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ASSESSMENT OF THE NORTHERN UGANDA MANUFACTURERS ASSOCIATION

Final Report

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Executive Summary

1. Introduction

The primary goal of a business association should be to meet its members needs. The people interviewed for this report believed that the major needs of Northern Uganda businesses are:

- Financing, since loans are unavailable for many small northern businesses due to lack of: interest and trust in small businesses by financial institutions; collateral; and bank accounts;
- Improved infrastructure, particularly better telephone service, electrical service, and roads;
- Better security, because rebel activity limits economic activity in several parts of the north;
- Better business skills, especially entrepreneurial and management skills; and
- Consulting assistance, such as marketing advice and technical information.

Other business associations offer few services to meet these needs in the north, which indicates a continuing role for NUMA. There may also be scope for NUMA to cooperate with some of the associations. The Uganda National Chamber of Commerce and Industry is an older organization which is rebuilding its image and its secretariat. However, although a basis for cooperation exists, UNCCI appears to lack the resources to cooperate seriously with NUMA and to provide any real services to the north. Formed to bridge the gap between government and small industries, the Uganda Small-Scale Industries Association (USSIA) has become well established. Though a slight competitor, its branches are not in NUMA's prime areas. There is a basis for future cooperation, but still a need for NUMA operating separately, due to USSIA's lack of resources. The Uganda Manufacturers Association (UMA) is the most substantial and influential business association in Uganda. It has made several attempts to join forces with NUMA but was rebuffed. Thus, there is a limited basis for cooperation and still a need for NUMA in a region that UMA is not adequately serving. The Uganda National Farmers Association (UNFA) is the largest, most widespread business association in Uganda, but it serves only farmers. There are a number of possible areas of cooperation, plus strong local interest. The need for NUMA, however, remains since UNFA serves a different business market.

Most interviewees affirmed the need for NUMA to serve the north. The role of NUMA can be discerned in its vision/mission statement, which is: to industrialize the north and create employment by providing services to NUMA members; working together to encourage local and foreign investors; and adding commercial value to regional raw materials.

NUMA was started in 1992 to serve northern industries. Progress was smooth until 1994, when some members were disciplined at an annual general meeting (AGM). A Swedish

International Development Agency (SIDA)/ApT (a British NGO) project began the same year, after which problems developed. For instance, the chairman did not report to the board of directors; the board did not demand reports. Few board meetings were held from 1994 to 1996. The chairman announced on September 2, 1996, that NUMA owed him US\$ 44 million (US\$44,000). The shocked board set up a board of inquiry which discovered financial irregularities, improper dealings with donors, and a lack of administrative and financial systems. The chairman did not respond to the board of inquiry's report. The conflict culminated in the resignations on January 13 of the chairman and most of the secretariat. The January 14 AGM elected a new board. Some of the previous chairman's associates questioned the validity of the AGM, but most others, including government officials, think the AGM was properly called. Some former board members disputed the board of Inquiry's accusations and doubted the abilities of the new board. Despite the hostility, several of the new board professed respect for the previous chairman. Interviews with the new board indicate they are taking charge and are anxious to rebuild NUMA. The consultants held a workshop with the new board on January 30.

2. Management and Administration

The board of inquiry report found that financial mismanagement has occurred and recommended that proper accounting procedures must be followed, all borrowings must be authorized by the board, the secretariat must be properly organized, relations with donors must be handled properly, and--most important of all--the board must take control. At this time, however, a proper system of management and administration, however, does not exist.

The former secretariat staff consisted of five people directly hired, and two paid by SIDA. The new staff will have three full-time and one part-time employee(s). SIDA will continue to pay the two and will hire at least three others. The board consists of four officers and eight directors.

Despite previous board members' complaints about capability, the two most prominent members of the new board have had substantial administrative experience. Their abilities to interact with other associations and NGOs, however, have yet to be tested. Both members (as well as the board) seem motivated and dedicated, and have the ability to rebuild NUMA.

The strengths of the previous management/board were: arranging SIDA funding; holding two trade fairs; and using public relations/promotional skills to gain a few benefits for some members. The strengths of the new board/management look promising but have to be tested. Previously, the major management weakness was the combined chairman/managing director position, which made board control difficult. The new board will separate these powers. Opportunities for NUMA include: improved accountability and transparency of association activities; better management; better board control; and suitable association papers.

NUMA currently is administered on a decentralized basis, which can have many advantages, as described in the body of the report. Current NUMA policy is that all membership fees are paid to the district chairman, who keeps 60% for expenses, and remits 40% to NUMA. The consultant, however, is concerned about the implications of this policy--accountability, sufficient central organization funds, and the strength of the core. Therefore, the policy needs review.

3. Donor Support

ApT manages the SIDA project, which provided: (i) management and technical training of members; and (ii) equipment and a building for NUMA. One thousand one hundred and fourteen people were successfully trained from 1994 through 1996. Unfortunately, trainees had little incentive to become members.

SIDA evaluations before and after phase one said NUMA's organization was weak. The 1996 evaluation recommended, during phase two: expanded technical training, recruitment of a women's coordinator, board/AGM expense payment, limited consulting advice, marketing assistance, a possible revolving loan fund, radios, and consideration of further direct support.

The Netherlands will assist the Lira and Soroti district budgets and may help build NUMA's organizational capacity. NUMA could earn fees through training and recovering loans. The European Union/European Development Fund (EU/EDF) also may assist NUMA with business and technical training of members. NUMA can earn a fee by providing the training.

ApT, the Netherlands, and EDF all profess interest in participating in a NUMA donor conference.

4. Delivery of Member Services

NUMA members say their greatest needs are financing (for equipment and working capital); technical and managerial training; business consulting (e.g., planning/advice); marketing assistance (e.g., trade fairs, promotions); information; and improved infrastructure (particularly electricity, roads, and telephones).

Given these needs, there are opportunities for NUMA to offer its members a number of new services, including:

- Financing (e.g., training related to business plans and lending practices, information on financing sources, encouraging outside investors, using the services of the Uganda Investment Authority, encouraging loan guarantee schemes, and lobbying government on land title problems);

- Training on marketing techniques and adding value;
- Business consulting;
- Marketing assistance (e.g., trade fairs, member meetings, purchasing system, linkages program);
- Information; and
- Improved infrastructure.

The strengths of existing member services are: the SIDA training program, which is rated excellent; experience with two trade fairs; access to Business Uganda Development Scheme (BUDS); recognition as an association that assists the north; and prior success with electricity supply and government. The greatest weakness of existing member services is that so few services are being offered. The second weakness is that many members joined on the promise of financing for their businesses, but this was never delivered; the unmet expectations have led to major unhappiness with NUMA.

5. Communications

Communication in the north are limited to newspapers, mail, radio, and personal travel. The only NUMA strengths in communications are that NUMA did some advertising of the 1995 Trade Fair and has issued a few press releases. Overall, NUMA's record in communicating with members is quite deficient; there has been very little contact with members. NUMA can improve its outreach in many ways: publish newsletters and a directory; send out regular mailings and press releases; hold membership meetings; consider a radio program; enable the chairman to visit members; promote successful role models; recognize volunteers; and lobby for improved communications infrastructure in the region.

6. Financial Status

There has been little control over NUMA expenditures and income. NUMA has had neither financial plans, nor a financial system, nor even accurate audits. The association does have some physical assets. For instance, as a result of the SIDA project, NUMA owns a building, a car, a computer, and other office furniture and equipment. Radios are possibly coming from SIDA in April. There have been no plans for financial sustainability, but the new board is working on this.

NUMA's financial strengths include: organizational assets, which can generate income; and board members who can write feasibility studies and conduct training, both of which can generate income. The association's financial weaknesses are many: no accounting system; no records of some NUMA income going into NUMA accounts; unpaid staff; no financial reports nor budgets; and unrecorded receipts. Requirements for NUMA to bolster its financial situation include: developing a sound, transparent financial system and new income sources; paying old obligations; and hiring a skilled financial person. To generate income it can: rent/hire out buildings/equipment; earn fees from training,

collection, consultancies, and office services; operate trade fairs; sell advertising in publications; and develop a showroom. It can save money on staff and travel expenses.

The board budget estimates a US\$ 7 million (US\$7,000) surplus for 1997 but the consultant believes the income figures are overly optimistic. A revised budget projects a US\$700,000 (US\$700) deficit. The board must start only break-even projects. Generating the income on the consultant's revised estimate will require considerable board/secretariat effort. Some items seem achievable, but a number are new, untried projects. Reductions need to be made on the board's projected expenditures.

7. Strategic Planning

Some of the board think, wrongly, that a strategic plan has been adopted; hopefully, a donor will assist with the process. The new target membership is all sizes of northern manufacturers and processors. Recent membership growth has been negative due to lack of services, but valid membership statistics are missing. Fees were recently lowered to boost membership. One district already has added members, and a membership drive is expected soon. Major planning risks include: a serious breakdown in the re-building momentum due to a failure to make significant progress; and the inability to conduct minimal activities due to a continuing lack of cash. Other risks are: a failure to develop proper systems; a failed membership drive; dampened board motivation; problems relating to the old board; increased instability; and political problems. NUMA needs to participate in the Lira NGOs development task force and needs to spend some time exploring cooperation with other associations and organizations.

NUMA's greatest planning strength is the motivated, dedicated new board. Its greatest weakness is the dependence on volunteers. A huge opportunity exists for NUMA to develop into a strong association, if the board's high level of motivation and dedication continues.

8. Road-map

A workshop was held, in Lira, on January 30, 1997. Eight board members and three district chairmen attended. The consultants presented their findings. The board members then developed a vision/mission statement; produced a list of actions which NUMA needs to take; decided which actions were most critical, and listed them in order of priority. This became the critical activities road map. The board exhibited strong dedication and commitment to NUMA.

9. Recommendations for USAID Assistance

The recommendations are listed in four segments. The first part lists the minimum condition for USAID assistance, which is to set up basic accounting and administrative systems. The second part, which would take place during the critical activities road map period, recommends: advice on a member needs survey, strategic planning, and

membership campaign; training; review; and facilitation of meetings. The third part includes recommendations on a longer term basis--advice on trade fairs, advocacy, marketing, communications, and financing; subsidization of a local consultant and accountant; equipment; and training. The last part contains some recommendations on actions not to take, namely development of a lending program and provision of additional computers and vehicles.

ABBREVIATIONS

AGM	Annual General Meeting
ApT	A British NGO specializing in appropriate technology-related projects
BUDS	Business Uganda Development Scheme
EU/EDF	European Union/European Development Fund
IYB	Improve Your Business training course
LDDP	Lira District Development Program
NGO	Non Governmental Organization
NPART	Non Performing Assets Recovery Trust
NUMA	Northern Uganda Manufacturers Association
SDDP	Soroti District Development Program
SIDA	Swedish International Development Agency
UIA	Uganda Investment Authority
UMA	Uganda Manufacturers Association
UNCCI	Uganda National Chamber of Commerce and Industry
UNFA	Uganda National Farmers Association
USAID	United States Agency for International Development
USSIA	Uganda Small-Scale Industries Association

1. Introduction

The Northern Uganda Manufacturers Association (NUMA) has approached USAID for assistance on numerous occasions without a clear definition of what the association requires and how USAID assistance will help them to better achieve their business objectives. Thus, USAID recruited a consultant to conduct an assessment of NUMA and help provide them with a “road-map” for focusing their business direction. The consultant spent 3-1/2 weeks in Uganda on the assignment, 10 days of which were in Lira, the headquarters of NUMA. A total of 68 people, listed in Appendix A were interviewed. The consultant wishes to thank Jim Gohary and Bruno Komakech, USAID Mission, Kampala, for their guidance, interest, and strong support; and Cecile Murphy, USAID Intern, Kampala, for her assistance with the interviews, research, and workshop in Lira.

1A. Needs of Businesses in Northern Uganda

The primary goal of a business association should be to meet the needs of its members. In order to properly assess NUMA, this assessment will first examine the general needs of businesses in the northern Uganda region, and then later, more specifically, the needs of NUMA members. People interviewed (both members and non-members of NUMA) believed that the needs of businesses in the region were unique because--after years of war suffered by the whole country--those in the north continued to be neglected and to experience strife, rebellion, and theft after peace came to the rest of the country in the mid-1980s. The great majority of the northern businesses are small, use low technology methods, and often operate without electricity, water, telephones, and/or adequate roads. The interviewees felt that the major needs are:

- Financing. Loans are not available for many small businesses in the north. The commercial banks are often not interested in lending to them, especially on a long term basis. Interviewees stated that most of the small businesses need working capital loans, in the range of US\$5 to 10 million (US\$5 to 10,000), with 1 to 2 year terms. The businesses feel they are not trusted by financial institutions. Collateral also is a major problem; banks require land title, but these are difficult to obtain in the north due to the existing laws. The issuance of new land titles has been frozen until land reform legislation is passed. In addition, interest rates are high. Many small businesses do not have bank accounts as required by the banks, and small businesses have a difficult time developing viable business plans. Moreover, a number of business people are listed with the Non Performing Assets Recovery Trust (NPART)--as a result of problems during the period 1986 to 1992. These were difficult business times, due to war and instability, during which many northerners lost substantial wealth when huge numbers of cattle were stolen and many businesses defaulted. The banks cannot lend to those listed with NPART until they clear their outstanding loans.
- Improved infrastructure. Continuous electrical service is only available in a few areas in the north. In Arua, electricity is available only from 7 to 10 each evening. Telephones are available only in selected locations. The town of Lira, for example, has only one telephone

line, at the post office; people must stand in line in order to place a call. There are very few paved roads. The main road between Lira and Apac is under water part of the year.

- Better security. Due to the rebel activity in several parts of the north, economic activity in those areas is limited. Agricultural production is reduced. Potential customers and employees have moved to more secure areas. Transportation of supplies and finished products is dangerous and expensive. Even in the secure areas of the north, it is difficult to attract new investors--northerners say that southerners think all of the north is insecure and are afraid to come there. The town of Lira, apparently, has benefited somewhat as a trading center. Many traders come there because it is relatively safer than other areas. It is a beehive of basic commercial activity, seven days a week.
- Better business skills. Traditionally, northerners sought careers in the military, police, prisons, and security--not in starting businesses. Thus, there is a need to develop entrepreneurial and management skills through technical training. More must be done to encourage additional processing and production in the north, thereby increasing employment and adding value to the huge amounts of raw materials being produced in the north.
- Consulting assistance. Marketing assistance is needed, as well as more technical information. Assistance is needed in networking with potential suppliers, customers, and partners.

1B. Other Business Associations

The consultant conducted interviews with representatives of other business associations to determine to what extent they were satisfying the needs of businesses in the north and whether there would be a potential for working with NUMA. The following summarizes the activities and focuses of such organizations.

Uganda National Chamber of Commerce and Industry (UNCCI). The UNCCI is an older business association, founded in colonial times of mostly European and Asian members. During the 1970s it was appropriated by the government and widely viewed as ineffectual. It was privatized in the late 1980s, but under the same leadership, and continued to be seen as weak. A disputed election in 1996 installed new leaders committed to: (i) improving its image through proper leadership and development of branches throughout the country; and (ii) re-organization of the secretariat through the hiring of proper personnel. UNCCI has developed an ambitious and comprehensive strategic plan. Leaders of UNCCI consider NUMA a member and say they are anxious to work with NUMA in referral of potential investors to the north and in sharing investment information. UNCCI recently opened a branch in Lira but has no paid staff people at the branch. Several people from Lira hold high positions in the UNCCI organization, though most are associated with NUMA's previous board of directors. Although these factors form a basis for cooperation, UNCCI appears at this time to be concentrating on getting re-organized around the country and seems to lack the resources to participate in any meaningful cooperation with NUMA or to provide any substantial services to the north.

Uganda Small-Scale Industries Association (USSIA). Formed in 1979 to help bridge the gap between government and small scale industries, USSIA now has over 1,000 members. Some outside observers feel it has become well established, credible, and respected. It has helped increase the awareness of small scale industries in the minds of the public and of government. USSIA has “working zone executives” in three northern locations--Arua, Gulu, and Nebbi. These branches are operated by volunteers (since USSIA lacks the resources to employ staff in its branches) and a few people interviewed from those areas, in fact, expressed the need for NUMA assistance. With donor assistance, USSIA has conducted quite a bit of training in the north, some of it coordinated by ApT (the same NGO managing NUMA’s SIDA project). USSIA is thus somewhat a competitor, since NUMA’s potential member base also consists mostly of small scale industries. However, the USSIA branches are not in NUMA’s prime areas--Lira, Apac, and Soroti. USSIA and NUMA staffs, moreover, have collaborated on some training projects. Thus, there seems to be a basis for future cooperation but, because of USSIA’s lack of resources, still a need for NUMA to operate in the north as a separate body.

Uganda Manufacturers Association (UMA). UMA, which has 550 members, is at this time the most substantial and influential business association in the country. UMA’s impact can be discerned through its input to several government decisions. The association also boasts an impressive showgrounds, a large budget, a successful program of trade fairs, professional-quality publications, and an effective secretariat, including staff members in its two locations outside Kampala (neither of which is in the north). UMA has made several attempts in the past to convince NUMA to join with them--offering to set up a regional office, subsidized by Kampala--but was rebuffed by NUMA. Representatives of UMA questioned whether NUMA has a sufficiently large potential economic base to sustain an association. However, NUMA was founded because UMA was not offering services in the north, a situation which has not changed much. Some observers questioned UMA’s interest in small-scale industries, since they are expensive to service. UMA, in fact, did mention that they have a hard time collecting membership fees from their smaller members. Thus, there seems to be a limited basis for cooperation between the two organizations, while still a need for NUMA in a region that UMA is not adequately serving.

Uganda National Farmers Association (UNFA). UNFA is the largest, most widespread business association in Uganda. The membership fee is only US\$2,000 (US\$2) per year. UNFA assists farmers with their three greatest problems: acquisition of inputs, credit facilities, and marketing of their products. Members elect representatives from the parish level up to national level. The chairman of the UNFA Lira District Branch was extremely enthusiastic about working with NUMA. He expressed interest regarding: sharing ideas with NUMA; informing farmers about NUMA members’ agricultural processing services; participation in NUMA trade fairs; NUMA’s assistance in helping farmers increase production; encouraging the local production of farm implements; a service to provide commodity price information; and the joint development of a permanent showgrounds plot in Lira. In summary, there appear to be a number of possible areas of cooperation with UNFA, plus strong local interest in doing so. The need for NUMA, however, remains since UNFA is serving a different business market.

The other business associations, therefore, appear to be offering few services in the north, other than UNFA, which serves only farmers, and USSIA, which offers only training in a limited portion of the north. There does seem to be a basis for cooperation, more with UNFA than with the other organizations.

1C. Role of NUMA

With very few exceptions, the interviewees felt there was definitely a need for an association such as NUMA to serve the needs of the business community in the north. Most viewed the north as a neglected area, a victim of regional rivalries, of north-south and west-east antagonisms. Most felt, as described in the previous section, that none of the other business association were offering any substantial services in the region. One person expressed the opinion, for example, that UMA is dominated by the south, and described NUMA as “UMA for the north.”

The government officials interviewed said that an association like NUMA is badly needed in the region. They were anxious to support the new board’s attempts to re-organize and make NUMA more effective (a subject which is discussed later in this report). The resident district commissioner was especially supportive; he said he is going to try to get a district industrial officer for Lira district to assist in industrial development.

The role of NUMA can be described in the following vision/mission statement, which was developed by the new board of directors at the workshop held on January 30, 1997 (see Appendix B for the workshop agenda). The vision/mission statement is:

- To industrialize the North and create employment:
 - by providing services to NUMA members;
 - by working together to encourage local and foreign investors; and
 - by adding commercial value to regional raw materials.

1D. Brief History and Current Situation of NUMA

NUMA was started in 1992 “to tap the vast agricultural potential in the region and to develop the virtually untapped economic opportunities that exist.” Initially there were 147 members, 67 in Lira. One of the interviewees said that part of the original reason for formation was to provide a political base for a local politician and that people should be aware of the effects on NUMA of its past political affiliations. Subsequent interviews failed, however, to discover any evidence that present political activities were affecting NUMA’s operations.

The former chairman/managing director, Felix Odur, apparently managed NUMA satisfactorily until 1994, when some members were disciplined at an AGM. One source said bad feelings from the disciplining process contributed to the upheaval at NUMA in late 1996 (described later in this section). Also in 1994, the SIDA/ApT project began. When donor money began coming into the organization, the potential developed for misuse of funds. Moreover, from 1994 on, the chairman did not report to the board of directors; the board did not demand reports. NUMA

funds were apparently used extensively by the secretariat for traveling, ostensibly to seek loan funds for members, donor funds for the organization, and to develop member contacts.

Few board meetings were held during the period from 1994 to 1996 because the chairman said there were no funds to pay for them. Apparently only one board meeting was held in 1994, one in 1995, and none in 1996 until the chairman announced on September 2, 1996 that NUMA owed him US\$ 44 million (US\$44,000) for expenses incurred but not reimbursed by the organization. He asked how NUMA was going to repay him. The board was shocked and set up a board of inquiry of three board members, chaired by Ogwal Parakak, Apac district director.¹ Accounts were suspended and the board of Inquiry conducted an extensive investigation of the situation. Besides the discovery of financial irregularities, the board decided the chairman had been dealing improperly with donors. (NUMA had requested assistance from both a Netherlands aid organization and the European Development Fund [EDF], but both declined.) Suitable financial records were not being kept. NUMA was being operated without proper administrative and financial systems. The chairman received a copy of the board of inquiry report, but did not respond. He reportedly said he was "above the board" and was described as non-compromising. A re-structuring committee was formed.

The dispute between the chairman and the board intensified during the first two weeks of January, 1997, but the board stood its ground. The conflict culminated in the resignation of the entire secretariat (except the two staff members paid by SIDA), including the chairman, on Monday, January 13.² An Annual General Meeting (AGM) was held Tuesday, January 14, at which a new board of directors was elected. About 80 people were present. Although some of the previous chairman's associates questioned the validity of the AGM, most of those queried think the AGM was properly called by the new board secretary, who had been appointed in September. Some of the governmental officials stated that government should respect the will of the members as expressed at the AGM.

Some former board members stated that the accusations against Mr. Odur and the others were "baseless" and alleged that the accusations were mixed with personal attacks. They said that the secretariat resigned on January 13 because of the intense pressure from the re-structuring committee and others, rather than trying to answer the accusations at the January 14 AGM. They further stated that Mr. Odur may go to court to satisfy his claims. They also felt that the January 14 AGM had not been properly announced and that the election of the new board at the AGM had been manipulated, claiming that a majority of attendees were from Lira District. They thus believe that the new board has taken over unconstitutionally. Moreover, these former board members do not think that the new management will be able to handle the situation, and will not be effective because they do not have contacts with other important associations and NGOs.

¹ At about this same time a large new truck and some manufacturing equipment arrived in Lira, purchased by Mr. Odur. Some board members thought he had purchased these items with NUMA funds, which was not the case. This incident, however, increased the tension between Mr. Odur and the board.

² . The board apparently later agreed that they will pay the chairman US\$2.36 million [US\$2,360] for reimbursement of past expenses, but they say that he owes NUMA US\$ 5.7million [US\$5,700] for funds from donors, membership fees, and association income which were never credited to NUMA. These amounts had not been paid/reconciled at the time of this consultancy.

Despite the rancor, several of the present board stressed that they respect Mr. Odur as the founder of the organization and say that he could still be an advisor and perhaps coordinate with outside agencies.

2. Management and Administration

2A. Board of Inquiry Report

The work of the board of inquiry was completed promptly and thoroughly in September 1996. The following summarizes their major recommendations:

- All borrowings must be authorized by the board and all details must be handled properly;
- NUMA must adhere strictly to the terms of the SIDA agreement;
- Proper use must be made of NUMA House and the equipment;
- Proper accounting procedures must be followed;
- 60% of membership fees and subscriptions will stay in the districts, 40% will go to the secretariat;
- Income generating projects must be handled properly;
- All expenditures must be properly controlled and recorded;
- Regular financial reports must be issued;
- Proper auditing procedures must be followed;
- The new salary schedule must be followed;
- Accrued salaries must be paid;
- Relations with SIDA must be handled more properly;
- NUMA must adopt and follow a new Articles and Memorandum of Association;
- Job descriptions and proper relationships must be developed for the secretariat;
- Financial mismanagement must end;
- Donors must be respected;
- The board must take control; and
- NUMA must work to regain the respect of its members.

2B. Organizational Arrangements

The former secretariat staff consisted of the chairman/managing director, accountant, administrator, secretary and messenger, all of whom were paid directly by NUMA. The staff also included the program coordinator and technical officer who were directly paid by the SIDA/ApT project; these two staff members continue in their positions. The new board is trying to minimize expenses and plans to operate with a minimal staff which will initially include: executive director, clerical secretary, messenger, and (later) a part-time auditor/accountant. After April, depending on finalization of the second phase of the SIDA project, SIDA will add to the staff a women's coordinator and two technical officers (one in Nebbi and one in Soroti). They would also like to add technical officers in Gulu and Kitgum, if security conditions permit. These new positions also will be paid directly by SIDA/ApT.

The board of directors consists of four officers--chairman, vice chairman, secretary, and treasurer--and eight directors, one from each district. Each district also has a district chairman. They have been the primary contacts for the SIDA/ApT training programs, operate NUMA's district offices, and are also responsible for organizing district meetings.

2C. Management and Administrative Capacities

Despite the complaints of the previous board members, it appears that the two most important members of the new board do have substantial administrative experience. Their abilities to interact with other associations and NGOs have yet to be tested.

The new chairman, Mr. Milton Imaat, has 20 years experience in a senior government property management post from which he retired. He owns a small oilseed pressing business and has completed a training of trainers course for the Improve Your Business (IYB) business management course.

The new board secretary, and the apparent choice for the new executive director position, is Mr. Washington Odongo Ebil. He has 18 years experience as a branch manager with Uganda Commercial Bank from which he retired. He owns a small private school and a small maize meal processing plant. He is completing the IYB training of trainers course.

After spending several days with both men, the consultant feels that they are both motivated and quite dedicated to the task of re-building NUMA. They also seem to have the abilities needed. Both motivation and abilities will be tested during the next few months' implementation of the critical activities road map (developed in the January 30 workshop, detailed in Section 8).

Most of the other members of the board seem equally motivated and dedicated. The SIDA/ApT project manager reports that the 8 district chairmen are quite active and committed to NUMA. The consultant met a few of them and agrees with this assessment.

2D. Management and Administrative Strengths

The strengths of the previous management and board were limited. Their major accomplishment was to arrange donor funding from SIDA, through which a considerable number of people have been trained. In addition, they held two trade fairs. They also had some public relations/promotional skills which helped them: (i) maintain a veneer of respectability in the mind of the public as the only business association providing any services in the north; (ii) gain recognition by government, evidenced by the participation of H.E., President Museveni, at one of the trade fairs; (iii) obtain an improved supply of electricity for the town of Lira; (iv) gain membership in the Private Sector Foundation, which enables members' access to Business Uganda Development Scheme (see Section 4C); and (v) help a few members develop contacts with other countries.

The strengths of the new board and management have to be tested. Three positive preliminary examples of their strength are: (i) the promptness and completeness with which they carried out the work of the committee of inquiry; (ii) their moving ahead with plans to replace the board and management of NUMA, despite the objections and resistance of the previous board and management; and (iii) their participation in the January 30 workshop (see Section 8).

2E. Management and Administrative Weaknesses

The major weakness of the previous system was the combined chairman/managing director position. This lack of separation of powers made it difficult for the board to be in control. It led to a "one man show," i.e., the public perceived NUMA as a personalized instrument of the previous chairman. The new board plans to separate these two positions. Another major weakness of the previous board was their inactivity, especially the secretary and treasurer, who apparently attended no board meetings from 1994 through 1996. These weakness helped lead to a draining of the finances by the management, to a loss of confidence in NUMA by the members, and to a poor reputation for NUMA.

2F. Management and Administrative Opportunities and Recommendations

The following are the consultant's observations and recommendations regarding management and administration:

- The separation of the chairman and executive director positions will greatly improve accountability.
- The transparency of the association's activities will be enhanced by: a board which closely monitors and controls the management; unbiased internal audits to make sure systems are being followed; and monthly administrative and financial reports.
- Better management will be made possible by clearly-stated, closely-monitored job descriptions.
- Both the new board and secretariat can benefit from proper training in how to manage and administer the association.

- Revised memoranda of association and articles of association will improve management and administration of the association.

2G. De-centralization

The board is moving to de-centralize the organization's administration and activities. There can be many advantages to de-centralization of organizations, such as: lower level officials taking more responsibility; and the average member having more influence on decisions. In NUMA, de-centralization has increased the involvement of the district chairmen in the SIDA training. This has made it a stronger program with more practical content. Similarly, decentralization has proven to increase the frequency with which membership meetings are held--Apac had two district meetings in 1996, plus two executive board meetings. The Kitgum District Committee was motivated to hold some meetings in January to explain the potential improvements in NUMA and was able to convince several members to pay past due membership fees.

The NUMA policy is that membership fees and subscriptions are paid directly to the district chairman who keeps 60% for rent, supplies, transport, and other expenses. No staff salaries are paid at the district level. 40% is then remitted to NUMA by the district chairmen. Because of communications difficulties in northern Uganda, this policy of collecting fees at the district level seems to be a practical concept, so long as proper accounting procedures are used.

The consultant, however, is concerned about the implications of this policy. First of all, accountability must be improved. A method of auditing the payments, both at district and at headquarters levels, must be developed. Second, the policy needs to be reviewed in financial terms to make sure that enough funds are going to the central organization to give it basic financial support. Without a well-financed central secretariat, the districts will not be able to exist. This financial review must include budgeting arrangements that justify the amount of the expenditures at the district level. Third, in a new or weak organization (like NUMA) it is crucial that the core of the organization be strengthened first; excessive emphasis on de-centralization can retard the core strengthening. In summary, the consultant feels that the board should undertake, later in 1997, a thorough analysis and review of the advantages and disadvantages of the policy regarding the growth of NUMA as an organization.

3. Donor support

3A. SIDA Project

ApT (a British NGO), has been managing the Swedish International Development Agency (SIDA) project at NUMA. There were two major components to the project: (i) provision of technical and management training to NUMA members, and (ii) provision of equipment (computer, printer, photocopier, fax machine, and furniture), a vehicle, and a building to help build NUMA's capacity. The building was intended to be the NUMA office and a showroom for NUMA members' products, with extra space to be leased out to generate income for NUMA.

During the first phase of the SIDA project, which ran from October 1994 to October 1996, 670 men and 229 women entrepreneurs received one-on-one technical training, lasting from a few days to several months. Eighty to 90% of the trainers were themselves skilled entrepreneurs. In addition, eight technical and fifteen management courses (using the ILO Improve Your Business curricula) were held. A total of 1,114 people were trained. Most of the technical training involved metalwork, which had been identified by SIDA as a strong area of opportunity. The manufacture of 41 new products was started by the trainees. The number of metal working shops, hardware shops, and female-owned businesses in the Lira area has increased. SIDA/ApT feel that NUMA has been a good vehicle for conducting training.

Unfortunately, from the point of view of building NUMA's paid membership, there was little incentive given to entrepreneurs receiving training to become regular NUMA members. Non-members paid only a slightly higher fee (about US\$5) than members. The district chairmen apparently also listed many trainees as members who, in fact, did not pay membership fees.

3B. SIDA Recommendations and Continued Support

SIDA evaluations of NUMA both before and after the first phase found it to have quite a weak organization. The post evaluation of phase one stated that the training was successful but was quite critical of the lack of control of the NUMA chairman by the board. The evaluation recommended that during the two year second phase (scheduled to begin in April, 1997), SIDA would provide:

- Technical training at an expanded rate, with two additional technical officers, one in Nebbi to cover the three West Nile districts (Nebbi, Arua, and Moyo) and one in Soroti. SIDA will also place technical officers in Gulu and Kitgum when there is sufficient security;
- Recruitment of a woman coordinator to help develop women-owned businesses;
- Assistance to entrepreneurs in marketing their products via development of a showroom at NUMA House, marketing seminars, etc.;
- Payment of expenses, for 12 months, for holding NUMA board meetings and one AGM;
- Limited consulting advice to facilitate the re-organizing of NUMA;
- The opportunity for NUMA to convert the Small Loans Fund into a revolving loan fund of approximately USh 10 million (US\$10,000), which could be used to provide working capital for members if the board develops realistic loan fund policies and properly manages the fund;
- Radios in Nebbi and Lira (and Kitgum later when a technical officer is placed there), and with the Project Manager, to improve communications within the project; and
- Consideration, some time after October 1997, of further direct support to NUMA, but only if NUMA sets up proper financial control and administration systems.

3C. Netherlands District Development Project

The Netherlands Directorate for International Development Cooperation plans to "top up" the district budgets in Lira and Soroti, encouraging de-centralization, as part of a 10 to 15 year plan.

The project will be multi-sectoral and of a socio-economic nature. An amount of US\$ 3 billion (US\$3 million) is budgeted for 1997 to cover all departments. Advisors from the Netherlands will be coordinating the project and will be training civil service personnel. Buildings and transport will be provided where appropriate. Representatives of the directorate seem quite interested in participating with other donors in strengthening the organizational capacity of NUMA. They believe that NUMA's activities should be non-financial at this time and suggest that NUMA could earn fees by helping train entrepreneurs as part of the Lira and Soroti District Development Programs (LDDP, SDDP). They can also earn income by helping to recover program loans. The Dutch advisors have made recommendations that NUMA should be helped and that the directorate should "join hands with SIDA and ApT to strengthen [NUMA] further and enable it to conduct its 'Strategic Development Program' effectively." These programs will be providing loans for micro and small enterprises. The Netherlands advisor said that a revolving fund of US\$ 20 million (US\$20,000) will be set aside for NUMA members.

3D. European Union/European Development Fund

The European Union/European Development Fund (EU/EDF) Microenterprise Program is also interested in assisting NUMA. They would offer business and technical training to members. NUMA could earn a fee by providing the training. The former NUMA chairman had applied to manage the EDF credit fund in the region, but the EDF declined because they did not feel NUMA was qualified. EDF would also like NUMA to promote their program in the region. EU/EDF is operating in the West Nile region, with an office in Arua. This could be coordinated with NUMA's new technical officer, funded by SIDA, scheduled to be based in Nebbi.

3E. Donor Conference

The ApT, Netherlands, and EDF representatives all expressed interest in participating in a NUMA donor conference to coordinate efforts and share information. The best time to hold this would be after NUMA has made significant progress on its critical activities road map (detailed in Section 8), perhaps in May 1997.

4. Delivery of Member Services

4A. Business Needs of NUMA Members and Current Sources of Such Services

This assessment began with an examination of the general needs of businesses in the northern Uganda region. It will now focus on the specific needs of NUMA members (based on interviews with a number of the members) and on the present sources of such sources. As indicated below, the business needs of NUMA members parallel, to a certain degree, the broader needs of northern businesses described earlier. The areas of greatest need and currently available means to respond to such needs are outlined below

- Financing. Members expressed a need for financing, particularly for equipment and working capital. The need is based on the perception that financial institutions do not seem interested in working with small businesses and on the need for collateral (mainly in the form of land title, which is difficult to provide because of existing laws). For instance, both the Uganda Commercial Bank and the Cooperative Bank are represented in several parts of the region covered by NUMA, but both banks require land title as collateral. There are a few other sources of funding (such as the SIDA project's Small Loan Fund, which has provided loans for tools), but such funds are of inadequate size to satisfy the demand. In addition, in 1997 there will be several other sources of financing available for small businesses in the northern region. These include:
 - ⇒ Centenary Bank, which will be opening a branch in Lira in mid-1997 and will make loans in the range of US\$ 1 to 10 million (US\$1,000 to 10,000), which seems to be the target range for NUMA members;
 - ⇒ The Lira and Soroti District Development Programs, which are funded by the Netherlands and will provide loans for micro-and small-enterprises through a US\$20 million (US\$20,000) revolving fund for NUMA members alone; and
 - ⇒ The European Development Fund, which also will provide loans for microenterprises.
- Training. NUMA members would like both technical training (e.g., in the creation, use, and maintenance of equipment) and managerial training (such as bookkeeping, marketing, finance, etc.). They asked for instructional workshops and seminars. NUMA currently provides a substantial amount of training through the SIDA/ApT project, which now covers the West Nile area and, if security improves sufficiently, will expand to Kitgum and Gulu.
- Business consulting. NUMA members expressed a need for assistance with project proposals, business plans, and feasibility studies, as well as for on-going advice as a follow-up to training courses. NUMA previously employed a staff member who prepared feasibility studies, for a fee, but this staff member has resigned. Other types of business consulting and advice do not appear to be readily available in the north except from a few private consultants, but the quality of advice is questionable.
- Marketing assistance. NUMA members are interested in forums where they can make more business contacts and can conduct networking. They also want assistance in product packaging and promotion as well as for NUMA to conduct more trade fairs. As with business consulting, marketing assistance does not appear to be readily available in the north except from a few private consultants, but again the quality of advice is questionable. NUMA has experience with conducting trade fairs, having sponsored two (in 1993 and 1995). The second phase of the SIDA project also intends to provide some marketing assistance, which may serve to address members' needs.
- Information. Information on new technologies, commodity prices, and business regulations was another area of need. Several members suggested setting up a library at the NUMA office. The current sources of good information on the northern region are few; some

information is available at the Uganda Investment Authority (UIA) offices, but it is limited and more relevant to larger businesses.

- Improved infrastructure. Many members expressed the need for a better electricity supplies, better roads, and modern communications, especially telephone service. For example, Soroti is the only location in the NUMA area that has more than one telephone line coming into the community. The previous NUMA chairman was apparently successful in obtaining an improved supply of electricity to Lira, but problems remain in most other NUMA areas. The consultant did not discover any systematic, concerted efforts being made to improve the region's infrastructure.

NUMA members also are interested in access to donors and in participating in study tours and want help in registering their businesses.

4B. Strengths of Existing Member Services

- The one substantial service being offered to members is the SIDA/ApT training program. It is rated excellent by nearly everyone who was interviewed.
- Trade fairs have been held, in 1993 and 1995. They were considered successful and helpful by most of the interviewees.
- NUMA is a member of the Private Sector Foundation. Members thus have access to Business Uganda Development Scheme (BUDS) which will pay up to 50% of the costs of sales-enhancing expenditures such as trade show exhibits, sales campaigns, and feasibility studies. A few members have benefited from exposure to international businesses and to outside financing organizations which were subsidized by the BUDS program. (Most members interviewed, including many board members, however, were unaware of the BUDS program.)
- Despite the criticisms of NUMA, many interviewees commented that NUMA is perceived as doing more than any other associations to assist the north.
- The previous NUMA chairman used his influence in several situations to help NUMA members:
 - ⇒ he was apparently successful in obtaining an improved supply of electricity to Lira,
 - ⇒ he assisted in NUMA's recognition by the government, e.g. H.E., Pres. Museveni attended one of the NUMA Trade Fairs.
 - ⇒ he helped a few members develop contacts with other countries--South Africa, Tanzania, Kenya, etc.

4C. Weaknesses of Existing Member Services

The greatest weakness is that so few services are being offered (acknowledging the fact that the SIDA training program has assisted a considerable number of members). A second notable weakness is that many interviewees said that the previous chairman continually promised that NUMA would help members get financing for their businesses, but that he was never able to deliver on this promise other than with a few small loans from the SIDA Small Loan Fund (non-

payment of which has restricted use of the funds by other members on a revolving basis). This failed promise has resulted in a great number of members with unmet expectations. These members have responded by not paying their membership fees.

Yet another weakness, an unfortunate result of the existing situation in the country, is that NUMA has not been able to provide services to all eight districts due to security problems. Training courses have only been given in three districts--Apac, Lira, and Soroti. A training session was organized in Arua, but the trainer did not show up. Members from those less secure areas seemed to be understanding but thought that NUMA could try a little harder to provide some services to them. A few interviewees felt that a key weakness was that NUMA did not seem interested in responding to the needs of its members. A few complained that the technical training, which is concentrated on metal fabrication, meets the needs of only a selected few of the members. One member complained that NUMA did not help with business linkages.

4D. Member Services Opportunities and Recommendations

As indicated above, there are a number of areas where NUMA could increase the services to its members. Below is a description of the types of services NUMA should consider.

In the area of financing, the consultant recommends that NUMA should not, at this time, seriously involve itself in providing financing beyond the commitment to continue with the SIDA Small Loan Fund. Nevertheless, NUMA can assist members with their financing needs by:

- Training members in how to prepare business plans, which could be presented to banks or other financial institutions;
- Educating members about lending practices and procedures;
- Assisting them in completing application forms;
- Providing information on financing sources, such as those described above; facilitating registration of its larger members with the Uganda Investment Authority (UIA);
- Encouraging use of investment incentives and information resources at UIA offices in the region;
- Encouraging programs such as LDDP and SDDP to establish loan guarantee schemes as a way of overcoming the problems of lack of collateral;
- Advocating the entry of other financial institutions into the region, particularly the Bank of Uganda and accredited banks that handle specific development lines of credit, e.g. the World Bank ox plow agriculture line of credit;
- Lobbying government on the issue of land title, which businesses are frequently required to have as collateral by financial institutions; and
- Lobbying government on investment incentives for the north.

As indicated earlier, training is a critical need according to NUMA members. Accordingly, NUMA should conduct workshops on marketing techniques and ways to add value through processing and packaging.

With respect to business consulting, NUMA should use the new women's coordinator to organize women's projects. The association also should employ a full-time local consultant to provide start-up advice, feasibility studies, project proposals, marketing assistance, and on-going advice on a rotating basis to members. This on-going advice could take the form of repeat visits (monthly, bi-monthly, or quarterly) to review progress and adjust work plans. Advice such as this, given over a period of time, could help in significantly improving a number of member businesses. NUMA should charge fees for the services to generate income and make the position sustainable.

In the area of marketing assistance, NUMA might organize trade fairs, perhaps at the district level (e.g., in Apac or Soroti), in Lira itself, and perhaps in Kampala. Also in the area of marketing assistance, NUMA should organize, on a regular basis, member meetings to bring people together to share ideas and develop business relationships. NUMA also could facilitate a combined purchasing system (i.e., organize groups of members to save money by combining their purchases). NUMA also should consider the development of a permanent showgrounds, perhaps coordinated with UNFA, which also is interested in such a development. NUMA might also develop a commercial linkages program between the small manufacturers in the north and larger customers in the south. Finally, NUMA could produce a membership directory.

In the area of information, NUMA might: encourage agricultural processing industries through seminars; set up a library of technical and management materials in the NUMA office; provide information on Kampala commodity prices; and sponsor seminars, particularly on government regulations.

With respect to improved infrastructure, NUMA should lobby government on providing more electricity in the region and increased telephone services in the region. In addition, NUMA should encourage construction of industrial shells in the region.

5. Communications

In an outside world which is accustomed to television, cellular telephones, faxes, and e-mail, the scarcity of telephones in northern Uganda places businesses, and business associations in the region at a real disadvantage. The only substantial forms of communication are newspapers, mail, radio, and personal travel. Coverage of northern news by reporters, however, is so weak that the consultant had to help pay for the cost of faxing a press release to Kampala.

5A. Communications Strengths

Apparently the only significant communications effort by NUMA was the US\$ 848,000 (US\$848) spent on advertising the 1995 Trade Fair. Besides that, NUMA has issued a few press releases and made a few radio announcements.

5B. Communications Weaknesses

NUMA's record in communications is quite deficient. There has been very little contact between management/board and members. Many members have felt abandoned. This has apparently been due to a lack of interest in being transparent combined with a lack of management interest in serving the membership. For example, as mentioned in Section 4C, even though some members have benefited from the BUDS program, most members interviewed, including many board members, were unaware of the program.

5C. Communications Opportunities and Recommendations

To improve its communications with members, NUMA should:

- Publish monthly newsletters;
- Send out regular mailings of items of interest to the members;
- Send out monthly press releases to the newspapers, radio stations, and television stations;
- Hold regular membership meetings in the districts and at the headquarters;
- Publish a directory of members;
- Consider production of a radio program;
- Develop a plan to enable the chairman to travel and visit members;
- Promote successful role models;
- Develop a plan to recognize volunteers; and
- Lobby the government for improved communications in the north.

6. Financial Status

Based on interviews and reports, including the board of inquiry report, it appears that there has been little control over NUMA expenditures and income. In one year, for example, the former secretariat reportedly spent over US\$ 60 million (US\$60,000) on travel, subsistence, and entertainment. In fact, NUMA has had neither financial plans, nor even a financial system. The board of inquiry found that the yearly audits "were all false," based on verbal conversations (and little documentation) between the former chairman, the former accountant, and the auditor.

6A. Organizational Assets

As a result of the SIDA project, NUMA owns:³

- A building, NUMA House, in Lira, which has a value between US\$ 20 and 30 million (US\$20,000 to 30,000); some interviewees value it even higher;
- A car, though the possession is still in dispute between the former chairman and the board;
- A computer, printer, photocopier, fax machine; and
- Other office furniture and equipment.

³ Radios may be provided by in April to link up several of the districts.

6B. Financial Sustainability

At the present time, there are no plans for financial sustainability. In fact, if accounts were being properly kept, they would undoubtedly show a negative net worth (depending on the amounts which the board says the previous chairman owes to NUMA). The new board, however, is quite aware of the financial crisis and produced a budget for the consultant which will be discussed later in this report.

6C. Financial Strengths

The organizational assets, listed above, are the greatest source of financial strength. Rental of the building, rental of the showroom, and hiring out of office equipment are possible income generating sources for NUMA. Two of the board members are capable of preparing feasibility studies which will earn money. Several NUMA members are trainers and can generate income for NUMA by conducting IYB courses and by offering training to participants in the LDDP and SDDP loan programs as well as the EU/EDF Microenterprise Program (see Sections 6E and 6F).

6D. Financial Weaknesses

There is a long list of weaknesses in NUMA's financial operations. Many were discussed previously as part of the board of Inquiry's report. The weaknesses include:

- No accounting system, no books of accounts were being kept, nothing was written down;
- There are several instances where there are no records of NUMA income going into NUMA accounts;
- The personal secretary and messenger have not been paid since September 1996;
- Financial reports were never given to the board;
- Budgets were not prepared; and
- Drawers full of unrecorded receipts were found.

6E. Financial Opportunities and Recommendations

NUMA can bolster its precarious financial situation by:

- Developing a sound financial system of budgets, accounts, and audits;
- Being completely transparent in its financial transactions;
- Issuing regular financial reports;
- Concentrating on developing new sources of income;
- Developing a plan to pay previous financial obligations;
- Hiring a skilled financial person for the secretariat; and
- Requiring board authorization of all expenditures.

In addition, NUMA could generate income and/or save money in a variety of ways, including, for example:

- Renting out office space;
- Charging fees to help prepare members to participate in LDDP and SDDP loan funds;
- Earning fees from collection of payments to LDDP and SDDP loan funds, with the fees set at, for example, 15% of the 22% interest charged upon recovery;
- Charging a fee for providing training for the EU/EDF Microenterprise Program;
- Operating trade shows (but it must be done in such a way that it generates positive income, unlike the 1995 show which would have lost money except for the SIDA subsidy);
- Selling advertisements in the newsletters;
- Taking advantage of BUDS program, which reimburses 50% of some expenses;
- Conducting a membership drive to increase fees coming in from members;
- Performing management and marketing consultancies;
- Offering management training;
- Charging fees for training veterans;
- Producing feasibility studies;
- Increasing training fees for non-members so that there is an incentive to be a member (and thereby potentially also increase membership);
- Charging a fee for manufacturing some machines;
- Performing computer work for outsiders;
- Performing secretarial work for outsiders;
- Hiring out NUMA's generator;
- Hiring out radios;
- Developing showgrounds;
- Developing a showroom at NUMA's office;
- Charging fees for radio communications;
- Charging fees for organizing member meetings;
- Collecting fees for organizing seminars;
- Selling publications;
- Selling T-shirts;
- Saving money by reducing staff; and
- Saving money by less travel.

6F. Budget Estimates

The next page includes some preliminary budget estimates. The first column of numbers is from an estimate made in the SIDA report of annual income and expenditures for the 12 months from August, 1995 through July, 1996. The second column is an estimate for 1997 made by the board of directors and contains optimistic figures based on a number of new income generating projects. The consultant feels, however, that many of these numbers are overly optimistic, so he has developed the third column as more realistic. However, many of the figures in column three are simply educated guesses since the potential of many of these new income generating projects were just not known at the time this report was completed. There was also insufficient time for the consultant to do much verification. Please see detailed comments in the next section.

The board needs to be cautioned that they should not commit major expenditures on new income generating projects until they have good assurance that the project will generate enough income to at least break even. The items marked with an asterisk (*) are somewhat discretionary and should only be expended if cash will be available.

The following items of "required" external assistance were requested by the NUMA chairman:

Transport, 1 Double Cabin	USh 30,000,000	(US\$30,000)
Computer Training Center (4 computers x 3,240,000)	12,960,000	(US\$12,960)
Motorcycles (2 x 4,000,000)	8,000,000	(US\$8,000)

Please see comments below in Recommendations (Section 9).

NUMA Assessment --Budget Estimates		8/95-7/96	1997(est)	1997 (est)
		SIDA est.	by board	by Consultant
		USh.	USh.	USh.
INCOME				
A.	NUMA House Rent	280,000/month	1,440,000	3,360,000
B.	Annual Subscriptions	40% x 179 x 30,000	300,000	2,148,000
C.	New Member Fees	40% x 40 x 40,000	588,000	640,000
D.	Calendar Sales			2,000,000
E.	Member directory	200 x 5,000		1,000,000
F.	Trade Shows, between Dec & March	2,258,850	12,000,000	6,000,000
G.	Donations--Export promo council, District Council		5,000,000	1,000,000
H.	--SIDA--'95 Trade Fair; '97 board mtgs, AGM	5,000,000		6,682,000
I.	Hiring out computer	200,000	1,200,000	600,000
J.	Hiring out generator	120,000	700,000	200,000
K.	Hiring out dupl mach	131,400	900,000	200,000
L.	Hiring out photocopier	210,000	1,500,000	300,000
M.	Consultancy service	2/mo x 100,000 x 12 mo		2,400,000
N.	Membership certif sales		200,000	100,000
O.	Training Seminars, SIDA, LDDP, SDDP	1,275,875	1,200,000	1,500,000
P.	Manufacturing commissions	2,461,000	500,000	200,000
Q.	Interest earned, recovery LDDP loans, 15% of 22% charged		3,000,000	500,000
R.	Radio call services		240,000	100,000
S.	Newsletter advertising	12 iss. x 20,000/ad x 15 ads		3,600,000
T.	BU DS refunds (50%)	trade shows		4,000,000
U.		training seminars		5,000,000
V.	TOTAL	13,985,125	50,588,000	28,742,000
EXPENDITURES				
A.	Travel & transport, fuel	2,712,250	2,400,000	1,500,000
B.	Salaries	4,184,000		
C.	Executive Director	480,000 x 12 mo.		5,760,000
D.	Personal Secretary	200,000 x 12 mo.		2,400,000
E.	Messenger	70,000 x 12 mo.		840,000
F.	Rent, Admin/office	1,635,060		
G.	Electricity	5,000	240,000	240,000
H.	Water		600,000	600,000

NUMA Assessment --Budget Estimates		8/95-7/96	1997(est)	1997 (est)
		SIDA est.	by board	by Consultant
		USh.	USh.	USh.
I.	Telephone		1,200,000	600,000
J.	Office equip maintenance*	394,000	3,000,000	1,500,000
K.	Postage	197,950	300,000	300,000
L.	Insurance	63,000	200,000	200,000
M.	Newsletters*		3,600,000	1,000,000
N.	Legal services		300,000	300,000
O.	Renovations*	95,700	3,000,000	1,000,000
P.	Audit	80,000	300,000	300,000
Q.	Trade shows	3,498,000	10,000,000	5,000,000
R.	Board Meetings		240,000	240,000
	Accommodation			
S.	Transport	60,000	3,892,000	3,892,000
T.	Meals		240,000	240,000
U.	AGM--Transport		2,310,000	2,310,000
V.	Sundries	788,300	100,000	100,000
W.	Donations*		150,000	150,000
X.	Stationery*	71,490	2,527,000	1,000,000
Y.	TOTAL	13,784,750	43,599,000	29,472,000
Z.	SURPLUS/DEFICIT	200,375	6,989,000	-730,000

(*items subject to cash availability)

6G. Comments on Budget Estimates

The following comments generally refer to the third column with the consultant's estimate. The letter of the alphabet refers to lines on the budget estimate spreadsheet:

INCOME:

- A. NUMA House Rent--this figure should be achievable, based on information supplied by board, although the consultant did not see copies of renter or lease agreements.
- B. Annual Subscriptions--achieving this figure will require considerable effort, given NUMA's weak reputation and previous lack of member services.
- C. New Member Fees--this may be achievable if training recipients are solicited.
- D. Calendar Sales--this seems possible for 1998 calendars, if preliminary work is done.
- E. Member directory--this seems achievable, but will require much organizational effort.
- F. Trade Shows--this will take considerable work. It should be noted that there is also an Income item, T, from BUDS, US\$ 1 million, and an offsetting Expenditure item, Q, US\$ 5 million, resulting in a potential surplus for Trade Shows of US\$ 2 million (US\$2,000).
- G. Donations--Export promotion council, District Council--the consultant questions this income, but the board strongly feel they can collect some of it.
- H. SIDA--the ApT Project Manager confirmed to the consultant that they will indeed reimburse NUMA for costs of board Meetings (R, S, and T) and AGM--Transport (U)
- I. Hiring out computer--this amount may be difficult based on last year's figures.
- J. Hiring out generator-- this is possible based on last year's figures.

- K. Hiring out duplicating machine-- this is possible based on last year's figures.
- L. Hiring out photocopier-- this is possible based on last year's figures.
- M. Consultancy service--this seems possible based on previous experience of unrecorded income for feasibility studies done by the NUMA staff. There is also a presumption that 2 of the board members will be able to produce satisfactory studies.
- N. Membership certif sales--this seems achievable.
- O. Training Seminars, SIDA, LDDP, SDDP--this income category has good potential, and includes training of veterans. The amount appears to be achievable if training fees are increased and if the proper arrangements are made with the district authorities to conduct training.
- P. Manufacturing commissions--this seems to be possible.
- Q. Interest earned, recovery LDDP loans, 15% of 22% charged--this will take some effort, but may be achievable. It will require good coordination with LDDP.
- R. Radio call services--this is possible
- S. Newsletter advertising--this is possible but will require considerable work and organization. It should be noted that there is an offsetting Expenditure, M, of US\$ 1 million, which yields a net surplus of US\$ 1 million (US\$1,000)
- T. BUDS refunds--trade shows--this looks possible. BUDS will reimburse 50% of the cost of approved activities, which could include promotional and logistical expenses but not items such as equipment or structural materials. The board needs to confirm these reimbursable expenses with BUDS before starting work on a trade show.
- U. BUDS refunds-- training seminars--this looks possible, but, again, the board needs to confirm it with BUDS before the training is conducted.

EXPENDITURES

- A. Travel & transport, fuel--the Board's estimate needs to be reduced, since this category was unnecessarily high under the previous board
- B through H. Salaries, Rent, Admin/office, Electricity, Water-- these seem reasonable.
- I. Telephone-- the Board's estimate needs to be reduced.
- J. Office equipment maintenance*-- the board's estimate needs to be reduced, even though a minimal amount of this maintenance is necessary.
- K. Postage, and L. Insurance--these seem reasonable.
- M. Newsletters*-- the board's estimate needs to be reduced, this item offsets Income item S.
- N. Legal services--this seems reasonable.
- O. Renovations*-- Board's estimate needs to be greatly reduced, although a minimal amount of work needs to be done on NUMA House.
- P. Audit--this seems reasonable.
- Q. Trade shows--the board's estimate needs to be reduced, this offsets Income items F and T.
- R through U. board Meetings, AGM--Transport--these will be reimbursed by SIDA.
- V. Sundries--this amount seems reasonable.
- W. Donations*-- this amount seems reasonable but is subject to cash availability.
- X. Stationery*-- Board's estimate needs to be greatly reduced, although a minimum amount of supplies will be needed to improve record keeping; subject to cash availability.

7. Strategic Planning

7A. Strategic Plan

A "NUMA strategic plan" was presented by a former staff person in December 1996, but it appears to be copied, almost entirely, word for word, from the UNCCI Strategic Plan and, thus, is not necessarily applicable to NUMA's situation. Some board members mentioned that they had adopted the plan, but it is questionable whether it has received due consideration by the board. Minutes of all the board meetings have not been available. The new board of directors will develop a plan as one of the activities on its critical activities road map. It is hoped that a donor will provide some expert advice on accomplishing this important task.

7B. Target Members

Presently, members include transporters, traders, and farmers as well as manufacturers. The new board indicated at the January 30 workshop, however, that its new target would be all manufacturers and processors, of all sizes, in northern Uganda. There also seems to be special interest among some board members in recruiting small and women-owned businesses. The women's coordinator could help with such recruitment.

7C. Membership Growth

Membership growth has apparently been negative in the past couple of years because of the lack of services, especially financing for members. Paid membership information was not readily available, so the SIDA evaluation produced the following numbers of paid memberships: 15 members in 1994, 39 members in 1995, and 9 members in 1996. These figures contrast sharply with the 1,114 trainees identified as NUMA members by the eight district chairman.

NUMA's current fee structure is outlined below. These figures, adopted in late 1996, have been reduced from previous levels in order to encourage membership. However, the association has not yet been able to conduct a membership drive based on the new fees.

	Initial Fee		Annual Subscription	
Men-owned businesses	US\$ 40,000	(US\$40)	US\$ 30,000	(US\$30)
Women-owned businesses	20,000	(US\$20)	20,000	(US\$20)

Kitgum District recently held some meetings to explain changes in the board and the potential for improvements in NUMA. Several members were impressed with the progress and contributed approximately US\$ 400,000 (US\$400) in past due membership fees. This indicates that a potential does exist to increase membership, even in a district with security problems. The addition of a women's coordinator (scheduled for April 1997) will assist in increasing the membership of women-owned businesses.

The board plans to conduct a much-needed membership drive soon. It is critical that this should not be conducted until after the board has decided which services it is going to offer and has also

done sufficient planning about how to conduct the drive. The secretary hopes that membership can grow to 800 (including 200 in Lira) within the next 2 years.

7D. Risks and Constraints

During this critical period in NUMA's existence, the major risk is that the board members will fail to make significant progress, in a reasonable amount of time, on the critical activities road map. A lack of progress might result in a major breakdown in the momentum of the re-building process. The second major risk is that the board will fail to make sufficient progress on improving the cash position of NUMA, such that minimal activities will not be able to take place. Other risks are that:

- The board fails to develop proper administrative/operations systems and/or financial systems, such that the confidence of members is not restored;
- The membership campaign fails and, thereby, severely discourages the re-building effort;
- Board motivation is dampened by a perceived lack of sufficient donor assistance;
- Negotiations relating to financial settlements with previous board members/secretariat disrupt the association;
- Problems relating to differences of opinion on the validity of the January 14 AGM interfere with association activities;
- Increased instability in the north significantly thwarts NUMA's activities;
- The presently high motivation of the board declines to the point that the re-organization efforts are seriously affected; and/or
- The political implications of the changes at NUMA affect the re-building process more than envisioned by the consultant.

7E. Liaison with Other Associations

NUMA needs to participate in the Lira NGOs development task force being organized by LDDP. NUMA should spend some time exploring cooperation with other associations and organizations such as UMA, BUDS, UNCCI, USSIA, UNFA, and UIA; such coordination is part of critical activities road map. NUMA also needs to participate in the national coordinating committee of groups involved in small enterprise development; this committee is being organized by the Private Sector Foundation. The purpose of the first meeting, scheduled for February 17, is to discuss influencing policy on small enterprise development and to coordinate activities.

7F. Strategic Planning Strengths

The greatest strengths in the strategic planning process are the motivation and dedication of the new board. As long as this continues, NUMA should be able to successfully get through this planning phase.

7G. Strategic Planning Weaknesses

The greatest weakness is that so much of the work in this phase is dependent on volunteer efforts, which are subject to impulsive changes in individual motivation and not to more formal agreements such as those between employers and employees. Key volunteers can get upset with minor problems and quit without notice. At this time, the motivation of the volunteers on the board is quite high, but, to maintain this, they must be treated with great respect and continually encouraged. Another weakness is that no one on the board is qualified to conduct a strategic planning exercise. It is hoped that a donor will assist with the exercise.

7H. Strategic Planning Opportunities and Recommendations

A huge opportunity exists at this time for NUMA to grow and develop into a strong association, based on the efforts of the board and several donors who are interested in supporting a strong business association in the north. This growth can occur only if the high level of motivation and dedication of the board continues and if the board works carefully and diligently with the donors on the priority activities.

8. Road-map

The consultant, assisted by USAID intern, Cecile Murphy, held a workshop with the new board of directors, in Lira, on January 30, 1997. Eight board members and three district chairmen attended as well as the Lira Resident District Commissioner and two members of the SIDA project staff. Evidence of the commitment of the board is that the attendees included representatives of rebel-affected areas in Gulu, Kitgum, and Arua, for whom travel is risky.

The consultant and Ms. Murphy presented their findings on the business needs of NUMA members (listed above in Section 4A) and also described the characteristics of strong business associations (see Appendix B). The board members then developed a vision/mission statement for NUMA (noted above in Section 1C). However, the majority of the workshop time was spent on brain-storming and discussion to produce a list of actions which NUMA needs to take to: (i) satisfy member needs; and (ii) transform NUMA into a strong business association. Over 100 activities were listed. To complete the workshop, the board members decided which actions were most critical to re-building NUMA in the next few months and then listed the actions in order of priority. Due dates were attached to each of these 37 activities. A person responsible for completing each activity was also assigned. A copy of this critical activities road map is on the next page. The road map was developed in this manner so that it would be a product, not of the consultant, but of the board, which, it is hoped, will "take ownership" of it and be more likely to implement the activities.

USAID/ NUMA, "Road Map" Workshop, Lira, Uganda, 30 Jan 1997
 NUMA Critical Activities Road Map

<i>Activity</i>	<i>Completion Due Date</i>	<i>Responsible person(s)</i>
1. Review goals and objectives	15/2/97	Board Chairman and Secretary
2. Decide on a proper administrative/operations system, new management structure, and composition of secretariat staff	15/2	Board Chairman and Secretary
3. Develop job descriptions for secretariat staff	15/2	Board Chairman and Secretary
4. Fill vacancies on board of directors	28/2	District Chairmen
5. Hire knowledgeable secretariat staff	15/3	Board of Directors
6. Develop provisional budget	28/2	Board Secretary and Treasurer
7. Re-organize NUMA House to maximize income	28/2	Board Secretary and Treasurer
8. Collect money due on sales of grinding mill, door, and vehicle	31/3	Board Chairman
9. Generate income from supply of office services to the public	on-going	Office Secretary
10. Collect past due membership dues	7/3	District Chairmen
11. Earn training fees from Lira and Soroti District Development Programs	on-going	Project Coordinator
12. Survey NUMA member needs	15/3	Technical Officer and District Chairmen
13. Make decision on which services to offer to members	31/3	Board of Directors
14. Communicate to members revised list of NUMA services	15/4	Board Secretary
15. Revise secretariat job descriptions, as needed	15/4	Board of Directors
16. Prepare break-even annual budget	7/4	Board Treasurer and Secretary
17. Pay for past financial obligations	7/4	Board of Directors
18. Develop transparency in financial system, including a proper accounting system, summary monthly reports, and detailed quarterly reports	15/3	Board Treasurer and Secretary
19. Conduct membership campaign	30/4	District Chairmen
20. Promote NUMA in mass media, including press releases	on-going	Executive Secretary
21. Prepare schedule of board of directors meetings	7/4	Board Secretary
22. Prepare annual schedule of activities	7/4	Board of Directors and District Chairmen
23. Revise constitution and by-laws	31/3	Board of Directors
24. Train secretariat staff and board of directors	30/4	Board of Directors and Project Coordinator
25. Develop strategic plan	30/4	Board of Directors, (Donor?)
26. Improve internal communications	1/4	Executive Secretary
27. Set up women's desk	30/4	Executive Secretary and District Chairmen
28. Review and revise training fees so that there is a strong incentive for trainees to become members	15/3	Board of Directors
29. Explore possible Donor support	30/4	Board Chairman and Executive Secretary
30. Explore cooperation with other associations and organizations--UMA, BUDS, UNCCI, USSIA, UNFA, UIA, Lira Task Force, etc.	31/3	Board of Directors and Executive Secretary
31. Collect payments on Small Loan Fund	31/3	Executive Secretary
32. Re-organize loan/savings/revolving fund scheme	31/3	Board of Directors
33. Conduct IYB management training for members	30/4	Project Coordinator
34. Lobby for improvements in infrastructure--electricity, UEB; telephones, P&T; roads, GOU	28/2	Board Chairman and Executive Secretary
35. Approach donors for funding for member businesses,	31/3	Board Chairman and Executive Secretary

e.g. EDF		
36. Convene donor conference	30/4	Board Chairman and Executive Secretary
37. Convene second planning workshop to review progress and set second stage targets	30/4	Board Chairman and Executive Secretary

The consultant and Ms. Murphy were extremely impressed with the dedication and commitment to NUMA exhibited by the board members during the workshop (as well as throughout the preceding interview process). The atmosphere was quite positive and even inspiring. Without exception the board appear anxious to get to work on building a new NUMA. In fact, the morning after the workshop, they had a follow-up meeting to review the road map and confirm the assignment of responsibilities.

9. Recommendations for USAID Assistance

The recommendations are listed in four segments. Part 9A lists the minimum conditions for USAID participation. Part 9B, which would occur during the critical activities road map period, consists mostly of advising, training, facilitation, and “hand holding” assistance. Part 9C includes recommendations on a longer term basis. Part 9D contains some recommendations on actions not to take.

9A. Minimum Conditions

Before USAID offers any assistance, NUMA needs to “get its house in order.” NUMA must meet the minimum conditions by having in place and functioning: (i) a legitimate system of accounting procedures, and (ii) a basic administrative/operations system.

9B. Assistance during the Transition Period

During the transition period, while the board is re-organizing and re-building NUMA, the board should be expected to complete--on their own--most items on the critical activities road map, in order to demonstrate their resolve and abilities. NUMA will then be able to offer services which will satisfy the needs of their members and help NUMA become self-sustaining. During this period, USAID should offer the following assistance to NUMA:

- Provide expert comments on adjustments needed on NUMA’s new administrative/operations and financial systems.
- Provide expert advice on the development, conduct, and evaluation of a member needs survey to be conducted by the board during this period.
- Provide operational training of the new secretariat and new board of directors.
- Provide expert advice on development of a strategic plan.
- Provide expert advice on development of a membership campaign.

- Send a small group (including USAID Intern Cecile Murphy) to go to Lira about May 1 to review NUMA's progress on its critical activities road map, and help NUMA set targets for the second stage.
- Assist NUMA in convening a donors' conference in early May to discuss sharing of support. The conference should include SIDA, ApT, Netherlands Development Agency, EU/EDF, and BUDS.

9C. Potential Future Assistance

If the NUMA board makes significant progress on its critical activities road map, and depending on which services NUMA chooses to offer, USAID should:

- Provide expert advice on organizing trade fairs;
- Provide a limited amount of permanent equipment for the trade fairs;
- Provide expert advice on continuing training programs after the SIDA project ends;
- Provide a limited amount of training equipment;
- Subsidize (on a declining basis) the cost of a local consultant to provide feasibility studies, project proposals, marketing assistance, and on-going advice on a rotating basis to members, subject to the potential of the position to generate income for NUMA on a sustainable basis. USAID should discuss with the U.S. Peace Corps the possibility of assigning a Peace Corps Volunteer to serve as a counterpart in training the consultant;
- Subsidize (on a declining basis) the cost of a local accountant on the NUMA staff to insure that the transparency and integrity of the financial system;
- Provide training on advocacy/lobbying;
- Provide expert advice on marketing activities, such as a newsletter, directory, seminars, commodity prices, etc.;
- Provide expert advice on communications and promotions, including radio and TV program, press releases, promotional campaigns, etc.;
- Provide expert advice on how to train members to deal with their financing needs, such as preparation of business plans, education on lending practices and procedures, completion of application forms, etc.; and
- Provide expert advice on the NUMA analysis of its de-centralization policy.

9D. Activities to Avoid

Finally, the consultant feels that USAID should refrain from providing assistance in response to a few particular requests made by NUMA. These include:

- USAID should not, at this time, assist NUMA in administering a lending program. NUMA has too much to do to first re-build itself as a well-functioning business association. It must use its staff to carry out the normal duties of an association.
- USAID should not, at this time, donate any computers to NUMA to use in setting up an income-generating computer training school. The consultant questions whether there is

enough demand for such a school in the region. This also may be a business venture which should be left to an entrepreneur.

- USAID should not, this time, donate any vehicles or motorcycles to NUMA. Although there is a need for the present chairman to travel to district meetings, the present chairman could use the vehicle (or trade it for a more appropriate vehicle) which is now the subject of a dispute with the former chairman.

APPENDIX A
List of Contacts

David Abwang	Uganda Investment Authority	Lira
Florence Adoko	Let Us Get Together Women's Group	Apac
Mary Adriko	Westnile Distilling Company Limited	Arua
Dr. ETS Adriko	Westnile Distilling Company Limited	Arua
Charles Omara Akello	LC4/Town Mayor	Lira
John Ogwang Alele	LC5/district resistance chairman	Lira
Joy Aloba	NUMA district vice chairman	Apac
Anne Angom	NUMA secretariat	Lira
John Ayo	NUMA district chairman	Lira
Evelyn Biribonwa	Uganda Women's Entrepreneurial Association	Kampala
J.B. Bulinda	Uganda Industrial Properties Ltd.	Kampala
Joseph Burke	Business Uganda Development Scheme	Kampala
Timothy Byara	Uganda National Chamber of Commerce and Industry	Kampala
Orib Cing	Let Us Get Together Womens Group	Apac
Bonny Ejiet	Pek Machine Works	Soroti
Keith Elliot	SAIMMCO	Soroti
Gervase Eneru	NUMA district vice chairman	Soroti
Peter Epilla	District Trade and Development Officer	Lira
Piro Santos Eruaga	former NUMA treasurer	Kampala
Rose Ewin	Put Trust in God Enterprises	Apac
Jim Gohary	United States Agency for International Development	Kampala
James Iyou	produce business	Lira
Ashachand S. Jatt	Northern Province Bus Co.	Lira
Dr. William Kalema	UMA Consultancy and Information Services Ltd.	Kampala
James Kalibbala	Uganda Small Scale Industries Association	Kampala
Mary Bitekerezo Kasozi	The World Bank	Kampala
Boney Katatumba	Uganda National Chamber of Commerce and Industry	Kampala
James Kawooya	Uganda Small Scale Industries Association	Kampala
Gerald Kiers	Lira and Soroti District Development Programmes	Lira
Bruno Komakech	United States Agency for International Development	Kampala
Ocel Livingstone	District Commercial Officer	Lira
Sarah Lubega	Uganda Women's Entrepreneurial Association	Kampala
Abu Bakar Lwenbawo	Haji Juma L. Mukasa & Sons	Soroti
Eliot Masters	covol Uganda/ The Shea Project	Lira
Julius Peter Moto	former NUMA Administrative Officer	Lira
Hilary Obonyo	Uganda Manufacturers Association	Kampala
Bernard L. Ocaya	NUMA director	Kitgum
Angelous Ochen	NUMA/SIDA/ApT Technical Officer	Lira
Victor Ochola	NUMA district secretary	Apac
John L. Ocira	NUMA district chairman	Kitgum
Washington Odongo-Ebil	NUMA secretary (proposed new Executive director)	Lira
Ogwang Odul	Northern Uganda Oil Seed Producers Association	Lira

Felix Odur	former NUMA chairman/managing director	Lira
Sadiq Abubakar Odwori	Resident district Commissioner	Lira
Jimmy Ogwang	Kongopor Enterprises	Apac
Milton Imaat Ojula	NUMA chairman	Soroti
Martin Ojok	The Cooperative Bank Ltd.	Lira
Opobo Okech	NUMA director	Gulu
Tobias Oree Okello	Uganda National Farmers Association	Lira
Justin Okeny	Uganda Industrial Properties Ltd.	Kampala
Rt. Rev. William Okodi	Breaker and Partners	Lira
Engineer Donation Henry Okwera	NUMA vice chairman	Kitgum
Ponsiano Olemukan	Pek Machine Works	Soroti
Richard Olet	transport business	Lira
George Olwol	NUMA secretariat	Lira
Richard Omara	NUMA director	Lira
Danny Omvitibo	NUMA director	Arua
Goduzu Peter Owiny	former NUMA secretary	Lira
Raymond Oyo	Uganda Commercial Bank	Lira
Ogwal Parakak	NUMA director	Apac
Euku Simon Ross	Ross and Company	Lira
Barnabus M. Sekabembe	Uganda Small Scale Industries Association	Kampala
Nikita Stampa	European Union/European Development Fund	Kampala
Patrick Tibasiimwa	NUMA/SIDA/ApT Project Coordinator	Lira
Alan Tulip	Swedish International Development Agency/ApT	Kampala
Wiebe van Rij	Ministry of Finance and Economic Planning	Kampala
Julius Peter Wacha	Canana Leatherworks	Lira
Koen Wasmus	Interdisciplinary Project Consulting/Centenary Rural Development Bank Ltd.	Kampala

APPENDIX B
“Road Map” Workshop Agenda

USAID/ Northern Uganda Manufacturers Association
“Road Map” Workshop, Lira, Uganda
30 Jan 1997

Workshop Agenda

- I. Opening of Workshop
 NUMA chairman
 Resident District Commissioner
- II. Introduction
 Workshop Participants
 Review of Consultancy and Workshop Objectives
- III. Findings on Member Needs (consultant presentation)
- IV. Characteristics of a Strong Business Association (consultant presentation)
- V. Vision/Mission of NUMA
- VI. NUMA Road Map
- VII. Closing
 Resident District Commissioner

List of Attendees

Milton Imaat Ojula	Chairman	Soroti
Washington Odongo-Ebil	Secretary	Lira
Engineer Donation Henry Okwera	Vice chairman	Kitgum
Bernard L. Ocaya	Director	Kitgum
Opobo Okech	Director	Gulu
Richard Omara	Director	Lira
Danny Omvitibo	Director	Arua
Ogwal Parakak	Director	Apac
John Ayo	District chairman	Lira
John L. Ocira	District chairman	Kitgum
A.S. Odwori	District chairman	Gulu
Sadiq Abubakar Odwori	Resident District Commissioner	Lira
Patrick Tibasiimwa	SIDA Project Coordinator	Lira
Angelous Ochen	SIDA Technical Officer	Lira
Patrick Oyee	Press	Lira
Stella Akwn Ogwal	Press	Lira
Rev. Nelsons Otto	The New Vision	Lira
Wayne Meyer	USAID Consultant	Kampala
Cecile Murphy	USAID Intern	Kampala

Identified Needs of NUMA Members

- Financing-- for equipment and working capital
- Training-- technical (creation, use and maintenance)
managerial (bookkeeping, marketing, finance)
- Business Consulting-- project proposals, business plans, feasibility studies, audits,
on-going advice
- Marketing Assistance-- contacts, networking, product promotion
- Information-- on technologies, prices, business regulations
- Infrastructure-- electricity, good roads, modern communications

Characteristics of a Strong Business Association

- Demand-driven member services
- Clear goals and objectives
- Well-defined target membership
- Solid organisational structure, with clear job descriptions
- Effective staff and dedicated volunteers to carry out activities
- Adequate facilities and equipment
- Organisation controlled by the membership through the board of directors
- Trust and confidence of members
- Transparent financial system including proper budgeting, accounting, and auditing functions
- Regular meetings of the board and members
- Good communications with members

Vision/Mission (statement developed at the workshop)

To industrialise the North and create employment:

by providing services to NUMA members;

by working together to encourage local and foreign investors; and

by adding commercial value to regional raw materials

Lists of possible actions mentioned by board members

*items placed on critical list

Financial Management

*Train board, secretariat, and District chairmen

Internal audit system

*Submit regular reports--summary reports monthly and detailed reports quarterly

Provide sufficient resources to pay for board members' expenses

*Transparency

*Develop a plan to pay previous financial obligations

*Set up a budgeting process that will include control of expenditures

*Set up accounting system

Annual external audit

Skilled financial person in secretariat

Income Generation

Survey members for ideas

Central machine shop

Offer loan programme

Trade Fairs

Lira

Kampala

Districts

Lira and Soroti District Development Loan Programmes

retain percentage of amount collected

*training aspects

sales of products

Computer training

Seminars

Project proposals, feasibility studies

Conference centre

Showgrounds

*Maximise income from NUMA House

*Collect membership dues and subscriptions--new and past due

*Office services

*Collect money due on sales of NUMA's grinding mill, door, and vehicle

Membership Growth

Offer loan programme

Vocational training

board visits to districts

Target membership should be all manufacturers and processors (who are adding value), of all sizes in Northern Uganda

Attract by setting examples

*Women's desk and coordinator

Award for membership growth

*Membership campaign

*Review and revise training fees so that there is a strong incentive for trainees to become members

Reduced fees, discount for women

Strategic Planning

*Develop a strategic plan

Monitor strategic plan/achievements of objectives

*Schedule annual activities

*Review goals and objectives of NUMA

Evaluate "pros" and "cons" of de-centralisation

Member Services

Help in taxation negotiations

*Training in business management, more IYB courses

Well-equipped machine shop

*Re-organise loan/savings/revolving fund scheme

Lobby financial institutions to extend services to north

Organise and expand library at secretariat--technical and management materials

Showroom

Showground (with UNFA?)

Trade fairs--Lira, Kampala, and in districts

Marketing assistance--advertise, radio, directory, price information, networking, product availability, packaging, quality control, training, seminar

Regional industrial estate

*Survey member needs

Guidance on project proposals

Video equipment for training

*Approach donors for funding for member businesses, e.g. EDF

Joint purchasing

Older members assist younger ones in getting finance

Get outside investors for members

Arrange joint ventures

Loan guarantee scheme with bank

Conference Centre

Participate in Lira and Soroti District Development Loan Programmes

*Member savings scheme

Participate in BUDS Scheme

Information seminars on bank lending--mortgages, requirements, etc.

*Administration of credit facility

Help negotiate with NPART

Help members negotiate terms with banks

Lobby on land title legislation

Lobby donors to use local products

Use business trainers

Training of trainers in West Nile area, business management courses

Use district bankers, civil servants for seminars

Computer training school

Consulting assistance--project proposals, on-going business counseling (monthly followups)

*Lobby on infrastructure issues--electricity, UEB; telephones, P&T; roads, ministries and MP's

Coordinate with communication companies

Assist in registration of businesses

Management and Administration

Build NUMA management capacity

seminars and workshops

*training of secretariat and board

tours of other associations

*Hire knowledgeable secretariat staff

Consultants with expertise in association management

More equipment

vehicle at Lira for chairman

motorcycles--2 in Lira, 1 at each district

video camera to film members

computer, typewriters, photocopiers, and generators in each district

*Proper management/organisational structure

*Job descriptions for secretariat

Project committees in each district

*Revise Articles of Incorporation, Constitution

*Decide on secretariat size

board should ensure delivery of services to members

Annual monitoring and evaluation by board

*Decision of which services to be offered

*Schedule board meetings

*Lead by example to encourage volunteers

*board to take (has taken) control of NUMA

Regular activity reporting of secretariat to board

Communications

*Improve internal communications

Hold regular meetings--district and general

Radio equipment

Newsletters

Radio and TV programme

*Clearly communicate services offered to members

Recognise volunteer services--newsletter, meetings, certificates

Communicate through the board

Communicate audit results to members

*Use the mass media--press releases

Other

Explore activities with donors

Explore cooperation with other associations

APPENDIX C

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