



International Development  
Research Centre

Centre de recherches pour le  
développement international

Productive Strategies for Poor  
Rural Households to Participate  
Successfully in Global Economic  
Processes



First Draft Country Report for  
Uganda to the  
International Development  
Research Centre



By  
Sanjay Kumar



April 2006 draft

---

## Table of Contents

<b>1</b>	<b>INTRODUCTION</b> .....	<b>1</b>
<b>2</b>	<b>VALIDATION OF KEY FINDINGS FROM THE REGIONAL SCAN</b> .....	<b>3</b>
2.1	HOW CAN RURAL POOR HOUSEHOLDS ADAPT THEIR LIVELIHOOD STRATEGIES TO BENEFIT FROM PARTICIPATION WITH GLOBAL ECONOMIC PROCESSES.....	3
2.1.1	<i>Understanding the context</i> .....	3
2.1.2	<i>Distributional issues</i> .....	3
2.1.3	<i>Constraints to participation</i> .....	4
2.1.4	<i>Household livelihood strategy options</i> .....	6
2.2	HOW CAN THE ENABLING ENVIRONMENT BE ENHANCED TO SUPPORT THE SUCCESSFUL PARTICIPATION OF THE RURAL POOR? .....	6
2.2.1	<i>Overarching issues</i> .....	6
2.2.2	<i>Access to factor markets</i> .....	7
2.2.3	<i>Processes</i> .....	11
2.2.4	<i>Government support</i> .....	11
2.3	SUMMARY (TO BE COMPLETED AFTER DISCUSSIONS AT COUNTRY WORKSHOP).....	12
<b>3</b>	<b>PROPOSED RESEARCH ISSUES OR THEMES FOR REGION</b> .....	<b>12</b>
3.1.1	<i>SUGGESTED COUNTRY SPECIFIC RESEARCH THEMES (Also see workshop report 4.5)..</i>	<i>13</i>
<b>4</b>	<b>OVERVIEW OF ORGANISATIONS AND THEIR ACTIVITIES IN POVERTY REDUCTION. 15</b>	
4.1	BILATERAL ORGANISATIONS .....	15
4.1.1	<i>PRIME West (USAID)</i> .....	15
4.1.2	<i>Austrian Development Agency (ADA)</i> .....	16
4.1.3	<i>AT Uganda</i> .....	16
4.1.4	<i>Agricultural Productivity Enhancement Program (APEP) (USAID)</i> .....	17
4.1.5	<i>International Centre for Tropical Agriculture (CIAT)</i> .....	18
4.1.6	<i>Swisscontact</i> .....	19
4.1.7	<i>World Vision – Area Development Programme (ADP)</i> .....	21
4.1.8	<i>TRIAS</i> .....	21
4.1.9	<i>International Institute for Tropical Agriculture (IITA)</i> .....	22
4.1.10	<i>CARE</i> .....	23
4.1.11	<i>Environmental Alert (EA)</i> .....	24
4.1.12	<i>SCOPE (USAID)</i> .....	24
4.1.13	<i>Agricultural Sector Programme Support – Phase II (ASPSII)</i> .....	25
4.1.14	<i>Rural Savings Promotion &amp; Enhancement of Enterprise Development (Rural SPEED) (USAID)</i> 27	
4.1.15	<i>Business Services Market Development Project (BSMD)</i> .....	27
4.1.16	<i>DFID</i> .....	28
4.1.17	<i>USAID (See above for individual projects)</i> .....	29
4.1.18	<i>GTZ</i> .....	29
4.1.19	<i>IDRC</i> .....	30
4.2	<b>MULTILATERAL ORGANISATIONS</b> (WEB BASED RESEARCH AS IN REGIONAL SCAN) .....	31
4.2.1	<i>World Bank</i> .....	31
4.2.2	<i>UNDP</i> .....	35
4.3	<b>NGOS/RESEARCH ORGANISATIONS</b> .....	36
4.3.1	<i>Action for Development</i> .....	36
4.3.2	<i>Natural Resources Institute (UK)</i> .....	36
4.3.3	<i>Advocate Coalition for Development and Environment (ACODE)</i> .....	36

---

4.3.4	<i>ACDI/VOCA</i> .....	37
4.3.5	<i>FINCA International</i> .....	39
4.4	PERSONS CONSULTED.....	40
4.5	COUNTRY WORKSHOP REPORT .....	41
4.5.1	<i>Response to analysis in regional and country scan</i> .....	41
4.5.2	<i>Shortlisted research themes</i> .....	43
4.6	TERMS OF REFERENCE .....	47
4.7	REFERENCES .....	47

---

## 1 Introduction

The goal of the International Development Research Centre (IDRC) Rural Poverty and Environment (RPE) Programme Initiative (PI) is to support participatory action-learning research, and policy and institutional innovations and reforms. RPE PI contributes to the development of networks, partnerships and communities of practice, in order to strengthen organisations, policies and practices that enhance the food, water and income security of the rural poor, including those living in fragile or degraded upland and coastal ecosystems.

In order to achieve this, RPE will support activities in four outcome areas:

1. Building effective environmental governance where all stakeholders, including marginalized groups, participate in environmental and natural resource management;
2. Enhancing equitable access and use rights to natural resources by strengthening the negotiating capacity of the rural poor to defend or expand their rights to natural resources;
3. Strengthening communities' capacity to respond to and benefit from integration within wider social and economic systems (i.e. urbanisation, globalisation and market integration); and
4. Adaptive learning.

It is in the context of the third outcome that the RPE PI is developing a programming capacity on 'Productive strategies for poor rural families to participate successfully in global economic processes'. In November 2005, IDRC invited the Overseas Development Institute in London to implement a Scoping Study in order to prepare an agenda of priority research for this RPE PI theme. The aim of the Scoping Study is to provide a conceptually robust and empirically sound rationale for the allocation of some CAD\$1 to 4m in research Calls for Proposals that will be launched each year in the remainder of the five years program cycle from July 2006 to 2010. The emphasis is on transformative research that will not just study the conditions of the rural poor – but undertake the research necessary to change them. The need was articulated for a research agenda that will be concerned with diagnosis but especially with inspiration. During the study ODI will:

1. Identify and review research directions and actors by: preparing an agenda of priority research areas; highlight critical issues regarding methodologies; identify on-going working within the scope of the theme by other donors and related institutions; and, identify potential partners;
2. Provide recommendations that enable RPE to build a coherent programme of research in this area, including possible collaboration with other IDRC programmes – such as Globalisation, Growth and Poverty (GGP);
3. Identify the policies, process and institutions that will expand the potential benefits of wider linkages to the rural poor and allow the development and dissemination of these findings with researchers, NGOs and civil society groups and policy-makers in the South; and

- 
4. Identify ways to enhance the capacity of rural communities to develop their own indigenous capacities and define their own productive strategies to improve their livelihoods.

There are four phases to the study:

- An inception phase when the study team and members of IDRC's RPE programme held discussions and made agreements on how the study would be implemented (see Inception Report);
- Regional scans for six target regions with documents produced and distributed in February and March 2006;
- Country studies for each region, with Egypt and Uganda selected for the Nile Basin.
- Results from all regional scans, country studies and workshops will be brought together by the London based team to develop a research investment strategy which will be presented to IDRC in June 2006

The current document is a country scan for Uganda with the objective of identifying:

- Regional research themes that are related to how global economic processes can have a positive impact on rural poverty and the environment; and
- Potential IDRC RPE research partners and implementers of research in the country.

The scan is based on a methodological framework, which can be found in the study Inception report, and the document has the following structure:

- Brief overview of socio-economic development issues in Uganda.
- A country perspective on:
  - How can poor rural households adapt their livelihood strategies to benefit from participation with global economic processes?
  - How can the enabling environment be enhanced to support the successful participation of the rural poor?
- An overview of contemporary and likely future relevant research activities that will:
  - indicate 'gaps' in the research agenda; and
  - identify potential future partners for IDRC's RPE programme initiative between 2006 to 2010 as either co-financiers or undertakers of relevant research in the two IDRC regions (Eastern and Southern Africa and the Middle East and North Africa) that are within the Nile Basin.
- A list of possible research themes.

The key objective of this document is the validation of the main findings and the proposed research themes of the Regional Scan for the specific case of Uganda. This document will

---

be circulated within the study team, to IDRC and to people within the region for comment in order to improve its content and relevance.

## **2 VALIDATION OF KEY FINDINGS FROM THE REGIONAL SCAN**

### **2.1 HOW CAN RURAL POOR HOUSEHOLDS ADAPT THEIR LIVELIHOOD STRATEGIES TO BENEFIT FROM PARTICIPATION WITH GLOBAL ECONOMIC PROCESSES**

#### **2.1.1 Understanding the context**

Uganda is categorised as a least developed country with a GNI per capita of US\$250. The 2005 Human Development Report has categorised it as a country with medium human development as of 2003, which can be attributed to successful economic policy underpinned by aid from donor governments. The levels of poverty within the country is varied with the Northern and Eastern regions of the country having more than 50% of the population, in those parts, living below the poverty line.

Uganda's Poverty Eradication Action Plan 2004 says poverty in the country has a regional pattern. Historical factors and the civil war that has continued for almost two decades have kept northern Uganda as the poorest region in the country while the East has experienced a significant increase in income poverty in the recent years.

In 2002/2003 agriculture accounted for 38.7% of Uganda's GDP, showing a large dependence on this sector. This is further supported by the 2003 Labour Force Survey which shows that 69% of the labour force was employed in agriculture related activities. Approximately 70% of the area under cultivation is for food production most of which is from subsistence farming. Subsistence farming in general is dependent on various factors not within the control of the farmers themselves. Low levels or lack of surpluses constrain these farmers from being able to participate successfully in markets on a long term and continuous basis. Such inconsistencies in surpluses normally would only allow access to opportunistic markets or trading activities that do not guarantee a fair price for a product.

#### **2.1.2 Distributional issues**

Rural poor households in Uganda can be categorised as below. The first category would be those can be considered as 'market ready'. This category would include households that have the assets and potential to participate more effectively in market economies but are faced with impediments that constrain their abilities to increased participation. Impediments in this context could be organisational and regulatory and include issues such as lack of timely access to information, access to business services and access to viable financial services, physical depletion of assets, marketing and infrastructure.

The second category of poor households would be those that are excluded from the markets because their conditions (for example, remoteness, resource endowments, lack of power and lack of assets) are so 'structurally' weak that it would require major policy and political change before they can be included in market participation and thus income

---

enhancement. This category of poor would mainly consist of those households in chronic poverty as described by the Chronic Poverty Research Centre in their study carried out on Uganda in 2005. To define chronic poverty, this study quotes Hulme et al 2003 as follows – Chronic poverty is “that poverty that where individuals, households or regions are trapped in severe and multi-dimensional poverty for an extended period of time, and where poverty is linked with intergenerational transmission”. It also states that in the Ugandan context the poorest 20% of the population can be classified as chronically poor. A majority of this population is from the Northern region.

This third category (keeping in mind these are categories in terms of participating in global economic processes) are those that stand to benefit from the ‘second round’ impact of market liberalisation mentioned above. Put simply, all this says is that the nature of market development, however it is led, is characterised by growing local opportunities for manufacturing, processing and transport industries, more productive farming, new business services etc. In the process there will be a greater demand for labour and services generally from which the poor will benefit.

It is clear that the category likely to benefit most from the policy research programme envisaged by RPE are those in the first category. However, the ‘market ready’ are not a static group awaiting assistance in overcoming specific market access constraints. The aim must be to greatly enlarge the numbers who can be considered potential beneficiaries of greater market participation and, at the same time, consider ways in which those already participating in markets can realise higher values to their participation.

#### **2.1.2.1 Household Livelihood Strategies**

- Poor returns from farming activities mean moving to non farm related economic activities. These could be brewing of local liquor, petty trading, labouring in nearby urban centres, brick making etc
- Increase in population density particularly in the south western districts has resulted in seasonal migration in search of labouring income from other parts of the country.
- Poor incomes has also resulted in migration to Urban centres
- Poor incomes have also forced rural households to seek employment on neighbouring farms
- Households have also now begun to rent pieces of land from neighbours for production of food and in some cases cash crops

#### **2.1.3 Constraints to participation**

A majority of the poor rural households in Uganda are engaged in subsistence farming and **lack the assets** such as economically viable land holdings, equipment and technology to enable production for commercial purposes. This acts as an immediate constraint for such rural households in participating in economic processes that enable market access.

---

Access to **finance** for poor rural households is a major constraint particularly for use in agricultural activities. Although liberalisation of the financial sector has seen the proliferation of microfinance institutions in most parts of the country, poor farming households have not benefited from this growth. This could be attributed mainly to cost of finance due to high interest rates and also lack of financial products suitable to agricultural production. The high rates of interest can be linked to both high borrowing costs to the MFI as well as the high risk in rural agricultural lending.

Although not a major constraint, **low levels of education and lack of skills** particularly in modern farming methods are another constraint that have been identified as a barrier to accessing markets. This could be related to comprehension of market requirements with regard to quality and standards required by the consuming markets. In the recent past this has however been addressed by the development of supply chains and provision of embedded services within these supply chains. However, it should be noted that the development of these supply chains in Uganda is still at an early stage and that there are various other issues that need attention.

Poor **nutrition and food** negatively affects the health and productivity of poor rural households. Although there are no clear linkages to how this affects their ability to participate in global markets, it can be said that poor health and in turn poor productivity can prevent poor rural households from engaging in production processes that enable access to either local or global markets. For example, inability to tend to crops on a daily basis due to ill health particularly during planting and harvesting can mean either a failure of crop or a poor harvest.

**Insecurity** is another major impediment for poor rural households in accessing markets. A clear example of this is the displacement of a large proportion of the population in the Northern region of Uganda. Such displaced households are unable to enter into any form of farming enterprise to produce for commercial purposes. Insecurity also hinders the development of a sustainable market infrastructure. War in the north of Uganda has also led to the development of a conflict economy worsening the situation of the poor rural households in the region.

**Remoteness** from markets can contribute as a hindrance for poor households in accessing markets. Remoteness in tandem with **poor infrastructure** act as discouraging factors mainly due to high marketing costs. This is particularly apparent in the northern and north eastern regions of the country.

In general the poor rural households discussed in this document are to a large extent unable to access agricultural **inputs**. This could be attributed to the high costs of such inputs as well as the lack of access to such inputs within their immediate vicinity. This lack of access to inputs has causes inconsistencies in production making it difficult for them to participate sustainably in markets.



---

## **2.1.4 Household livelihood strategy options**

Migration is becoming a more important factor as a result of poor income from smallscale farming. In the Ugandan context, temporary migration occurs where members of a household leave the homes in search of labouring incomes in other areas within the country. This could be due to the lack of land for farming and lack of adequate income from smallscale farming. There is also the case of migration to urban areas which could be more permanent, where members of a household leave their homes in search of work in towns and Kampala. This is usually done with the view of earning a better living and having the ability to transfer incomes from urban areas.

According to Uganda's Poverty Eradication Action Plan (PEAP) 2004, women's land rights in Uganda are limited both by inequitable legal structure and by traditional practice. Data shows that female headed households have less land than male headed households.

Although ownership of land in rural Uganda is in a majority of the cases with the men, there is a clear gender dimension to subsistence agriculture; estimates show that women contribute approximately 80% of the labour force for food production, and 90% for processing and preparation (Tanburn & Kamuhanda, 2005). Thus, women carry out most subsistence farming.

Poor returns from farming has encouraged the growth of the non-farm rural economy. This economy is largely made up of micro and small enterprises generally involved in petty retail trade, agro-processing (eg. maize milling), brewing (local liquor). According to the PEAP this accounts for 12% of employment in the rural areas. Most of these MSE's are usually located close to trading centres or small towns.

There are several examples of success where farmers have formed themselves into associations or groups and have put products in the local, regional and international markets. To name just a few, these examples can be seen in the coffee, tea, cotton, honey, fresh fruit and vegetable sectors. There are also examples of local groups formed by women with craftwork knowledge accessing tourist market both in Kampala and locally around tourist attractions. In some cases these are groups formed with the help of local civil society organisations providing training in skills for alternative incomes. Examples of such organisations can be seen in districts such as Kanungu in the South West and Kayunga.

## **2.2 HOW CAN THE ENABLING ENVIRONMENT BE ENHANCED TO SUPPORT THE SUCCESSFUL PARTICIPATION OF THE RURAL POOR?**

### **2.2.1 Overarching issues**

Liberalisation in Uganda has seen a mixed response from the privates sector. There have been fairly large investments in the coffee and tea industry both from within the country and externally. Tourism has seen growth in investment from the private sector since the 1990's. The agri-business sector particularly in the area of value addition has seen low levels of investment. There are various programmes ongoing to enhance the participation

---

of the private sector in agri-business. At the MSE level there has been some growth in the agri-business sector, but lack of services (particularly business service) and social capital has been identified as a hindrance to this growth.

Uganda's Poverty Eradication Action Plan (PEAP) provides a framework to guide public action in the eradication of poverty. The PEAP is grouped under five 'pillars':

1. Economic management
2. Production, competitiveness and incomes
3. Security, conflict-resolution and disaster-management
4. Good governance and
5. Human development

Under this framework, Government ensures to provide public goods to support both agriculture and industry to enhance competitiveness through industrialisation.

As part of its poverty eradication strategy (above), the Government of Uganda launched its Plan for Modernisation of Agriculture (PMA) in 2000. This plan is expected to support poor rural households to move from subsistence agriculture to commercial farming thereby raising incomes. The PMA is expected to achieve this through the following

- funding agricultural research and technology development
- it has already created the National Agricultural Advisory Services (NAADS), an extension service programme providing advice based on demand
- promoting and strengthening rural finance structures
- removing barriers and putting in place policies, commercial laws and a regulatory framework to support agro-processing and marketing
- incorporating agricultural education at all levels of education
- Implement the 1998 Land Act and develop a comprehensive land-use policy to facilitate development of land markets, efficient land-use and management as well as administration
- Improve physical infrastructure to support the PMA in achieving its objectives

Programmes such as NAADS are still being piloted and success has been mixed. Technology adoption at the farm and MSE level has seen some growth but is yet to show measurable results.

## **2.2.2 Access to factor markets**

### **2.2.2.1 Finance**

Tanburn and Kamuhanda in their document "Making service markets work for the poor" (2005) have provided a detailed analysis of the Micro Finance sector in Uganda. 'Since the early 90s, the Micro-finance sector in Uganda has been growing rapidly. From a few welfare-oriented institutions, Micro-finance has grown into a vibrant private-sector industry

---

servicing Uganda's economically active poor in urban, peri-urban and rural areas with a wide range of financial services. It builds largely on the group-based model developed in Asia, reducing the cost of ensuring repayments by relying on peer pressure within the group.

Micro-finance institutions (MFIs) are now active in over 50 districts of Uganda, mostly still concentrated in and around trading centres. It is estimated that there are more than 1000 MFIs of varying formality, commercial orientation, and professionalism. Majority of these are less formal institutions, frequently owner managed, including multi-purpose NGOs, cooperatives, and informal organisations. The industry also includes a few more formal, commercially-oriented micro-finance institutions that have demonstrated remarkable growth in terms of outreach, recognition, and professionalism since the beginning of 1994.

The number of MFI clients has increased from about 50,000 in 1990 to about 930,000 by 2004; most of them are women. The vision in the industry is to reach 1.3 million clients by 2006. The total volume of loans made by MFIs has grown from Ushs 53 billion (\$29m) in 2001 to Ushs 87 billion (\$47m) in 2003. Savings have increased from Ushs 65 billion (\$35m) in 2001, to about Ushs 129 billion (\$70m) in 2003 - exceeding the amounts lent by MFIs.

One current concern is that many MFIs remain essentially unregulated, including non-profit NGOs, Village Savings and Credit Institutions (VSCIs), and privately owned "village banks". Savings and Credit Cooperatives (SACCOs) are registered and subject to certain regulatory requirements by the Department of Cooperatives in the Ministry of Trade, Tourism and Industry, but in practice oversight has been weak. These institutions (especially SACCOs) play a major role in providing financial services in rural areas, and many accept savings deposits, but they often are poorly managed and have weak governance structures. As a result, there is growing concern about the safety of people's savings in such institutions, and options for regulation are now being discussed.

Generally, key principles driving the industry today are outreach, sustainability, commercial viability, and legal framework. These are underpinned by capacity building, which is widely accepted as top priority in the development of the industry. Internationally Uganda has been recognised as a success story in Micro-finance, due to the MDI Act, the high level of stakeholder collaboration, and the ability of Micro-finance institutions to become sustainable and independent of donor funds, in the absence of interest rate controls.

Uganda's financial system indicates a concentration of formal financial institutions (regulated) in a few towns while only NGO's, SACCOs and Voluntary Savings and Credit Institutions (VSCIs) serve other towns. 95% of Ugandans in poverty are living in the rural areas, but even MFIs, with branches in most of the districts of Uganda, still only have 60 branches outside the main towns. As a consequence, it is estimated that only 20% of even NGO, SACCO and VSCI MFI clients live in rural areas. These are probably not among the poorest, given that microfinance methodologies as practiced in Uganda require a regular cash flow and the ability to mobilize co-guarantors.

---

In addition, MFIs offer few products appropriate to the specific needs of farmers and the very poor. For example, in the West Nile region, only 8% of the potential borrowers and 21% of potential savers are currently being served. A few informal institutions mainly serve the districts of Moyo, Adjumani, and Yumbe. In the Rwenzori region, only 21% of the potential clients are currently being served, and a few informal institutions serve the districts of Bundibugyo and Kyenjojo. In such areas, some NGOs are facilitating local groups in less commercially-oriented methodologies that are suitable for very small amounts, such as Accumulating Savings and Credit Associations.

The minimum loan size for many MFIs is Ushs 50,000 (\$27), although some in rural areas go as low as Ushs 30,000 (\$16). The minimum savings balance is Ushs 10,000 (\$5.40). The average loan size in 2003 was Ushs 108,750 (\$59) and the average savings Ushs 161,250 (\$88). The National Household Survey found that average monthly consumption expenditure per rural household was Ushs 113,300, but this is adjusted for inflation, so may not be entirely comparable. Nonetheless, it is clear that MFI clients are (as elsewhere) probably in the middle quartiles of income and expenditure in Uganda.

With about 14m Ugandans aged 15-64, the total market within these quartiles would be perhaps 7m people - of which a small portion are salaried persons who would have access to commercial banks. With only 2.3m accounts in Uganda in all financial institutions combined, the industry is far short serving the poorest.

#### **2.2.2.2 Land**

In Uganda there are four types of land tenure, namely mailoland, customary tenure, leasehold and freehold. Below is a brief description of each of these types of tenure.

##### ***Mailoland***

This is a form of tenure that exists in the central and western parts of Uganda. This form of tenure came into existence when the British distributed large tracts of land to those who had supported them during the period of colonisation. These lands were mainly distributed to the chiefs. This meant that the head of clans no longer held the authority to distribute land, instead they themselves became tenants. This led to the imposition of rents on tenants who were previously owners of the land they lived and worked on.

##### ***Customary Tenure***

Under this form of tenure, it is understood that land belongs to a community. It is assumed that every member has access to this land although no single person had the right to own it individually.

##### ***Leaseholds***

There are two options of leaseholdings on Uganda. A private leasehold is where a private party with access to mailoland or a freehold property would lease this land to another party, be it an individual or organisation, for a period of time specified in the lease agreement. The state lease is one that is given out by the government to an organisation

---

or and individual for a specified period of time in exchange for rent. After independence land that was under customary tenure was converted to leaseholds. It was believed that this would provide security of tenure and would allow access to capital using the land titles as security. This conversion of customary tenure to leaseholds led to the acquisition of large landholding by individuals. The 1969 public land act was then enacted which prescribed a ceiling limit for lands that could be converted to leaseholds by an individual. It also decreed that customary tenures could not be converted to leaseholds without the consent of the peasants occupying the land. The 1975 Land Reform Decree abolished this requirement leading to a race for conversion of land into leaseholds by those in powerful positions. This large scale conversion led to peasants being either evicted from lands that they had occupied for generations. Thus the emergence of a landless class.

The PEAP has made an interesting observation whereby it says - "Households' access to land is likely to be squeezed by population growth and land scarcity. The rate of urbanisation has been gradual rather than dramatic, and the proportion of households with agricultural land appears to have changed little between 2000 and 2003. Hence an increased number of households are using the country's limited resources of land. There are also some signs that land inequality is growing. The Village Census conducted for UPPAP found that the richer households had accumulated land and other assets over the 1990s much more than other households."

### ***Freehold***

Freehold land originally belonged to churches. These lands were converted in leaseholds under the 1975 Land Reform Decree. This decree abolished freeholds and converted them in to leaseholds for periods upto 999 years.

### ***2.2.2.3 Technology***

In Uganda, although the use of modern agricultural technology is still limited, there are various initiatives both from government, donors and NGOs in assisting farmers in adopting improved technologies in both production and post harvest processes. For example, the European Union has project developing a Warehouse receipt system that will enable farmers to access storage facilities and also enable them in participating in markets based on a planned process rather than having to sell produce soon after harvest. Other organisations such both at the national and regional levels are promoting organic and sustainable agriculture, production of better quality seeds and development of appropriate technology.

The NAADS programme provides advisory services to farmers groups based on the requirements of farmers. This moves away from the traditional delivery of extension services which was the responsibility of the Ministry of Agriculture. Under the NAADS model, farmers select a number of crops that they want to engage in and then request NAADS through their sub counties for advisory services related to these crops. This advice would cover husbandry, technology and issues related to market access. The NAADS programme is currently subsidised by the government and various donors, and farmers access this on a cost sharing basis. It is assumed that this cost sharing model will be

---

phased out over a period of time and that the farmers would then pay for the services themselves.

### **2.2.3 Processes**

Growth for micro and small businesses in Uganda has been of the horizontal nature. This is mainly due to the fact that business linkages are weak. This together with lack of social capital has hindered the growth of vertically integrated business linkages. The Business Services Market Development (BSMD) project in Uganda has undertaken various pilot activities and research studies which provide sufficient evidence to support this statement. The project itself was promoting supply chains as a growth model. The pilot activities undertaken for the development of the supply chains provided evidence that trust and reliability of the various businesses in the supply chain played a major role in the development of the supply chain.

In a synthesis of its experiences, the BSMD project has suggested a shift in development perspectives in relation to private sector development. It suggests that development efforts should aim at systemic changes to achieve sustainable impact. This would require the clarification of roles of the various players in private sector development keeping in view a long term perspective rather than aiming at quantifiable outputs for the short term.

Keeping the above in mind, it would require to nurture an enabling environment partly through dialogue between private sector, government and the aid sector. It would be required to develop an infrastructure to ensure that such dialogue takes place on an ongoing basis not only at national level but also at district and sub county level as one of the main aims would be that of supporting efforts towards poverty alleviation. The government requires to continue its efforts in development of physical infrastructure to support market access efforts.

The growth of the non farm rural economy has been unregulated and receives very little or no support at this stage. Most support comes from development organisations providing skills for alternative incomes to the very poor rural and urban households. It is imperative that the importance of this sector is highlighted and that policies are developed to support the growth of such a sector.

### **2.2.4 Government support**

#### ***2.2.4.1 The Poverty Eradication Action Plan (PEAP)***

The Poverty Eradication Action Plan (PEAP) has guided the formulation of government policy since its inception in 1997. It is planned that Uganda will be transformed into a modern economy in which people in all sectors can participate in economic growth.

This implies a number of conditions:

- The economy requires structural transformation, including the modernisation of agriculture, the development of industries which build on demand and supply

---

linkages from agriculture, and continued institutional development in the legal and financial sectors.

- Poor people must be able to participate in this growth, both by expanding smallholder agriculture and by increasing employment in industry and services.
- Economic growth must be sustainable, high quality and broadly based.
- The non-material aspects of poverty must be addressed; participatory studies have shown that insecurity, illness, isolation, and disempowerment are as important to the poor as low incomes.

Uganda's Poverty Eradication Action Plan (PEAP) is established on four major pillars:

- Economic management
- Production, competitiveness and incomes
- Security, conflict-resolution and disaster-management
- Good governance and
- Human development

#### **2.2.4.2 The Plan for Modernisation of Agriculture (PMA)**

The plan for modernisation of agriculture has already been discussed in an earlier section of this document. It is the plan of the government of Uganda to support its poverty eradication initiative by facilitating a shift from subsistence agriculture to commercially viable agriculture thereby raising incomes of a majority of the population.

### **2.3 SUMMARY (TO BE COMPLETED AFTER DISCUSSIONS AT COUNTRY WORKSHOP)**

## **3 PROPOSED RESEARCH ISSUES OR THEMES FOR REGION**

From the above discussion (and bearing in mind the need to frame ideas that are 1) regional in nature, 2) not already over-subscribed, 3) could have an impact, 4) involve identifiable barriers and 5) fit with RPE/IDRC), this is a list of possible areas for further investigation.

- The socio-economic consequences of water demand management options within the NBI upon the productive capacity of the rural poor
- The impact of socio-economic change induced by rural poverty (migration, urbanisation, and sedentarization especially) on the role of women within households and the policy instruments to assist women's status and economic roles
- The implications of labour demand (levels and type of employment, labour conditions etc) on rural households in the development of export industries and tourism

- 
- The nature of different forms of migration, the different participants in migration, and the income effects on rural households
  - The nature of the non farm rural economy and the policy measures to promote its contribution to rural household income
  - The nature and management of facilities and organizations to promote standards information and compliance on products of the rural poor -including lower cost testing (mobile laboratories etc), group certification, market intelligence, business services
  - The export potential of natural products, particularly from the wild but also under cultivation where small scale production and processing is competitive
  - Mechanisms for the reform of land tenure to provide security and investment incentives for the rural poor
  - Experience in community based rural resource conservation in fragile environments
  - Pro-poor commodity market development, linking technology improvements to infrastructure and commercial services
  - Development options for financial market development to serve the needs of the rural poor
  - The role of cross border trade in goods emanating from rural producers (rather than smuggled consumer goods) and mechanisms to facilitate such trade
  - Market information systems that convey standards requirements to rural producers whether statutory (SPS), industry-wide voluntary (EurepGAP etc) or specific retail outlet- based.
  - The analysis of international and regional trade regimes being negotiated or being implemented and their likely impact upon low-income producers and workers.

### **3.1.1 SUGGESTED COUNTRY SPECIFIC RESEARCH THEMES (Also see workshop report 4.5)**

Based on discussions with various stakeholders it was found that most of the above regional themes have a relevance to the Ugandan context. In addition to the above a few themes have been suggested below which can be combined with the regional agenda mentioned above.

#### ***3.1.1.1 Improved access to financial services for poor rural households engaged in agriculture (See 2.1.3 & 2.2.2.1)***

As discussed earlier in this document poor rural households are still unable to access finance for agricultural purposes. Some of the reasons are as mentioned below

- Lack of service providers within vicinity
- Poor information regarding the availability of services
- High risks related to financing of smallscale agricultural activities



- 
- Lack of collateral
  - High cost of providing services in distant rural areas
  - Cost of funding for microfinance organisation and high interest rates for what could be relatively small transactions
  - Percepted uncreditworthiness of the rural poor households
  - It is proposed that the research covers the above areas to inform efforts to deliver financial services to the rural poor and the agricultural sector in general.

### **3.1.1.2 *Supply chains as a vehicle for accessing markets sustainably (See 2.1.3 & 2.2.3)***

Supply chains have been identified as a vehicle for accessing markets particularly for small farmers. Although there has been research done in this area in Uganda, further research is required to inform ongoing efforts in the development of supply chains that are sustainable and can survive the lack of donor funding.

- Investigation on work that is ongoing in this sector
- Development of models that will include micro and small businesses with the chain providing essential services, including business advisory services
- Effects of business behaviour on success of these supply chains, and how business behaviour can be changed to ensure sustainability
- Communication of standards, market requirements and information

### **3.1.1.3 *Enhancing dialogue between private sector and local government to establish a positive business environment (See 2.2.3)***

There has been a gap in this area in Uganda. It is indicated that most policies and budgets at local government level have been developed by the local governments with little or no input from the local private sector. This piece of research would cover the following

- reasons for lack of such dialogue
- need and benefits of such dialogue
- explore the possibility of implementing such dialogue within the institution of local government
- develop a model that can be used to implement such dialogue on a sustainable basis

### **3.1.1.4 *Conflict economy in Northern Uganda – Consequences and long term effects on poor rural households in the region (not complete)***

This theme would cover the aftermath of the conflict in Northern Uganda and the effects of a conflict economy in the region. It will investigate the long term effects and provide possible solutions for integrating the poor rural households back into a normal economy.

---

## **4 OVERVIEW OF ORGANISATIONS AND THEIR ACTIVITIES IN POVERTY REDUCTION**

### **4.1 BILATERAL ORGANISATIONS**

#### **4.1.1 PRIME West (USAID)**

Productive Resource Investments for Managing the Environment, PRIME West, is a USAID funded project operating in the districts of Kabale, Kisoro, Kanungu, Rukungiri, Kasese and Bushenyi. PRIME West's aim is to support the increase of economic opportunities for rural communities with an objective of developing businesses that exploit the available natural resources in a sustainable manner. The project enhances business opportunities and operations that are mindful of the environment. It is anticipated that environmentally friendly ventures will eventually increase household income, create more employment opportunities, increase the number of enterprises and reduce environmental degradation.

The 16.5 million dollar project commenced in April 2004 for a period of four years until June 2008. The project has two offices, one in Kampala and another in Kabale with 16 technical staff, 14 of whom are stationed in Kabale and two in Kampala.

PRIME West's major focus is on enterprises in apiculture, fish farming, Arabica coffee, timber pools and fuel wood, Prunes Africana, dairy produce in conjunction with Land O'Lakes, bamboo, vanilla, potatoes, temperate fruits such as apples and pyrethrum.

PRIME West encourages private sector investment and provides co-funding to resourceful companies and commercially viable investments on a limited basis. The project encourages business partnerships and often contracts and motivates private sector service providers.

The major two examples of the planned intervention by the project are:

1. Assistance to communities to lease forests for management and production opportunities, which now has become possible under the new forest policy
2. Contribute to the construction of a high-end lodge close to a new habituated gorilla group. The charges are expected to be about US\$700 per night. The contribution is meant to encourage the owner and managers to employ people from the local community and to purchase fresh goods from within the area

The project started in April 2004 but it has not yet been possible to focus on specific activities because of the limited employment opportunities and small market for the local produce. These and other challenges seem to be the perceptible hurdles in the way for the implementation of the project.

---

#### **4.1.2 Austrian Development Agency (ADA)**

The Regional Bureau for Development Cooperation of the Austrian Embassy has contracted Austrian Development Agency, ADA to implement its activities in the various countries in Africa. ADA has offices in the three East African countries of Uganda, Tanzania and Kenya. ADA is implementing private sector development initiatives for the Austrian Government in Uganda and Tanzania.

In Uganda, ADA has interventions in three focus areas namely: Private Sector Development (PSD), Government and Water and Sanitation.

As part of their PSD programme, ADA works in four specific areas –

1. Provide technical support to the Medium Term Competitiveness Strategy (European Union and MTCS Secretariat)
2. Support Micro Finance Institutions in extending their outreach by opening new branches and developing innovative products. The local partner organisations involved in this work are Microcare and the Uganda Microfinance Union
3. ADA works with the BDS – JENGA Programme. The programme, which has been operational since 1989, will end soon. The local partner involved is CARE in Southwest Uganda.
4. ADA works with CARE to promote income-generating activities within communities. ADA supports local groups in identifying the most appropriate activity, mainly a commercial activity. These groups have also formed savings groups supported by the Private Sector (Financial) Deepening Unit. As these groups grow, steps are being taken to make them more business oriented.

ADA has also provided support in the following areas –

1. Training of carpenters through regional vocational training institutes, especially in the area of business management. ADA supported the development of the curricula and creation of a quality assurance office in collaboration with GTZ.
2. ADA supported the formation of a training institute for leather workers. It also provided training and support in sourcing of raw materials, leasing of machinery and production on contracts. UNIDO has now taken over support of this project.
3. Development of the Uganda Cleaner Production Centre, which provides training and consultancy services to the private sector to improve industrial practices by avoiding waste and protecting the environment.

ADA usually works through partners such as Local or International NGOs, GoU, Austrian NGOs, Catholic Church and Local Dioceses.

#### **4.1.3 AT Uganda**

AT Uganda was registered as a national branch office of Appropriate Technology International (AT) in 1994. AT's name changed to Enterprise Works Worldwide (EWW) in

---

1998 but AT Uganda chose to keep the name of the local branch. In 2002, AT Uganda established an independent local board of directors and registered itself in Uganda as a company limited by guarantee under the name AT Uganda Limited. AT Uganda is funded by various donors including USAID, DFID, the Rockefeller Foundation, DANIDA, FAO and GoU among others.

AT Uganda's head offices are located in Kampala and has a regional coordination office in Mbale. The company employs 6 professional staff and works with the district extension officers

AT Uganda provides agricultural extension services, agro-processing promotion services, agro-input distribution and business development services to rural communities in Northern and Eastern Uganda.

AT Uganda's current two main projects are -

*Uganda National Agri-Input Dealers Association*

AT Uganda is involved in training and facilitating the growth of a network of 128 rural agro-input stockists under their umbrella association - Uganda National Agro-Input Dealer's Association (UNADA). These rural retailers sell agricultural inputs to farmers across 14 districts in Northern and Eastern Uganda. The association assists members to acquire business management skills and product knowledge. It also links them to sources of supply and financial services. The project that will end in one and half years from now and is funded by USAID to the tune of USD 350,000-.

*Irish Potato and Groundnut multiplication*

AT Uganda provides support to farmers in six districts in Eastern Uganda to facilitate the multiplication of new and improved varieties of Irish potatoes and groundnuts. The project is funded by DFID and has a duration of 3 years (2 years left) with the possibility of an extension. Approximately 1000 farmers in four sub counties in Kapchorwa work with the Irish potato project. The groundnut project involves approximately 4000 farmers spread over 16 sub counties in five districts. Farmers in both projects are organised in groups of 25 members with 10 groups per Sub County. Expected annual production of Irish potatoes will be nine million kilograms, and that of groundnuts will be approximately 2.56 million Kilograms.

The main challenge that AT Uganda faces with the multiplication project is that of a limited market for the Irish potatoes and groundnuts. This problem according to AT Uganda will be addressed in the next phase of the project.

#### **4.1.4 Agricultural Productivity Enhancement Program (APEP) (USAID)**

APEP is a five-year USAID funded program with a total budget of US\$ 35 million. The program runs until 2009. This program has an additional fund of US\$ 4 million for 5 years to support technology transfer in the agricultural sector. APEP aims at expanding rural economic opportunities and increase household income in the agricultural sector by

---

enhancing food and cash crop production and marketing. It intends to transform agriculture from low input and low output subsistence farming to commercially competitive agriculture by providing support to farmers and the private sector.

The APEP program has interventions in the sectors of coffee, cotton, bananas, grains, flowers, vanilla and spices. The program partly builds on the activities of the recently completed IDEA (Investment in Developing Export Agriculture) project that has worked in Uganda for the past 10 years. APEP also collaborates with other existing USAID funded programs such as the PRIME West, SCOPE, SPEED, RATES, ACDI/VOCA and the DANIDA funded Agriculture Sector Program Support Project.

APEP is a national program and operates with 23 professional staff from their head office in Kampala. They work with 20 other field staff and 650 lead farmers. They also collaborate with the district staff in the respective districts. The field staff have a specific role in the development of the corporate and farmer partnerships.

Within the above sectors, APEP focuses on some specific issues such as developing partnerships for improving access to markets as well as access to other business services. The program is involved in developing legal agreements with seed producers and input suppliers (rural stockists) and providing trade guarantees, in collaboration with Centenary Rural Development Bank (CERUDEB). This collaboration also extends to the development of a credit system for farmers.

APEP works in Apac district with 6000 farmers producing organic sesame for export. Areas of collaboration with other organisations that have been identified are; improving communication along supply chains and the development of templates of legal agreements that could be used within supply chains.

#### **4.1.5 International Centre for Tropical Agriculture (CIAT)**

CIAT was founded in 1960 with its headquarters in Colombia. It is a research organisation, working in Latin America, Asia and Africa with its regional headquarters in Uganda. Its focus is in improving production and productivity. CIAT has a programme called the Rural Agro Enterprise Development Project (RADP), which commenced in the year 2000 and focuses on the support and development of income generating activities related to agriculture.

Under RADP, CIAT has projects in Uganda, Malawi, Tanzania, Kenya, Rwanda and Ethiopia. The Agro enterprise projects aim at establishing a link between production and marketing, and involve a participatory approach to market research. CIAT works with selected farmers' groups and communities in collaboration with locally based NGOs.

In Uganda, CIAT has developed agro enterprise projects in Kabale, Masindi and Tororo districts. These agro projects are identified using a process known as Enabling Rural Initiatives, (ERI). Under this process CIAT, works with the local partner and the community to identify viable income generating opportunities and food resources. The community or farmers' group then discuss the trade options including market requirements

---

and prices with potential buyers. Thereafter, the farmers meet to decide if the enterprise is viable. During this meeting, the viability of the selected enterprise is tested using specific criteria. To strengthen the enterprise, the farmers engage in participatory research, usually facilitated by CIAT with help from the local collaborator.

CIAT has used the same process to support Irish potato farmers in Kabale. In this case, a number of Irish potato farmers in Kabale were organised into a group and linked with Nando's (a fast food restaurant in Kampala) who agreed to purchase five metric tonnes of Irish potatoes per month. Africare, an NGO with an office in Kabale, currently facilitates this linkage. Africare provides information concerning the market, and facilitates communication between the lead buyer and farmers. Under normal circumstances, these activities would be undertaken by private commercial traders. The project was designed by CIAT, which placed its implementation and support under Africare.

CIAT has similar projects in Tororo that are engaged in the production of beans and groundnuts. In Masindi CIAT's projects focus on local chicken, passion fruit and mangoes.

CIAT has undertaken Technical Market Opportunities Identification studies for various commodities in different towns in Uganda from which manuals have been produced. CIAT undertakes such studies on behalf of their clients, e.g. NAADS. These studies are also used to build capacity of local service providers.

As noted above, Africare has been marketing the Irish potatoes on behalf of the local farmers. Although this arrangement has so far been successful, it is not known whether Africare will be able to sustain such a commercial activity on a long-term basis, given the fact that it depends on donor funds.

#### **4.1.6 Swisscontact**

Swisscontact started work in Uganda in 1987. It is an NGO founded in Switzerland in 1959. The major goal of this NGO is to promote sustainable development in selected countries in Africa, Asia and Latin America.

In order to support development in the selected countries, Swisscontact has implemented programs to promote vocational education and training and developing small and medium enterprises (SMEs). This has been done through improving service delivery and competitiveness, supporting financial services for improving savings and credit opportunities for poor households as well as SMEs. Swisscontact projects are financed by private businesses, associations, foundations, public donors as well as private benefactors.

Swisscontact employs retired Senior Expert Corps on a voluntary basis particularly from European countries. These experts are called up on to assist small and medium-sized enterprises in developing countries. These senior experts provide immediate on site practical support in solving technical and operational difficulties. They also promote the occupational and technical skills of personnel and management in the various projects.

---

Swisscontact has for a long time been involved in supporting associations in both Africa and Asia. Unfortunately, their services in Africa have been suspended due to problems within the associations. Such problems include but are not limited to: lack of trust among members and lack of transparency and confidence. Swisscontact continues to support associations in Asia.

In Uganda, Swisscontact is involved in providing subsidies to the vocational training and financial sectors. It operates on a budget of US\$ 500,000 for a three-year period particularly in areas outside Kampala. Swisscontact has also registered a private limited company in Uganda to provide consultancy services to the micro finance sector.

Swisscontact has further been involved in providing support to a fruit processor in Mityana to develop a processing plant to produce syrup from passion fruit. This support also included facilitating the testing of this syrup in Swiss laboratories. According to Swisscontact the syrup has passed a second test and has been declared suitable for the pharmaceutical and beverage industry in Switzerland.

Swisscontact is planning to develop three business development centres (BDC) in Uganda during 2005. These BDCs are expected to deal in the export of honey, fresh fruits and vegetables and herbal medicines.

Swisscontact has already developed successful BDCs dealing in honey in both Tanzania and Kenya. It hopes to use a similar model in Uganda. Under this model, Swisscontact will facilitate the development of business collaboration between groups of beekeepers and a honey processing and exporting company – Honeycare Africa. Under this arrangement, beekeepers will be able to access business services including improved beehives on credit, training and extension services, processing facilities and possibly a micro finance scheme. It is expected that the beekeepers will receive 50% of the export proceeds as the price for their produce.

The second BDC will deal in fresh fruit, vegetables, grains and pulses. Swisscontact has been approached by a group of young Ugandan entrepreneurs who have markets for fresh fruit and vegetables in the Middle East. The challenge that the group face is to find a reliable source for the fruits - a source that can supply quantities suitable for export. Swisscontact intends to facilitate these entrepreneurs in developing their sources for produce for white eggplant, hot peppers, pineapples, groundnuts, maize, beans and passion fruit. Swisscontact will support the extension services that these entrepreneurs expect to provide to the suppliers and farmers.

The third BDC that Swisscontact has planned to develop is in the area of herbal medicine. Swisscontact intends to support this sector to help the development of herbal drugs through a more formal approach. It is expected that the drugs will pass through the requisite tests and will be promoted for use in the international market.

---

#### **4.1.7 World Vision – Area Development Programme (ADP)**

World Vision is non-governmental organisation and operating in 22 districts in Uganda. World Vision under its Area Development Programme (ADP) implements projects in Kitgum and Gulu. These projects are funded by USAID under their Development Action Program (DAP). The projects mainly focus on improving the food security of the communities in insecure areas.

In a bid to increase farmer's incomes and improve food security, World Vision is working with farmers in the two districts to improve production of Soya Bean, Sunflower, Upland Rice and Cassava. World Vision's ADP in Kitgum and Gulu is now in its second five year DAP phase which runs from 2003 to 2008. This phase is being funded to the tune of US\$ 8 million, while the first phase had a total funding of US\$ 3.5 million. The ADP works with forty staff and operates with offices in Kitgum, Gulu and Kampala. The ADP is targeting 25,000 households of which 60% have already been reached. Most of these households are located in internally displaced persons camps in the two districts.

The World Vision ADP also collaborates with similar programs run by other NGOs such as Save the Children, Africare, Catholic Relief Services and ACDI VOCA. World Vision has been supporting farmers in these districts through their local leaders and lead farmers who act as demonstrators. The local leaders and the demonstrators are offered training and extension services, improved seeds, and animal traction on a revolving loan basis. They have also been linked to technology suppliers.

Initially the ADP supported the formation of farmers groups around animal traction, where World Vision provided the seed money for the purchase of one pair of oxen. In the evaluation of the first phase, it was strongly recommended that the ADP should facilitate linkages between farmers and markets and also support farmers' groups in the development of a rural banking system to support the beneficiaries. Based on this recommendation, the ADP has approached Mukwano Industries on behalf of the farmers to discuss their interest in soya bean and sunflower.

The major hurdle for the ADP is that of low and uncertain production due to the insecurity in the project areas. This, it is assumed will affect the discussion between the World Vision – the farmer's representative and Mukwano industries, the buyer. The challenge of marketing is also being addressed through sensitising farmers about the importance of production planning, quality and formation of district production and marketing committees.

#### **4.1.8 TRIAS**

TRIAS is a Belgian NGO for development cooperation. It works with partners in Africa, Latin America and South East Asia. TRIAS seeks to improve the social and economic security of micro and small-scale entrepreneurs in the target continents. It also encourages cooperation between entrepreneurs, farmers and their associations in the developed countries and those in the target continents.



---

In East and Central Africa, TRIAS works in Uganda, Tanzania and the Democratic Republic of Congo (DRC), with their regional headquarters in Uganda. TRIAS has been operating in Uganda since 1989 under the name ACT. The name changed to TRIAS in 2003. In the East African region TRIAS, works through partner organisations and employs four expatriate advisors. Each of these is allocated to a project area and is assisted by a regional coordinator and two support staff based in Kampala. TRIAS receives 85% of its funding from the Belgian Government and the European Union. Other small donors, Farmer Associations and private companies in Belgium provide the balance 15%. The total funding of this organisation in this region amounts to Euro 800,000 for a period 5 years up to 2008.

In Uganda, TRIAS is implementing four projects in collaboration with local partner organisations –

1. Support to the Hoima Catholic Diocese in the areas of sustainable agriculture, oxen traction, provision of credit to farmers, rural infrastructure strengthening, nutrition education to the community and general area development.
2. Collaborating with Emesco a local NGO, based in Kibaale, providing support to the community in developing initiatives in sustainable agriculture, providing extension services and support to group formation.
3. Supporting Uganda Martyrs University (Nkozi) in the fields of extension services, agricultural processing and production of improved agricultural inputs
4. In Mbarara, TRIAS works with the District Farmers Association (DFA) and supports the provision of agricultural extension services, the processing and production of mushrooms and yoghurt. It also supports the organisational strengthening of the DFA.

TRIAS' work in Uganda has so far been focused on improving agricultural production and ensuring sustainability of the partner organisations. Due to obvious reasons and conditions in the partner organisations, TRIAS' focus has now changed and incorporated market access and research within its activities.

As an example - In Muleba, in North Western Tanzania, TRIAS facilitated a local farmers' association to put up a fruit-processing plant producing organic fruit juices. Initially the fruit processing plant was self-sustaining, as the production was limited and could be sold in the local market. However with the expansion of the farmers' association, the plant has become unprofitable due to the limited local market. The project is still supported by TRIAS who have been forced to start exploring new market opportunities to prevent the collapse of the juice processing plant.

#### **4.1.9 International Institute for Tropical Agriculture (IITA)**

IITA is a research organisation based in the UK with its African headquarters in Ibadan, Nigeria. IITA along with its national partners aims at enhancing food security and well being of poor people in sub-Saharan Africa. This is being done by conducting research

---

and related activities to increase agricultural production, improve food systems, and increase sustainable management of natural resources.

It is financed by the Consultative Group on International Agricultural Research (CGIAR), which is supported by amongst others USAID, The World Bank, DFID, IFAD, The Netherlands, Denmark, Canada, The European Union and the Governments Belgium and Nigeria.

In Uganda, IITA is involved in the production and development of improved varieties of cassava. This project has five modules – breeding, integrated pest and disease management, marketing and processing, dissemination and multiplication of improved varieties and commercial cassava production.

One of the pilot sites for this purpose is located in Minani Parish, Namalembe Sub County, Iganga. Under the Minami project IITA is carrying out research with the help of a local farmers group and RAPTA, a local NGO. This research focuses on reducing production costs and improving soil fertility management. They are also studying the viability of setting up a cassava chipping plant that will be managed by the farmers group.

The farmers group will need to be linked to a buyer before the cassava chipping plant is operational to ensure a secure market and in turn the sustainability of the enterprise. IITA has identified the following sectors as possible markets for supply of cassava chips - animal feed producers, starch producers and the beer producers. IITA will now need to contact the main companies in these sectors to discuss the possibility of linking these farmers into the companies' sourcing plan.

#### **4.1.10 CARE**

CARE is an international NGO working in various sectors in Uganda, one of which is development and strengthening of BDS. The Program Manager at CARE voiced his concern about the changing trend in development. He emphasised that there is more need for support for market development and market-focused initiatives in the BDS sector.

CARE is currently running BDS related projects in Kabale and the West Nile. In Kabale, they have implemented an income-generating project through agricultural intervention. This is a commodity based beans project in form of a warehouse receipt system. Here, the farmers are able to access inventory credit. This project is meant to improve and ease access to inputs, pre-financing and markets. However, the marketing component has not been strongly defined.

To implement this project, CARE has been working with the district farmers organisation, which has been the main organ handling issues of trust, reliability, transparency, commitment, integrity, honesty and confidentiality. CARE has found this to be a major challenge and as a result there are plans to redesign the system to address these issues as well as the challenge of marketing. The new system will also put in place proper written agreements that have been lacking.

---

In the West Nile, CARE is providing support to approximately 4000 farmers engaged in Sesame production for export. This three year project that is set to end in 2007 was developed with the support of CARE Canada. The idea is to link the farmers to an exporter or a group of exporters who will provide them with a ready market for their produce. The exporter is also expected to provide other services such as extension services, access to credit and agricultural inputs. CARE is now exploring ideas for the purpose of linking these farmers to buyers or exporters.

CARE is implementing a project which focuses on developing Business Development Services that reach the MSE sector in the rural areas. The project is being implemented as a pilot in the Kigezi region in South West Uganda. It is expected to run for a period of three years with a total funding of EUR 300,000.

#### **4.1.11 Environmental Alert (EA)**

Environmental Alert (EA) is a local NGO established in Uganda 13 years ago. Its main area of interest has been policy advocacy in the agricultural, trade and food sectors at a national level. It has also registered a private limited company 'Envalert Limited' that is expected to undertake commercial activities, for example, fruit drying for the export market.

EA has now widened its focus areas to include capacity building for farmers groups to increase productivity and household food security. EA works in close collaboration with VEDCO (Volunteer Efforts for Development Concerns), another local NGO, which focuses on developing marketing linkages by supporting farmers groups in the formation of marketing committees and linking them to agents and buyers of produce. EA has also been working with communities in peri-urban areas in a bid to develop urban agriculture. The main crops here are mushrooms and vegetables.

The main challenge that EA faces in its efforts is that of market access. The organisation has had limited success in linking these groups to markets especially supermarkets and hotels.

Envalert Limited has recently received a hybrid fruit dryer worth US\$ 15,000 from UNIDO in the form of a grant. Plans are underway to construct a processing factory. Envalert is at the same time organising farmers in Luweero district into groups, who will supply the factory with fresh bananas, pineapples and mangoes.

Envalert along with three other companies who benefited from similar UNIDO grants have formed a marketing company. According to the officials at Envalert at the time of this interview, no further steps had been taken with regard to identifying markets for their dried fruit products.

#### **4.1.12 SCOPE (USAID)**

Strengthening the Competitiveness of Private Enterprises (SCOPE) is a USAID funded project aimed at supporting Uganda's efforts to increase the competitiveness of its

---

products in the global market. This USAID effort provides deliberate technical support in three components to stakeholders in private and public sectors, who are part of the Government's competitiveness framework programs PEAP, MTCS, and PMA.

SCOPE supports business leaders in high-priority export sectors like coffee, cotton, maize and beans, oilseeds, horticulture, dairy, fisheries and tourism -- to bring together action groups, or clusters of private and public sector actors that agree to work together to achieve a common strategy. SCOPE support to business "champions" and their competitiveness initiatives can include:

- Cluster Formation
  - Packaging cluster business plans
  - Brokering participation of support industries in cluster activities
  - Facilitating integration of relevant public and private sector resources
  - Integrating the capacities of other programs and projects
- Cluster Strategy Issues-
  - Leveraging access to financing, e.g., through financial institutions
  - Forging alliances with foreign buyers and international trade initiatives
  - Attracting local and foreign investment
  - Addressing trade and policy issues that constrain competitiveness
  - Expanding Public/Private Partnerships for Competitiveness

SCOPE supported clusters provide the building blocks for partnership and a sustainable private and public sector competitiveness framework. SCOPE supports the ability of the GoU's Medium Term Competitiveness Strategy (MTCS) to spearhead competitiveness initiatives and to set up and operate an efficient economic monitoring system. SCOPE assists the Private Sector Foundation to coalesce private sector viewpoints in support of competitiveness dialogue clusters to provide a strong framework.

### *Building Awareness and Consensus*

SCOPE works with private and public sector partners to expand awareness of Uganda's competitive potential both within Uganda and worldwide. For example, SCOPE works with and through its MTCS and PSFU partners to develop and implement a communications and awareness strategy designed to increase participation of all segments of the Ugandan economy in competitiveness activities.

This project comes to an end at the end of December 2006.

### **4.1.13 Agricultural Sector Programme Support – Phase II (ASPSII)**

The DANIDA funded ASPS has a component on agribusiness development looking at agriculture as a business. This programme has been specifically formulated to address the PMA and to be compliant with it. ASPS is probably the largest funded donor programme in the agricultural and agri business sector in the country with a total budget of US\$ 55

---

million for a period of five years ending in mid 2009. ASPS funding is channelled into the following areas -

- Agricultural Research - where the National Agricultural Research System (NARS) is being reformed to be more competitive and to better respond to the needs of farmers. ASPS support to livestock systems research is continuing but will undergo a transition that more closely aligns it with the NARS.
- Agricultural Advisory Services - where the National Agricultural Advisory Services (NAADS) is being supported by the ASPS becoming a contributor to their basket-funding. The Household Agricultural Support Programme (HASP) initiative that developed and piloted community driven processes for rural development is undergoing a transition in which support is increasingly given to the decentralisation of public funding for agricultural development through the PMA non-sectoral conditional grant mechanism. Under the Non Sectoral Conditional Grant (NSCG) mechanism, district administrations fund and provide management support to development plans that are generated by participating villages. Special attention is being given to improving the capacity of the local administrations to play their part in the decentralisation processes.
- National Reform Processes - where the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) receives support to guide and enable the PMA:
  - i. in the development of its capacity to deliver the seed, meat and dairy regulatory functions that are needed by farmers and agri-business;
  - ii. to develop their capacity to develop and manage policy for the agricultural sector; and,
  - iii. by ensuring that the PMA's implementation and development is supported through continuous processes of review that are informed by systematised monitoring and evaluation processes.
- Agribusiness - where groups of farmers and individuals are able to access support, firstly to develop their business ideas, and then to put them to work as active and profitable agro-enterprises. Business planning, training and mentoring services are available, as is support to the organisational development of farmers associations, helping them to become stronger in the marketplace. Partnerships with the financial sector has helped to make micro-leasing, savings and micro-credit, and also larger loans, a reality for serious farmers. In addition, the "Enterprise Innovation Fund" supports the development and incubation of new ideas.
- The five District Agricultural Training and Information Centers (DATICS) whose development was supported in the first phase, continue to receive support, albeit on a declining basis that will lead them towards being able to sustain themselves as centers supporting their local farming communities. The farmers' school education will continue and will be consolidated and new training products will constantly be developed to respond to the needs of farmers and the service-sector for agriculture. The DATICs will work closely with the NAADS and research systems, helping to bring farmers closer to government processes. In a continuing effort to try to reverse what is an apparent marginalisation of young

---

people in the rural areas, the attention being given to the fora for local youth is being increased. Finally, though most importantly, the commercial farming activities at each of the DATICS will be separated from the training and information activities in an attempt to make them both more efficient, but also to more clearly demonstrate the promise of modern farming.

#### **4.1.14 Rural Savings Promotion & Enhancement of Enterprise Development (Rural SPEED) (USAID)**

Rural SPEED is a three-year, USAID-funded program providing rural Ugandans with increased access to financial services. The program works with Ugandan financial institutions and leverages the efforts of other donor-funded projects to meet the financing needs of micro, small and medium enterprises to encourage economic activity in rural Uganda.

Rural SPEED's activities are integrated across the program. While one initiative is developing linkages between regulated and non-regulated financial institutions, another is helping improve these institutions' abilities to manage their operations, while another is focusing on developing new and innovative products and service delivery mechanisms. The project's integrated approach, combined with its demand-driven focus, produces a comprehensive solution to rural Uganda's financial service needs.

Rural SPEED focuses on the following initiatives:

- Improving the ability of financial entities to provide financial services to agricultural and non-agricultural rural enterprises
- Strengthening partnerships between financial institutions
- Increasing savings in rural communities
- Developing innovative products and service delivery mechanisms

#### **4.1.15 Business Services Market Development Project (BSMD)**

The Business Services Market Development Project Uganda (henceforth BSMD) was a three year project that ended in November 2005. This project was funded by DFID and implemented by the International Labour Organisation (ILO).

The project addressed the core economic problem of weak business linkages and helped to embed micro and small businesses (MSEs), and smallholder farmers within, rather than be excluded from, markets. To do so, the project has pro-actively developed market-based solutions to key business constraints at the micro and agro sector level.

The overall goal of the project was to increase market access for MSEs and smallholder farmers through the development and strengthening of supply chains that link the rural poor to urban, national and international markets. The purpose of the project was to promote the adoption of improved business practices that address identified business constraints and in particular constraints to supply chain formation in Uganda. It is

---

envisaged that once strong and stable supply chains are established, MSEs and smallholder farmers can gain access to a wide range of business services, thus allowing them to improve their individual as well as the overall chain's competitiveness.

To achieve its goal, BSMD undertook action research activities as well as a number of specific studies to identify constraints that prevent the establishment of supply chains in Uganda; developed alternative mechanisms and tools to overcome the identified constraints; and promoted and demonstrated the benefits of effective and focused supply chains. The results of these actions also contributed to the overall understanding and development of the commercialisation of business services, their delivery mechanism and to the roles and responsibilities of the donors, development agencies and the government in developing the MSEs and the private sector in general, in Uganda.

The focus of BSMD was thus on acquiring and disseminating expertise that addresses fundamental MSE constraints in a systematic manner, rather than undertaking stand-alone project interventions.

#### **4.1.16 DFID**

The UK and Uganda signed a Poverty Reduction Budget Support (PRBS) arrangement in December 2004 for a grant of up to £145 million over three years. This budget support arrangement is linked to reforms detailed in the Poverty Eradication Action Plan, including macro-economic management and governance. The UK indicated at the time the agreement was signed, that up to £40 million was available in financial year 2004/05, £50 million in 2005/06 and £55 million in 2006/07. The UK disbursed £35 million in 2004/05, having cut £5 million due to concerns about the progress of Uganda's political transition leading up to multi-party elections in 2006. The total development assistance to Uganda this financial year is £71.6 million. The original indication was that PRBS would form £50 million of this assistance. In view of Uganda's overall progress, the UK government has decided to disburse £30 million of PRBS this year, with £15 million to be reallocated to humanitarian assistance in northern Uganda and £5 million to be held back for a decision on the disbursement until after the elections in February. The remaining £21.6 million supports:

- improved governance and the capacity of the government to implement its budget effectively;
- service provision in the key areas of health, HIV/AIDS and water and sanitation;
- civil society and the private sector, and their contribution to poverty reduction; and
- conflict resolution and other humanitarian assistance in northern Uganda.

Some of the recent studies or projects supported by DFID in Uganda are-

<b>Project</b>	<b>Objective</b>
----------------	------------------

Country Case Study on Uganda 2004	As part of the operationalising pro poor growth programme, a joint initiative of the world bank, AFD, BMZ (GTZ, KfW Development Bank and DFID). This programme aims to provide better advice to governments on policies that facilitate the participation of poor people in the growth process.
Impact of public private partnerships addressing access to pharmaceuticals in selected low and middle income countries- A case study of Botswana, Sri Lanka, Uganda and Zambia. 1999-2004	A study done by the Institute for Health Sector initiated by the Initiative on Public Private Health Partnerships and funded by DFID.
Forest Sector Policy Strategy Project	This project was developed by the GoU and DFID to support the Forest Sector Umbrella Project , an initiative by the government of Uganda to reform the forest sector.
Education of Women	In association with Action Aid DFID supported a research programme in Bangladesh and Uganda looking at Adult Education among women and analysing why NGO's initiate them and whether it does lead to empowerment of women.

#### **4.1.17 USAID (See above for individual projects)**

The main USAID goal in Uganda is poverty alleviation. Three strategic objectives underline this – economic growth, improved human capacity and effective governance.

1. Economic Growth- This objective is designed to boost economic growth, restructure and revitalise Ugandan exports, curb environmental degradation and enhance food security for the vulnerable elements of the population.
2. Improved Human Capacity- This aims at improving the education and health status of Ugandans. The main focus is on HIV/AIDS.
3. Effective Governance- This addresses problems of accountability, political pluralism and informed participation of civil society.

#### **4.1.18 GTZ**

German and Ugandan bilateral cooperation has been stepped up considerably since the German Federal Ministry for Economic Cooperation and Development (BMZ) declared Uganda a priority partner country. In May 2000, the German and Ugandan counterparts agreed to concentrate their work in sector-wide approaches in three priority areas:



- Financial sector
- Water sector
- Vocational training

The following are the major programmes and projects in Uganda

<b>Programme</b>	<b>Project</b>
Financial development sector	Financial System Development Programme
Water development sector	Cooperative Programme for Water Sector Development
Vocational and technical training	Promotion of Employment Oriented Vocational and Technical Training
Other ongoing projects	<p><b>Figure 1.</b> Advisory Services to the Directorate of Refugees (DREF)</p> <p><b>Figure 2.</b> Basic Education in Urban Poverty Areas (BEUPA)</p> <p><b>Figure 3.</b> Basic Health Services (BHS)</p> <p><b>Figure 4.</b> Promotion of Children and Youth (PCY)</p> <p><b>Figure 5.</b> Energy Advisory Project (EAP)</p> <p><b>Figure 6.</b> Prevention of Mother to Child Transmission of HIV (PMTCT plus)</p> <p><b>Figure 7.</b> Food and Nutrition Security Project in West Nile (FNS)</p> <p><b>Figure 8.</b> Social Centre Project Gulu, for the rehabilitation of traumatised children in northern Uganda</p> <p><b>Figure 9.</b> UNHCR/GTZ Project - Uganda</p> <p><b>Figure 10.</b> HIV/AIDS Mainstreaming</p> <p><b>Figure 11.</b> Justice Law and Order Sector (JLOS)</p>

#### 4.1.19 IDRC

The following are the active IDRC projects in Uganda.

<b>Project</b>	<b>Objective</b>	<b>Cost (CAD\$)</b>
AIDS, Food and Nutrition Security: Supporting Innovation 2001-2005	This multi-donor initiative will support several institutional innovations aimed at enhancing the capacity of the region's agricultural R&D system to respond to the AIDS challenge. Specifically, the IDRC grant will support a meeting of country teams to consolidate a network; research in Uganda on the vulnerability of agricultural systems to AIDS; and assessments of policies and programs by country teams in Uganda and Malawi.	CAD\$349,000

	EH	
Private Sector-led Aquaculture and Malaria in Western Uganda 2004-2006	This project will explore the complex links between malaria incidence and environmental management in southwestern Uganda, an area that has seen the proliferation of fish ponds as a form of income generation promoted by the government. Researchers will investigate potential links between commercial fish farming and malaria incidence, and identify appropriate social and environmental interventions to reduce the risk of malaria transmission. EH	CAD\$370,420
Improvement of Banana and Natural Resources Management Through Participatory Development (Phase II) 2004-2007	This grant will support the efforts of farmers to reach their counterparts in neighboring areas and at three benchmark sites in the Uganda National Banana Research Programme (NBRP) using participatory development communication.	CAD\$450,080
Improvement of Banana and Natural Resources Management Through Participatory Development Communication (Phase II)	This grant will allow the Southern African Development Community (SADC) Centre for Communication in Development to appropriate the Isang Bagsak program by offering it to a small number of teams in Zimbabwe, Malawi and Uganda, while developing a strategy to ensure its sustainability.	CAD\$470,690

## 4.2 MULTILATERAL ORGANISATIONS (WEB BASED RESEARCH AS IN REGIONAL SCAN)

### 4.2.1 World Bank

The commitment value of projects totals approximately US\$920 million. World Bank project work has helped Uganda on many fronts -- from improving access to rural areas by upgrading roads to expanding and improving water supply systems to training teachers.

A list of the currently active projects in Uganda are –

<b>Project</b>	<b>Objective</b>	<b>Cost (US\$ Million)</b>
Private Sector Competitiveness II 2004-2010	The overall objective for the Second Private Sector Competitiveness Project for Uganda is to create sustainable conditions for enterprise creation and growth that responds to local and export markets. The project, which will reduce the cost of doing business and encourage investment, will enable the private sector to be better positioned to respond to opportunities in specific categories of the market.	72.5
Sustainable management of natural resources 2003-2009	The overall objective of the Sustainable Management of Mineral Resources Project, is to assist the Government of Uganda (GOU) implement its strategy to accelerate sustainable development, and reduce poverty by strengthening governance, transparency, and capacity in the management of mineral resources, with particular emphasis on community development in mining areas, and improve small-scale, and artisanal mining, in addition to promoting a socially, and environmentally sound development of the minerals sector, based on private investments.	28
Energy for Rural Transformation Project	The Energy for Rural Transformation Project will promote the use of stand-alone solar photovoltaic (PV) systems and the generation of conventional power from small renewable energy resources.	75
Northern Uganda Social Action Fund Project	The Northern Uganda Social Action Fund Project aims to empower communities in Northern Uganda by enhancing their capacity to systematically identify, prioritize, and plan for their needs and implement sustainable development initiatives that improve socio-economic services and opportunities.	133.5
Protected Areas Management and Sustainable Use project 2002-2007	The Protected Areas Management and Sustainable Use Project, will ensure the effective, long-term conservation of Uganda's biodiversity, through a sustainable, and cost-effective management of its wildlife, and cultural resources.	30

<b>Project</b>	<b>Objective</b>	<b>Cost (US\$ Million)</b>
Decentralized Service Delivery: A Makerere University Training Pilot Project 2002-2006	The Decentralized Service Delivery (Makerere University Training Pilot) Project seeks to support Uganda's efforts at building capacity for improving the quality of decentralized public services delivery at the local government level. Its key objective is to develop an effective, sustainable, and replicable mechanism--that is fully integrated with the Government's decentralization and public service reform programs and capacity building goals--for strengthening the skills and competencies of those responsible for service delivery and management at the local government level.	11
Energy for Rural Transformation Project 2001-2006	The purpose of the long-term program is to develop Uganda's rural energy and information/communication technologies (ICT) sectors so as to bring about rural transformation.	111.24
Regional Trade Facilitation Project 2001-2011	Not stated	60
Second Environmental Management and Capacity Building Project 2001-2006	The Second Environmental Management and Capacity Building Project will sustain environmental management at the national, district, and community levels, and assist the Government of Uganda (GOU) in the implementation of the National Environmental Action Plan, related National Environment Statute, and the Local Government Act.	24.1
National Agricultural Advisory Services Project 2001-2008	The National Agricultural Advisory Services Project, will assist poor farmers in Uganda, in becoming aware, and able to adopt improved technology, and management practices in their farming enterprises, to enhance productivity, economic welfare, and sustainability of farming operations.	108
Privatization and Utility Sector Reform Project	The Privatization and Utility Sector Reform Project for Uganda aims to improve the quality, coverage, and economic efficiency of commercial and utility services, through privatization, private participation in infrastructure, and an improved regulatory framework.	95.3

<b>Project</b>	<b>Objective</b>	<b>Cost (US\$ Million)</b>
Second Economic and Financial Management Project 1999-2006	The Second Economic and Financial Management Project, is part of the assistance strategy for supporting improvements in the public expenditure management process in Uganda, and the project will improve the efficiency of Government planning/budgeting, financial management, and monitoring/evaluation processes.	43
AGRIC.RES & TRNG. II 1999-2007	The Second Agricultural Research and Training Project (ARTP II) seeks to a) increase the efficiency and productivity of the dominant crop, livestock, fisheries, and forestry farming systems of Uganda; b) increase farm household income and improve family welfare; and c) enhance the management of natural resources for the protection of the environment. There are three project components.	26
Kibale Forest Wild Coffee Project Approved 1999	Objectives are the removal of the present threat to biological diversity in both the core conservation zone, and the buffer zone, the establishment of an ecologically, sustainable management system, including that for a self-sustaining incentive for conservation of biological diversity in an agricultural landscape, and, the creation of a financial flow for sustaining management costs, to be invested in socioeconomic improvements for the community.	.75

The currently proposed projects are-

<b>Project</b>	<b>Objective</b>	<b>Cost (US\$ Million)</b>
Kampala Institutional and Infrastructure Development Project	The overall objective of the project is to develop a strong governance and institutional structure within KCC to enhance service delivery and improve the economic performance of Kampala.	39
Millennium Science Initiative	The project's development objective is for Ugandan universities and research institutes to produce more and better qualified science and engineering graduates, and higher quality and more relevant	21

Project	Objective	Cost (US\$ Million)
	research, and for firms to utilize these outputs to improve productivity.	
Uganda Poverty Reduction Support Credit 5	The PRSCs support four of the five pillars of the Poverty Eradication Action Plan: Economic Management; Enhance Production, Competitiveness and Incomes; good governance; and human development	135

#### 4.2.2 UNDP

As per the 2001-2005 country strategy UNDP in Uganda supports the following projects which are relevant to the IDRC study.

1. *Democratic Governance*- The Good Governance for Poverty Eradication Programme, worth about US \$ 5.5 million, is complemented by United Nations Volunteers (UNV) and United Nations Capital Development Fund (UNCDF) support to Uganda in the area of good governance amounting to US\$ 1 million and 6.5 million respectively.
2. *Poverty Reduction*- Two main programmes are supported under this theme

Project	Objective	Cost (US\$ Million)
Poverty Analysis and Poverty Monitoring	To assist Uganda in furthering the objectives of the country poverty eradication plan through support for poverty monitoring and enhanced capacity for policy analysis and policy development.	1.3

3. *Environment*- Since 1997, UNDP has supported environment projects in Uganda to the tune of about US\$ 10 million, mostly in the area of capacity building for environmental management.

Recent and current projects include-

Strengthening the capacity of the National Environment Management Authority (NEMA).
Support to biodiversity conservation in Rakai, Mbarara, Karamoja and the Albertine Rift through the Global Environment Facility (GEF)
Strengthening capacity for the management of River Nile Basin .
Support to the preparation of Climate Change Communication in Uganda
Support for the implementation of the National Action Plan to Combat Desertification.

---

Support to the integration of dryland issues in the Plan for the Modernization of Agriculture and the PEAP.
Building of the financial management capacity of the Forestry Department, which has been subsumed under the National Forestry Authority.
Support to community level environment conservation projects through the Global Environment Facility Small Grants Programme .

### **4.3 NGOS/RESEARCH ORGANISATIONS**

#### **4.3.1 Action for Development**

Action for Development (ACFODE) is a non-profit, non-governmental, non-sectarian women's organization whose mission is to improve the status and lives of women in Uganda through communication and networking with rural and urban women, and by close collaboration with other organizations. ACFODE aims to empower women by sharing knowledge and experiences on issues regarding health, family planning, legal rights, income generating projects and other social problems.

#### **4.3.2 Natural Resources Institute (UK)**

<b>Project</b>	<b>Objective</b>
Linking information demand and supply in Uganda	The project "Linking the demand for and supply of agricultural information in Uganda" works with the National Agricultural Advisory Service (NAADS), NARO, Makerere University, NGOs, farmers, private service providers, local government and other stakeholders in Uganda to integrate smallholder demand for agricultural technologies and market information with the supply of information from research organizations, market traders, equipment manufacturers, other farmers and the extension services.
Warehouse Receipt System	Agriculture reforms focused primarily on dismantling state intervention but with little emphasis on developing institutions to help private sector success in commodity marketing activities. To overcome this the warehouse receipt system was initiated in Zambia which established regulatory frameworks of high integrity that could screen warehouse operators and certify those wishing to lend against the deposited grain. Following the success of this project a similar pilot project has been initiated in Uganda in the area of coffee and cotton.

#### **4.3.3 Advocate Coalition for Development and Environment (ACODE)**

ACODE is an independent public policy research, analysis and advocacy think tank. With headquarters in Kampala-Uganda, ACODE undertakes independent public policy research and analysis of global, regional and national public policy issues. They work for communities who are being deprived of their rights and livelihoods by representing them in policy circles and judicial redress systems.

---

The areas in which ACODE works are-

Environmental Democracy Programme- The overall objective of this program is to contribute to the formulation of public environmental policy at the global, regional, national and local level. The Program me will entail a series of policy research and advocacy activities that demonstrate the relationship between power over environmental resources and the development of democratic institutions. The program will support initiatives to promote participation and accountability in making decisions that affect the environment.

**Ongoing Project** - Implementing the PMA through field lessons and experiences of civil society organizations.

Supported by the DFID, this is a US\$. 294,000 project aimed at contributing to the various policy reform processes under the PMA by documenting the experiences of civil society organizations working with poor people. The project being implemented under a tripartite partnership with Environmental Alert and VEDCO.

Intellectual Property Rights and Biotechnology Policy Programme \_Projects under the IPR and Biotechnology Policy Programme are designed to achieve two broad objectives. First, they are intended to promote the participation of civil society in East Africa in the on-going global dialogue on the implications of emerging IPR regimes on developing countries. Second, the IPR and Biotechnology Policy Programme focuses on influencing and contributing to the formulation of national and regional biotechnology policies.

**Ongoing Project-** Negotiations for a Liability Regime Under the Cartagena Protocol on Biosafety: This project is supported by a "seed" grant of US\$. 26,900 the Rockefeller Foundation. Under the project, ACODE undertakes analysis of existing legal regimes for redress and their relevance to biotechnology damage in order to inform government negotiating positions. Under ACODE's new strategic plan (2002-2006) this project will be expanded to cover the three East African Community Countries.

### **Trade Policy Governance Programme**

The overall goal of the Trade Policy Governance Programme is to promote the democratisation of national and regional trade policymaking and trade policy implementation. The main objective of the programme is to contribute to the improvement of outcomes of trade policy making so that trade policy promotes the three pillars of sustainable development: economic development; social development and environmental protection.

#### **4.3.4 ACDI/VOCA**

Some of the current projects supported by ACDI/VOCA in Uganda are-

<b>Project</b>	<b>Objectives</b>	<b>Funded by</b>
Rural Economy and Agricultural	The project activities consist of:	USAID



Project	Objectives	Funded by
Production Project	<ul style="list-style-type: none"> <li>• A cash-for-work component to rehabilitate 80 km of community roads that make possible the development of agricultural lands and provide access between the fields and the main road;</li> <li>• Outreach to local farmers on improved farming systems and agro-forestry through contact farmers and demonstration plots;</li> <li>• The development of a 100-hectare communal farming plot, where improved inputs and farming systems (including oxen for plowing) are used to generate greater income and reintroduce communal farming methods while incorporating modern agronomic techniques; and</li> <li>• Training in farming as a business, post-harvest handling and marketing strategies.</li> </ul>	
Global Food for Education Initiative	ACDI/VOCA bolsters the ability of rural families to send their children, especially girls, to school. The program also helps school districts provide quality education, increase school attendance and enrollment, and encourage communities to become more involved in education.	USAID
Farmer-to-Farmer Program	ACDI/VOCA recruits volunteers who have extensive experience in their fields and a genuine desire to improve the lives of the people with whom they work. Volunteers focus on increasing the productivity of farmer organizations; promoting agricultural trade in domestic, regional and international markets; improving food security through increased production and natural resource management; and increasing the technical and managerial capacity of associations, cooperatives, private enterprises and nongovernmental organizations.	USAID

---

Project	Objectives	Funded by
Food for Development Project – Grants Management & HIV/AIDS	These programs collectively seek to affect all stages of the food chain, including production, processing and marketing. Program recipients benefit from increased rural food security and improvement of institutional capacity at the grassroots level. Through collaboration with local community organizations, agribusinesses, financial institutions, local government agencies and international organizations, ACDI/VOCA promotes sustainable agricultural production and the long-term food security of smallholder farmers.	USAID

#### 4.3.5 FINCA International

Village Banking – Under this initiative FINCA helps to create community-run, community-focused credit and savings associations, particularly in areas untouched by the formal financial industry. The village banking method is highly participatory in nature. It gives the beneficiaries a voice and it involves them in the development process. Members not only receive loans, they form cohesive groups who manage and collect repayments on those loans, who save diligently and decide on ways to invest those savings, and progress together, forming networks for mutual support. Currently FINCA has 22 programmes in 21 other countries.

---

#### **4.4 PERSONS CONSULTED**

Dr. Simon Rutabajuka CBI

John Okidi

Abby Zziwa

Rosemary CDRN

Beatrice DRT

Warwick Thomson

Jaap Blom

Mervyn Ellis

Peter van Bussel

Owen Kibenge

Michael Kairumba

Alastair Taylor

Anneke Fermont

Marcel Asiimwe

Agaba Kyomukama

Eriyabu Muhozi

Erisa Kakyomya

Moses Wanume

Claire McGuigan

---

## **4.5 COUNTRY WORKSHOP REPORT**

The one-day Uganda Country Workshop was held on the 25<sup>th</sup> April 2005 at the Kampala Sheraton Hotel. Twenty-two participants mainly from the public and development sectors were in attendance including representatives of ODI and IDRC. All participants were availed of both the draft country report and the draft regional scan prior to the workshop in order to aid an informed discussion.

The workshop was divided into three main sessions –

- Registration, Introductions and presentations by Jonathan Mitchell (Introduction), John Howell (Regional Scan) and Sanjay Kumar (Research Themes)
- Responses to presentations and discussion of proposed research themes
- Group work and report back on short listed proposals

### **4.5.1 Response to analysis in regional and country scan**

#### **Lacking analysis of:**

- Extent of liberalisation in reality
- Existing literature
- Existing research
- Gap analysis

#### **Focus of future research**

- Narrow – Micro level – most focus
- Meso Level – some focus

#### **Food Security**

- One participants was of the opinion that there was a need for emphasis on food security in the recommendations for research themes.
- Even with increased migration, sedentarisation and development of non-farm rural economies land is not being released for production, resulting in lower productivity of such resources. Participants stressed the need for release of such resources and for linkage of such resources to food security.

#### **Trade**

- Participants from the business development sector raised the need for development of recognised trading structures. This was based on the opinion that planned trading would lead to planned production among the farming community mostly comprising the rural poor. Some of the participants were also of the opinion that concepts of supply chain development were missing among

---

institutional economists in the country. The benefits of formalised supply chains operating in an organised manner enabling consistent supplies were discussed. First local markets and then international markets. Social, psychological and anthropological side before institutional.

- Participants voiced the need for a shift in Government and donor outlook towards a long term perspective in trade and business.
- Need for promotion of existing successful models such as the Fairtrade movement.
- Need for working on business ethics to develop effective and sustainable market activities
- Regional markets are constrained by policy with only supermarkets being an exception.
- Productive strategies in agri business are insular and cross border trade is limited.

### **Public private partnerships (PPP)**

- Need for private sector investors to be involved through PPP in actively managing market support services not government.
- Need for traditional farm markets to be reinvented
- It was suggested to pilot an activity on a PP prototype for market infrastructure to challenge donors and governments. This pilot would also attempt to reduce transaction costs (transfer of goods and cash) and improve the status of buyers and sellers.
- PPP would act as a catalyst, changing culture in participants in a supply chain.
- It was suggested that the relation between market failures and revenues to local government was a policy issue and that there is a need to look at the incentive structure and the capacity of producers to respond to market signals

### **Infrastructure**

- Need to address problems from increasing costs of essentials, and the impact on small businesses
- How can media improve on empowerment of the poor?

### **Understanding the needs of the rural poor**

- What the poor wants versus what we view is good for them.
- Do we let them pursue what they want and we support them in achieving that.
- We should not overstretch indigenous ideas. Blending our requirements and support. Policy, institutional and financing issues involved.
- How does this initiative work with what is ongoing.
- How do we deal with economic constraints?

---

### **Access to services**

- The rural poor lack of access to affordable financial services
- Current providers do not have the outreach
- Need for improvement and enhancement

### **Environmental Impact**

- More policy analysis, lobbying and advocacy required (For example, once roads are built people go into brick making, what are effects of such an activity on the environment. Charcoal is another product that is produced nearer the main roads– no interventions are in place to mitigate charcoal making)

### **4.5.2 Shortlisted research themes**

From the presentations and discussions held thereafter, the following country research themes were identified as having more pertinence in the Ugandan context -

- 1. Supply Chain (A) 10**
  - Farm markets
  - Sociology/ Business Ethics
  - Social Infrastructure
  - Market Info and technology
  - Role of intermediaries
  - Supply response
- 2. Governance at local level – Engagement in policy making process (B) 11**
  - Generate knowledge
  - Disseminate information
  - Advocacy
  - Incentivise good policy
- 3. Financial services 3**
- 4. Effects of regional and global trade liberalisation on the poor 6**
- 5. Migration 6**
- 6. Post conflict growth 10**
- 7. Environmental issues 7**

### **Appropriate entry point**

Participants in general were of the opinion that the appropriate entry point for research relating to rural poor would be the household level or micro enterprise level. Listed below are the three entry points discussed in order of preference-

- 
- Household / Firm (micro level)
  - Region / supply chain
  - Macro level

### **Group Work on selected country research themes**

Participants were divided into three groups and asked to select themes they would prefer to work on. The three groups selected one theme each from the seven listed above. The theme on post conflict growth was specifically not taken up as the forum was informed by the IDRC representative that this particular theme is being addressed by another group within IDRC.

#### **Group A**

##### **Value chains – Agro related**

1. How to promote pro poor value chain development?
2. How to establish market oriented production systems
  - Social
  - Ethical
3. How to enable small farmers to participate in national/international chains?
  - Standardisation / QC / Certification
  - Planning
  - Contracting/legal issues
  - Specific roles of partners
  - Communication (What)

#### **Group B**

##### **Influencing policy through enhanced private sector & local government dialogue**

1. Forms of conflicts of interest and how they can be addressed
2. Incentives
3. Avenues of dialogue
4. Effective participation
5. Policy environment to link micro producers to markets
6. Commitment to pro poor policies
7. Role of BMOs and constraints
8. Constraints to effective bottom up structures

##### **Proposed research participants**

1. Research institutes
2. Local Governments

- 
3. ULAA
  4. Policy Makers

### **Group C**

#### **Environmental issues**

1. How far will governments consider impact in reaching agreements on environmental protocols, benefit sharing
  - Research consortia, Natural and social scientists
2. Globalisation failures leading rural poor to exploit
3. In areas of over cultivation, grazing, fishing, groundwater, tree cover etc, can local communities be deployed to agree amendments to local by-laws (or regulations generally), that they assist in enforcing?
  - Actions research NGO's, INGO's, universities, network based learning (possibly global)
4. Risk of increasing commercialisation (mining, but also large scale agri production and forestry) without proper safeguards and returns to local investment in interests of rural poor. What are existing policies? Is there a risk? How can it be mitigated by national policy and international business agreements?
  - Global research institutions in law and environment



**List of participants -ODI / IDRC Workshop on Productive Strategies for Poor Rural Households to Participate Successfully in Global Economic Processes – 25<sup>th</sup> April 2006, Sheraton Hotel, Kampala, Uganda**

<b>No</b>	<b>Name of Participant</b>	<b>Organisation</b>	<b>Email address</b>
1	Peter van Bussel	MSE / Private Sector Development Consultant	pvbussel@bsmd.or.ug
2	Alastair Taylor	Export Promotion of Organic Products from Africa / Agro Eco	taylor@agroeco.ug
3	Luis A Navarro	International Development Research Centre (Nairobi office)	lnavarro@idrc.or.ke
4	Rita Laker-Ojok	AT Uganda	rojok@spacenet.co.ug
5	Ron Kopicki	FAO (Rome), World Bank	Rkopicki@worldbank.org
6	Roger Kirkby	International Centre for Tropical Agriculture (CIAT)	r.kirkby@cgiar.org
7	Robert Kalyebara	Agricultural Sector Programme Support (DANIDA)	robert.kalyebara@asps.or.ug
8	Connie Kukundakwe	Development Research and Training	bmugambe@drt-ug.org
9	Sarah Ssewanyana	Economic Policy Research Centre	ssewanyana@eprc.or.ug
10	John Okidi	Economic Policy Research Centre	okidi@eprc.or.ug
11	Joseph Tanui	African Highland Initiative	J.Tanui@cgiar.org
12	Theresa Sengooba	International Food Policy Research Institute	t.sengooba@ifpri.or.ug
13	John Jagwe	International Institute of Tropical Agriculture - FOODNET	j.jagwe@iitaesarc.co.ug
14	Jonathan Mitchell	Overseas Development Institute, London	jonathan@odi.org.uk
15	Sanjay Kumar	Imani Development (EA) Limited	sanjay@imanidevelopment.com
16	Michael Kairumba	FIT-Small Enterprise Media in Africa (ILO)	mkairumba@gmail.com
17	Owen Kibenge	FIT-Small Enterprise Media in Africa (ILO)	okibenge@fit-sema.net
18	Abby Zziwa	Makerere Institute of Social Research (Makerere University)	para@utlonline.co.ug
19	Jane Nalunga	National Organic Agricultural Movement of Uganda	jnalunga@nogamu.org.ug
20	John Howell	Fellow – Overseas Development Institute, Pretoria	jhowell@mweb.co.za
21	James Ssemwanga	Ssemwanga Group Limited	info@ssemwanga.com
22	Robert Waswaga	Community Development Resource Network	robwaswaga@yahoo.co.uk

---

#### **4.6 TERMS OF REFERENCE**

#### **4.7 REFERENCES**