework.
-

ANNEX 1

Terms of Reference

REVIEW OF UNIDO INTEGRATED PROGRAMME, PHASE I

BACKGROUND

The Norwegian Embassy in Kampala received 29.01.03 a request from UNIDO for support to phase two of the Uganda Integrated Programme (UIP). Norway is presently supporting phase one of the programme. As the programme terminates by the end 2003, UNIDO requests further assistance.

Before new support is granted, NORAD has decided to evaluate the programme's first phase by fielding a mission to Uganda. Based on the findings from the mission, the focus and extent of a possible new support will be decided. The natural starting point for the review is the recent internal evaluation done by UNIDO of the project. The mission will consist of one international consultant and one national consultant

SCOPE OF WORK

The consultants shall in particular evaluate the first phase of the UIP. Considering the relative extensive size of the programme, the duration of the mission puts limits to the scope of the evaluation. The evaluation shall thus concentrate on:

(I) The Norwegian financed components in agro-related industries in UIP's first phase; Food Industries and Textiles Industries.

The consultants shall look into the objectives of the components and give an opinion to what extent the objectives have been achieved, using the indicated outputs as benchmarks. Reasons for achievements or non-achievements should be explored.

Special focus shall be put on the components which have a capacity building effect on the regulatory framework for trade and export:

- Output 1. A national co-ordination framework for food inspection and quality control activities.
- Output 2. The regulatory framework for food inspection and quality control.
- Output 3. The capacity of the institutions in charge of food inspection and standardisation.

The consultants shall include a brief institutional analysis, and make preliminary assessments of the self-sufficiency and potential sustainability of the systems, procedures and mechanisms supported by the project.

Other relevant components in the programme should be briefly assessed, but are not the main focus of the review:

- Uganda National Bureau of Standards (UNBS; Output 1. Strengthening and accreditation of the UNBS Chemical Testing Laboratory; Output 2. Accreditation of UNBS Microbiology Testing Laboratory; Output 3. Operationalisation of the UNBS Metrology Laboratory. .

(II) Support to the proposed component "Women entrepreneurship development focusing on agro-MSMEs" in UIP's phase II shall be specially looked into.

(III) Based on the evaluation of the components above, a preliminary assessment and recommendation regarding a possible continuation into the second phase shall be made. This may include suggestions for improvements and/or changes in the Phase II components. The consultants shall suggest a plan for how Phase II is to be carried forward by NORAD and UNIDO, if further elaborations of the project are deemed necessary. The recommendations shall fit into a consistent Norwegian private sector development policy. To the extent possible the consultant shall assist the Embassy in formulating the defined components in a project document for support to the UIP's second phase.

ANNEX 2 EXECUTIVE SUMMARY OF THE IP

This programme takes into account Uganda's broad development objective which focuses on poverty eradication. The Poverty Eradication Action Plan (PEAP) launched by the government encompasses several measures with the medium term goal of reducing poverty levels from the current 66.3% of the population to 10% by the year 2017. To complement this plan the Government is promoting the modernization of agriculture. Both PEAP and agriculture modernization plan recognize the role of micro, small and medium scale agro-based enterprises in achieving their objective.

Uganda is endowed with good soil, inland water and climatic conditions which are highly favourable to agricultural development. At present less than 1% of Uganda's agricultural produce is processed and there is thus vast potential for agro-based industries. The sectoral focus of the programme is thus on agro-based industries within which the food, textile and leather sub-sectors were selected by the Government for special emphasis. These sub-sectors are favourable for promotion at the micro and small-scale industries level in the rural areas and thus contribute towards poverty eradication as well as at the medium scale export-oriented level to enhance the country's industrial base. Linked to promotion of MSEs and agro-based industries are supporting activities in the area of investment promotion and information network. The three components of the programme are thus:

Component I	-	Agro-related industries IA – Food Industry IB – Textiles Industry IC – Leather Industry
Component II	-	Micro and Small-Scale Industries
Component III	-	Investment Promotion and Information Network
Component IV	-	Strengthening the UNBS
Component V	-	Establishment of the Ugandan Cleaner Production Centre

The focus on agro-related industries permits comprehensive interventions at various levels from post harvest and processing technologies to good hygienic/safety practices, quality improvement, standardization and certification. To ensure sustainability, the programme incorporates capacity building activities for the relevant national institutions in both the public as well as private sectors. While the issue of Quality Assurance and Standardization (QSM) is being emphasized at enterprise level in agro-industries sub-sector, the programme will establish links and maintain close liaison with the UNIDO/UNDP ongoing programme DG/UGA/97/001 on "Strengthening the Uganda National Bureau of Standards – UNBS" which services are being operationalized within this programme. At the end of the programme it is anticipated that the following major objectives would have been realized:-

- A structural and co-ordinated food safety and quality assurance system established for fish, honey, fruits and vegetables, meat and dairy products.
- Links and Liaison will be established with UNIDO/UNDP ongoing programme on the issues of overall quality assurance and standardization for the entire industrial sector in Uganda.
- Processing technology upgraded and clean technology principles introduced in the food sector.
- Post-harvest and micro-scale food processing technologies introduced in 6 ecological zones.
- Technical training on product development, hand weaving, dyeing, tailoring and sewing machine repair provided to 300 women.
- Existing training and production facilities for leather sector strengthened.
- A Master Craftsman Programme for development of MSEs will be in place.
- Study on value addition for coffee finalized.
- Detailed engineering study for Namanve Industrial Park completed.
- Business Plan for industrial information services completed.
- A joint UNIDO-Italy Unit for Investment Promotion (IPU) with emphasis on Italian investment established.
- A financially sustainable National Cleaner Production Centre.

Source: UNIDO Programme Document , revised September 2000

ANNEX 3

COMPONENT I: AGRO-RELATED INDUSTRIES

Sub-component I A: Food Industry Sector

D.I Immediate objective I

To establish at the national level a structured and coordinated food safety and quality assurance system. (completed the ongoing food safety project).

Output 1 A national co-ordination framework for food inspection and quality control activities established.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month
		Lead Module	Complementing Modules		
IA.1.1	Assess the current food inspection and quality control system and identify the parties involved and their role and activities;	Quality Management	Upgrading Agro-ind.	NBS Min. of Fishery Min. of Health Industry, associations and NGOs.	2-3
IA.1.2	Prepare a proposal for the establishment of an operational framework to strengthen the co-operation between the above parties and enhance the smooth implementation of food inspection and quality control in conformity with the international standards;	Quality Management	Upgrading Agro-ind.	As above	4-5
IA.1.3	Discuss the proposal with the parties in a workshop to be organized to this end and make final recommendations to the Government on the above.	Quality Management	Upgrading Agro-ind.	As above	5-6

Output 2 The regulatory framework for food inspection (based on Codex Alimentar) and quality control updated and structured for easy enforcement.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month
		Lead Module	Complementing Modules		
IA.2.1	Identify all regulations related to food safety and quality control and carry out their assessment in comparison with the relevant international standards and recommendations.	Quality Management	Upgrading Agro-ind.	NBS Min. of Fishery Min. of Leather Industry, associations and NGOs.	2-3
IA.2.2	Prepare a consolidated compilation of these regulations under the most appropriate structure and propose updates;	Quality Management	Upgrading Agro-ind.	As above	5-6
IA.2.3	Discuss the proposal with all the parties concerned and make final recommendations to the Government.	Quality Management	Upgrading Agro-ind.	As above	7-8

Output 3 The capacity of the institutions in charge of food inspection and standardization and of those providing advisory services in food safety and quality management strengthened.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month Start/End
		Lead Module	Complementing Modules		
IA.3.1	Identify the above institutions and assess their strengths and weaknesses;	Quality Management	Upgrading Agro-ind.	NBS Min. of Agriculture Min. of Health Min. of Industry	2-3
IA.3.2	Define the technical assistance needs, particularly with regard to capabilities' upgrading;	Quality Management	Upgrading Agro-ind.	As above	4-6
IA.3.3	Propose training programmes adapted to the specific needs of the staff profiles;	Quality Management	Upgrading Agro-ind.	As above	7-8
IA.3.4	Implement the training programmes through workshops to be organized;	Quality Management	Upgrading Agro-ind.	NBS Min. of Agriculture Min. of Health Min. of Industry Associations of industry	8-10
IA.3.5	Monitor and evaluate the capabilities on concrete cases (selected operations);	Quality Management	Upgrading Agro-ind.	As above	7-12
IA.3.6	For selected laboratory facilities essential for food inspection and quality control, identify the needs in terms of equipments and prepare a list with detailed technical specifications;	Upgrading Agro-ind.	Quality Management	NBS Min. of Agriculture Min. of Industry	2-6
IA.3.7	Proceed with the purchase of equipment, its installation and operation;	Upgrading Agro-ind.	Quality Management	As above	6-12
IA.3.8	For the training institutions providing training services in food inspection and quality control, assess the needs in terms of training equipment and tools and proceed with their purchase.	Quality Management	Upgrading Agro-ind.	As above	6-9

Output 4 Good fish handling practices introduced on board of fishing boats and at the main fish landing sites.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month Start/End
		Lead Module	Complementing Modules		
IA.4.1	Assess the fishing methods of local fishermen and the fish handling practices on board of fishing boats;	Upgrading Agro-ind.	-----	Min. of Fishery Min. of Industry Associations of industry Min. of Health Association of fish processors	2-3
IA.4.2	Propose Good Hygiene Practices (GHP) to be followed by the fishing boats including fitting out of the boats (insulated holds, insulated mobile boxes, ice utilization, eventually appropriate design for new	Upgrading Agro-ind.	Quality Management	As above	4-8

	boats, etc.) in conformity with the quality requirements;.				
IA.4.3	Carry out the above activities on 3 pilot boats and assess the impact on the fish safety and quality as well as the technical and economic implications;.	Upgrading Agro-ind.	Quality Management	As above	9-12
IA.4.4	Based on the results assist in the dissemination of the above to the whole fishing fleet;	Upgrading Agro-ind.	----	As above	9-12
IA.4.5	Identify the most important and appropriate fish landing sites in the country and assess current fish handling practices, fish handling facilities available as well as the environment surrounding the landing sites;	Upgrading Agro-ind.	----	As above	2-3
IA.4.6	Propose GHP for fish handling including identification and technical design of the facilities required and assist in the erection of the latter;	Upgrading Agro-ind.	----	As above	4-6
IA.4.7	Organize awareness creation/strengthening campaigns and practical training in GMPs for fishermen and people involved in fish handling at the landing site.	Upgrading Agro-ind.	----	As above	6-9

Output 5 GMPs and HACCP as well as quality management principles fully implemented in the fish processing enterprises.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month
		Lead Module	Complementing Modules		
IA.5.1	Assess the current situation in terms of fish hygiene and safety (application of GMPs and HACCP) as well as quality management in the fish processing enterprises;	Upgrading Agro-ind.	Quality Management	Inspection services of the Ministry of Fisheries, NBS Association of fish processors and exporters	2-3
IA.5.2	Assist in the full implementation of GMPs and HACCP and in the introduction of quality management principles including ISO 9000, in the above plants;	Upgrading Agro-ind.	Quality Management	As above	6-12
IA.5.3	Carry out in-plant training of the personnel of the plants in GMPs and HACCP (implementation and follow-up);	Upgrading Agro-ind.	Quality Management	As above	6-12
IA.5.4	Carry out at least the first audit of the HACCP system, train the personnel in the same and assist in the implementation of the required follow-up.	Upgrading Agro-ind.	Quality Management	As above	17-18

Output 6 GMPs and HACCP introduced in other 10 food processing enterprises (fruits and vegetables, meat, dairy, etc.).

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month
		Lead Module	Complementing Modules		
IA.6.1	Identify enterprises willing to introduce GMPs and HACCP.	Upgrading Agro-ind.	Quality Management	Inspection services of the Ministry of Agriculture, NBS	4-6

				Associations of industry Min. of Agriculture Min. of Industry	
IA.6.2	Assess the current situation in terms of food hygiene and safety as well as quality and productivity in the above selected plants;	Upgrading Agro-ind.	Quality Management	As above	6-9
IA.6.3	Organize workshops to strengthen awareness and disseminate information on GMPs and HACCP;	Upgrading Agro-ind.	Quality Management	As above	9-12
IA.6.4	Assist in the preparation of a programme aiming at introducing GMPs and HACCP as well as quality management principles in the selected plants;	Upgrading Agro-ind.	Quality Management	As above	9-12
IA.6.5	Carry out in-plant training and assist in the implementation of the HACCP programme;	Upgrading Agro-ind.	Quality Management	As above	12-24
IA.6.6	Carry out an audit of the HACCP programme and train the plant personnel in the same as well as in the required follow-up actions.	Upgrading Agro-ind.	Quality Management	As above	23-24

Output 7 Quality standardization and certification of honey production established.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month
		Lead Module	Complementing Modules		
IA.7.1	Assess the conditions in which honey is produced in Uganda (flora, production practices, composition, transportation, etc.);	Quality Management	Upgrading Agro-ind.	NBS Min. of Agriculture Associations of industry	2-4
IA.7.2	Assist in the improvement of the product quality;	Quality Management	Upgrading Agro-ind.	As above	6-9
IA.7.3	Determine the quality standards in relation to the above conditions;	Quality Management	Upgrading Agro-ind.	As above	6-9
IA.7.4	Prepare a quality assurance scheme to be proposed for certification by UNBS and/or an international certification body.	Quality Management	Upgrading Agro-ind.	As above	9-12

D. I Immediate objective II

To upgrade the processing technology and introduce clean technology principles in the food sector.

Output 8 The R&D and other support institutions providing technical advisory services strengthened in upgraded and clean technologies.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month
		Lead Module	Complementing Modules		
IA.8.1	Identify the above institutions and assess their capacities and capabilities in upgraded and clean food processing technologies including value-added processing techniques (various techniques applied in instant coffee production, tropical fruit juice concentrates, fish, meat and dairy), waste minimization and by-products utilization as well as effluents treatment.	Upgrading Agro-ind.	Cleaner Production	Min. of Agriculture Associations of industry Min. of Environment Min. of Industry	3-6
IA.8.2	Prepare and implement tailor-made training programmes to strengthen the capabilities of the staff of the selected institutions in the technologies appropriate to the specific conditions of the country.	Upgrading Agro-ind.	Cleaner Production	As above	6-9

Output 9 Upgraded processing technologies and/or clean technology principles introduced in at least 6 food processing enterprises to serve as pilot operations (fish, fruits and vegetables, coffee, meat, dairy, cereals, etc.).

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month
		Lead Module	Complementing Modules		
IA.9.1	Identify the food processing units willing to upgrade their technologies and/or to introduce clean technology principles;	Upgrading Agro-ind.	Cleaner Production	Min. of Agriculture Associations Min. of Environment Min. of Industry	3-6
IA.9.2	Assist in the identification and definition of the product(s) to be produced and in the study to demonstrate the feasibility of the production, including selection of technology and related equipment;	Upgrading Agro-ind.	Cleaner Production	As above	6-9
IA.9.3	Assist in the installation of the equipment and its operation;	Upgrading Agro-ind.	Cleaner Production	As above	12-24
IA.9.4	Train the plant personnel on the above.	Upgrading Agro-ind.	Cleaner Production	As above	12-24

D.I Immediate objective III

To introduce appropriate post harvest and micro-scale food processing technologies in the six ecological zones of Uganda.

Output 10 Post harvest and micro-scale food processing technologies to be applied in the above ecological zones identified.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month
		Lead Module	Complementing Modules		

IA.10.1	Identify agricultural products (fruits and vegetables, cereals, meat, dairy, etc.) with high post harvest losses and the zones where these products are mainly produced;	Upgrading Agro-ind.	-----	Min. of Agriculture Farmers' Associations	3-6
IA.10.2	Identify the technologies used locally to reduce the losses, assess them and identify possible improvements;	Upgrading Agro-ind.	-----	As above	6-9
IA.10.3	Identify the related equipments and prepare the technical specifications for its local production and/or its importation;	Upgrading Agro-ind.	-----	As above	9-12
IA.10.4	Proceed with the acquisition of six small-scale pilot processing units.	Upgrading Agro-ind.	-----	As above	12-24

Output 11 Capacity of the R&D institutions and of those involved in extension services for farmers and rural micro and small-scale enterprises strengthened in the above technologies.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month Start/End
		Lead Module	Complementing Modules		
IA.11.1	Identify the R&D and extension services and institutions involved in the above-mentioned sub-sectors and assess their capacities and capabilities;	Upgrading Agro-ind.	-----	Min. of Agriculture Farmers' Associations	6-9
IA.11.2	Establish in the selected institutions small-scale pilot operations to serve for training and demonstration purposes;	Upgrading Agro-ind.	-----	As above	9-18
IA.11.3	Train the personnel of the support institutions in the technologies identified through workshops and practical training. The training will focus on training of trainers (TOT) and extension staff as well as on providers of advisory services.	Upgrading Agro-ind.	-----	As above	9-18

Output 12 Six pilot operations established in districts to be selected in the six ecological zones and operated for training and demonstration purposes.

Nos.	Activities	UNIDO Service Modules		Counterpart(s)	Month Start/End
		Lead Module	Complementing Modules		
IA.12.1	Identify the districts and within the latter the facilities to host the pilot operations to be established at the regional level for demonstration and training purposes. District Farm Institutes (reporting to the Ministry of Agriculture) and the Business Promotion Centers (established within the framework of the UNDP Private Sector Development Programme) are the potential co-operating institutions.	Upgrading Agro-ind.	SME Policy Women-Entrepreneurship Entrepreneurship	Min. of Agriculture Farmers' Associations Farm Institutes Business Promotion- NCPCs	6-12
IA.12.2	Identification/establishment of entrepreneurs groupings (women entrepreneurs in general) to take over the pilot units from the start and to run them on a commercial basis;	Upgrading Agro-ind.	Women-Entrepreneurship Entrepreneurship	As above	12-24
IA.12.3	Install the pilot equipment and, as part of an entrepreneurship development	Upgrading Agro-ind.	SME Policy Entrepreneurship	As above	12-24

	programme (see component on SME and the UNDP Programme), organize at least two TOTs and five training of entrepreneurs workshops on post harvest technologies and small scale processing.		Entrepreneurship		
IA.12.4	Assist the groupings to take over the regional pilot operations with appropriate management and marketing;	Upgrading Agro-ind.	As above	As above	24-36
IA.12.5	Establish structured advisory and follow-up services in co-operation with the above-mentioned co-operating institutions.	Upgrading Agro-ind.	As above	As above	24-36

ANNEX 4

List of People Met /Interviewed

16TH - 26TH JUNE 2003

Organization	Contact Person	Telephone
Norwegian Embassy	H.E Tore Gjos Ambassador Norwegian Embassy r	041-343621
	Mr. Wilhelm Wiig Program officer – Private Sector Development	041-343621 077 711-708
	Mr Morten Hiede First Secretary Norwegian Embassy	
TEXDA	Ms. Joyce Rwakasisi Coordinator Peacock House, UMA Show Grounds – Lugogo	077 520-888
Uganda Fish Processors and Exporter Association	Moses Ogwal Executive Director Uganda Fish Processors and Exporter Association Agip House, Kampala Road	077 789-789
Dept of Fisheries Resources MAAIF – Entebbe	.Eddie Nsimbe-Bulega Commissioner Dept of Fisheries Resources MAAIF – Entebbe	075-699347
Dept of Livestock Health and Entomology, MAAIF - Entebbe	Dr. N. Kauta Commissioner Dept of Livestock Health and Entomology, MAAIF - Entebbe OR Ms. A. Kangave Principal Entomologist Entomology Department, MAAIF	077 693257 071 273059
Greenfields (U) Limited	Mr. Philip Borel Managing Director Greenfields (U) Ltd. - Entebbe	075 764764
	Mr. Okasai Opolot Asst. Commissioner Plant Protection, MAAIF - Entebbe	077589642
National Agricultural Research Organization	Dr. Ambrose Agona Programme Leader Post Harvest Programme, KARI	077664901

	Attn: Ms. Milly Pekke	
Uganda National Bureau of Standards	Dr. Terry Kahuma & Executive Director UNBS – Nakawa	031-262688/9
Uganda National Bureau of Standards	Dr Ben Manyindo Uganda National Bureau of Standards	031-262688/9
Uganda Integrated Programme	Mr Albert Ssemukutu Acting National Project Coordiantor UNIDO, Nakawa	041-286765/6
	Mr Sam Balagadde Food Component Coordinator	077406425
Uganda Small Scale Industries Association	Mr. Vincent Senyondo Executive Secretary USSIA, UMA Showground	077-430864
Minsitry of Health	Mr Paul Luyima Assistant Commissioner of Health Services Ministry of Health, Kampala	077431190
Austrian Regional Bureau for Development	Dr Konstantin Huber, Regional Representative Austrian Regional Bureau for Development Cooperation Crusader House, Kampala	041-235 103 041- 233179
Swedish Embassy	Mr Anders Cajus Pedersen Programme Manager Department for Infrastructure and Economic Cooperation Swedish Development Agency (Acting for First Secretary- Kampala)	041-340970
Ngege Ltd	Mr. Kasozi General Manager Ngege Ltd. Luzira, Kampala	041-221362/ 220413
Ministry of Tourism Trade and Industry	Dr Sam Nahamya Permanent Secretary Ministry of Trade Tourism and Industry	
	Ms. Robinah Sabano Acting Commissioner for Industry & Technology Ministry of Tourism, Trade & Industry Farmers House, Kampala	041-343947 077452847
IDEA Project	Mr Clive Drew Chief of Party	

	Prince Charles Drive Kololo	

ANNEX 5: UIP Phase II, Budget

Titles of concept papers		Budget estimates (incl. support costs)	Funding available	Funding gap
1	Strengthening the Department of Industry and Technology in the development of agro-industrial policies and programmes	192,100	0	192,100
2	Strengthening the industrial food sector	862,190	100,000	762,190
3	Developing a network of commercial post harvest operations	1,661,100	100,000	1,561,100
4	Strengthening the supply of small-scale agricultural mechanization and low cost technologies – Upgrading capabilities of ironsmiths for rural enterprise	502,850	0	502,850
5	Assistance to textile and garment MSMEs	567,260	0	567,260
6 A+B	Strengthening the leather supply chain and strengthening the leather products industry	849,740	0	849,740
7	Strengthening agro industrial MSMEs' productivity through the MCP	421,490	40,000	381,490
8	Strengthening agro MSMEs' entrepreneurial capacity through EDP	433,920	40,000	393,920
9	Women entrepreneurship development focusing on agro MSMEs	1,672,400	0	1,672,400
10	Investment promotion with focus on agro-industries	650,880	40,000	610,880
11	Strengthening the Uganda Business Information Network (UBIN) – Establishment of 8 pilot district business resource centres	750,000	40,000	710,000
12	Strengthening/creation of rural energy business and cooperative energy service for productive uses	357,645	0	357,645
13	Energy saving and management for industrial support systems	571,780	0	571,780
14	Reintegration of ex-combatants and their families through multi-skills training for self-employment and sustainable livelihood	528,840	0	528,840
	TOTAL	10,022,195	360,000	9,662,195
Contributions				
UNIDO seed money (US and XP)		US\$ 500,000		
Donor funding (TF/IDF)		US\$ 9,102,195		
National contribution (Government/Private sector)		US\$ 60,000		

