

Independent evaluation

UGANDA

**Strengthening the Ugandan Business Information Network II
Establishment of 8 Pilot District Business Information Centres**

UNIDO Project UE/UGA/04/062



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO EVALUATION GROUP

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Contents

Acknowledgment	iv
Acronyms and abbreviations	v
Glossary of main evaluation terms	vii
Map of Uganda and the District Business Information Centres	ix
Executive summary	x
1. Introduction	1
1.1 Background and objective of the project	1
1.2 Purpose of the evaluation	2
1.3 Methodology of evaluation	3
1.4 Structure of the evaluation report	3
2. The project and contry context	5
2.1 Project summary	5
2.2 Country context	7
3. Project identification and formulation	12
3.1 Assessment of identification and formulation process	12
3.2 Assessment of the project design	13
4. Project funding and expenditures	19
5. Implementation	20
5.1 Achievements	20
5.2 Assessment based on evaluation criteria	34
6. Recommendations for potential follow-up	45
7. Conclusions	47
Annexes	
Annex 1: terms of reference	49
Annex 2: Ideas for additional DBIC projects in Uganda	55
Annex 3: Programme evaluation mission	60
Annex 4: References	64
Annex 5: Contacts	69
Annex 6: Impressions of the visits to the DBICs in Jinja, Arua and Masaka	78
Annex 7: Evaluators	84

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Acronyms and abbreviations

ADA	Austrian Development Agency
ICT	Information and Communication Technologies
CEO	Chief Executive Officer
CIO	Chief Information Officer
DAC	Development Assistance Committee
DBIC	District Business Information Centre
DBRC	District Business Resource Centre
DIP	District Information Portal
DSL	Digital Subscriber Line.
DPC	UNDP District Promotion Centre
EASSy	Eastern Africa Submarine Cable System
EADB	East African Development Bank
GOU	Government of Uganda
ICT	Information and Communication Technology
ICS - UNIDO	UNIDO International Centre for Science and High Technology
IP	Integrated Programme
Joomla CMS	Open Source Content Management System functions as Web software
LAN	Local Area Network
LTI	Latest Technology International Limited
MCP	UNIDO Master Craftsman Programme
MSME	Micro, Small and Medium Enterprises
MTCS	Medium-Term Competitiveness Strategy
MTN	Mobile Telecom Network
MTTI	Ministry of Trade, Tourism and Industry
MICT	Ministry of Information and Communication Technologies
NICTP	National ICT Policy
NPA	National Planning Authority
NetMIS	Network Management Information System
OECD	Organization for Economic Cooperation and Development
OSS	One-Stop Shop
PEAP	Poverty Eradication Action Plan

PoP	Point of Presence
PPP	Public Private Partnerships
PV	Photo Voltaic
RCDF	Rural Communications Development Fund
SME	Small and Medium Enterprises
TEXDA	Textile Development Association
UBIN	Uganda Business Information Network
UBOS	Uganda Bureau of Statistics
UCC	Uganda Communications Commission
UCDA	Uganda Coffee Development Authority
UCPC	Uganda Cleaner Production Centre
UIA	Uganda Investment Authority
UIP	UNIDO Uganda Integrated Programme
UMA	Uganda Manufactures Association
UNBS	Uganda National Bureau of Standards
UNCCI	Uganda National Chamber of Commerce and Industry
UNIDO	United Nations Industrial Development Organization
USSIA	Uganda Small Scale Industries Association
UTL	Uganda Telecom Ltd.
VSAT	Very Small Aperture Terminals
WAN	Wide Area Network
WSIS	World Summit on the Information Society

Glossary of main evaluation terms

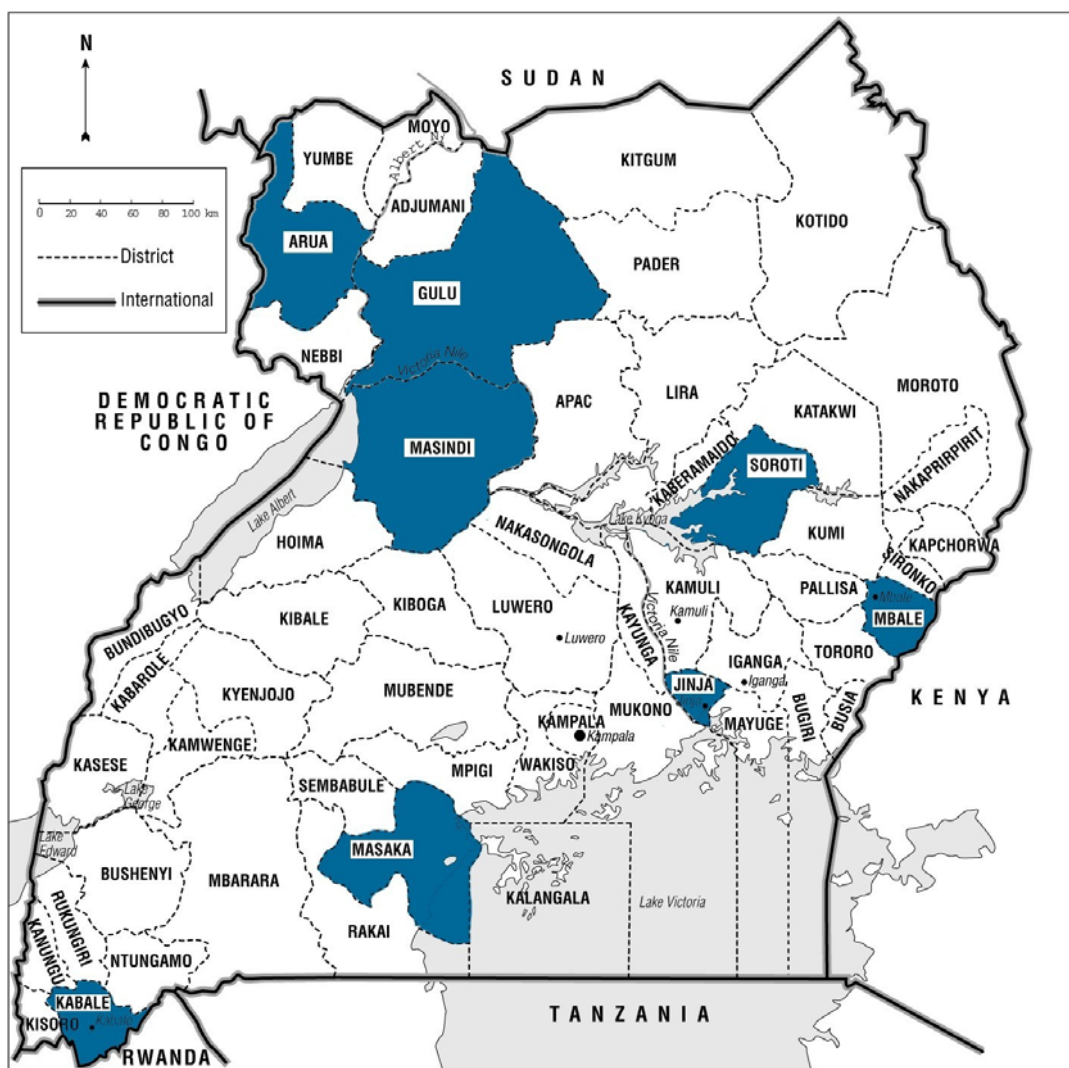
<i>Conclusions</i>	Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments.
<i>Effectiveness</i>	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
<i>Efficiency</i>	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
<i>Impacts</i>	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
<i>Indicator</i>	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.
<i>Institutional development impact</i>	The extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources, for example through: (a) better definition, stability, transparency, enforceability and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Such impacts can include intended and unintended effects of an action.
<i>Lessons learned</i>	Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.
<i>Logframe</i>	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, outcomes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention. Related term: results based management.
<i>Outcome</i>	The likely or achieved short-term and medium-term effects of an intervention's outputs. Related terms: result, outputs, impacts, effect.
<i>Outputs</i>	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.

<i>Recommendations</i>	Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources. Recommendations should be linked to conclusions.
<i>Relevance</i>	<p>The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies.</p> <p>Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.</p>
<i>Results</i>	The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention. Related terms: outcome, effect, impacts.
<i>Sustainability</i>	The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long term benefits. The resilience to risk of the net benefit flows over time.

Based on a glossary prepared by OECD's DAC Working Party on aid evaluation, May 2002

Map of Uganda and the District Business Information Centres

UGANDA DISTRICTS



District Business Information Centres in January 2008

Executive summary

Brief background and description of the project

The project “Strengthening the Ugandan Business Information Network” aims at addressing the information requirements of Micro, Small and Medium Enterprises (MSMEs) in Uganda by establishing national, sustainable capacities to provide them with Information and Communication Technologies (ICT) based business information and solutions and ICT support. It was financed by the Austrian Government, through the Austrian Development Agency. The current project is part of the Phase 2 of the UNIDO Integrated Programme (IP) in Uganda. The latter assists the Ugandan Government, with the Ministry of Tourism, Transport and Industry (MTTI) as the national counterpart, in promoting industrial development and employment creation.

The current project is a continuation of a previous UNIDO project in support of establishing a One-Stop Shop (OSS) – the Uganda Business Information Network (UBIN) and implemented in the period 2002 to 2005, as part of the Phase 1 of the UNIDO IP. UBIN was established as a joint venture between public and private sector institutions, to serve as a central access point for business information and ICT support services to MSMEs in Kampala,

The objective of the present project is to extend the services of the UBIN/OSS in Kampala to eight districts in Uganda by establishing District Business Resource Centres (DBRCs) or, as they were later referred to, District Business Information Centres (DBICs)¹, with the aim to establish a sustainable network of DBICs. The project's rationale is that the network will enable MSMEs in the areas outside Kampala to use the generated information and ICT support services to provide sector specific information solutions. The sectors that were to be focussed on were: food processing, leather, textiles, coffee and fish. The choice was guided by the fact that these are the focus sectors for the UNIDO Uganda Integrated Programme 2 and the intention was to achieve synergies between projects. The DBICs were to be supported by the UBIN information network backbone, utilizing a network software NetMIS. The project envisaged that ICT- based knowledge exchange and linkages would be established between the participants, with the Knowledge Centre (UBIN) in Kampala functioning as a backbone², a hub between the eight DBICs in the districts. These DBICs were expected to reach out to rural MSMEs in eight districts, namely Arua, Gulu, Masindi, Soroti, Mbale, Jinja, Masaka and Kabale.

The current project was perceived as a pilot project, with the intention that positive results with DBICs would be replicated in new districts.

¹ At some point the name District Business Resource Centre (DBRC) changed into District Business Information Centre (DBIC).

² A communication network where all connected and related users can obtain information and assistance in retrieving data from other sources, on Internet or by access of specialized databases.

The project was executed by UNIDO in close collaboration with the Government of Uganda (GOU) and other stakeholders. The Ministry of Trade, Tourism and Industry (MTTI) was appointed as the main counterpart. At the beginning of the project a Steering Committee, consisting of main stakeholders, was formed at the central level, in Kampala.

In July 2006 UNIDO entered into a strategic partnership with Microsoft to promote innovative use of ICT in support of entrepreneurship, promotion of investments and enlarging business opportunities for MSMEs in Sub-Saharan Africa. Uganda was chosen as a pilot country to define the development of affordable and sustainable ICT and information support services for MSMEs in district/rural areas. The following areas for joint interventions by UNIDO and Microsoft were identified: increased awareness of ICT and ICT tools, increased access to cost-effective hardware and software and ICT Training. The DBICs have been actively involved in this initiative.

Overall assessment

Summarizing the assessment of the overall performance of the project, it can be stated that this was, to a large extent, an effective and efficiently run project, responding to the need for ICT based business information and business solutions in rural areas of Uganda, and which is likely to have positive and significant impact. The Ugandan counterparts have displayed a good level of ownership of the project. The project has provided an important basis for the potential rolling out of this experience to other districts, for the use of DBICs for reaching out with ICT to rural areas and for introducing e-governance at district levels.

In November 2007, UNIDO and Microsoft won the Africa Investor Award 2007 in the category 'Best Initiative in Support of SME Development', for the Uganda Business Information Centre project. The Award, an international benchmark for the excellence in responsible investing in Africa, recognizes and rewards innovative development projects initiated by the private sector, governments and NGOs. This Award, although not directly related with the current project under evaluation *per se*, indicates the high level of appreciation of the DBIC idea and approach.

The major shortcoming of the project was that the DBICs, UBIN, relevant government offices, businesses in the rural areas and across Uganda, and other stakeholders do not as yet use the envisaged ICT network and ICT-based services to access shared business information and value added business solutions - which was the primary objective of the project. The concept of Information as a product to be exchanged actively among stakeholders is not yet fully rooted. Currently the information provided is limited and is, moreover, not being actively exchanged in the network. This is a result of the delays in the project, for the reasons of a) prolonged time taken by the MTTI to appoint a National Steering Committee, b) the lengthy international bidding process for the initial purchase of computer equipment and c) time taken for budget revisions), and although the project was subsequently extended, these delays, in the early days of the project, disrupted the planned schedule. In addition, the planned two-year project duration was overly ambitious for a project of this scale and nature, and more time was and is needed to allow the DBICs to mature and actively exchange information within the network and provide value-added

ICT based business solutions. Due to the delay in implementation, some outputs had not yet been produced at the time of the evaluation mission and it is therefore proposed that the results of the project are reviewed within the framework of the evaluation of the UNIDO Uganda Integrated Program -2 planned for September 2008.

The main observations on the strengths and weaknesses of the project implementation are summarized in Table 1 below.

Table 1
Assessment of the main strengths and weaknesses of project implementation

Strong Points	Weak Points
<ul style="list-style-type: none"> • Formation of the high-level Steering Committee, comprising of representatives from a variety of stakeholders: government, private sector, and Non Government Organizations NGOs • Focus on rural districts, where the need to fill the gap in ICT knowledge/ awareness is greatest • Eight DBICs established and functioning - • ICT awareness raised across many groups: central and local governments, DBICs, MSMEs, (NGOs), individuals • Opening up services to receive ICT training with an entrepreneurial focus • Promotion of the principles of information exchange, and the idea that this information / knowledge are a commercial asset. • Provision of much needed services by DBICs- keenly wanted and welcomed by the local MSMEs • Presence of a very motivated staff in the rural DBICs, eager to promote knowledge transfer and training/education/awareness of SMEs in ICT technology • Potential long term sustainability by embedding DBICs within the existing operations of the Private Sector Promotion Centres (formerly UNDP supported) • Significant support from the Government and local stakeholders • Participation of the local stakeholders in the implementation of the project through the District Steering Committees • Implementation based on a specific business 	<ul style="list-style-type: none"> • Infrastructure (electricity, communications) is weak, jeopardizing the efforts to reach the aim of the project: information exchange by the mean of ICT and delivery of ICT based business solutions for MSMEs. • Delays in installing and full operationalisation of NetMIS at the Hub in Kampala and DBICs, which is one of the reasons behind the immature stage in achieving the project goals. • Insufficiently active networking with existing business community (including those involved in UNID IP) in setting up structured procedures and protocols of cooperation and information exchange • Steering committee not reaching out to DBICs in all aspects.

<p>model for each DBIC</p> <ul style="list-style-type: none"> • Differentiating ownership and management of the DBICs • Training provided to the public through the DBICs (while recognizing that these are basic training courses and that staff have not always received sufficient level of training) • Staff and MSMEs trained on gender issues, or at a minimum informed about gender aspects and the development of a Handbook to serve as a Guide to DBICs. • Delivery of ICT services to the business community and some business information, as a start 	
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Project design

The main observations on the strengths and weaknesses of the *project design* are summarized in Table 2 below.

Table 2
Assessment of the project's design and formulation phase

Strong Points	Weak Points
<ul style="list-style-type: none"> • The project identification and formulation process was strong in its participatory aspect, manifested in the establishment of (a) a high ranking Stakeholders Committee at national level, comprising of representatives of private and public stakeholders and (b) Steering Committees at district level; • Every DBIC was set up based on a separate Business Plan, resulting from a Need's Assessment and Situation Analysis. • In general, the stated objectives of the project 	<ul style="list-style-type: none"> • The Project Document is very brief and does not provide sufficient information to justify the project design, nor does it describes the process of project identification and formulation in detail. • While the objective of linking the project with other, sectoral projects under the Uganda Integrated Programme -2 is stated in the Project document, and many of targeted enterprises were indeed consulted with and interviewed during the DBIC Needs' assessment stages, no <i>concrete mechanisms</i> for such linkages were envisaged. Also, it was foreseen in the Project Document, that the DBICs would function as outreach units to the rural Small and Medium Enterprises, in direct cooperation and under the responsibility of a local established SME oriented organisation. The importance of this was also stressed by the Steering Committee³. The mechanisms for such expansion were, however, <i>not explicitly explored</i> and addressed. For example, there was no explicit mechanisms designed for linking up

³ See SC Minutes from April 05

<p>addressed the need for information networking and thereby creating partnerships among institutions for information sharing, with the assumption that this would be beneficial to MSMEs.</p> <ul style="list-style-type: none"> • The project design was based on continuity, taking advantage of the previous phase as a source of expertise, training methodology, materials and learning opportunities. • DBICs were to be operating based on individual Business Plans, resulting from Needs Assessments in each district. The undertaking of a baseline survey and of a training needs assessment enabled the project to address real needs and priorities in the individual districts. • The selection of a key partner organization with strong outreach (provincial and district levels) contributed to the successes of the project. • Cooperation and collaboration with relevant organizations and other donor supported projects were appropriately planned. For instance, the DBICs were to be set up in partnership with other donor's initiatives, in particular UNDP's District Promotion Centres (DPCs), where available and UNIDO's Master Craftsman Programmes. 	<p>with town councils, the rural business associations and alike.</p> <ul style="list-style-type: none"> • An option of a phased approach to the implementation of the project might have been justified, with the initial phase targeting increased ICT literacy of the population and businesses across the districts. • It was planned that 5 DBICs will be set up in year One and 3 DBICs in year Two. It would probably have been an advantage if the DBIC concept could have been tested in one or two districts initially before moving into the remaining districts. • The Project Document does not contain a discussion on alternative options to the hosting of DBICs. There were many options, for example, district councils, Chamber of Commerce branches, District Information Centers (DICs) of the ICT Ministry and strengths and weaknesses for each design option should have been explored and described. • In selecting the locations and identifying the set of costs of the District Business Information Centres, reliability and stability of the access to electricity and current telecommunications infrastructure and coverage were mentioned among the selection criteria but could have been given a higher priority, as good communication is the basis for success in this type of projects. • There was no measure planned to ensure that there are agreed standards for training used by DBICs at the project design stage. • The project assessed the needs of the project in terms of increasing its impact from a gender perspective. Some measures were taken to care for the needs of women, e.g. women were allowed to complete the courses in a more prolonged time frame. However, more active and concrete action plans were called for (and emphasized by the Steering Committee) and were neither designed nor implemented - e.g. arranging for separate days for training courses for women and linking with women organisations. • Awareness building was foreseen through advertising, seminars/workshops and other marketing or promotional events. It would have been desirable to plan in more detail the mechanisms for such awareness building at the project design stage, based on the assessment of the most effective routes of reaching out to more people and businesses in remote areas. For example, in the rural areas ICTs are only accessible and available for a small group, and hence audio/visual materials and aids like
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	<p>folders, booklets, radio and TV, should have been included extensively in the process of communication and dissemination of information with the rural MSMEs.</p> <ul style="list-style-type: none"> • It is mentioned in the Project Document that based on the successful implementation of eight pilot centres, the intention is to increase the number of DBICs according to the demand for such services. No activity was envisaged in the design to discuss the scope for replication during the current project (post project strategy). • No activities were envisaged to monitor the impact of the project on businesses, which could have been easily done through a repeat survey through Makerere University which carried out the Needs Assessments. • The Project Document does not have a log frame - in spite of the fact that this is a requirement for all UNIDO Technical Cooperation Programmes. There is a table labelled as log frame in a document in the project files from June 07, but that does not really qualify as such as it merely states the progress against each of the planned activities. In addition: <ul style="list-style-type: none"> • It contains a text on the Outputs, and some of these indeed are output level results, but some others are apparently expected results at Outcome level, and some are rather distant ‘opportunities’; • Described “outputs” are not aligned across the specified (even if tentative) 12 activities. • While the following is stated as the project’s objective ‘... <i>To strengthen national and district policies and institutional frameworks on knowledge exchange by means of ICT technologies for the development and support of Small and Medium Enterprises in Uganda capital and eight selected districts</i>’, no indicators are provided to measure the projects results at Outcome level. • In addition to the statement above, there is one more statement of objective: ‘... <i>to extend the services of the central One-Stop Shop in Kampala to eight other districts of Uganda by establishing a sustainable network of eight pilot District Business Resource Centres, supported by the backbone of Uganda Business Information Network in Kampala</i>’. Again- no indicator is suggested.
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Funding

An amount totalling Euro 617,920.00 was allocated, out of which Euro 604,033.55 were spent (including outstanding obligations). This corresponds to a balance of Euro 13,886.45 and an implementation ratio of 97.75% as at end of the project, i.e. March 2008.

Achievements

The project has produced many impressive results by carrying out a vast number of activities along most of the outputs identified. The evaluation team assessed the project's achievements in accordance with the evaluation criteria: relevance, effectiveness, efficiency, impact and sustainability. Its assessment can be summarized as follows:

Relevance

The broad project objectives were and are relevant - addressing the divide in ICT use between the businesses in Kampala and the districts is an important issue for the development of Uganda and the task is high on the agenda of the Government of Uganda: indeed, technological developments, in particular in the area of ICT have a potential of creating opportunities for industrial development in Uganda.

The project has been instrumental in starting to change the perceptions of the ICT needs of the SME sector in Uganda and both at national and district levels. The services currently provided by DBICs were eagerly accepted and there have been many requests for more opportunities.

Setting -up of DBICs was very helpful and relevant for the new Ministry of ICT, which in its turn, built up experience and expertise in ICT and Knowledge Transfer. The DBICs contributed to stimulating a debate around the regulatory and administrative governance of ICT in the country.

The relevance of the project was also highlighted by the fact that the ownership by key partners during the life of the project was overall high and the fact that a high level National Steering Committee was set up to oversee the project progress and comprising representatives from a large number of key government, public and private sector organizations. The members of the Steering Committee were active in overseeing the project's progress and in providing advice and guidance.

At the same time, a number of issues were raised about the current state of the ownership of the project by the national counterparts, including: the fact that Memoranda of Understanding between MTTI, UNIDO, DBICs, district administrations and other

stakeholders are not yet signed and the fact that the transfer of ownership of UBIN is not yet finalized which is rendering the status of UBIN in serving as a backbone for the information exchange platform non-operational.

The relevance of the project design, while overall strong, raises a few questions too, in that, perhaps, stimulating basic ICT knowledge through existing providers and assistance with extending these services across the regions could have been a more efficient first step, to be followed by introducing the concept of DBICs.

The ICT environment is changing fast in Uganda: the main towns are being adequately connected; a number of projects are underway to enhance Uganda's domestic fiber-optic network and wireless capability; the GOU, recognizing connectivity as a critical issue in improving access to ICT, has ranked the task of linking into the Eastern Africa Submarine Cable System (EASSy) as a priority.

Given this perspective, DBICs will probably increase in the next few years, provided they continue to grow in sophistication and usefulness, and are integrated into the Government agenda and networking system.

Effectiveness

The project results were largely achieved and used, in that: the services offered by the DBICs are in demand, appreciated and paid for; the project raised awareness of the need for ICT based business development; the District Business Information Centres were established; the project has assisted the Ugandan Government in an increasing ICT awareness and stimulated debates, which have most likely, contributed to national policy-making in relation to ICT; the project was instrumental in the increased number of successful MSMEs in the districts, which became more active in marketing and knowledge search after proactive visits and/or stimuli given by DBICs, and as a result, expanded their businesses.

At the same, it should also be mentioned that the effectiveness of the project is undermined by the fact that the utility of NetMIS as well as the original UBIN are in question, since NetMIS is not being used currently as a vehicle for information exchange and the concept of UBIN serving as a backbone is suspended.

The effectiveness of the project could have been higher if it had specifically targeted women, who are twice as likely to have an Internet connection, than households with male heads. Gender issues were discussed during the project design stage, research was carried out through Focus Group Discussions, and a Handbook was produced as a result: however, a subsequent specifically designed gender-sensitive approach to project implementation did not materialize.

Efficiency

The project was characterized by energetic management at all levels. For instance, the project managers were able to get the project back on track (albeit with losses in the level of maturity of deliverables) after experiencing a 8 months delay, due to the receipt of computers with incorrect specifications, initially and late arrival of the requested computers, as well as delays in the formation of the Steering Group as a result of changes in the Government. Eight months is a significant time-frame in a two-year long project. Although the project was subsequently extended for almost a year, the planned implementation schedule was disrupted. As mentioned above, for such an extensive project, the planned duration of two years was very short. If the aim was to see fully functional DBICs actively involved in a network-based information exchange and providing value added ICT based business solutions at the end of the project, more time was needed.

Indications are, however, that, if not the further delays incurred in the transfer of ownership of UBIN, the evaluation team would have documented a much more mature state of linkages in an UBIN – DBIC –MSMEs/stakeholders network.

However, the following are remaining concerns with regards to efficiency:

- Some of the crucial activities under the project, while mentioned as planned in the Progress Reports (e.g. domain names for DBICs, introducing MIS for monitoring), were still not accomplished by the time of the evaluation mission in February 2008.
- The comparative Monitoring and Evaluation (M&E) system that was planned to be developed and stated as one of the deliverables was not introduced. The MIS based monitoring of the activities of DBICs while planned, was not carried out. In addition, the project did not have a log frame developed at the design stage, which was an additional hindrance for project management. The existing M&E is reduced to collecting basic statistics on the number of visitors of DBICs, the number of training courses, and number of trainees.
- Whereas relationships were established with other international organizations and donor supported programmes and projects, both at the central level and in the provinces, these could have been more regular and structured, leading to joint activities and more sharing of experiences, costs, tools, trained experts etc.. In particular, no strong and structured linkages were designed, facilitated and achieved within the UNIDO Integrated Programme. Nor were operational linkages developed with international information services.

Thus, to date there is not yet an effective platform where the rural SMEs and DBICs can exchange experience, opinions, questions and opportunities for their businesses and most of the information exchange is still carried out through established personal contacts.

Potential for Impact

One of the main indications of the strong potential for impact of the project is the fact that the Ministry of ICT of Uganda has decided to replicate the DBIC model for the establishment of additional 20 centres throughout the country with its own funding (separate from the planned expansion of the project to 6 districts in the North of Uganda, which UNIDO and Austrian Development Agency is now considering).

The project placed the DBICs on the Ugandan map of ICT and Knowledge Management related activities. The DBICs have been able to stimulate ICT awareness among SMEs. In terms of meeting one of the objectives of the project, namely, ‘... *To strengthen national and district policies and institutional frameworks on knowledge exchange by means of ICT technologies for the development and support of MSMEs in Uganda capital and eight selected district*’, it could be stated that the support of the project to meeting the objectives of the new Ministry of ICT has been extensive in that it strengthened and spread the understanding of “ICT for business’ concept”. Whether this translated into ICT policy-making at the national level is not clear- but there is no evidence of the project contributing to concrete policy instruments or strategies.

The project had an impact on stimulating several other related initiatives, like selecting Uganda as a pilot country for the UNIDO - Microsoft refurbished computer initiative.

The potential for long-term impact of the project, especially if the established objective of fully functional (in terms of providing value added business solutions) DBICs is met and the ICT infrastructure in the rural areas is further developed could be large. The available information does not allow assessing the magnitude of the potential impact on the business community. This could be assessed, interviewing the same sets of businesses, as during the Needs Assessment, a few years after the end of the project. Anecdotal evidence suggests that groups of active users of DBIC services now exists in each district, that these have changed their understanding of the value of ICT and demonstrated this by changes in business practices.

Targeting individual businesswomen with potential to grow as businesspersons will probably lead to even larger economic and social impact.

Sustainability

Technical Sustainability

Recently a few important measures were taken, which will strengthen the prospects for technical sustainability of DBICs, including an agreement reached with the developer of the NetMIS for servicing and supplying each DBIC with certain back up power systems. The latter is not enough, however, and the use of alternative sources of energy should be looked into.

Programmatic sustainability

As a result of high and growing relevance of the project concept, the likelihood for programmatic sustainability of the project is high.

The planned replication of the DBIC model by the Government of Uganda across another 20 districts throughout the country with its own funding will be one of the main drivers of programmatic sustainability of the project.

Additionally, a number of measures that have been undertaken also increase this likelihood, e.g.: (a) the conduct of an ICT Training of Trainers (TOT) Programme in all project locations in order to ensure the availability of a sufficient number of skilled ICT Trainers; (b) the strategic partnership with Microsoft, aiming at the promotion of innovative use of ICT for MSMEs, increasing the awareness of ICT and ICT tools, covering access to cost effective hardware and software, as well as delivering professional ICT Training (Office Packages) by and through DBICs to SMEs; and others.

At the same time, there are a few concerns about the programmatic sustainability of the project. The major concern is that unless steps are taken urgently by the main stakeholders to bring UBIN (or its successor IknowUganda in its full and intended version) back on the ICT map of Uganda and to promote a functioning “information exchange network”, the programmatic sustainability of the project is under threat.

The same is true, albeit not of immediate urgency, about the signing of the Memoranda of Understanding between the main stakeholders at the district level and clarifying the governance principles of the DBICs.

Additionally, a number of avenues need to be actively pursued to ensure the programmatic sustainability of the project, including: (a) a much stronger link between the DBICs and the Uganda IP business sector’s projects; (b) active measures designed and implemented to increase the retention rate of the skilled and trained ICT staff at DBICs; (c) provision of a more in-depth and intensive training for DBIC ICT staff; and (d) development of more effective protocols for networking and sharing of information by means of databases across DBICs and among various stakeholders;

Financial and operational sustainability

A critical base of participating MSMEs and knowledge information providers does not yet exist and the DBICs cannot survive without resorting to the provision of basic ITC services – the predominant source of their income currently. All DBICs are responsible for recurrent expenses from inception. The fact that, according to the project design, the DBICs in most cases were based in the existing formerly UNDP supported District Promotion Centers (DPCs) increased the potential for the (short-term) sustainability of the DBICs. For the

long-term, however, the DBICs still need to develop their commercial base and be much more proactive in involving more partners in the network and to ensure the sustainability of their operations.

Recommendations

Currently a project proposal is being considered to establish at least 5 more centres, during 2008, in Northern Uganda to be based on UNIDO DBIC model, taking into account the lessons learnt in the current project. UNIDO has requested continued ADA funding for this proposal. The evaluation team was provided with the draft project proposal.

While this would be in line with the priorities of the Government of Uganda and UNIDO, this option should be weighed against other potential avenues for the next phase, and if pursued, need to strongly consider a more phased implementation, accompanied by additional components to strengthen the potential for programmatic sustainability.

Moreover, continued support is still needed to the 8 established DBICs, for the completion of the current project and for ensuring long term sustainability and effective and efficient services to MSMEs.

The recommendations are thus categorised into two interrelated priorities pertaining to (1) programmatic completion of the current project; (2) project expansion (3rd phase). Our recommendations for the extension of the current project are presented below. The ideas for a future project are presented in Annex 2.

Thus, while the project is formally finished we recommend that further support is provided to the current 8 DBICs along the following lines:

- Access to information about the MSME sector should be improved substantially and made available at the DBICs.
- There is a need to promote a gender perspective in the form of concrete project activities and output within DBIC services.
- The feasibility of obtaining new computers, which are specifically made for developing countries, costing about 300 Euro each and available in the market, should be looked into.
- Staff at DBICs should be trained in how to develop and register web-sites. This would be beneficial not only for the DBICs themselves, but also for the SME clientele.
- A common database format and common information exchange procedures should be agreed upon for and among the DBICs. The same concerns other users of the NetMIS software.

- The design of the project proposed for the northern Districts should be revised to allow for a longer preparatory stage in order to:
 - Allow for an in-depth review of the technical aspects of the expansion: communication lines (actual availability, offered technology and pricing of telephone, mobile, and perhaps- VSAT) and power (own generator, fuel prices, public electricity network, solar energy, continuity for 24/hours communication/information exchange). DBICs should be able to offer a sufficient bandwidth for 14 hours a day at an acceptable price.
 - Allow for a review of possibilities to upgrade the overall ICT literacy among the businesses/population.
 - Ensure that there are functional procedures of data communication among the network computers and that networking protocols among the cooperating DBICs are ironed out.
 - Allow for lessons learned from the first 8 DBICs to be analysed and encountered problems to be addressed in the new to-be-DBICs.
 - Allow for better utilisation and upgrading of the functionalities of NetMIS.

While the evaluation team appreciates that there is a momentum generated, around the DBICs, that should be capitalised upon, there is still a need to go a step further in order for DBICs to achieve their intended function. Moreover, the environment in the targeted northern districts is different from the more developed district where the eight pilot DBIC projects are running- and hence there is a need to pilot to what extent the DBIC model can be replicated, if deemed successful.

- Skills training for DBIC staff in Internet Access to databases must be enhanced, including training on data digging and data acquisition in the DBICs' specific fields of relevance. There is a need to set up a standard (among all DBICs) SME training curricula and protocol, related to ICT and Internet.
- Infrastructure maintenance should be managed by means of Service Level Agreements for hardware, software and viruses.
- Alternatives for information transfer between local SMEs and Information Officers of DBICs, since currently only 5% of the SMEs are ICT aware, should be looked into.
- The DBIC Information Officers should be trained in a number of fields, and in particular in relation to both ICT business and MSME promotion.
- Comparable, MIS based M&E system should be introduced at DBICs.

Lessons learned

A number of lessons have been learned from this project, in particular:

- The availability of local electricity supply and the level of development of the communication services infrastructure can have a bearing on the success of a MSME development project and should be included in a risk assessment.
- When considering the establishment of ICT based business information centres in areas where ICT literacy is very low, a phased approach can be suitable, with the first stage devoted to simply attempting to increase the number of ICT aware businesses and individuals.
- Close linkages between potential network partners need to be proactively promoted, with activities explicitly spelled out in the project design.
- Ownership of the national counterparts should be ensured during and beyond the programmatic completion of the project, and this includes commitments to resolve potential issues in relation to ownership transfers.
- In case of large time span between the preparation and the final approval of a project document, there might be a need to adjust/redesign the project document during the inception phase.

1

Introduction

1.1 Background and objective of the project

The project “Strengthening the Ugandan Business Information Network” aims at addressing the information requirements of Micro, Small and Medium Enterprises (MSMEs) in Uganda by establishing national, sustainable capacities to provide them with ICT based business information and solutions and ICT support. It was developed as a continuation of a previous UNIDO project in support of establishing a One-Stop Shop (OSS) – the Uganda Business Information Network (UBIN), carried out in the period of 2002 to 2005. UBIN was established as a joint venture between public and private sector institutions, to serve as a central access point for business information and ICT support services to MSMEs in Kampala and formed part of the Phase 1 of the UNIDO Uganda Integrated Programme (IP).

The objective of UBIN was to provide commercial demand-driven services for Micro, Small and Medium Enterprises in Uganda. The UBIN Portfolio of Services was envisaged to include:

- Information brokering and research;
- Technology transfer brokering;
- Consultancy and advisory services;
- ICT Support for Enterprises;
- Training: Business management development and ICT skills;
- Enterprise Internet Solutions: web strategy and website development, web hosting and maintenance, development of e-business / e-commerce solutions and development of company networks – Intra nets / Extra nets;
- Additional services, such as data security and electronic trust procedures for national and international e-business operations.

The project under review is part of the Phase 2 of the UNIDO Integrated Programme (IP) in Uganda. This Programme assists the Ugandan Government, with the Ministry of Tourism, Transport and Industry as the national counterpart, in promoting industrial development and employment creation.

The project was financed by the Austrian Government, through the Austrian Development Agency (ADA). The project was requested by the Government of Uganda (GOU) and mentioned in the framework of the Agreement between the Governments of Austria and Uganda.

This evaluation is in line with the project document, which specifies that the project should be subject to an in-depth evaluation after its lifetime.

The objective of the present project is to extend the services of the UBIN/One-Stop Shop in Kampala to eight districts in Uganda by establishing District Business Resource Centres (DBRCs) or, as these were referred to later, District Business Information Centres (DBICs)⁴, with the aim to establish a sustainable network of DBICs. The current project is perceived as a pilot: the intention was to establish more district centres after this first phase. The DBICs were to be supported by the UBIN information network backbone. The project envisaged that ICT- based knowledge exchange and linkages would be established between the participating DBICs, with the Knowledge Centre (UBIN) in Kampala functioning as a hub between the eight DBICs. These DBICs were expected to reach out to rural Micro, Small and Medium Enterprises (MSMEs) in the selected localities.

1.2 Purpose of the evaluation

According to the Terms of Reference (see Annex 1) this evaluation assesses the Project “Strengthening the Ugandan Business Information Network” with regards to:

- a) the relevance of and the extent to which the project was designed and carried in line with the priorities and policies of the Government of Uganda and the target group;
- b) the effectiveness of the project in attaining its objectives and outputs;
- c) the prospects for development impact;
- d) the long-term sustainability of the results and benefits;
- e) the efficiency in implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities.

It was, furthermore, envisaged that the evaluation would provide an analytical basis and come up with recommendations for a possible continuation of the project in a next phase. In addition, the evaluation is to draw lessons of wider application for the replication of the experience gained in this project for other projects or countries.

In what follows below we describe the main milestones in carrying out the evaluation:

- Initial briefings were provided at Vienna UNIDO HQ on Tuesday 22/01/2008;
- The fieldwork was carried out from Wednesday 23/01/2008 to Sunday 03/02/2008
- A presentation of preliminary findings was given at UNIDO Headquarters upon the return of the international consultant

The evaluation team consisted of Theodore Peter Vlaar, international IT consultant and Team Leader and Patrick Banya, national consultant. The Evaluation Manager was Ms. Margareta de Goys, Director of the Evaluation Group, UNIDO. She also took part in the

⁴At some point the name District Business Resource Centre (DBRC) changed into District Business Information Centre (DBIC).

final editing of the report in collaboration with Ms. Lilit Melikyan, international evaluation consultant.

1.3 Methodology of evaluation

The evaluation was conducted in compliance with UNIDO's Evaluation Policy and in accordance with the Terms of Reference for this evaluation, which is attached as Annex 1.

It was conducted as an Independent Terminal Evaluation and attempted to determine as systematically and objectively as possible the relevance, efficiency, effectiveness, potential for impact and sustainability of the project. In this respect, the evaluation assessed the achievements of the project against its key objectives, established in the project document and re-examined the relevance of its objectives and of the design. It also identified factors that have facilitated or impeded the achievement of the objectives.

The evaluation was carried out through analyses of various sources of information, including desk analysis, observations at the project sites and interviews with counterparts, beneficiaries, partner agencies, donor representatives, the project staff and UNIDO staff members at Headquarters and in the field and through the cross-validation of data.

The team collected and analysed project specific documentation, such as the project document, progress reports, consultants' reports, minutes of review meetings and Uganda specific documents. Reporting on project activities was, however, found to be rather limited, exacerbated by a lack of a well functioning project monitoring system.

The evaluation included 12 days of fieldwork in Uganda. While in Uganda, the evaluation team met with a large number and wide variety of stakeholders, as well as representatives of businesses, not directly involved in the Project. The persons interviewed included counterparts representing the Government of Uganda, the UNIDO Integrated Programme Office, representatives of selected business associations, DBIC staff and persons with specific insights of the project related issues. A full list of people consulted is found in Annex 5 on Contacts. The Team participated in a demonstration of the NetMIS software in Kampala. A field visit to the premises of the Central UBIN Hub in Kampala equally took place, along with visits to three out of the eight District Business Information Centres: Jinja, Arua and Masaka. Several MSMEs were visited at their premises and interviewed in order to capture their experiences with the project.

In order to facilitate information collection and analyses, an interview guide, mainly using open-style questions, was developed and used during the interviews. This was considered to be of a particular importance given the pilot nature of the project. Wherever possible triangulation was used to verify the information gathered from a variety of sources and to maximise the validity of the findings. Internet based research was also extensively utilised.

1.4 Structure of the evaluation report

This report presents the findings of the evaluation team in line with the project cycle logic (identification/design; funding; and implementation) and based on the OECD/DAC evaluation criteria: relevance, efficiency, effectiveness, impact and sustainability. The report follows the following structure: after a general description of the project and the

country context (Chapter 2), an assessment is made of the project design (Chapter 3) and of the funding process and expenditure status to date (Chapter 4). Chapter 5 analyzes the implementation of the project along the lines of the evaluation criteria. The conclusions on the overall implementation of the project are presented in Chapter 6 with highlights of its strong and weak aspects. Chapter 7 concludes with Recommendations.

The Summary of recommendations and lessons learned are presented at the beginning of the report, along with the Executive Summary.

2

The project and country context

2.1 Project summary

The projects' rationale was that the eight DBICs would enable MSMEs in areas outside Kampala to use generated information and ICT support services. Moreover, business information services were to be developed to provide sector specific information solutions. The sectors that were to be focused on were: food processing, leather, textile, coffee and fish (the focus sectors for the UNIDO Uganda IP 2), with the aim to achieve synergies between projects.

Significant attention was placed on policy formulation and implementation and the building up of an ICT infrastructure with trained staff, with a purpose to achieve sustainable operations and services, based on entrepreneurial and commercial principles. While the project supported the establishment of a new brand – 'DBIC's', they were expected to function in close cooperation with the network of other business support centres.

At the beginning of the project a Steering Committee, consisting of the main stakeholders, was formed at the central level, in Kampala. It met regularly (2 to 4 times per year) and has acted as an independent advisory body, discussing the achievements during the period of review and making recommendations about upcoming periods.

The project was executed by UNIDO in close collaboration with the Government of Uganda, the UBIN and the private sector. The counterpart ministry was the Ministry of Trade, Tourism and Industry (MTTI).

Furthermore, in July 2006, UNIDO entered into a strategic partnership with Microsoft to promote innovative use of ICT in support of entrepreneurship, promotion of investments and enlarging business opportunities for MSMEs in Sub-Saharan Africa. Uganda was chosen as a pilot country to promote the development of affordable and sustainable ICT and information support services, for MSMEs in district/rural areas. The following areas for appropriate interventions by UNIDO and Microsoft were identified: increased awareness of ICT and ICT tools, increased access to cost-effective hardware and Software and ICT Training. DBICs have been closely involved and have benefited from this initiative.

Table 3 provides a short overview of the main structure of the project

Table 3
Snapshot overview of the project structure

Development Objective: To strengthen national and district policies and institutional frameworks on knowledge exchange by means of ICT technologies for the development and support of Small and Medium Enterprises in Uganda capital and eight selected districts.	
Project No: UNIDO Project UE/UGA/04//062	
Title: Strengthening the Ugandan Business Information Network (UBIN): Establishment of 8 Pilot District Business Resource Centres	
Indicators: not defined	
Duration: two years	Total Budget: Euro 617,921 (exclusive support costs) Euro 698,250 (inclusive Support costs)
Planned starting date: January 2004	Actual starting date: January 2006
Planned end date: December 2006	Actual end date: February 2008
Government Cooperating Agency: Ministry of Trade, Tourism and Industry (MTTI), in cooperation with the Uganda Business Information Network (UBIN).	Project location: Kampala and eight selected districts in Uganda, namely Arua, Gulu, Masindi, Soroti, Mbale, Jinja and Masaka.
Immediate Objective: Using UBIN as a backbone for the support services, to extend the network of existing network of business information support to MSMEs into eight districts of Uganda (reference: P3 Project Document).	
Indicator: not defined	

Source: Compiled from the information available in the Project Document

The following Outputs were defined in the Project document

- (a) The establishment of eight pilot District Business Resource Centres, together with the backbone in Kampala that create a demand driven and long term sustainable information solutions network, facilitating the national information infrastructure.
- (b) Increased capacity for the schools and hospitals to use the enhanced ICT infrastructure and thus benefit from the ICT revolution.
- (c) Increased capacity in the country to provide business information solutions to meet the demands of the MSMEs.
- (d) Enriching the national objectives in support of the use of ICT and Internet by rural communities by introducing and integrating the DBIC concept. Increased opportunities for the Government to introduce e-governance in rural areas.
- (e) Strengthening of Uganda Business Information Network (UBIN) operations in Kampala.
- (f) Setting up and improving the Central Backbone of the District Business Information Centres will assist to integrate the various components of UNIDO's Integrated Programme in Uganda in support of the SMEs.

In Table 4 we describe the main milestones of the project.

Table 4
Project cycle milestones

06/07/2004	Austrian Development Agency approval project US/UGA/04/062 Euro 250.000 to be completed by December 2006
Dec 2004	UNIDO Project Office set-up in same building as UBIN
13/04/2005	First DBIC Steering Committee Meeting in Kampala
18/01/2007	Inauguration of the first DBIC in Masaka
05/07/2007	UNIDO DBIC LAN/WAN verification, installation and testing report
07/11/2007	UNIDO and Microsoft win Investor Award
20/12/2007	Contract ADA No-Cost extension until 29/02/2008
29/02/2008	Official end of the project
Feb 2008	Evaluation field mission

Between the first meeting of the Steering Committee, in April 2005, and the inauguration of the first DBIC, in Masaka, there was a period of 18 months. Out of these, an 8 months' delay was incurred as a result of the delivery of computers of incorrect specifications initially and changes in the composition of the Government of Uganda. An additional 10 months were spent on preparatory activities, and inaugurations of DBICs started only in January 2007 with the UNIDO DBIC LAN/WAN verification, installation and testing report produced only in July 2007. The planned schedule of implementation of the project activities was thus severely disrupted, resulting in many implementation challenges.

2.2 Country context

2.2.1 Overall situation of the country

Since 1986, the Government of Uganda - with the support of international partners, has been successful in rehabilitating and stabilizing the economy. This has been possible by undertaking currency reforms, raising producer prices on export crops, increasing prices of petroleum products, and improving civil service wages. Uganda has now evolved from a nearly "failed state" battered by a violent dictatorship to a country with a good track record of growth and institutional reform. The policy changes have especially been aimed at dampening inflation and boosting production and export earnings. The economy has improved with an around 7% GDP annual growth rate, due to investments in the rehabilitation of infrastructure, improved incentives for production and exports, privatization of state enterprises, financial sector reform, modernized marketing of agricultural products, a free currency exchange system and an open capital account. Agriculture is still the most important sector of the economy, employing over 80% of the work force. Uganda's agricultural growth of 3.8% per year between 1987 and 2005 is higher than in most developing countries. Land and labor productivity growths of 3.6% and 1.8% respectively are also remarkably high. Forty percent of farmers have now access to improved agricultural technologies. Fostering exports even further, with a focus on agro processing industries, is seen as a Government priority⁵.

⁵ Uganda moving beyond recovery: Investment and Behavior Change, For Growth. Country Economic Memorandum, Report No. 39221-UG, September 2007, Document of the World Bank

Uganda has, moreover, made significant progress towards achieving its Millennium Development and Poverty Reduction goals. Poverty levels dropped from 56 % in 1992 to 38 % in 2003, and then further down to 31 % in 2006. However, sharp regional and urban-rural disparities in poverty, still persist.

Uganda has, moreover, achieved great success in improving its business climate. The cost of opening a business has declined from 135 % of income per capita in 2003 to 118 % in 2005. According to the *Doing Business* ranking compiled by the World Bank Group, Uganda is now the fastest place to obtain a trading license and the third-fastest place to start a business, in Sub-Saharan Africa.

The Government has also embarked on addressing the serious gaps in infrastructure, particularly in respect to energy and roads, as well as on achieving greater access to international markets and reducing barriers and shortages in access to finance.⁶

2.2.2 Information and Communication Technology Sector and SMEs

Information and Communication Technologies

The Ugandan Government recognizes ICT as a tool for social and economic development⁷, and strongly promotes it. This includes: reforming Government service delivery; achieving transparency, accountability and credibility; providing effective access to information; and facilitating research and development.⁸ The Government has a strong belief that ICT will improve its relationship with the country's business sector and citizens⁹. The political will to foster ICT development in Uganda has been manifested through numerous ICT-related Government policies, programmes and laws since the 1990s. Recent reforms in the sector include the licensing of mobile phone companies and the separation of postal services from communication services. Telecom markets have been deregulated, ICT trade liberalized and taxes on computers abolished.

The setting up of the Rural Communications Development Fund (RCDF) under the Ugandan Communications Council (UCC) was another notable change. These measures have promoted the proliferation of ICT usage in the country, facilitated further by the decision of the Cabinet to create a budget line for ICT. Although the amount being allocated so far, by the ministries, is not substantial, it is an important step in the right direction. In addition, after the 2006 presidential elections, President Yoweri Museveni included ICT as one of the key areas for consideration during his new term in office. Steps were taken in the realization of the World Summit on the Information Society (WSIS) targets, stipulated in a Plan of Action, which includes addressing the urban/rural divide, and connecting educational institutions, health facilities, public libraries and cultural centres, among other initiatives. The Government has established basic e-government targets (such as providing government departments with websites), and encouraged partners to adapt

⁶ ibid

⁷ ibid

⁸ NRM (National Resistance Movement). National Resistance Movement Manifesto 2006. Available from: www.nrm.ug/manifesto.php

⁹ Uganda e-Government Strategy Framework, 2006

school and tertiary education curricula to meet the needs of the information society¹⁰.

The national ICT policy development process was initiated in 1998 by the Uganda National Council of Science and Technology (UNCST). In May 2002, the UNCST submitted a draft National ICT Policy Framework to the Cabinet. This was approved in December 2003¹¹. Other ICT-related policies in place include the Rural Communications Development Policy for Uganda¹², the National Broadcasting Policy¹³, and the e-Government Strategy Framework¹⁴.

The monopoly enjoyed by Uganda Telecom and MTN ended in July 2005. Opening up the telecom market was seen as a road to increased investment in the sector, increased penetration of services, and innovation in the provision of services, such as the use of cost-effective technologies.

In June 2006, the Government consolidated its ICT strategy in order to ensure that policy development, laws and regulations are being harmonized. The newly created Ministry of ICT was to spearhead the development of ICTs and address problems associated with the lack of a lead agency to take the country's ICT strategy forward. Agencies affiliated to the new ministry include the UCC and Uganda Computer Services/National IT Authority-Uganda (NITA-U).

The implementation of the National ICT Policy in Uganda involves various ministries, district and local authorities, development partners and non-governmental organisations (NGOs), as well as the private sector. Progress has been made in a number of areas, including developing a national backbone, rural access, education, systems integration, and stimulating private sector investment.

As part of this responsibility, the Government is conducting an e-government and national backbone infrastructure study in partnership with the Government of China. This will lead to the laying of a fibre optic backbone that will extend high-speed connectivity across the country. It is expected that the national backbone will enable the set-up of an integrated e-government system and extend the current communications network to rural areas.

To facilitate rural access, subsidies have been granted to service providers since 2003. These subsidies contribute towards the provision of communications services in various parts of the country¹⁵ including:

- ICT training centres and Internet cafés. More than 54 ICT training centres and 50

¹⁰ WSIS, Geneva Plan of Action, 2002. Available from: www.itu.int/wsis/documents.

¹¹ NPA (National Planning Authority). Report on Round Table Workshop on Integration of Information And Communication Technology (ICT) into the Poverty Eradication Action Plan (PEAP) and the Overall National Development Framework and Systems in Uganda, 2005

¹² UCC (2001). Rural Communications Development Policy, 2002. Available from: www.ucc.co.ug/rcdf/default.php

¹³ WOUNET, ICT Policy Issues in Uganda, 2004. Available from: www.woungnet.org/ICTpolicy/ug/ugictpolicy.html

¹⁴ Uganda e-Government Strategy Framework, 2006.

¹⁵ RCDF, Rural Communications Development Fund Status Report, 2006, Unpublished.

Internet cafés have been set up countrywide through public-private partnerships. The target was to cover all the districts of Uganda by June 2006. New districts have since been created and will be catered for under the same arrangement, but implementation will be in the financial year 2006/2007.

- In order to facilitate local Internet access and reduce usage costs in the country, the UCC subsidised the installation of Internet points of presence (PoPs) in 32 districts, out of the then 56 districts. The number of districts has now been increased to over 80.
- The UCC also facilitated the development of District Information Portals (DIPs) to allow information to be shared with local communities, development partners and the outside world.

While the prevailing policy and legislative environment in Uganda supports ICT development, actual implementation is being hampered by a number of challenges on the ground. A study conducted by Tsubira et al (2005)¹⁶ indicates that access to the Internet across the entire country is far below what would be expected with the often-praised policy and regulatory environment in place. The study argues that key challenges such as supporting the generation and dissemination of relevant content, developing the national fibre optic backbone and connecting Uganda to the global network must be addressed and measures to encourage the local assembly of computers in order to bring down costs, and integrating ICT skills training at all levels of education, must be enhanced by both the Government and the regulator.

In addition, the study found that the higher percentage of females in Uganda (the majority of citizens below fifteen years of age are female) provides a strategic opportunity for emphasising the role of women in developing ICT skills and in increasing the use of ICT in the country. Regarding gender, it has been argued that access to ICT by women is constrained by inadequate technological infrastructure in rural areas, social and cultural biases, low levels of education and skills, and the lack of disposable income to purchase technology and e-services. The media's limited understanding of gender issues and a lack of data on gender and ICT also play a role¹⁷

The e-Government Strategy Framework indicated that most Government offices did not have an internet connection, that bandwidth was overpriced and concentrated in cities and a few major towns, and that there is a general lack of awareness of ICT in both the urban and rural areas. Furthermore, it states that Uganda has difficulty in attracting, recruiting and retaining skilled ICT personnel.¹⁸

From the above, one can conclude that the required environment for the development of ICT in Uganda is in place. This includes policies, legal and regulatory frameworks, political will, and public participation. However, implementation has been hampered by several challenges. A number of projects to address these challenges are presently underway.

¹⁶ Tsubira, F. F., Kaggwa, I., and Ongora, J. (2005). "Uganda". In Gillward, A. (Ed.), *Towards an African e-Index: Household and Individual ICT Access and Usage across 10 African Countries*, pp.162-177. South Africa: The Link Centre. Available from: www.researchictafrica.net/modules.php?op=modload&name=News&file=article&sid=504

¹⁷ WOUUNET, *A Policy Brief on Gender Issues and Gaps in the Draft National Information and Communication Technology Policy Framework*, 2006.

¹⁸ Uganda e-Government Strategy Framework, 2006

These include the development of the national fibre optic backbone and the expansion of rural access programmes. These are positive signs that suggest Uganda is keen to achieve the targets outlined in the WSIS Plan of Action.

SME Policies and ICT

The estimated number of SMEs in Uganda is around 1 million, constituting about 90% of the private sector in Uganda and representing mainly trade, agro-processing and small scale manufacturing.

The Ugandan Government has developed many policies to promote the development of the economy and some have a direct bearing on the SME sector. These include:

- The Poverty Eradication Action Plan whose aim is to reduce absolute poverty through sustainable economic growth;
- The Plan for the Modernization of Agriculture;
- The Medium-Term Competitiveness Strategy (MTCS) for the private sector aimed at improving competitiveness and promoting the private sector through various interventions that involve infrastructure provision, better financing and dispute resolution.

MSMEs face many intrinsic problems, including low levels of productivity, profitability and market competitiveness and limited access to finance and information. Addressing MSME's constraints entail many and a variety of efforts, including improving MSME financing; capacity building for MSMEs and information provision. In the project under review, the main issue is ICT access and information and the use of these by the SMEs. Identified obstacles include:

- Inadequate IT penetration – one of the main reasons for inefficiency of the sector in the global competition;
- Lack of awareness on behalf of the majority of the MSMEs of the knowledge and application of ICT for improved business performance and growth;
- Inadequate skills to use ICT to promote businesses;
- Limited access to information, including market information;
- Erratic supply of power and inadequate and expensive telecommunications.

The National ICT Policy (NICTP) framework, which is supposed to be the overall guiding framework for the ICT sector in Uganda,¹⁹ highlights the ICT sector as an economic sector in its own right.

¹⁹ The SME e-Access and Usage survey, Research ICT Africa! (RIA!), 2006. Survey of 14 African countries between the last quarter of 2005 and the first quarter of 2006. Its primary objective is to understand the impact of ICTs on private sector development, and how ICTs can contribute to a vibrant SME sector and economic growth in the context of developing economies. The countries covered included Botswana, Cameroon, Ethiopia, Ghana, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

3

Project identification and formulation

Regarding the design of this project, the key issues are to which extent:

- a) a participatory project identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support;
- b) a detailed needs assessment was conducted to identify the needs and the gap in the market for support services in order to determine the portfolio of services;
- c) the project had a clear thematically focused development objective, the attainment of which can be determined by a set of verifiable indicators;
- d) the project was formulated based on the logical framework approach and included appropriate output and outcome indicators;
- e) a logically valid means-end relationship has been established between the project objective(s) and outcomes and the higher-level programme-wide or country level objectives.

3.1 Assessment of the identification and formulation process

Whether project identification process was participatory and instrumental in selecting problem areas and counterparts requiring technical cooperation support.

Participatory process

The project identification and formulation process was strong in its participatory aspects;

- The Steering Committee formed for the previous project and comprised of representatives of most of the main stakeholder groups was active in the project formulation process;
- Although it is not clear whether participatory consultations were carried out at the district level, to identify the interest of the district authorities to have a DBIC before taking a decision to expand the UBIN concept to the selected districts, in all three visited districts, the district representatives emphasized that the DBIC project was a welcome and needed asset in their district. The local governments participated in the selection of the premises for DBICs;
- Stakeholder Committees were set up in all the selected districts. Local stakeholders were intensively consulted in the project start-up phase;
- Every DBIC was set-up based on a separate Business Plan, resulting from a Needs Assessment. Thus the profiles of the services to be offered at each DBIC were to

reflect the particular priorities and needs in the different districts.

3.2 Assessment of the project design

Whether the project had a clear thematically focused development objective, the attainment of which can be determined by a set of verifiable indicators.

3.2.1 General observations

In general, the stated objectives of the project addressed the need for information networking and thereby creating partnerships among institutions for informationsharing, with the assumption that this would be beneficial to MSMEs.

The project design is strong in many aspects:

- The project design was based on continuity, taking advantage of the previous phase as a source of expertise, training methodology, materials and learning opportunities;
- As mentioned in the previous section, all the DBICs were to be operating based on individual Business Plans, resulting from needs assessments in each district. The undertaking of baseline surveys and of a training needs assessments enabled the project to target real needs and priorities in the individual districts;
- The close involvement of the Government enabled an alignment of the project to Government plans and priorities. In addition, support staff, office space and logistical support were made available at the Ministry of Tourism, Trade and Industry;
- The selection of a key partner organization with strong outreach (provincial and district levels);
- The cooperation and collaboration with relevant organizations and other donor-supported projects were appropriately planned. For instance, the DBICs were to be set up in partnership with other donor's initiatives, and in particular, UNDP's District Promotion Centres (DPCs), where available and UNIDO's Master Craftsman project sites. The establishment of most of the DBICs was based on already up- and- running DPCs and this proved to be very efficient and resulted in DBICs gaining operational status quickly.

Several other aspects of the project design raise some concerns, however:

- While the objective of linking the project with other, sectoral projects under the Uganda Integrated Programme 2 is stated in the Project Document, and many of the enterprises supported by these projects were, indeed, consulted and interviewed during the DBIC needs' assessment stages, no *concrete mechanisms* for such linkages were foreseen. Also, it was envisaged in the Project Document, that the DBICs would, additionally, function as *outreach units to the rural MSMEs*, in direct cooperation and under the responsibility of a local established SME oriented organisation. The importance of this was also stressed by the Steering

Committee²⁰. The mechanisms for such an expansion were, however, *not explicitly explored* and/or addressed. For example, there was no explicit mechanism designed for linking up DBICs with town councils, the rural business associations and alike;

- It was assumed that the UBIN Portfolio of Services in Kampala, could be replicated (with some modifications) in the districts. Each DIBC was to operate based on its own Business Plan and address the identified needs. However, had a more in-depth research been carried out *prior to the decision to set up the DBICs*, this could perhaps have revealed that the most massive current needs are in very basic computer training, web access, e-mail (as evidenced by the available information of the type of services mostly demanded at the visited DBICs). The project could have been implemented in phases, with a larger share of residents and businesses starting to use ICT in a first phase, and, as a next stage, be trained to use more sophisticated value-added ICT-based business solutions. Additionally, it was planned that 5 DBICs will be set up in year One and 3 DBICs in year Two. It would probably had been an advantage if the DBIC concept could have been tested in one or two districts before moving on to the remaining districts;
- The Project Document does not contain a discussion on alternative options of the hosting of DBICs;
- The locations of the District Business Resource Centres were determined based on five criteria, namely:
 - Critical mass of Micro, Small and Medium Enterprises
 - Availability of *planned* telecommunications infrastructure
 - Existing Small and Medium Enterprise support initiatives
 - Proximity of coffee producers / cooperatives
 - The location of Uganda Investment Authority focal points in the districts

Reliability and stability of the access to electricity and current telecommunications infrastructure and coverage were mentioned among the selection criteria but should have been given a higher priority as good communication is the basis for success in these types of projects. In fact, several levels of communication for knowledge exchange are crucial for the proper functioning of DBICs, for instance between:

- DBICs and the MSMEs in the rural areas;
- DBICs and a Central Knowledge Hub;
- The knowledge centres (DBICs) among themselves;
- MSMEs with the assistance of DBICs;
- DBICs and Internet Sources;
- Between MSMEs and Information Sources.

²⁰ See SC Minutes from April 05

The current environment is characterised by:

Access to Electricity: A key factor in access to telecommunications services and especially utilisation of the Internet is access to electricity - for re-charging phones and powering computers. 97.7% of the rural and 59.9%²¹ of the urban populations have no access to electricity in their homes.

Telephone usage: While mobile telephones provides a potential for rapid achievement of nationwide access (according to recent data from International Telecommunications Union, 6.73 per cent of residents have a mobile phone in Uganda. (See "Telecommunication/ICT Markets and Trends in Africa 2007" (ITU)), using mobiles for ICT is not a realistic perspective for the districts in Uganda, in the short term. Access in the rural areas to basic telephone services is similarly very low.

Internet access: The statistics from the Makerere survey indicates that ownership of computers is still very limited, with only 3.5% of the urban population having access to computers in their home. The corresponding figure for rural areas (where the majority of the population lives) is 0.4%. The survey has underscored some of the challenges Uganda still faces in achieving equitable universal access. The GOU estimates that Uganda has today more than 2 million Internet users. At the same time the National ICT Master Plan and the e-Government Network Feasibility Study in Uganda, from August 2006, concluded that despite the Government's good intentions and mandate, the growth of Information and Communications Technologies (ICT) in the country is hampered by funding, investments, and affordability. The study recommended that an adequate ICT infrastructure is needed within the Government and in the country in general to accelerate the growth of ICT that, in turn, would contribute towards economic development. These challenges explain many of the difficulties encountered, by the project, and in particular the fact, that, as evidenced during the interviews carried out by the evaluation team in the field, main problems experienced by DBICs and their clients were service interruptions due to electricity outages and unreliable telecommunications connection. Bill Gates has donated eleven Very Small Aperture Terminals (VSAT) with one-year on-line subscription, to be used for selected educational centres in Uganda. The possibility of making use of these VSAT, in the DBICs, was to be explored, but the project evaluation team did not find an evidence of this having been done.

- There was no mechanism envisaged to ensure a minimum standard or content for the training delivered by DBICs. This inconsistency was revealed only in 2007²². It was at this stage that Microsoft was approached and agreed to provide the Digital Literacy and e-learning programme to UBIN and the DBICs, in order to ensure that a specific training-standard could be maintained by these centres.
- The project should be given credit for having adopted a gender perspective. A Handbook was developed on how to cater for the gender perspective in DBIC operations. However, *no concrete action plan was designed on how to address the gender imbalance in ICT use* at the DBICs. The Steering Committee raised the issue of addressing the gender perspective more explicitly in DBIC operations, e.g. by having special days for women²³. The project staff has to given credited for taking

²¹ Towards ab African e-Index: ICT Access and Usage; Uganda, 2005. Link: <http://link.wits.ac.za/papers/e-index-uganda.pdf>

²² See Quarterly Report September – April 07

²³ See the Minutes of SC Meeting in June 06

certain measures along these lines, e.g. when scheduling a training programme. Due to the fact that women were not able to complete the programme at the same speed, due to many obligations at home, DBIC staff encouraged women to attend courses over a longer period of time, in order to complete the full range of modules, even if the course for which they had originally signed up for had already finished. Apart from this, there is no evidence that a more proactive approach was taken to address the gender issues. The DBICs visited by the evaluation team only collect data of the numbers of females using their services. The project could have easily gone further in terms of actually taking a gender sensitive approach, e.g. instituting special days for women, separate trainings for women, specifically linking with gender oriented organisations and projects (e.g. the ones engaged in UNIDO IP). There are courses suitable to be presented on Intranet or Internet, and women groups have established linkages with other similar organizations: all this is information/content that could be used by DBICs for their knowledge-based and ICT- facilitated information brokerage.

- Awareness building activities were planned in the form of advertisements, seminars / workshops and other marketing or promotional events. It would have been desirable to plan in more detail the mechanisms for such awareness building, at the project design stage, based on the assessment of the most effective routes of reaching out to people and businesses in remote areas. For example, in the rural areas, ICT is only accessible and available for a small group of people, and hence audio/visual materials and aids like folders, booklets, radio and TV, should have been used extensively in the process of communication and dissemination of information with the rural SMEs.
- It is mentioned in the Project Document that based on the successful implementation of eight pilot centres, the intention is to increase the number of DBICs according to the demand for such services. No activity was, however, envisaged in the design to discuss the issue of replication during the current project.
- No activities were envisaged to monitor the impact of the project on individual businesses, which could have been easily done through a repeat survey by the Makerere University, which carried out the Needs Assessments.

3.2.2 Logical framework

- Whether the project was formulated based on the logical framework approach and included appropriate output and outcome indicators.
- Whether a logically valid means-end relationship has been established between the project objective(s) and outcomes and the higher-level programme-wide or country level objectives.

The Project Document does not have a logical framework despite the fact that this is a requirement for all UNIDO TC Programs. There is a table labelled as a log frame in a document in the project files, from June 07, but it does not really qualify as such as it merely states the progress against each of the planned activities. In addition:

- 1) It contains a text on the Outputs, and some of these indeed are output level results (e.g. *The establishment of the eight pilot District Business Resource Centres*), but some of which are apparently expected results at Outcome level (e.g. ... *Increased capacity for*

the schools and hospitals to use the enhanced ICT infrastructure and thus benefit from the ICT revolution...), and some are rather distant 'opportunities' (e.g. ... Increased opportunities for the Government to introduce e-governance in rural areas);

- 2) Described "outputs" are not aligned across the specified (even if tentative) 12 activities. In Table 6 of this document we attempted such a mapping, but it proved to be hardly possible, due the fact that no strong logical consequential linkage could be traced across many of the "outputs" and "activities".
- 3) While the following is stated as the project's objective '*... To strengthen national and district policies and institutional frameworks on knowledge exchange by means of ICT technologies for the development and support of Small and Medium Enterprises in Uganda capital and eight selected districts*', no indicators are provided to measure the project's results at the Outcome level.
- 4) It is not clear what is or are the project objectives. In addition to the statement above, there is one more statement of an objective: '*... to extend the services of the central One-Stop Shop in Kampala to eight other districts of Uganda by establishing a sustainable network of eight pilot District Business Resource Centres, supported by the backbone of Uganda Business Information Network in Kampala*'. Again- no indicators were developed and it is not clear what is understood under "extend services", was it expected that DBICs would provide the same set of services that UBIN was providing? And what is to be understood under "established": simply opening the DBICs, providing basic set of services, or a fully functioning information network between UBIN, DBICs, MSMEs, and others?
- 5) There is yet another statement in the Project Document- about the project rationale: '*...the network will enable Micro, Small and Medium Enterprises in areas outside Kampala to make use of information and ICT support services as well. Business information solutions will be strengthened to provide sector specific information solutions*'. No indicators are, however, provided to capture this or other potential outcomes of the project, e.g.:
 - (i) Enhanced information flow within and outside the country- especially since this is the core rationale of the project. For instance, information exchange could have been measured with reference to Data Acquisition Management and Knowledge Management and SMEs Community Building by means of ICT. An example of this is access to information by the MSMEs, and data could have been assessed using an established Central Access Point (UBIN) and the DBICs' databases. While information exchange is not explicitly stated as a goal, there is an underlying assumption that information exchange among DBICs is one of the tools available to address the information needs of SMEs. This is one of the key value additions the DBIC system can bring to the country in terms of linking local information demand and supply. It would be unfortunate if this key aspect of value addition was not included among the success indicators as the DBICs are rolled out and consolidated.
 - (ii) 'The number of information inquiries serviced to MSME clients' was used as a yardstick for the success of the project. A high number of information inquiries are, however, not the most suitable indicator, since it does not capture the business developments in the district and 'sharing' of information, which has a higher potential for indicating potential cooperation between entities in different localities, would it be within

Uganda or across the world. It is a useful indicator, in a sense that if the information is paid for by small businesses then surely they value it. So ideally, the two indicators should be used together. Simple networking parameters could have been considered as the measures of the outcomes, e.g.:

- a) Total number of contacts, with the possibility to see the address and other contact information;
 - b) Number of different organizations, broken down by sectors (agriculture, coffee, poultry, fruit, and fish, etc.) that have been requesting information, noting the type of the questions and the extent to which the questions and answers have been forwarded to the other DBICs / SMEs;
 - c) How many SMEs are members/clients of the DBICs and the extent to which the SMEs leave information about themselves (income, field of work, products, technologies used, interests, difficulties, successes, contact information, willingness or need to participate in courses, and in what field, and so on).
 - d) The extent to which the DBICs make use of Internet, in terms of purchasing information: DBICs can link up with existing databases (buy specific information) that can be distributed to SMEs.
 - e) The extent to which ICT –based sourcing of the required information was ranked as a preferred source by the users compared to more traditional sources; coaching, books, radio, films, and so on;
 - f) The extent to which the DBICs were able to outsource the non-core services, for example power supply, computer maintenance, Internet access and virus scanning.
 - g) The amount of shared industrial and market information to facilitate industrial production and investments, exports and decision-making processes.
- (iii) The long-term impact of the project could be captured by, for example, indicators for reduced technical barriers to trade and increased sales and employment.
- 6) As an introduction to Section 7 of the Project Document, the following statement is made: ‘...It is difficult to provide accurate indicators prior to the conduct of the needs assessment and selection of locations for the pilot centers. Given below are tentative indicators. The indicators will be revisited after the needs assessment’. However, subsequent project related documents, e.g. progress reports, do not contain a revised list of indicators. Nor does the tentative list cover the rationale of the project in its entirety.

According to the Project Document, a monitoring system was to be set up to ensure cross comparability of the project results, across the DBICs. There is, so far, only a very basic monitoring system in place in some of the centers, merely providing information on the number of visitors, the number of training events, etc. We shall return to this issue in Section 5.2.7. Here we would just like to stress that the lack of a proper log frame at the project design stage has rendered the subsequent monitoring, by UNIDO and Steering Committees, at the central and district levels, difficult.

4

Project funding and expenditures

Table 5 below gives an overview of the expenditures and the implementation rate. The total allocation has been adequate given implemented activities although the several months' delay in the procurement of computers required some "acrobatics" to ensure continuity in project operations. Another finding is that the project duration was too short, in view of the project's objectives.

Table 5
Structure of Expenditures

Expenditure by budget line/type of input		Total in Euro	Actual expenditures
1150	Short-term international consultants	110,304.64	110,085.64
1300	Administrative Support Personnel	38,590.47	38,374.77
1500	Travel of project staff	20,062.39	15,375.58
1600	Other Personnel Costs	20,987.99	20,987.99
1750	Short-term national consultants	51,233.15	50,931.51
2100	Subcontracts	10,740.00	10,095.22
3300	In-service training	21,939.41	21,581.91
4300	Premises	3,984.59	3,948.88
4500	Equipment	243,452.41	240,744.83
5100	Sundries	96,624.95	91,907.22
	TOTAL	617,920	604,033.55

The counterpart contribution corresponded to the planned inputs in terms of staff assigned and office space in Kampala.

5

Implementation

5.1 Achievements

This section analyses the achievements for each of the outputs compared to the planned ones, based on the information available in the project progress reports, Back to Office Reports (BTORs), Steering Committee meeting notes, and interviews carried out by the evaluation team. Since the specified list of ‘outputs’ does not cover all the intended achievements as described in the text of the Project Document, we refer to latter as well. In total 12 tentative activities and their indicators are identified in the project document.

NOTE: Outputs, Activities and their indicators are presented in Table 6 in the way they are featured in the project document. An attempt has been made to map the listed Outputs against the listed Activities. This exercise should, preferably, had been carried out in the development of a Logframe for the project, but was not done. We refer to our discussion of the quality of the ‘intended’ project logframe, above, in Section 3.2.2.

Table 6
Simplified Logframe

Outputs	Activities	Indicators
The establishment of eight pilot District Business Resource Centres, together with the backbone in Kampala that create a demand driven and long term sustainable information solutions network facilitating the national information infrastructure.	1. Setting up of a national steering committee	Identification by the Steering Committee of the 8 districts for the establishment of DBICs
	2. Conduct needs assessment in the eight selected district, locations.	A. MSME Needs identified B. Existing MSME Support Identified C. Methodology for Comparative Monitoring and Evaluation Identified
	3. Development of business models/business plans for each of the 8 districts/locations	A. Portfolio of Potential Services identified B. 8 Business Plans formulated with performance targets
	4. Endorsement of the business plans	A. Conduct f Seminars/workshops of local stakeholders B. Setting up of Steering Committee in each of the locations consisting of the local community stakeholders to be responsible for the implementation of the project
	5. Conduct of the Partnership Building Process	A. Identify potential partners B. Identify local network partners C. Establish ownership and management modalities

	6. Identify required resources to set up the centres	A. 8 DBICs established with equipment and infrastructure and functioning according to business plans
	7. Provide technical assistance for capacity building	A. 16 direct employment created, i.e. 2 per centre. B. Staff trained to provide information brokering and other value added services
Increased capacity for the schools and hospitals to use the enhanced ICT infrastructure and thus benefit from the ICT revolution	8. Institutional capacity building of important national information resources	A. Create capacity within the selected institutions to provide relevant and current information B. Installation and Training of NETMIS C. To become part of the proposed WAN
Increased capacity in the country to provide business information solutions to meet the demands of the MSMEs;	10. Conduct of Business Coaching Programmes	A. 80 Business Advisors trained, i.e. 10 per district as provided in the Business plans
Enriching the national objectives in support of the use of ICT and Internet by rural communities by introducing into it and integrating the DBIC concept. Increased opportunities for the Government to introduce e-governance in rural areas;	11. Awareness Building	A. Seminars/workshops conducted B. Promotional Materials prepared
Strengthening of Uganda Business Information Network (UBIN) operations in Kampala. Setting up and improving the Central Backbone of the District Business Information Centres will assist to integrate the various components of UNIDO's Integrated Programme in Uganda in support of the SMEs.	9. Strengthening of UBIN's Urban – Rural communication network	A. Internet Connectivity established and functioning in the 8 pilot centres B. Fast access to market information and opportunities
	12. Pilot Centres commercially operating.	A. 180 information solution inquiries processed, i.e. 3 inquires for the first 5 centres per month for the first 12 months of operation B. 50 people trained in entrepreneurial/ICT, i.e. 10 per centre for the first 5 centres C. Websites/Links developed

Source: Project Document, but the outputs and activities were mapped by the consultants

Note: in the discussion below we have changed somewhat the order of presentation of activities to ease the logical sequence of analysis.

Output 1: The establishment of eight pilot centres

Activity 1 Setting up of a National Steering committee

Identification by the Steering Committee of the 8 districts for the establishment of DBICs

The national Steering Committee selected the districts where the first eight District Business Information Centres were to be established, and oversaw the institutional establishment and capacity building of DBICs. The formation of the Steering Committee, involving representatives from public and private sectors was one of the strong aspects of the project. However, as evidenced from the minutes of the meetings of the Steering Committee and interviews held during the field visit:

- Policies for Knowledge Management and Information Exchange between the stakeholders lacked on the Steering Committee agenda;
- The interrelation between the Steering Committee and DBICs were perceived by the DBICs visited as not being close enough. The DBICs from their part have underutilised the Steering Committee mechanism with regards to engagement with the project team. Opportunities to turn it into an effective platform to reach out to DBICs regularly were not fully utilised.

Activity 2 Conduct needs assessment in the eight selected district, locations

- MSME Needs identified
- Existing MSME Support Identified
- Methodology for Comparative Monitoring and Evaluation Identified

Extensive Needs Assessments in the selected districts served as a basis for establishing the DBICs, for identifying the set of services they were envisaged to provide and their organizational modes. This was achieved through conducting Needs Assessments through surveys among businesses in the respective districts. The utility of the surveys conducted is reduced however by the lack of effective monitoring and an absence of repeat surveys towards the end of the project.

A Methodology for Comparative Monitoring and Evaluation amongst the DBICs and the results of their activities on SMEs was supposed to be identified and implemented. This was not achieved. The Status Report from June 2007 does not contain any entry against this deliverable. This has substantially reduced the opportunities for learning the lessons from this pilot initiative and using it as a guide when planning the next stages of interventions or implementing similar projects in other countries. The Progress Report September – April 07 mentions that: ‘...*Appropriate MIS will be developed and DBIC staff trained in their usage. The system will be utilised to monitor performance of the respective DBICs from the third Quarter*’. There is no evidence however that this was actually done.

Activity 3. Development of business models/business plans for each of the 8 districts/locations

- Portfolio of Potential Services identified
- 8 Business Plans formulated with performance targets

Business Plans for each DBIC were developed based on the results of the Needs Assessments. The Business Plans included the identification of the Portfolios of Potential Services for each DBIC.

However, as the same time as 8 Business Plans were formulated, these did not have clearly specified performance targets. Moreover, the Business Plans foresaw monitoring of the performance of DBICs by local stakeholders²⁴, without specifying the M&E indicators.

Further, the Business Plans foresaw revisions every six months but there is no evidence that these revisions were carried out.

Activity 4 Endorsement of the business plans

- Conduct of Seminars/workshops of local stakeholders
- Setting up of Steering Committee in each of the locations consisting of the local community stakeholders to be responsible for the implementation of the project

Seminars and workshops were conducted among the local stakeholders in each district. There are extensive reports of the training given at the DBICs, the methods used and the certificates issued. Some of the participants of the training events were interviewed during the field mission: they highly valued the knowledge gained, which resulted in establishing e-mail contacts.

Steering Committees were set up locally in the districts. Memoranda of Understanding were to be signed between UNIDO and stakeholders of each DBIC, laying down the responsibilities of each one, during the project and after. These Memoranda were in the process of being signed, at the time of the evaluation.

Activity 5 Conduct of the Partnership Building Process

- Identify potential partners
- Identify local network partners
- Establish ownership and management modalities

The Business Plan, for each DBIC, also included the ownership and management modalities of the DBICs.

While the DBICs had an overall idea who could constitute the base for a local network, no effective strategy to actively engage with prospective partners existed.

Activity 6 Identify required resources to set up the centres

8 DBICs established with equipment and infrastructure and functioning according to business plans

Identification of required resources:

²⁴See for example ARUA DBIC Business Plan

- Very often, diesel generators are used during electricity outages at the DBICs. This is however costly and costs of operation and maintenance should have been explicitly recognized in the project design, since they are now included in the price for Internet access. Also, the need for using alternative sources of energy could have been foreseen. It was only after the start of the project, that such a need was recognized. UNIDO ICS, UNIDO centre based in Trieste, Italy, organised a relevant workshop in December 2006 with participants from East Africa including CEOs of the DBICs to study the issues relating to energy and to recommend possible renewable energy solutions for ICT based centres in rural areas²⁵.

The pilot DBICs were set up in two stages:

- First, six centres were established in the districts of Arua, Jinja, Masaka, Mbale, Kabale and Soroti, and;
- Later, two centres were established in the districts of Gulu and Masindi.

The first six DBICs were officially launched in 2007 and the centres in Gulu and Masindi were yet to be officially launched, at the time of the evaluation mission, but were operating.

It is difficult to assess the extent of the compliance of the operations of the DBICs, with the Business Plans. According to the project team, already now “...*the eight pilot DBICs are delivering business information services, ICT Training and Internet access*”²⁶. Based on the interviews in the field, it was found that, at that moment, the practices at the DBICs do not entirely follow the Business Plans. To be able to generate income, they concentrate *most predominantly* on providing basic services, like e-mail and Internet access (each DBIC established an Internet Café), basic computer courses and only to a *small extent* on consultancy and access to specific knowledge for the SMEs. The Jinja DBIC, as one of the most active centres, could show an activity sheet and profits made during the last months: it conveyed that most of the income was generated by standard Internet Access provision to the general public. The reasons are multiple, and in our view, among others include: insufficient demand on behalf of SMEs; low Internet usage levels in the rural areas; a yet immature state of DBICs, but also lack of promotion on behalf of the DBICs of active information exchange across the stakeholders, and districts, as well as with the outside world.

- According to the Project staff: “... all developments, including the initial needs assessments, business plans, networking concepts etc. are submitted to the dynamism of the Ugandan market forces, that continuously shape, adjust and further develop the business models of the established business information centres. This is notably the case with regards to the “networking” aspect of the business information centres and the central hub in Kampala as well as with regards to the relationship between the information centres themselves”²⁷. It is not clear how additional measures to stimulate the networking would harm the dynamism of Ugandan market

²⁵ Progress report September- December 06

²⁶ Updates on Strengthening the Uganda Business Information Network (UE/UGA/04/062) and Support Programme under UNIDO-Microsoft Partnership Agreement (XP/GLO/07/023), sent in an email from 20/05/08

²⁷ A note sent to Mr. Vlaar, following up on the debriefing session organized by the Evaluation Group at UNIDO HQ on Monday, 4 February by the project staff.

forces. For instance, promotion by the project of active linkages with business associations and individual businesses to stimulate them to share their information through the DBICs would undoubtedly be beneficial to many actors, including the SME community. Notably, the Project Document in the section on Outputs envisages that: "...Setting up and improving the Central Backbone of the District Business Information Centres will assist to integrate the various components of UNIDO's Integrated Programme in Uganda in support of the SMEs'. As mentioned earlier in the Section on Project Design, special measures could have been and still could be designed for such linkages. Annex 2 to this report, has proposals this regard. For example, rewarding SMEs that will share information with free or partial-fee based 'membership' in the DBIC network, and other measures could be instituted.

- Further, the project's approach is described as "...The UNIDO business information networking methodology does not provide traditional assistance to the public sector to operate and sustain business information centres but is designed to assist the private sector to run profitable businesses in the area of ICT and business advisory services. As such, the technical assistance aims at unleashing entrepreneurship that will adjust itself to market-driven imperatives....."²⁸. Indeed, the aim should be to unleash entrepreneurship, but, in line with the quote, there is a need to assist the private sector to run profitable businesses in the area of ICT: in other words, DBICs need specialized training on how to unleash their potential, including on creating and expanding networks- on a sustainable and profitable basis. While basic knowledge about Internet access and some knowledge on how to search for information is present at DBICs, specific knowledge on how to access specialized information databases is lacking. Information officers interviewed mentioned the need for more and more in-depth training in networking and commercial approaches to information. To be able to create Knowledge Databases, the Centres still need further ICT training,
- "...In the districts at present there is little information available in electronic form with the potential content providers to classify as network partners. Therefore the DBICs, through the inquiries received, built knowledge based information databases based on experiences²⁹". This is what DBICs should be doing. The field visit indicated however, that, for example, the DBICs do not have a full picture of which of the SMEs in their area have been trained and might be of value for their own initiatives: having this knowledge would be a first step to start networking with them.
- ' Each of the DBICs operates independently, i.e. they are free to go through the hub or through any other information source they might wish to consult directly. At the same time, the objective is to establish a network using NetMIS for the DBICs to share BASIC information freely. For more detailed information the DBICs should transact among each other on commercial basis, for instance, if an inquiry arrives at a DBIC on a specific topic which has already been dealt with by another DBIC..". The problems with using NetMIS will be described later in the discussion of Activity 9. Little information exchange is taking place among DBICs on commercial and non-commercial basis, in fact only email exchange is taking place at the moment. The modalities of information exchange between DBICs were not sufficiently explored by the project.

²⁸ *ibid*

²⁹ A note sent to Mr. Vlaar, following up on the debriefing session organized by the Evaluation Group at UNIDO HQ on Monday, 4 February by the project staff.

The evaluation team appreciates that these are early days for the DBICs but do not agree with: ‘...The main objective of this phase of the project is to establish the DBICs in rural locations and help them to test the waters and be confident of delivering information services in terms of identifying the need, costing, information content, etc. During the next phase they will start sharing information based on demand and on commercial terms³⁰. It is our understanding that active information exchange within the network was to be expected at the end of this project. Micro, Small and Medium Enterprises require business information solutions and not information alone. The concept of UBIN, and hence the DBICs, as its extension, was to provide these value-added services. To ensure that DBICs stay on the track with the project objective and do eventually concentrate on business information solutions, require very thought-through management, as well as an enabling ICT environment as envisaged, and the UBIN as a hub. While resolving the UBIN issues is beyond the powers of the DBICs, the way their operation is managed now raises a few doubts (the problems described in the discussions above) on whether they would stay on track and move into providing mostly business information services, rather than basic Internet services.

The evaluation team recognises that there were many challenges facing the DBICs due to the delay in the start of the operations, tight time frame set for the project implementation, as well as issues with UBIN ownership, and recommends that the objectives and results are revisited during the planned evaluation of the IP-2 project in the autumn when there might be more concrete results.

Activity 7 Provide technical assistance for capacity building

- 16 direct employment opportunities created, i.e. 2 per centre.
- Staff trained to provide information brokering and other value added services

UNIDO paid the salaries of 16 staff members of the DBICs, i.e. 2 per centre. This is not however creation of employment, but rather UNIDO’s temporary contribution towards the operation of the Centers, thus rather project inputs than results. If these positions are maintained after the UNIDO funding expires, this would qualify as employment generation. What is more interesting, however, is the indirect employment generation, i.e. expansion of the SME employment as a result of the expansion of activities and stimulated by the services provided by the DBICs.

As discussed in the Section on Activity 6, although DBIC staff members were trained to provide information brokering and other value added services, the interviewees ranked the training received as not entirely sufficient.

Output 2: Strengthening of Uganda Business Information Network (UBIN) operations in Kampala

Activity 8. Strengthening of UBIN's Urban – Rural communication network

- Internet Connectivity established and functioning in the 8 pilot centres
- Fast access to market information and opportunities

³⁰ *ibid*

The 8 pilot centres technically established a connection to the Internet, and as such can access the World Wide Web to access informative websites and/or interchange information by means of specialized database communication software. As for the “fast access”, the uptime of the centres, in terms of its reliability to handle exchange of information – be it by access to websites or by special software - was seriously hampered by an erratic availability of power supply (public or own generator). All visited centres suffered frequent electricity breakdowns.

Besides:

- 1) The DBICs were interconnected with UBIN by Uganda Telecom Limited (UTL) through their Frame Relay Network (six of them by April 07, the latest Progress Report available). However, this connection then ceased. The domain name ubin.co.ug is no longer valid, and was actually disabled in March 2007. The website name of UBIN: <http://ubin.co.ug> is no longer officially registered nor owned by any organisation. Thus no access can be made to the database of UBIN via the Internet. The problems evolve around the UBIN shareholding. Initially UBIN was owned by the Uganda Investment Authority and the Uganda Coffee Development Authority with 50% each. A shareholder’s agreement was signed in September 2006 wherein it was agreed between the parties, namely Uganda Coffee Development Authority (UCDA), Uganda Investment Authority (UIA) and Solutions for Business Ltd. (S4B) that UCDA and UIA would transfer 45% of their shareholding to S4B. This would have resulted in S4B having 90% of the shares and UCDA and UIA having 5% of the shares each. As per the shareholders agreement UIA transferred its shares to S4B. However to date UCDA has not done so. Based on the shareholder’s agreement, UBIN moved out of the UCDA premises and was housed within S4B. Due to the delay in implementing the agreement, S4B went ahead and set up *I Know Information Services Ltd.* to deliver services. The Progress Report September – April 07 states that: *‘...Brand name of “I Know” has been developed with a pay off line of “all you need to know” by Solutions for Business Ltd. who are the majority shareholder of UBIN. The website www.iknowuganda.com was launched in March 2007....In the next phase appropriate promotional and communication tools will be developed. It is also planned to develop websites for each of the DBIC e.g. “iknowMasaka”, “iknow Mbale” or as DBICs with respective locations at the start e.g. Jinja DBIC, Mbale DBIC etc and in any case linked to the iknowuganda portal..’*

While we understand that the problem lies in finalising the transfer of ownership of UBIN, the situation still raises the following questions:

- a) The website www.iknowuganda.com has no reference to UBIN, which one would expect, as it is its successor. UNIDO is mentioned in general terms, without the specifics of the project³¹.
- b) The project Progress Report September-December 06 states that: *“...As part of the marketing/promotional activity, a portal will be launched which would facilitate each DBIC to have their local information whilst at the same time to share/access information from other DBICs and UBIN. The portal will also provide a cost effective solution for MSMEs to have their web sites thus offering much needed visibility. The project Progress Report from September –April 07 mentions that: “... As part of the marketing/promotional activity, a web site will*

³¹ Website accessed 03/06/08

be developed for each of the DBICs and linked to the already launched www.iknowuganda.com portal. This would facilitate each DBIC to have their local information whilst at the same time to share/access information from other DBICs and UBIN. This will also provide a cost effective solution for MSMEs to have their web sites thus offering the much needed visibility and income generation activity to the respective DBICs". More than 1 year has past since this last statement was made. At the moment of finalising this report, i.e. June 2008, the websites are not yet there. The project staff states that "... domain names will be registered for each DBIC therefore each DBIC will have ownership. ... administration and hosting is to be handled in the first year by UBIN/I Know due to lack of technical capability at DBICs and costs issues".

- c) The evaluation team found that the DBICs were not aware of the processes involved in obtaining domain names and were implicitly waiting for the Steering Committee and stakeholder companies to take the initiative. Owning a company or organization identity on Internet by means of a domain name, is crucial for the Internet knowledge exchange machinery and should be pursued and this should have been done from the very beginning of the project. Nor, were the DBICs visited by the evaluation team, consulted about linking them to the "I know"-related domain names. Since they are not branches of a centrally based organization, such a consultation would have been needed.

2) According to the project staff³²:

- a) *'...The hub is supposed to build relations with national institutions in order to share information on an abstract basis on commercial terms. The information abstracts will contain for instance title of reports, major highlights, etc which will be available at the hub. When the information is changed/ updated the content is automatically updated through NetMIS. Therefore, the hub does not manage information nor does it control information flow in any way. However the hub will know where, what and how to obtain information".* The project has progressed somewhat in building relations with national institutions, in the sense that some of them have received and installed NetMIS and have expressed willingness and interest in information exchange. The project progress is stalled, however, due to primarily, uncertainty of UBIN ownership.
- b) *'...UBIN will be based on demand driven basis. This is primarily to ensure sustainability concept. In addition, ownership of DBICs and UBIN are different. There is no compulsion that a DBIC should go through UBIN for its information requirements if it finds an alternate cost effective method. It would be up to UBIN to provide competitive services to the DBICs such that they would use them'..* We do share the vision of the project staff that the concept of the UBIN as a backbone did not imply the creation of central databases, but rather - the concept was/is that each DBIC builds individual knowledge-based databases. It is acknowledged that while UBIN could/can only facilitate information exchange (as stands currently - under "I Know"), the functioning of the DBICs is independent of UBIN.

³² A note sent to Mr. Vlaar, following up on the debriefing session organized by the Evaluation Group at UNIDO HQ on Monday, 4 February by the project staff.

However, it has also has to be stated that UBIN, as the backbone of the information exchange (as stated in the project objective, and not currently the case) was meant to play the role of information broker/facilitator on a commercial basis between the DBICs, for example, to provide DBICs with subscription to international databases based on demand. Thus, while theoretically DBICs are not dependent of UBIN, the latter was supposed to be the *most facilitating tool* in their work. And, indeed, DBICs can exchange information on a commercial basis among themselves, but the team did not witness any evidence that they do it to any significant degree. Jinja DBIC showed a financial overview of the commercial transactions. Only a marginal portion of income was originating from SME inquiries. The exchange of information between the DBICs was more on how to tackle their own organisational problems and how to survive thus not geared towards knowledge exchange for commercial purposes.

According to the project staff, at present (information provided in June 2008, after the evaluation mission and not validated) the DBICs do exchange information on a commercial basis (i.e. selling information to each other) even without a fully functioning UBIN.

While at the time of field visit, not much ICT based exchange was taking place, the issue of how to exchange information (and how the DBICS would relate) was prominent among DBIC managers. This was more a consequence of the 'project approach mentality' whereby the DBICs perceived themselves as dependent on guidance from the project office to signal when and how activities would be rolled out. One key issue, still outstanding at that time, was the formalization of the relationships among DBICs, with further elaboration and clarification- because of the delayed signing of MoUs among all the parties (some MoUs had not been signed by the time of the evaluation). Hence it is still important to emphasise the role of establishing strong and active linkages (possibly at the central level) enabling DBICs to exchange tradable information in an agreed and predictable way. The key would be the exchange protocols (formats, pricing, etc) – indeed, not through a centralised (physical) database storing, but through Internet, as a more efficient platform, enabling actual transactions among DBICs to take place.

Thus one of the main reasons for the present immaturity of the DBICs, in terms of providing value added business information services (also as a result of knowledge and information exchange on commercial basis), is that UBIN does not exist in its proposed functionality.

Again, the evaluation team understands that there were valid reasons for arriving at this situation, the long delays at the start of the project, the resulting accelerated implementation that was not according to the initially planned schedule (although there was a subsequent extension), and problems with the UBIN ownership transfer. Probably more time should have been allowed to enable more progress and it is therefore recommended that this aspect be revisited in September in the framework of Integrated Program-2 evaluation.

The project has been able to record a number of success stories, proving that the services provided by the DBICs have assisted MSMEs to acquire ICT skills, access markets and technology information, resulting in better productivity and competitive advantages. However, in addition to anecdotal evidence (see. Box 1) one would need indicators to measure the results (outcomes vs. outputs) as discussed in Section 3.2.2. .

Output 3: Increased capacity for the schools and hospitals to use the enhanced ICT infrastructure

Activity 9. Institutional capacity building of important national information resources

- Create capacity within the selected institutions to provide relevant and current information
- Installation and Training of NetMIS
- To become part of the proposed WAN

NetMIS is a content and database management tool that can run under the Linux operating system.

According to the information received from the project staff, the NetMIS server *was to be hosted* by the hub in Kampala, with the individual client databases of DBIC maintained locally. To obtain the best possible resource efficiency, the database management and hosting of services and websites in each of the DBICs *was to be* undertaken through a common infrastructure of the hub (i.e. web server hosting, etc.). NetMIS software has a hub and a remote version. The hub *was to hold* only the abstract of what is available at remote locations. NetMIS has been designed with a user and content management architecture that reflects the roles and responsibilities of each DBIC and of the central hub. A static feature is embedded whereby remote location entering data into their own databases *was to allow* categorising into 3 areas i.e. private, network and public. After the deployment of the NetMIS software, the information *was to be* shared between the partners based on these three categories.

The above is an extract from the description, at the end of the project, of the achievements of the project regarding this component by the project team³³. Notably, all the developments were described in the future tense.

According to the project staff, currently NetMIS has been installed and the functionality tested at:

- The Ministry of Tourism, Trade and Industry, the Uganda National Bureau of Standards, the Uganda Export Promotions Board, the Uganda Coffee Development Authority and the Uganda Investment Authority in Kampala. Each of these institutions was also provided with a computer (used PCs received free of charge through UNIDO);
- All 8 DBICs and the hub - I Know Information Services/UBIN in Kampala.

Also, according to the project staff currently:

- The DBICs are building their individual knowledge based databases and share information among themselves via email;

³³ Source: A note sent to Mr. Vlaar, following up on the debriefing session organized by the Evaluation Group at UNIDO HQ on Monday, 4 February by the project staff.

- The Uganda National Bureau of Standards (UNBS) is actively using NetMIS³⁴;
- The information officers, especially at the first 6 established centres, have been trained to use the NetMIS.

The above statements could not be independently validated at this stage. At the time of the field mission:

- NetMIS was neither installed nor functioning in any of the DBICs. Only e-mail and phone based information exchanges took place between the DBICs (most of the communication is by phone);
- NetMIS was available (where it was demonstrated) at the Uganda National Bureau of Standards, but even here, the system was not actively used.

According to the project team, “...*This situation [that only the National Bureau of Standards is using NetMIS] came about primarily due to the uncertainty in UBIN ownership*”³⁵.

The evaluation team acknowledges that it was and is envisaged that the DBICs will use the functionality of NetMIS in a demand driven manner, i.e. “...*NetMIS is only a tool to facilitate sharing of information if they so decide. .. Each of the DBICs operates independently, i.e. they are free to go through the hub or any other information source they wish to consult directly*”³⁶.

However, according to the project document, it was NetMIS, which in line with the immediate objective of the project, was to primarily facilitate informationsharing across the network.

It is also understood that UBIN is a ‘virtual network’, and ‘*not a physical network based on the use of NetMIS software*’. But even a virtual network needs tools to be organized. Currently the network is based more on personal contacts, human interactions, etc., while it is our understanding that the NetMIS software should dictate a common communication structure, in such a way that it will be efficient and sustainable in dealing with information. NetMIS is a software, that was developed with the intention to create a virtual platform for sharing of information among DBICs, based on demand and on a commercial basis. NetMIS is running on a computer with Operating System Linux. This computer also functions as the local DBIC Server. The client computers at a DBIC, running Microsoft Operating System could communicate with this server for client visitors retrieving information but the feature is not functioning in any of the NetMIS installed sites. According to the project staff:

- NetMIS can be adapted to be accessed by means of a web browser (i.e. Microsoft Internet Explorer, Mozilla Firefox, etc), which is the best practice of communication with a database system nowadays. This feature however is not implemented, the

³⁴ Source: e-mail from 29/05/08

³⁵ Source: e-mail from 29/05/08

³⁶ Source: A note sent to Mr. Vlaar, following up on the debriefing session organized by the Evaluation Group at UNIDO HQ on Monday, 4 February by the project staff

NetMIS software functions in an “island configuration”, accessible exclusively by the systems that have NetMIS software installed.

- NetMIS could be used as a stand-alone system in a DBIC itself for data manipulation entered locally and to retrieve information. This was not observed during the evaluation mission in the field.

Thus, to summarise, while the evaluation team acknowledges that the functioning of a DBIC is independent of NetMIS, it was through NetMIS, that in line with the immediate objective of the project, DBICs were to primarily share information, and the immaturity of its current functionality has affected the project’s progress. It is also important to highlight, that any form of ICT based communication and exchange of knowledge and information requires a structured approach and a strict set of protocols in which the information is exchanged. At a minimum, to an information block there has to be attached some commercial value- to facilitate the sharing and advancement of the quantity and the quality (content) of this process. Very little of this structured, ICT based communication is happening among DBICs currently. According to the project staff, NetMIS has a built-in simplified feature for information pricing, however there was no indication that this has been activated or applied.

‘Increased capacity for the schools and hospitals to use the enhanced ICT infrastructure’ is listed as an output in the project document but has not been produced. It is not clear when and why this output was dropped. No activities were planned or implemented to reach out to the schools and hospitals. Some teachers participated in training events, but no structured attempt of involving schools and hospitals in an enhanced ICT infrastructure could be documented.

As for becoming a part of the proposed WAN, this is a technology that is advancing, but DBICs are not yet matured enough to use it. With additional training and more time, this is, however, possible.

Output 4. Increased capacity in the country to provide business information solutions to meet the demands of the MSMEs

Activity 10. Conduct of Business Coaching Programmes.

- 80 Business Advisors trained, i.e. 10 per district. Location as provided in the Business plans

It is not clear whether these identified deliverable and targets were achieved or not. A “log frame” available in the project files from June 07, cites only that “...UNIDO has previously trained entrepreneurs under the Master Craftsman Programme in specific sectors. It is planned to enhance their skills in ICT through the DBIC services” but there is no mention of trained business advisors.

Output 5: Enriching the national objectives in support of the use of ICT and Internet by rural communities by introducing it and integrating it into the DBIC concept.

Activity 11. Awareness Building

- Seminars/workshops conducted

According to the project team, up to the end of April 2008, a total of 580 beneficiaries have been trained in ICT skills of which 191 represent MSMEs, the balance representing students and individuals including government/NGO officials³⁷.

- Promotional materials prepared

UBIN had significant influence (in the period prior to 2006) in raising awareness about the use of ICT in business- this was strongly expressed by the Government officials interviewed by the evaluation team. The current project served as yet another building block in awareness raising about the need to share information between SMEs, agencies, other stakeholders, and the ways that ICT can be utilized to efficiently deliver information to SMEs and that started within the first-phase project. The mere presence of the project contributes to this goal. The project was active in the publication and distribution of promotional materials and using radio in its outreach.

The opening ceremonies of the Centres were attended by government officials, which also resulted in a wide promotional status of the Centres.

Activity 12 Pilot Centres commercially operating

- 180 information solution inquiries processed, i.e. 3 inquiries for the first 5 centres per month during the first 12 months of operation
- 50 people trained in entrepreneurial /ICT, i.e. 10 per centre for the first 5 centres
- Websites/Links developed

The centres visited by the team were operational to the extent that they deliver computer courses to the public and provide Internet Access Services. As mentioned earlier, business information services are only being provided to a very limited extent.

According to the project team, “110 information inquiries have also been serviced mainly in the food processing sector amounting to 59 nos³⁸”. This is less than the target number of 180, but the main point is that the evaluation team was not able to objectively verify this information. As a reply to our request to display these inquiries and how they were treated, no systematic way of reporting was provided. Some of these cases are presented as “success stories”, in printed leaflets. But unfortunately concrete evidence (the question and its answer) are not available in the NetMIS databases, which was what was envisaged.

³⁷ Source: Updates on Strengthening the Uganda Business Information Network (UE/UGA/04/062) and Support Programme under UNIDO-Microsoft Partnership Agreement (XP/GLO/07/023)

³⁸ Ibid

Having inquiries registered is a first necessary step towards a mechanism to share information.

According to the report of the project team, *up to end of April 2008 a total 580 beneficiaries have been trained in ICT skills of which 191 represent MSMEs, the balance represents students and individuals including government/NGO officials*³⁹. This means that the target of 50 people trained in entrepreneurial skills/ICT has been met.

Additionally, a strategy was supposed to be developed to ensure that women and men benefit equally from the project results in all the aspects: rights, resources and opportunities provided under the project. The DBICs were expected to link up with women groups in the targeted districts in order to encourage women entrepreneurs to participate in their activities. The DBICs produce gender-based statistics of their clients and the project, as mentioned above, published a gender Handbook to guide the DBICs. However no specific measures to encourage the use of DBIC services by women were recorded.

Box 1 Visits to District Business Information Centres in Jinja, Arua and Masaka

DBICs are located at strategic locations action in each DBIC.

All the DBICs had a well-equipped computer classroom, Internet Café and staff available. Unfortunately electricity supply was scarce during the visits, so the Centres were functioning only partially. We met, at each DBIC, with highly motivated staff, with strong ties to the local government, and outreach to local SMEs and NGOs. All were enthusiastic about the project and had positive expectations that the project would improve the sector specific Knowledge Exchange. Expectations of more availability of inexpensive computers and direct specific marketing assistances were raised, as well as the need for regular exchange of experience. A desire to move towards own data knowledge ownership was expressed. Further assistance from UNIDO was expected not only in supported network based information exchange, but also in more and more in-depth ICT, Marketing and Management skills training.

The visited SMEs highly valued the services offered by the DBICs, especially the “extra” of Commercial and Entrepreneurial services offered, which they do not get if they use Internet cafes in the towns. Some of the SMEs were aware of the UBIN concept and strongly welcome the initiative.

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³⁹ *ibid*

5.2 Assessment based on Evaluation Criteria

5.2.1 Relevance

- *Did the project correctly address the identified problems and real needs?*
- *The project is in line with the priorities and policies of the Ugandan Government.*
- *The information and services provided by the Darks are relevant to the Memes and adapted to the local situation and local needs.*
- *The private sector is utilizing the Darks and finds their services to be in line with its demands.*
- *The objectives of the project are still valid.*
- *The national management and counterparts were able and willing, to contribute actively to project implementation.*
- *The project was formulated with participation of the national counterparts.*

Relevance of the project

The broad project objectives were and are relevant - addressing the divide in ICT use between the businesses in Kampala and the districts is important and needed, is high on the agenda of the Government of Uganda (e.g. poverty reduction and sectoral plans) and, indeed, technological developments, in particular in the area of ICT have a potential of generating opportunities for industrial development in the country.

The project has been instrumental in changing the perceptions of the ICT needs of the SME sector in Uganda both at national and district levels. This is also true for the participating stakeholders- private and public sector organizations. This has been validated through numerous anecdotal evidences collected by the project team in the field. The services and knowledge that have been provided were eagerly accepted and there have been many requests for more learning opportunities. Furthermore, the DBICs have contributed to increasing the awareness, among the MSMEs, that market information can be obtained by means of ICT.

The setting -up of the DBICs was very relevant for the new Ministry of ICT, which has in its turn been building up experience and expertise in ICT and Knowledge Transfer. The DBICs contributed to stimulating the debate around the regulatory and administrative governance of ICT in the country.

The relevance of the project was also highlighted by the fact that the ownership by the key partners during the lifetime of the project was overall high and the fact that a high-level national Steering Committee was established to oversee the project's progress. The stakeholders are represented in the Steering Committee by a large number of key government, public and private sector organisations:

- Uganda National Chamber of Commerce and Industry (UNCCI)
- Uganda Telecom Limited (UTL)
- Federation of Associations of Uganda Exporters (FAUEX)
- Uganda Small Scale Industries Associations (USSIA)
- Uganda National Farmers Federation (UNFF)
- Uganda Women Entrepreneurs Association Limited (UWEAL)
- Federation of Associations of Uganda Exporters (FAUEX)
- Uganda Manufacturers Association (UMA)

- Ministry of Tourism, Trade and Industry (MTTI)
- Austrian Development Cooperation (ADC)
- Uganda Integrated Programme (UIP)-UNIDO
- Uganda Business Information Network (UBIN)
- Project Manager –UNIDO Vienna
- Chief Technical Advisor UNIDO Uganda
- Programme Assistant DBICs UNIDO Uganda

The Members of the Steering Committee were very active in overseeing the progress of the project, raising relevant concerns and providing advice and guidance to the project.

At the same time:

- The Memoranda of Understanding between the MTTI, UNIDO, the DBICs, Local District Government, and Solutions for Business Limited have not been signed as yet. It should be noted that the drafts of these MOUs were ready as early as April 07, as it is stated in the Progress Report September – April 07: '... *The draft MOU was developed to be entered into between the different stakeholders and the District Steering Committees of Masaka, Mbale, Jinja, Soroti and Kabale have endorsed same. MTTI and UNIDO will witness the MOU.* These MOUs would clarify the regulation of the ownership and responsibilities of the DBICs' infrastructure and knowledge base.
- More could still be done in terms of stimulating ownership at the local level and a more active involvement of Local Stakeholder Committees in DBIC governance.
- The situation with the ownership transfer of UBIN raises concerns. Whatever is the cause of this situation, whereby the UBIN is not operating as a hub and NetMIS is not being currently used for information exchange, indicates a lowering sense of ownership on behalf of the UBIN custodians

Relevance of the project design

The relevance of the project design raises a few questions, in that, stimulating basic ICT knowledge and extending it across the regions could have been a more relevant *first phase* of the project with the concept of DBIC to follow later. This was discussed earlier in the report.

Also, alternative designs of the project could have been considered, e.g. in terms of more close links to Government and local Government structures.

Given the perspective of growing Internet access in Uganda, *DBICs relevance has a potential to increase* in the coming years, on the assumption that they continue to provide demand-based services and actively start networking and exchanging business information.

5.2.2 Effectiveness

- *To what extent were the project results used?*
- *What difference did the project results make in practice to the clients and beneficiaries?*
- *The objectives and outputs were achieved?*

Many expected project results were achieved and used, in that:

- The services offered by the DBICs are in demand, appreciated and paid for.
- The project raised awareness of the need for ICT based business information exchange, suggesting the concept of the UBIN Portal and the DBICs as access points for the SMEs, Public and Private Organisations.
- The project has assisted the Ugandan Government in increasing ICT awareness and in the establishment of 8 Business Information Network Centres. The project has thus been able to contribute to national policy-implementation in ICT.
- The anecdotal evidences suggest that a number of SMEs did become more active in marketing and knowledge search after proactive visits and/or stimuli given by DBICs- no survey on effects was carried out, however.
- A number of SMEs did expand their business as a result of using the services of DBICs.

However:

- The utility of NetMIS as well as of the original UBIN is questioned since NetMIS is not being currently used as a vehicle for information exchange and the UBIN network is suspended.
- ICT statistics show that households with female heads are twice as likely to have an internet connection, than households with male heads. The higher percentage of females in the country provides strategic opportunities for growing ICT skills and utilization in the country. The project document mentions gender issues and a Handbook was produced on how to cater for the gender perspective in DBIC operations. However, *no concrete action plans were designed and or/implemented to address the gender imbalance in ICT use in businesses*. The Steering Committee, raised the issue of addressing the gender perspective *more explicitly in DBIC operations*, e.g. by having special days for women⁴⁰, but there is no evidence that this or other similar initiatives were initiated. Gender considerations were taken into account by DBIC staff in terms of allowing women to take longer time to complete courses (to enable them to continue assuming other duties). Apart from this, the evaluators found that the DBICs were merely noting the number of women taking part in the ICT training courses offered. Thus, no strategic use was made of what was produced- the Handbook on Gender issues in ICT. For example, there were no special days for women, nor any concrete mechanisms introduced to link up with women organizations.

5.2.3 Efficiency

The extent to which:

- *UNIDO and Government/counterpart inputs have been provided as planned and were adequate to meet requirements.*
- *The quality of UNIDO inputs and services (expertise, training, equipment, methodologies, etc.) – were as planned and timely.*

⁴⁰

See the Minutes of SC Meeting in June 06

- *Inputs led to the production of outputs.*
- *The least costly resources and processes were used in order to achieve the objectives.*
- *There has been coordination with other projects, of UNIDO and of other donors and possible synergy effects.*
- *Proposed linkages to other MSMEs development initiatives have materialized.*
- *The locations of the DBICs were optimum and in line with established criteria.*
- *National management and overall field coordination mechanisms of the project have been efficient and effective.*
- *The UNIDO HQ based management, coordination, quality control and technical inputs have been efficient and effective.*
- *Monitoring and self-evaluation was carried out effectively, based on indicators for outputs, outcomes and objectives and using that information for project steering and adaptive management.*
- *Changes in planning documents during implementation have been approved and documented.*
- *Coordination envisaged with other development cooperation programmes in the country has been realized and benefits achieved.*
- *Synergy benefits can be found in relation to other UNIDO activities in the country.*

The project was characterised by energetic management: project managers at all levels were able to get the project back on track after experiencing an 8 month delay in the beginning, due to the receipt of computers with incorrect specifications, and late arrival of the requested computers, as well as delays in the formation of the Steering Committee as a result of changes in the composition of the Government: eight months is a significant time-frame for a two-year project. The involvement of all stakeholders in the process has undoubtedly facilitated fast-track implementation of the project after the arrival of the equipment, as a result of which all 8 DBICs were established. Although the project was subsequently extended for almost a year, these developments meant that the planned implementation schedule was disrupted. Probably, for such an extensive project the planned duration of two years was short, especially if the aim was to arrive at fully functional DBICs, actively involved in a network-based information exchange and providing value added ICT based business solutions by the end of the project.

Some good indications are in place that, if not the delays incurred in the transfer of ownership of UBIN much more mature linkages in UBIN – DBIC –MSMEs/stakeholders network could have been documented.

The locations of the DBICs were in line with established criteria.

However, the following are concerns with regards to efficiency:

- Some of the crucial activities under the project, while mentioned as planned in the Progress Reports (e.g. domain names for DBICs, introducing MIS for monitoring), were still not accomplished by the time of the evaluation.
- The comparative M&E system that was planned and stated as one of the deliverables was not developed. The MIS based monitoring of the activities of the DBICs while

planned, was not carried out. In addition, the project did not have a log frame developed at the design stage, and this was detrimental to project management and monitoring (and evaluation). The Business Plans envisaged the monitoring of DBIC performance by UNIDO project staff. With the DBIC of Jinja as example, it was concluded that data and information was gathered on management and functional levels of the DBICs. Statistics of Internet Café visits, training sessions and Information Exchange with SMEs were being collected but no systematic data gathering and aggregation across DBICs were carried out .

- Whereas relations were established with other international organizations and donor supported programmes and projects, both at the central level and in the targeted Provinces, there seem to have been room for more joint activities and more sharing of experiences, inputs, tools, experts etc... The most obvious cooperation was the linkage with the UNDP District Promotion Centres (DPC) project- in terms of the latter serving, in most cases, as a base for DBICs. However, direct synergy/cooperation between the project and other ongoing projects with similar objectives and target beneficiaries in the Districts was not high. *Explicit mechanisms* of cooperating with other donor-funded projects were lacking. For example, no explicit cooperation could be documented with the majority of the existing entities/initiatives (mentioned in the Project Document), e.g. Uganda National Chamber of Commerce and Industry (UNCCI), Uganda Small Scale Industries Association (USSIA), Uganda Manufactures Association (UMA) and Micro or Small and Medium Enterprises support initiatives of bilateral and multilateral agencies⁴¹;
- In particular, there is no strong indication of direct linkages with other interventions of the UNIDO Integrated Program 2, and most importantly –with those aimed at fostering the development of agrobusinesses. A more proactive approach could have been possible in the form of linkages (also ICT-based) with sectoral associations, agrobusiness intermediaries (e.g. wholesale traders, etc). This is particularly relevant since the partnership with the UNIDO Master Craftsman project, was mentioned in the Project Document. Notably:
 - The importance of explicitly linking DBIC services to business associations, operating locally was stressed during the meetings of the Steering Committee (e.g. on the example of UNFF centers, and Coffee Producers Association. See more on this in the discussion of Activity 6)
 - The Project Document in the section on Outputs envisages that *“Setting up and improving the central backbone of the District Business Information Centres will assist to integrate the various components of UNIDO's Integrated Programme in Uganda in support of the SMEs’*.

Thus to date there is not yet an efficient and effective platform where the rural SMEs and DBICs can exchange experiences, opinions, questions and opportunities for their businesses. According to project staff: *“The beneficiaries of this project are the SMEs in the districts. It is seen on the ground that entrepreneurs who have received assistance from other UNIDO projects of the IP are using the DBICs, for instance beneficiaries of MCP are using the DBIC for ICT training, Internet use and for information access. DBICs have been advised to focus (where appropriate) on the 5 sectors that UNIDO IP has been working with in order to have access to such resources”*.

⁴¹ See the Minutes of SC Meeting in June 06

5.2.4 Potential for Impact

- *Identification of the long term developmental changes or benefits (economic, environmental, social and developmental) that have occurred or are likely to occur as a result of the project.*
- *To what extent has the project, or is it likely to, contribute to more competitive Ugandan enterprises, improved quality of products being offered, increased export, new investments or contributed to increased employment.*

One of the main indications of the strong potential for impact of the project is the fact that the Ministry of ICT of Uganda has decided to replicate the DBIC model for the establishment of another 20 centres throughout the country with its own funding (separate from the planned expansion of the project to 6 districts in the North of Uganda, which UNIDO and Austrian Development Agency are now considering).

The project placed the DBICs on the Ugandan map of ICT and Knowledge Management related activities. The involvement of the DBICs had a strong influence on stimulating ICT awareness among SMEs and influencing the GOU ICT strategy. In terms of achieving one of the project's objectives, namely '*... To strengthen national and district policies and institutional frameworks on knowledge exchange by means of ICT technologies for the development and support of MSMEs in Uganda capital and eight selected district...*', it can be stated that the support to the new Ministry of ICT has been extensive in terms of strengthening the *ICT for business concept*- a message reiterated during the meetings with the Government during the evaluation mission.

The project had an impact on fostering several other related initiatives, like selecting Uganda as a pilot country for the UNIDO - Microsoft refurbished computer initiative.

The *potential* for impact of the project, especially if the set objective of fully functional (in terms of providing value added business solutions) DBICs is met, ICT infrastructure in the rural areas improves, and efficiency of management of DBICs increases, *could be very large*. The available information does not allow us to assess the magnitude of the potential impact on businesses. This could be assessed at a later stage, through interviewing the same sets of businesses, as during the Needs Assessment.

Targeting individual businesswomen with potential to grow as businesspersons might have large social as well as economic impact and should be pursued.

Technology improvements promoted through ICT have had demonstration effects and generated business initiatives beyond the level of the immediate users. For example, training materials, which have been developed within the project, are used by Government departments. Also the engineers of the new ICT Ministry were welcoming the ideas/outputs of the project and intended to apply them in their own DICs.

5.2.5 Sustainability

- *The extent to which the DBICs have reached technical and financial sustainability.*

- *The extent to which MSMEs demand and are willing to pay for services provided by the DBICs.*

a) Technical Sustainability

Recently a few important measures were taken, which will strengthen the prospects for technical sustainability of the DBICs:

- NetMIS is now available as an auto install CD. At present it has 3 importation modules i.e. MS Access, WINISIS and In Magic. This is based on Uganda requirements.
- UNIDO has made an agreement with I Know/UBIN to provide first level support for NetMIS and also a maintenance agreement for one year.

The project document features recognition of the fact that high cost of energy and unreliable supply threatens business continuity. Though not initially planned, each DBIC was provided with a back up power system. Still prospects for using alternative sources of energy need to be looked into.

b) Programmatic sustainability

The fact that the Ministry of ICT of Uganda has decided to replicate the DBIC model for the establishment of another 20 centres throughout the country with its own funding will be one of the main drivers behind the programmatic sustainability of the project, if DBICs and DICs are to be linked.

Also:

- As part of the capacity building programme UNIDO carried out an ICT Training of Trainer (TOT) programme in all project locations, in order to ensure the availability of a sufficient number of skilled ICT Trainers in different locations⁴²;
- While it is too early to make judgements, the impression and concern is that the programmatic sustainability of UBIN is weak, unless steps are urgently taken by the main stakeholders, including the Government of Uganda to bring UBIN back on the ICT map of Uganda;
- UNIDO's Strategic Partnership with Microsoft, aiming at the promotion of innovative use of ICT for MSMEs, increasing the awareness of ICT and ICT tools, improving access to cost effective hardware and software, as well as delivering professional ICT Training (Office Packages) by and through DBICs to SMEs, with an additional advantage of awareness raising about DBICs, is a significant development which will strengthen the programmatic sustainability of the project. On 21 September 2007, a Letter of Intent was signed between UNIDO, the Government of Uganda and Microsoft with the aim to promote the development of local software solutions in Uganda. The three parties are currently working towards the establishment of an ICT innovation centre, to be launched in October 2008. Currently a local refurbishment centre is about to be inaugurated. This will further support the viability of the concept of the current project. UNIDO and Microsoft have received the Africa Investor Award 2007 in the category Best

⁴² From Progress Report September – April 07

Initiative in Support of Small and Medium Enterprise (SME) Development for the Uganda Business Information Centre project and this will undoubtedly contribute to the achievement of the project's objectives and to sustainable DBIC services.

At the same time:

- As described in the previous sections the fact that Memoranda of Understanding between MTTI, UNIDO, DBICs leading organisations, Local District Government, and Solutions for Business Limited have not been not yet been signed (and thus there is no clarity on who owns the infrastructure and knowledge related products and information generated at DBICs) potentially threatens the programmatic sustainability of the project and the DBICs;
- A strong link between the DBICs and other Uganda Integrated Programme projects would have fostered the programmatic sustainability of the project. SMEs in the DBIC covered areas on their part, had good experience with the Technical Skills Training Programme of the Uganda Integrated Programme, but a link (information about participants, skills, qualities, networking) was not made between the DBICs and this project. The Uganda Integrated Programme Office has accumulated extensive knowledge about links to the specific sectors, as well as access to the knowledge base of each sector and should be used. The information available on projects at the Uganda Integrated Programme Office could function as one of the Knowledge Based Hubs in the DBIC networks, with a further link to the UBIN Network by becoming also one of the information nodes in the network;
- The Stakeholder Committee could have been transformed- or planned to be transformed, or merged with an existing initiative, e.g. *National ICT/e-Government Inter-Agency Planning Team (see Section, 2.3.2)*, interacting actively with the Ministry of Communications on a continued and regular basis. This would have provided a sustainability mechanism to continue monitoring the 8 DBICs and ensuring their role in other development programmes and projects;
- Information Officers were trained and functional at the DBICs as ICT experts and communication officers– on Internet or otherwise. This trained and committed ICT staff members are solicited by many other organisations. At the visited DBICs, half of the staff members were more or less actively looking for another job. The project reports also recognize this as a threat to sustainability, citing a 50% retention rate of trained staff in the districts. Their retention was identified as one of the critical success factors in the business plans. The project staff has recommended training a pool of people and also to implement internships in cooperation with relevant national institutions. Staff Retention in ICT is a worldwide issue. Job-hopping is normal in the domain of ICT, and Uganda is thus not an exception. ICT staff could be encouraged to stay with the DBICs by offering better salaries, providing them with opportunities to attend training programmes and through fostering a dynamic environment;
- The training provided by DBICs to stakeholders in each district was received very well and was seen as a valuable contribution to reaching their goals. The DBICs also view the training sessions as a component for exchanging information about the UNIDO project itself, its goals and its targets. The training was equally seen as a team-building exercise among the DBIC staff and UNIDO experts. However, a training policy for all DBICs was not developed at the onset of the project. Neither is training included in the business plans as a necessary investment or recurrent

cost;

- The issue of networking and sharing of information needs to stay high on the agenda, and be intensively promoted as soon as the UBIN network is operational. Even in its absence, DBICs could develop protocols for sharing their databases, thus promoting the interest and hence the sustainability base for their operations;
- The uncertain situation with UBIN ownership transfer threatens both the programmatic and financial viability of the project.

b) Financial and operational sustainability

A critical base of participating SMEs and knowledge information providers is necessary in order to allow DBICs to function without resorting to the provision of basic services – the present predominant source of their income.

The concept was that each DBIC from day one was to take responsibility for operating expenses, with the exception of the coverage by UNIDO of the expenses on Internet connectivity, payment of salaries for 2 staff members and insurance for the first 12 months.

Indeed, it should be underscored that the DBIC concept does not envisage free information exchange between the DBICs, and that each DBIC chooses which information it will share throughout the network free of charge and which information it will sell to other DBICs on a commercial basis (such as customer profile, type of service offered, etc). But it needs to be recognised also that the exchange of information would indeed be facilitated when the information is stored in a certain formats, structured and shared according to agreed communication procedures and protocols, using a software package – like NetMIS.

Some of the DBICs in their turn took over certain running costs (electricity, communication, rent), covered by the profits made at the centre. They became entrepreneurial in order to continue to offer services to the SMEs and Internet Café clients.

The project has been able to mobilise additional funding, e.g. during the Commonwealth Heads of Government Meeting in November 2007. One of the (Information and Knowledge) examples is the Jinja DBIC: a tourist guide about the region with the emphasis on SMEs was produced. They now offer the booklet to visitors of the DBIC, on sale. The information contained can be used for the initial set-up of their (Jinja DBIC) own website, since it gives a global overview of the industrial and tourist oriented activities in the region.

In order to increase the potential for the (short-term) sustainability of DBICs, they were most often linked to existing initiatives, like UNDP DPC.

The DBICs still need to develop their commercial side and be much more proactive in involving more partners in the network in order to ensure the long-term sustainability of the centres. Most of all, they need to offer services in demand and for which SMEs are willing to pay.

5.2.6 Other Issues

- *To what extent has the project fostered or hindered the development of commercial business services in the area of business information and ICT.*

- *To what extent has it been ensured that women and men benefit equally from the project?*
- *Is the support provided by private sector companies consistent with UNIDO policies?*

It is acknowledged that the UNIDO DBIC model is based on the delivery of demand driven business information solutions and that it takes time in developing countries to make MSMEs understand the importance of the value of information and pay for them.

The evaluation team understands that, since the objective was to set up sustainable operations, it became necessary to identify other relevant services to create cash flow in the short to medium term (i.e. through ICT training and Internet access). However, the fact that, currently, the DBICs are predominantly providing basic services, means that they are in competition with existing providers of the same services, who did not have the advantage of being supported by the project. Hence there is a concern that the project could have adversely affected the local Internet cafes and alike. There is evidence that these concerns have to some extent materialized: interviewees representing SMEs preferred the possibility of having basic ICT training (word processing, spreadsheet, databases, browser for Internet access) by DBICs, compared to training provided by other (de-facto-competitor) ICT Internet and Training Institutions in towns, due to the presumption that at the DBICs the quality of training and consultancy would be higher. The SMEs, which were interviewed, explained the reasons of their preference for DBICs as follows:

- While the price per minute to access Internet was about the same as with the competitors, as well as the extent of problems with speed of access and electricity availability, the connotation with UNIDO, made using DBICs for basic services more attractive;
- Some mentioned that the advantage was also that DBICs offer an environment geared towards the interests of the SMEs, assistance in searching for information, and contact;

SMEs visiting the DBICs are also exposed to other opportunities related to business information which would not be the case if they visited an internet café thus there are value added services.

It should also be noted, that the Steering Committee has Business Support Organisation (BSO) membership, and these BSOs have strongly promoted DBICs (among their members) as important business information resources. This was particularly the case in Jinja and Arua where there was strong awareness, among SMEs visited, about the role of DBICs as business information resources. Many SMEs would therefore visit the DBIC with this expectation in mind

In relation to competition there is also a positive longer-term outcome, in that the project will help to increase the customer base of the de-facto- competitors, but in the short run it is likely that they were affected by the emergence of a more powerful competitor. It would be interesting to analyse, in more detail, the impact of the DBIC concept on existing and emerging ICT Internet and Training Institutions as the concept rolls out to other districts.

6

Recommendations for potential follow-up

The extent to which proposals put forth by the project team for the next phase are:

- *relevant to Government and UNIDO priorities*
- *compatible with currently available implementation capacities*
- *based on logically valid means-ends relationships and take into consideration factors to mitigate likely risks*

From the Project Document as well as from the discussions held in the field, we are aware that setting up additional DBICs is envisaged in a next phase project. According to the information available, the Ministry of Information and Communications Technology (MICT) is presently planning to establish more centres in 2008, to be based on the UNIDO DBIC model and has requested UNIDO assistance in this regard. In turn, UNIDO has made a proposal to the Austrian Development Agency to set up additional centres in the Northern Uganda. The evaluation team was provided with a draft project proposal.

While this proposed expansion is in line with the priorities of the Government of Uganda and UNIDO, this option should be weighed against other potential avenues for a next phase, and/or, considered in a more phased implementation mode, accompanied by additional components to strengthen the potential for programmatic sustainability.

Whatever option chosen, indications are that more support is needed to the current 8 DBICs, for the programmatic completion of the current project and for addressing issues of long term sustainability and ensuring efficient and effective service delivery to MSMEs.

The evaluation's recommendations are thus categorised into two interrelated priorities pertaining to (1) programmatic completion of the current project; (2) Project expansion (3rd phase). In this section we present our considerations about the extension of the current project. The ideas for a new project are presented in Annex 2.

Thus, while the project is formally concluded we recommend that further support is provided to the current 8 DBICs and among future ones along the following lines:

- Access to information about the SME sector should be improved substantially and made available at the DBICs. The formation of an ICT-based SME community, through Internet Community Building, would bring similar interests and valuable information together.
- There is a need to utilise the gender dimension in the form of concrete activities and mechanisms by the DBICs.
- The possibility of obtaining new computers, available in the market at a reduced price and specifically made for Developing Countries, should be looked into.
- DBICs should be trained in how to develop and register websites. This would be beneficial not only for the DBICs themselves, but also for the SME clients. The new skills would be of a commercial value to the SMEs, who might, in the future,

also want to be featured on the Internet under their own domain name.

- It is strongly recommended that a common database format and common information exchange procedures are agreed upon, for and among the DBICs. The same is true for all DBIC stakeholders, as the format will be defined in the NetMIS software.
- Skills training for DBIC staff on Internet Access to databases must be provided, including training on data digging and data acquisition in the DBIC specific fields of relevance. There is a need to set up a standard (among all DBICs) as regards SME training curricula and protocol, related to ICT and Internet.
- Infrastructure maintenance should be improved by means of Service Level Agreements for hardware, software and viruses.
- It is recommended to introduce alternatives for information transfer between local SMEs and Information Officers of DBICs, since currently only 5% of the SMEs are ICT aware. This issue is to be included in the MOU and Business Plans.
- DBIC Information Officers do not necessarily need to be ICT experts. They need to have at least an affinity to SME management and ICT: hence we recommend that they are equipped with relevant knowledge through targeted training. After a good ICT training many who originate from different professional fields can become Information Exchange experts.
- It needs to be ensured that a comparable, MIS based M&E system is introduced at DBICs, as was planned in the first project.
- The draft project proposal as presented, for the northern districts, should be revised in terms of allowing for the analysis and incorporation of the lessons learned from this project. In particular, communication facilities and necessary infrastructure should be examined in detail and appropriate measures planned. Power supply (eventually generated by means of a separate project for Alternative Energy) to have 24 hours/day energy for telecommunications must be ensured. DBICs should be able to offer a sufficient bandwidth for 14 hours a day at an acceptable price.
- Allow for a review of possibilities to upgrade the overall ICT literacy among the businesses/population.
- Ensure that there are functional procedures of data communication among the network computers and that networking protocols among the cooperating DBICs are ironed out.
- Allow for better utilisation and upgrading of the functionalities of NetMIS.

While the evaluation team appreciates that there is a momentum generated around the DBICs, that should be capitalised upon, there is still a need to go a step further in order to DBICs to achieve their intended role and functions. Moreover, the environment in the targeted northern districts is different from the more developed district where the eight pilot DBIC projects are running- and hence there is a need to pilot to what extent the DBIC model can be replicated, if proven to be successful

7

Conclusions

A review of the implementation of the project in general leads to the following main observations, reflected in Table 8 below.

Table 8
Overall assessment of the project implementation

Strong Points	Weak Points
<ul style="list-style-type: none"> • Long term sustainability helped embedding DBICs within the existing operations of the Private Sector Promotion Centres (formerly UNDP project) • Significant support from the Government and local stakeholders • Participation of the local stakeholders in the implementation of the project through the District Steering Committees resulting in ownership of the project • Implementation based on a specific business model for each DBIC • Focus on differentiating ownership and management of the DBICs • Formation of the high-level Steering Committee, comprising of representatives from a variety of stakeholders: Government, private sector, and NGOs • Focus on the rural districts, where the need to fill the gap in ICT knowledge/ awareness is greatest • Eight DBICs established and functioning - achieved under huge time pressure • ICT awareness raised across many groups: central and local governments, DBICs, SMEs, NGOs, individuals • Opening a market (a possibility) to receive ICT training with an entrepreneurial focus • Promotion of the principles of information exchange, and the idea that this information / knowledge are a commercial asset. • The project was keenly wanted and welcomed action by the local SMEs • Presence of a very motivated local staff in the rural DBICs, eager to promote knowledge transfer and training/education/awareness of SMEs in ICT technology • Training given to the public in the DBICs are effective (while recognizing that these are basic training courses) 	<ul style="list-style-type: none"> • Infrastructure (electricity, communications) is weak, jeopardizing the efforts to reach the aim of the project: information exchange by the mean of ICT and delivery of ICT based business solutions for MSMEs. • Delays in installing and full operationalisation of NetMIS at the Hub in Kampala and DBICs, which is one of the reasons behind the immature stage in achieving the project goals. • Insufficiently active networking with existing business community (including those involved in UNID IP) in setting up structured procedures and protocols of cooperation and information exchange • Steering committee not reaching out to DBICs in all aspects

<ul style="list-style-type: none">• Staff and MSMEs trained are intended to be gender sensitive, or at a minimum were informed about the gender sensitivities by a relevant research and production of a Handbook to serve as a Guide.• Demonstrated effect, albeit not large and/or well captured and documented of delivering business information and ICT services to the business community	
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Annex 1

Terms of reference

14 January 2008



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Terms of Reference

Independent Evaluation of the UNIDO Project:

UE/UGA/04/062

“Strengthening the Ugandan Business Information Network”

I. BACKGROUND

The project “Strengthening the Ugandan Business Information Network” addresses the information requirements of Micro, Small and Medium Enterprises (MSMEs) in Uganda by establishing national, sustainable capacities to provide information solutions and ICT support. This can be seen as a continuation of previous UNIDO support in establishing a One-Stop Shop (OSS) – the Uganda Business Information Network (UBIN) for information and ITC support to Small and Medium Enterprises (SMEs). The objective of the present project is to extend the services of the central OSS, in Kampala, to eight districts in Uganda by establishing District Business Resource Centres (DBRCs) or, as later referred to, District Business Information Centres (DBICs). The network would enable MSMEs outside Kampala to make use of information and ICT support services and to provide sector-specific information solutions, for the food processing, leather, textile, coffee and fish sectors. There would thus be synergy effects with the focus sectors of the Integrated Programme in Uganda.

The project, which started in 2005, is funded by the Government of Austria and executed by UNIDO in close collaboration with the Government of Uganda, the UBIN and the private sector. The counterpart ministry is the Ministry of Trade, Tourism and Industry (MTTI).

The project will come to an end at the end of 2007. The evaluation is in line with the project document, which specifies that the project should be subject to an in-depth evaluation.

According to the Project Document, the **Project Objective** was;

Using UBIN as the backbone for the support services, the objective of the project is to extend the existing network of business information support to MSMEs into additional eight pilot districts of Uganda.

The given project **outputs** were as follows;

1. The establishment of the eight pilot DBRCs
2. The country will have the capacity to provide business information solutions to meet the demands of the MSMEs
3. National objectives to support the use of ICT and Internet by rural communities will benefit from the DBRCs concept
4. Strengthening of UBIN operations in Kampala and setting up of DBRCs will help to integrate the various components of UNIDO's Integrated Programme in Uganda

Furthermore, in July 2006 UNIDO entered into a strategic relationship with Microsoft to promote innovative use of ICT that supports entrepreneurship and help to promote investment and create business opportunities for MSMEs in Sub-Saharan countries. Uganda was chosen as the pilot country to define the development of affordable and sustainable ICT and information support services, for MSMEs in district/rural areas. Four areas for appropriate interventions by UNIDO and Microsoft have been identified; Awareness of ICT and ICT tools, Access to cost-effective hardware and Software requirements and Training.

II. BUDGET INFORMATION

Project No.	Total allotment €	Total expenditure €	% Total implemented
US/UGA/04/062	556,128	434,698	78%

III. PURPOSE

The purpose of the independent Terminal Evaluation is to enable the Government, UNIDO and the donor to have up-to-date information in regards to:

- (a) the relevance of and the extent to which the project was in line with the priorities and policies of the Government of Uganda and the target group
- (b) the effectiveness of the project in attaining its objectives and outputs
- (c) the prospects for development impact
- (d) the long-term sustainability of the results and benefits
- (e) the efficiency in implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities.

It is envisaged that the evaluation will provide an analytical basis and come up with recommendations for a possible continuation of the project in a next phase. The evaluation will also seek to draw lessons of wider application for the replication of the experience gained in this project in other projects or countries.

IV. METHODOLOGY

The evaluation is to be conducted in compliance with UNIDO evaluation policy as an Independent Terminal Evaluation, which attempts to determine as systematically and objectively as possible the relevance, efficiency, achievements

(outputs, outcomes and impact) and sustainability of the project. The evaluation assesses the achievements of the project against its key objectives established in the project document, including re-examination of the relevance of the objectives and of the design. It also identifies factors that have facilitated or impeded the achievement of the objectives.

The evaluation will be carried out through analyses of various sources of information including desk analysis, observation at the project sites and interviews with counterparts, beneficiaries, partner agencies, donor representatives, project staff and through the cross-validation of data.

The analysis of the relevant facts includes the review of inputs used, activities carried out, management mechanisms applied (in particular planning, monitoring and self- assessment) and project-specific framework conditions (in particular policy environment, counterpart capacities and related initiatives of the Government, donors and the private sector).

While maintaining independence, the evaluation will be carried out based on a participatory approach, which will seek the views and assessments of all parties. It will address the following specific issues:

Project identification and formulation

The extent to which:

- (i) A participatory project identification process was instrumental in selecting problem areas and counterparts requiring technical cooperation support.
- (ii) A detailed needs assessment was conducted to identify the needs and the gap in the market for support services in order to determine the portfolio of services
- (iii) The project had a clear thematically focused development objective and immediate objective and/or outcomes, the attainment of which can be determined by a set of verifiable indicators.
- (iv) The project was formulated based on the logical framework approach and included appropriate output and outcome indicators.
- (v) A logically valid means-end relationship has been established between the project objective(s) and outcomes and the higher-level programme-wide or country level objectives.

Ownership and relevance

The extent to which:

- (i) UNIDO HQ and the Field representation paid adequate attention to and were effective in project preparation and funds mobilization.
- (ii) The national management and counterparts were able and willing, to contribute (in kind and/or cash) to project implementation and in taking an active part in funds mobilization.
- (iii) The project was formulated with participation of the national counterpart and the private sector.

- (iv) The counterpart(s) has (have) been appropriately involved and were participating in the identification of their critical problem areas and in the development of technical cooperation strategies and are actively supporting the implementation of the project.
- (v) The project is in line with the priorities and policies of the Ugandan Government.
- (vi) The information and services provided by the DBRCs are relevant to the MSMEs and adapted to the local situation and local needs.
- (vii) The private sector is utilizing the DBRCs and finds their services to be in line with its demands.
- (viii) The objectives of the project are still valid.

Efficiency of implementation

The extent to which:

- (i) UNIDO and Government/counterpart inputs have been provided as planned and were adequate to meet requirements.
- (ii) The quality of UNIDO inputs and services (expertise, training, equipment, methodologies, etc.) was as planned and timely.
- (iii) Inputs led to the production of outputs.
- (iv) The least costly resources and processes were used in order to achieve the objectives.
- (v) There has been coordination with other projects, of UNIDO and of other donors and possible synergy effects.
- (vi) Proposed linkages to other MSMEs development initiatives have materialized.
- (vii) The locations of the DBRCs were optimum and in line with established criteria.

Effectiveness

The extent to which:

- (i) The objectives and outputs were achieved or are likely to be achieved

Impact and sustainability

- (i) Identification of the long term developmental changes or benefits (economic, environmental, social and developmental) that have occurred or are likely to occur as a result of the project.
- (ii) To what extent has the project, or is it likely to, contribute to more competitive Ugandan enterprises, improved quality of products being offered, increased export, new investments or contributed to increased employment.
- (iii) The extent to which the DBRCs have reached technical and financial sustainability.
- (iv) The extent to which MSMEs demand and are willing to pay for services provided by the DBRCs.

Project coordination and management

The extent to which:

- (i) The national management and overall field coordination mechanisms of the project have been efficient and effective.
- (ii) The UNIDO HQ based management, coordination, quality control and technical inputs have been efficient and effective.
- (iii) Monitoring and self-evaluation was carried out effectively, based on indicators for outputs, outcomes and objectives and using that information for project steering and adaptive management.
- (iv) Changes in planning documents during implementation have been approved and documented.
- (v) Coordination envisaged with other development cooperation programmes in the country has been realized and benefits achieved.
- (vi) Synergy benefits can be found in relation to other UNIDO activities in the country.

Other issues

- (i) To what extent has the project fostered or hindered the development of commercial business services in the area of business information and ICT.
- (ii) To what extent has it been ensured that women and men benefit equally from the project.
- (iii) Is the support provided by private sector companies consistent with UNIDO policies.

Recommendations for next phase

The extent to which proposals put forth by the project team for the next phase are:

- (i) relevant to Government and UNIDO priorities
- (ii) compatible with currently available implementation capacities
- (iii) based on logically valid means-ends relationships and take into consideration factors to mitigate likely risks

V. THE EVALUATION TEAM

The evaluation team will be composed of an independent international evaluation consultant (ICT expert) and one national evaluation consultant.

The UNIDO Evaluation Group will backstop the evaluation and be responsible for the quality control of the evaluation process and of the report. It will provide inputs regarding findings, lessons learned and recommendations from other UNIDO evaluations, ensuring that the evaluation report is useful for UNIDO in terms of organizational learning (recommendations and lessons learned) and is in compliance with the UNIDO evaluation policy and these Terms of References. The UNIDO National Coordinator in Uganda will provide support to the evaluation team.

The consultants will be contracted by UNIDO and will not have been directly involved in the design and/or implementation of the project. The tasks of each team member are specified in the job descriptions attached to these Terms of References.

VI. TIMING

The evaluation is scheduled to take place in the period 16 January 2008 until 15 February 2008. The field mission for the evaluation is planned from 23 January until 1 February 2008.

After the field mission, the international team member will come to UNIDO HQ for a briefing. A draft report will be submitted on 8 February 2008.

VII. REPORTING

The evaluation team will present its preliminary findings, to the key stakeholders, at the end of the field mission. The evaluation report will follow the structure given in Annex 1. The reporting language will be English.

Review of the Draft Report: The draft report will be shared with the Ugandan and Austrian Government, the Project Manager and the project staff for initial review and consultation. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation also seeks agreement on the findings and recommendations. The evaluators will take the comments into consideration when preparing the final version of the report. The final version of the evaluation report will be submitted 2 weeks after the submission of comments by the UNIDO Evaluation Group.

Quality Assessment of the Evaluation Report: All UNIDO evaluations are subject to quality assessments by the UNIDO Evaluation Group. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality (annex 2).

Annex 2

Ideas for additional DBIC projects in Uganda

Before continuing with new similar projects in the northern part of Uganda, the availability of continuous electrical energy supply and 24 hours guaranteed service for access to Internet should be a criteria. In practice this could mean putting an emphasis on Solar Power generation, and even, perhaps installation of VSAT communication, local server (Hardware and software) for storage and distribution of gathered information, and offering clients SMS services by means of mobile phone.

The new project should start from the very beginning with their own website and content management system, in such a way that all gathered experiences and knowledge are laid down in own databases. Results of analysis, needs assessments and inquiries will form the basis of regional sector specific databases. The start with building up this database from the very beginning will positively affect the sense of ownership and will compensate for some of the routine tasks of Information Officers.

There is a need to define from the very beginning a strong link with the other DBICs, for exchange of experiences and human resources.

a. Sub projects - proposals

A number of ideas for sub projects that emerged and evolved during the evaluation mission in Uganda are presented. Implementation of these projects will have a positive effect and improve communication between the DBICs, the MTTI, SMEs, the Public and the Private Sector.

Revision of the Network Management Information System software

A full and thorough revision is needed of the requirement specifications and functional specifications of the existing software packages for NetMIS. The DBICs are in a position to specify what special software requirements are needed for the tasks they are undertaking. A comparison of these required specifications with Content Management Systems (available in the market) should be done. The Open Source Software Community offers a wide variety of systems that are constantly (daily) updated with new experiences and ideas. Choosing a CMS that is widely applied improves compatibility between databases on the Internet.

Specific requirements that are unique to the DBICs case can be provided by the NetMIS software maintenance team. But it is likely that no special efforts will be needed. A separate module- specific for DBICs e-commerce or SME communications can be added to the functions of a CMS.

DBICs shall be involved from the very beginning of the project in defining specifications for and the maintenance of a new system. Thus a functional network- based Management Information System, to run in a modern Client - Server configuration will be achieved based on standard Internet Communication Technologies.

The main efforts will be to train Information Officers in server software and web based content management system configuration. Each DBIC should be trained on the same principles and data sets, in order to create a compliant knowledge exchange network.

Web-based Business Information Community building

Measures should be put in place to conduct workshops among DBICs and a selected group of SMEs to build the structure of a web based community. This development can be done in the respective DBIC by installing and configuring an intranet server. The basic function of the server is to be linked to an internal database, E-mail server, web- server and file server.

DBICs should be trained on these aspects and later on when they are mature, offer training to clients in how to set-up a web based community network. Knowledge needs to be imparted in the field of Internet Technology, Data acquisition, Data bases on the Internet, E-Community Building, E-Commerce and on how to disseminate information to non ICT oriented SMEs.

Associations can participate in this network, as stakeholders, as a member of the DBIC or by their own designed Content Management System.

The Coffee Association needs a wider bandwidth for information exchange with their customers, and intends to use the DBICs websites for this purpose. They also want to have links to government and private sector databases. This can be relatively easily accomplished by application of a standard available Content Management System running in the website space of a DBIC.

The implementation of a local Content Management System could be accomplished in a close cooperation with the University of Makerere, who conducted the earlier needs assessments of SMEs. They will need to involve experts in Business, Social demography and ICT fields.

There is a need to reach an agreement on the use of datasets between the DICs (District Information Centres of the Ministry of ICT) and DBICs. This could result in a simple link between each others' website and a smooth data and information exchange. Training of governmental departments in Knowledge Management, together with the DBICs is recommended and will improve organizational linkages. A common course could be designed for all stakeholders containing:

- E-Mail use and behaviour.
- Data digging on Internet and own databases
- The use of browsers and search engines.

Domain name registration and e-mail/website facilities

There is a need to support the DBICs in registering a domain name for each DBIC. The DBICs should do this on their own initiative, but the administrative and technical aspects of the process need to be guided by a professional. The DBICs would gain ownership of their own selected domain name and manage the related communication aspects like e-mail and website creation. The selection and registration should be implemented as instructions and training exercises, as a mean to improve ownership. The next stage will

be to introduce a common domain name for all DBICs, based on the group of domain names of individual DBICs, e.g. *ugandadbics.net*, which can be owned and run by, for example, the Ministry of ICT. This would then be a government oriented domain name. Each DBIC will have its own independent domain name, (like *masakadbic.org*) providing for a possibility of an organizational linkage to the central one.

A national or international Internet Service Provider is to be selected, offering standard ISP web services. It could be preferable to select an ISP based in Europe for technical (speed, uptime) and financial (many times cheaper than in Uganda) reasons. The DBICs can select (and learn how to do it) their own Internet Service Providers for the hosting of their domain name, and for the web site running under this name.

ISP and Domain Name Registration costs are low when done in Europe. Registration of one unique domain name costs 15\$ for an international extension like *.org*, *.net*, *.com*. For an Ugandan extension (*.ug*) one pays 150 US\$ per year. Costs in Europe for a reliable Internet Service provider are around 150 Euro per year for 100 MB of space.

Special attention has to be paid to the locally installed hardware like Communication to Internet (VSAT, DSL, Leased Line), Un-interruptible Power Supplies (UPS) to cover the regular electricity cut-offs, Network LAN and WAN and WiFi. Only when the entire technical infrastructure is in place, training on the commercial use of the available system will go smoothly and satisfactorily. Training will need to be provided for users, SMEs, Information Officers in the Administration of ICT Infrastructure and Data Knowledge Management.

Photo Voltaic powered VSAT communication Project

According to the project staff all districts in Uganda are connected by standard phone lines and that these are fully suitable for Internet Connections, and since the pricing and investments for this way of communication is less expensive, VSAT communication is not a justified option to consider for the northern DBICs.

This current situation of countrywide communication lines for Internet could not be validated. It is recommended here not to discard the VSAT option of communication only for financial reasons.

Solar Panels as sources of energy for the VSAT / Intranet servers should be considered. The use of VSAT is not yet widespread in Uganda. POTS (Plain Old Telephone Systems) are favoured by the communication companies. Licences for the use of VSAT only recently became available in Uganda, opening up the possibilities for private companies to reach out to the remote rural areas.

Continuous connection to Internet for the exchange of a continuous stream of information is a primary pre-condition for the success of DBICs. The information backbones in Uganda do presently not reach the rural areas, which are considered for the future expansion of the DBIC network- in the north of Uganda.

A 24/7 use of Satellite Bandwidth must be ensured for DBICs: when electricity is failing, so does the communication with the satellite. With Solar Energy and a sufficient battery capacity, the time gaps of outings can be reduced. When ICT is not in use (night time) the possibility still exists for downloading of information i.e. downloading of instruction manuals, commercial programmes, magazines on SME issues and so on.

This information can later be retrieved from the local Intranet Server when for example the Internet Café is open again.

Incentives for data gathering

An incentive mechanism to stimulate the exchange of information can be built in the organizational system from the beginning. This should not be in form of a financial support but by offering courses and seminars for free or for a symbolic contribution, in exchange, of well-defined information on the part of SMEs.

A database should be built by a questionnaire, backed up with a database. If done from the very start of a DBIC, a sound database of information can be built up about, for instance, the profiles of SMEs in a district.

SMEs should be offered the option to become a member of a DBIC website- for free. In case a particular SME is not ICT aware, training would be needed in the use of e-mail and web browsing. These kinds of courses are currently being offered at the DBICs. Other advantages of being member should be promoted.

Also a link in the website in the form of “Ask the Specialist” link should be developed, pointing to an SME's own web page on a DBICs website. An interested web visitor will then be directed to the (e-mail address, own web page) of the respective SME, thus improving ones contacts. The DBICs can tackle the issues of ICT costs and cost of ownership through an awareness campaign on the benefits of possessing a computer at home and/or accessing a DBIC.

While the DBICs are easily interlinked, one can create awareness at the level of government and the industry that a website can improve linkages with the rural areas. The DBIC network should be strengthened in order to reach the 95% of SMEs that are not yet ICT aware. This can be done through booklets, folders, newsletters, radio programmes, etc. The content can be derived from the continuously refreshed DBIC databases.

Support is needed for the leading organizations, which were selected to become the owner/managing organizations for the DBICs to be trained in ICT organization, ICT Management and Administration, and Communication techniques with SMEs.

Content generation

Maintaining a constant, fresh presentation and new content, be it for the website or a general accessible database, is crucial for a sustainable success of the DBICs and to ensure the continuous interaction and (commercial) cooperation with local organizations and companies that also want to reach the rural SMEs, for the purpose of advertising and promotion.

A modality should be found whereby the provision of information by all stakeholders is compulsory. Project management, experts and associations need to be included in this process and to become active member in the content generating process. The Software that can guide this process is available in abundance on the Internet (i.e. Joomla Content Management System), as Open Source Software to be downloaded. The Arua DBICs is now studying the possibilities of including this software in their commercial process.

It is advised to look into the possibility to have the Information Officers at the DBICs generate the content for each contact the DBIC has made, in a compulsory mode, thus building up a fresh and up-to-date database. Standard visitor information forms, adapted to the format of a database in use by all DBICs and standard Question – Answer forms to appear in each – linked – DBIC website should be considered.

Annex 3

Programme Evaluation Mission

Meeting / Contacts Programme: January/February 2008.

With thanks to the driver Suna in guiding the mission through the hectic traffic of Kampala and beautiful countryside of inner Uganda.

Vienna Tuesday 22/01/2008	UNIDO Headquarters	Briefing Evaluation Uganda
Kampala Wednesday 23/01/2008 08:30 – 09:30	Evaluators, +CTA	Introductory, programme discussion
Kampala Wednesday 23/01/2008 10:30 – 12:00	UNIDO National Programme Coordinator +CTA	Position Integrated Programme in relation to DBIC programme.
Kampala Wednesday 23/01/2008 13:00 – 13:30 At CP Office	Computer Point Ltd. Systems Solutions Services MD: Anil Kuruvilla B.S. Mahesh Financial Controller	Commercial talk with biggest ICT hardware company in Kampala. Services provided.
Kampala Wednesday 23/01/2008 14:00 – 16:00	Meeting with National Consultants and UNIDO Office staff +CTE Ms. Ritah Musoke UNIDO Project Assistant Michael Lubowa National Consultant on MSME Clare Kyasimire Gender Issues	Introductory talks about project.
Kampala Wednesday 23/01/2008 20:00 – 21:00 Hotel Sheraton	Prof. Ephraim Kamuntu (MP) Minister of State for Industry & Technology + CTE	DBICs is a very welcome and wanted initiative, fully supported by Gov. Pet projects: Standard Housing PV system for rural areas Rainwater Forestry UNIDO should stop with pilot projects -> start real projects.
Kampala Thursday 24/01/2008 10:00 – 11:00 Crusader House	ADA Walter Ehmeir Coordination Office for Development Cooperation Head of Office + CTE	Mr Ehmeir was in office for this project for 2 months. Wished to go deeper into the project.
Jinja Thursday 24/01/2008 16:00 – 17:00	Jinja DBIC Training room	Windows XP training session to 6 clients (4 women, 2 school children) By Bandese Ivan Training Officer - UNIDO

Jinja Thursday 24/01/2008 17:00 – 19:00	Jinja DBIC	In-depth talk with Jinja DBIC Staff Byabazaire Joseph Mutaasa Humphrey Bandese Ivan
Jinja Friday 25/01/2008 09:30 – 17:00	Jinja visits/talks SMEs	1. Tailoring shop 2. Carpentry/welding shop 3. Broilers farm 4. Allovera plant
Kampala Saturday 26/01/2008 11:00 – 13:00	Terry Najja Kakeeto The Entrepreneurship Centre Makerere University Business School	Placing freshmen subsidised on projects/industry. 80% gets a job after the period. Possible HR resource for DBICs.
Kampala Sunday 27/01/2008 11:00 – 14:00	Evaluators	Planning, discussion, initiate contact with DBICs
Arua Monday 28/01/2008 09:30 – 10:00	Courtesy visit Government Arua Andama R.J. Ferua Vice President ULGA L.C.5 Chairman Arua District	Applauded the DBIC initiative and mentioned high expectations of outcome.
Arua Monday 28/01/2008 10:00 – 14:00	Meet DBIC staff Arua + SMEs Omar Abdullay Branch Manager WENIPS + Overseeing DBIC Matua Alex ICT - Training Officer Mr. Matata Moses Assistant ICT Trainer Asto Alimunda Transport WENIPS assistant Mr. Alion Alex Triple Star Fabricators on Adumi Road Mr. Droma Isaac Program Officer Micro finance Programme Villages Mr. Onzima Vincent Ocemaceni Enterprises on Adumi Road Mrs. Tabu Irene AT Quality Hardwares on Adumi Road Harriet Alezuyo Internet Kiosk Supervisor DBIC Mr. Alia Francis Operating Piggery	A very efficient and open introduction to the DBIC situation in Arua.
Kampala Tuesday 29/01/2008 14:00 – 15:30	Blessed Computer Training Centre, Internet Café Noble Upright Technologies Kawampe Booms Stage (7 miles on Bombo Road)	Internet café/ training centre. Commercial Project proposal.
Kampala Tuesday 29/01/2008	Dr. F.F. Tusubira Rotary Uganda Directorate for ICT Support	UNIDO/MICROSOFT REPORT ON MARKET SURVEY FOR REFURBISHED COMPUTERS IN

16:00 – 17:00	(DICTS) Makerere University Communications House, Kampala	UGANDA Courtesy and schedule for next meeting
Kampala Tuesday 29/01/2008 17:30 – 18:00	Brenda Matsie General Manager Interconnection Uganda MTAC	Talk to manager of one of the three operating refurbished computers in Kampala. Open discussion closed.
Kampala Thursday 31/01/2008 07:30 – 08:15 Comm. House	Dr. F.F. Tusubira Directorate for ICT Support Ndiwalana End User Support Manager	Ali Report Survey Refurbished computers. Findings differences of Districts and possible approach for next establishment for DBICs. Impact ICT awareness actions on SMEs.
Kampala Thursday 31/01/2008 08:30 – 10:00 NSSF House	Ministry of ICT Hon. Ham Mulira Eng. Paul Odoi Eng. Agoi	Courtesy to Hon Mulira Technical discussion between Engineers. Establishment plans DICs (District Information Centres) (3x) and cooperation between DICs and DBICs
Kampala Thursday 31/01/2008 11:00 – 11:00	Techno Brain (U) Ltd Raghav N General Manager	Certified high valued ICT training on commercial basis. Geared towards Kampala. DBICs is an interesting venture.
Kampala Thursday 31/01/2008 14:00 – 15:00	Uganda Investment Authority Prof. Maggie Kigozi Executive Director	General discussion DBIC initiative is welcome as many others active in this field.
Kampala Thursday 31/01/2008 16:00 – 17:30 Coffee House	Uganda Coffee Development Authority I. David Kiwanuka Manager, Quality, Regulatory & Information Services James Rogers Kizito - Mayanja Principal Market Analyst	Went on with UBIN philosophy. SMS contact with market and farmers. Computer Expert System coffee growing. Active like to have cooperation with DBICs.
Kampala Thursday 01/02/2008 12:30 – 17:00 UIP Office	Robinah Sabano Nat. Programme Coordinator Michael Lubowa National Consultant on MSME David Akalebo Onyoin CEO Soroti DBIC Mutaasa Humphrey BIO Jinja DBIC	Wrap up talks Programme management and procedures. Opinion exchange position DBIC/UBIN situation. Opening linkages between DBICs and UIP
Kampala Thursday 01/02/2008 17:30 – 20:00 Dolphin Suites	Wrap up talk Vijit, Evaluators Dolphin Suites	Discussion SWOT findings evaluation commission
Masaka Saturday 02/02/2008 07:30 – 17:00	Masaka DBIC 2 hours drive from Kampala 2 locations	Constraints: No electricity, No connectivity, No salary, Normally full internet and training café. Visit tree nursery
Kampala Sunday 03/02/2008	Makerere University Business School The Entrepreneurship Centre	Possibilities freshmen placing at DBICs, develop linkages

11:00 – 12:00	Terry Najja Kakeeto Paul Aelen	
Vienna Monday 04/02/2008 11:00 – 16:00	UNIDO HQ Debriefing Evaluation International Evaluator	Preliminary debriefing evaluation at UNIDO HQ.
Vienna Tuesday 05/02/2008 10:00 – 11:00	UNIDO HQ Evaluation discussion Barbara Kreissler	Explain special issues.
Kampala Wednesday 13/02/2008 11:00 – 13:00	Uganda National Bureau of Standards National evaluator	Presentation and discussion functioning of NetMIS software

Annex 4

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Annex 5

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Independent Evaluation of the UNIDO Project "Strengthening the Ugandan Business Information Network II"
January/February 2008
Last Updated 13:05 16-2-2008

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Annex 6

Impressions of the visits to the DBICs in Jinja, Arua and Masaka

JINJA

Jinja, east of Kampala, depending on the traffic density in the Kampala area, needs a good 2 hours drive. For safety reasons we had to pass some trajectories only during daytime. Jinja is a tourist attraction point, the origin of the river Nile. It also is a place where all transport traffic from Mombasa-Kenya passes to Kampala.

The Jinja team had prepared a visit schedule, including participation in one of the courses they offer to the public, visits to (known) SMEs and exchange of ideas about the technical aspects of running of the centre.

The evaluators proposed also to visit some SMEs they had no contact with, in order to find out and to learn about possible marketing approaches in practice. During the visit to the centre electricity was cut several times, and, consequently also the connection with Internet. Two to three visitors were using the Internet Access point.



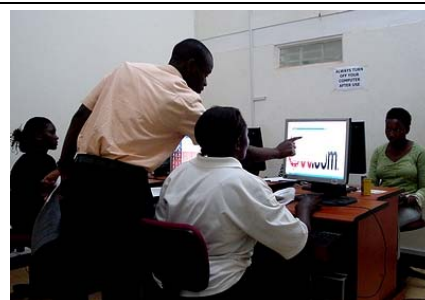
The Jinja DBIC is situated in a mall, in a central road in town.



A central road in Jinja, full of small business and shops.



The Jinja DBIC information officer teaching a class in the Classroom of the centre. Most followed a full programme for ICT skills (Word, Excel and additional business information if desired).



Workshop in Excel delivered at the DBICs to a group of mostly women, but also a couple of youngsters. One of the participants was a teacher, who mentioned that at her school there is no programme for ICT, but out of private reasons she wanted to know more in computers. She paid for the course herself.



A welding and carpentry workshop was included in the Educational programme of UNIDO, but up to now not yet included in the actions of the DBIC. The carpenter was convinced during the visit that the using DBIC would be profitable for the workshop.



One of the SMEs visited unannounced was a shop. The tailors (a man and a woman) were sitting outside. Competition in town was high, but they did well. They have never visited the DBIC.



A chicken farmer explaining in details how he profited from the DBIC programme. He uses two administrative systems: manual, used at the farm, and one by Excel, as he learned from a course with the DBIC. The computer administration, completely developed by him, gave him insight into death rates of chicken and the relation to food. That is also why he now produces and mixes his own food, supplying also other farmers.



He has plans for extension (10x bigger farm) and installing also a slaughterhouse, and is looking for advice.



A farmer, assisted by the programme, discusses with the team his need for more marketing experiences and support, since his earlier marketing companion left.

ARUA

Arua was reached by plane. It is possible to reach it by car, but such a trip is associated with difficulties and can take one or two days. The district borders with Congo, leading to lively trade taking place locally. It is said that all inhabitants of Arua are into some kind of business related to border traffic.

The Arua DBIC has an experienced and a very lively team, who are very active in the field. Courtesy visits were paid to the local government representatives. Three SMEs were visited. We also joined a meeting of a micro credit group in the nearby village, where the women commented that they are happy about how well their businesses are doing.

The centre had computers installed, with a possibility for Internet access, but also suffering from electricity power cuts. This was a particular problem at the time of the visit, with rising fuel prices, being imported from Kenya. The centre has direct contact (by phone and personally) with Jinja DBIC for information exchange.



The inauguration plaque as was found on each DBIC visited.



An SME dealing with general medicines in the middle of the town. The owner is one of the active stakeholders in the DBIC. During the visit sales went on, and the owner was satisfied with his situation.



The meeting of the Micro Credit Group. All the operations are very transparent. Mostly women but also a few men participate in the scheme.

The Arua DBIC includes this group as members, offering ICT and business information by participating in the meetings.



The welding shop of a DBIC stakeholder was visited. The owner showed his modestly equipped workshop and expressed the hope to have it soon improved with assistance of the DBIC project.

Battery charging is one of the income generating business lines, since he has to use a generator during welding. The rest-energy can be used to charge car batteries.

Masaka

Masaka was visited during Sunday, and was originally not planned. It is a few hours drive to the town. Situated close to the Lake Victoria, it features many fish stalls along the road.

The DBIC team of Masaka welcomed us full heartedly, but were sorry not be able to show any activity. There was no electricity. The centre however was well equipped with computers and the wall had posters advertising their activities. The centre is situated at the main commercial road of Masaka- business centre. We visited also the hosting organization offices, situated at the edge of the town.

	
	 <p>The Masaka DBIC team. Open discussions about the situation in town, competition and activities.</p>
 <p>On the road to Masaka one can see many trucks full with products on the way to Kampala.</p>	

KAMPALA

The UBIN office was situated in the same building where the UNIDO Project Office resides.



Traffic in Kampala is a problem, even when fuel is scarce.



UBIN Office shield



Annex 7

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