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# FIRST ANNUAL REPORT

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**Submitted by:**


Chemonics International Inc

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## List of Acronyms

| | |
|---|---|
| AGOA | African Growth Opportunity Act |
| AIR | Activity Intermediate Result |
| APEP | Agricultural Productivity Enhancement Program (USAID) |
| BCI | Business Competitiveness Index |
| BOU | Bank of Uganda |
| CDO | Cotton Development Organization |
| CIF | Competitiveness Incentives Fund |
| CO | Contracting Office |
| COMESA | Common Market for Eastern and Southern Africa |
| COMPETE | Competitive Private Enterprises and Trade Expansion Activity (USAID) |
| DANIDA | Danish International Development Agency |
| DDA | Dairy Development Authority |
| DDB | Duty Draw Back |
| DfID | Department for International Development |
| EAC | East African Community |
| EPZ | Export Processing Zone |
| EU | European Union |
| GCI | Global Competitiveness Index |
| GDA | Global Development Alliance |
| GOU | Government of Uganda |
| HCAU | Hotel and Catering Association of Uganda |
| HO | Home Office (Chemonics) |
| IDEA | Investment in Developing Export Agriculture Activity (USAID) |
| IR | Intermediate Result |
| KRA | Key Result Area |
| LOA | Life of Activity |
| M&E | Monitoring and Evaluation |
| MAAIF | Ministry of Agriculture, Animal Industry & Fisheries |
| MD | Managing Director |
| MISR | Makerere Institute of Social Research |
| MOC | Memorandum of Cooperation |
| MSMEs | Micro, Small and Medium Sized Enterprises |
| MTCS | Medium-Term Competitiveness Strategy |
| MTTI | Ministry of Tourism, Trade and Industry |
| NAADS | National Agricultural Advisory Services |
| NUCAFE | National Union of Coffee Agribusinesses and Farm Enterprises |
| OTF | on the Frontier Group |
| PEAP | Poverty Eradication Action Plan |
| PMA | Plan for Modernization of Agriculture |
| PMP | Performance Monitoring Plan |
| PMU | Activity Management Unit |
| PRIME | Productive Resource Investments for Managing the Environment (USAID) |
| PSCP | Private Sector Competitiveness Activity |
| PSFU | Private Sector Foundation Uganda |
| RATES | Regional Agricultural Trade Expansion Support Program (USAID/REDSO) |
| RATIN | Regional Agricultural Trade Intelligence Network |
| SCOPE | Strengthening Competitiveness for Private Enterprise Activity (USAID) |
| SDP | Strategic Development Program |
| SEP | Strategic Exports Program |
| SMEs | Small, Medium Sized Enterprises |
| SO | Strategic Objective |
| SPEED | Support for Private Enterprise Expansion and Development Activity (USAID) |
| STTA | Short Term Technical Assistance |

## List of Acronyms (Continued)

| | |
|---|---|
| SWOT | Strength, Weaknesses, Opportunities and Threats |
| TA | Technical Assistance |
| TUGATA | The Uganda Association of Travel Agents |
| UAAO | Uganda Association of Air Operators |
| UCDA | Uganda Coffee Development Authority |
| UCFFA | Uganda Commercial Fish Farmers Association |
| UCOTA | Uganda Community Tourism Association |
| UDPA | Uganda Dairy Processors Association |
| UEPB | Uganda Export Promotion Board |
| UFEA | Uganda Flower Exporters Association |
| UFFA | Uganda Fish Farmers Association |
| UGCEA | Uganda Ginners and Cotton Exporters Association |
| UGTL | Uganda Grain Traders Limited |
| UIA | Uganda Investment Authority |
| UMA | Uganda Manufacturers Association |
| UNBS | Uganda National Bureau of Standards |
| UNCCI | Uganda National Chamber of Commerce and Industry |
| UPTOP | Uganda Program for Trade Opportunities and Policy (EU) |
| URA | Uganda Revenue Authority |
| US | United States |
| USAID | US Agency for International Development |
| UTA | Uganda Tourism Association |
| UWA | Uganda Wildlife Authority |
| WB | World Bank |
| WTO | World Trade Organization |

# EXECUTIVE SUMMARY

SCOPE, Strengthening the Competitiveness of Private Enterprise, is a three-year activity financed under a SEGIR GBTI Task Order. The contract for SCOPE implementation was signed between Chemonics International Inc. and USAID in mid-December 2003. Set-up activities began in Uganda almost immediately, and the first members of the project team were in place by early February 2004. As agreed with USAID/Uganda, this annual report covers the nine-month period between January and September 2004. It incorporates SCOPE's first monitoring report, carried out against benchmarks and indicators agreed to between the Chemonics SCOPE team and USAID.

To set the tone and context for review of SCOPE's first year, the annual report begins with a summary of highlights of SCOPE activities over eight months of operation. Section I provides a general introduction to SCOPE: its purpose; its relationship to USAID/Uganda's Strategic Objective 7; its organization structure; and its Results Framework. Finally Section I summarizes the competitiveness prospects for each of SCOPE's target subsectors as of the end of the first work plan period. This summary provides a fitting preamble to the annual report, since, in many ways, SCOPE's major implementation partners are the sub sectors with which it works, and it is SCOPE's ability to use competitiveness principles to facilitate change in the coffee, cotton, horticulture, dairy, fisheries, oilseeds, grains, and tourism sectors that will signify project success.

Since SCOPE is purely a technical assistance activity and has no grant funds with which to work, it was important for SCOPE to build demand for and to provide, from the outset of project operations, access to high-quality technical support of a type not readily available in Uganda. Section II provides an overview of SCOPE's technical approach to implementation of competitiveness initiatives and introduces some of the technical tools used by SCOPE to facilitate, for example, cluster development, business planning, and private-public partnership design and implementation. Lessons learned to date by SCOPE as a result of Year I activity mark the end of the technical presentation.

Section III of this annual report documents progress made by SCOPE in each of the project's components and Key Result Areas (KRA) against Year I benchmarks. A highlight or success story marks noteworthy achievements for each component. SCOPE reviews its performance in terms of each benchmark. As a general rule, SCOPE met over 80% of its first-year benchmarks, and, in cases where benchmarks were not fully achieved, explanations have been provided.

Monitoring and evaluation are critical aspects of all SCOPE activity. In Year I, SCOPE carried out strategic planning/baseline surveys in 6 out of 8 target sub sectors. None of these sub sectors had easily available data of the type needed to measure and monitor competitiveness, and SCOPE continues to develop documentation in formats and categories that support appropriate monitoring for competitiveness. In Section IV, SCOPE summarizes Year I progress against Life of Activity Indicators (SCOPE indicates clearly the few cases where baselines are estimated and awaiting further clarification). Annexes to the report are provided to amplify various aspects of SCOPE operation and performance.

## SCOPE FIRST YEAR HIGHLIGHTS

- Private sector working groups formed in six of eight target sub sectors, involving 84 business leaders
- Private sector leaders engaged in 850 aggregate hours (340 meetings at an average of 2.5 hours per meeting) of active dialogue in pursuit of sub sector transformation goals; at an average of four individuals attending each meeting, Uganda private sector leaders spent a total of 3,400 business hours (or 425 person days) working with SCOPE
- Strategic planning assessments carried out in floriculture, cotton, coffee, dairy, fisheries, and maize
- Stages of Competitiveness tool designed to guide implementation
- Business planning tool developed to guide industry assessment and market identification activities carried out to inform cluster business plan development
- Agreement in principle between Private Sector Foundation Uganda and SCOPE re Memorandum of Cooperation
- Approach to restructuring Uganda's national competitiveness framework identified and under discussion with secretariat of Medium Term Competitiveness Strategy
- Coffee Production and Mapping Survey completed in support of national coffee business plan development
- Floriculture cluster business plan launched
- Release of Ushs 843,000,000 in VAT refunds to floriculture industry
- Matrix of policy, legal, and regulatory issues developed across sub sectors
- Six private-public partnership areas identified to address policy, legal, regulatory, and institutional challenges to implementation of the floriculture business strategy
- Communications competitiveness strategy developed and launched
- Media cluster formed to provide continual access to informed press
- Designs for **competeUganda!** website and newsletter developed for 10/04 launching
- National branding values campaign developed in cooperation with AGOA Country Response Office; waiting formal approval and launching by President Museveni

SECTION I

# SCOPE OVERVIEW

Strengthening the Competitiveness of Private Enterprise (SCOPE) seeks to expand the competitiveness of targeted subsectors by promoting private sector-driven market initiatives, increasing institutional capacity for competitiveness, structuring a results-oriented, sustainable private-public competitiveness dialogue, and supporting development of an enabling environment for broad-based economic growth through expanded trade. SCOPE facilitates the transformation of sub sectors into competitive national industries through formation of clusters which work to improve competitiveness in international, regional, and domestic markets. Through competitive and sustainable marketplace positioning, Uganda will increase volumes and values of exports, expand market share for selected products, and improve Uganda's overall trade positions.

## A. SCOPE Activity and USAID's Strategic Objective 7 (SO7)

As an activity within USAID's Strategic Objective 7 (SO7) portfolio, SCOPE efforts support achievement of results which contribute to, "Expanded Sustainable Economic Opportunity for Rural Sector Growth." Other activities within the SO7 portfolio (SPEED, APEP, PRIME/West, Land o' Lakes) carry out complementary efforts. As the USAID activity which works with private and public sector leaders to develop overall perspective and directions for expanded sub sector growth and competitiveness, SCOPE looks for opportunities to maximize complementarities among all SO 7 initiatives.

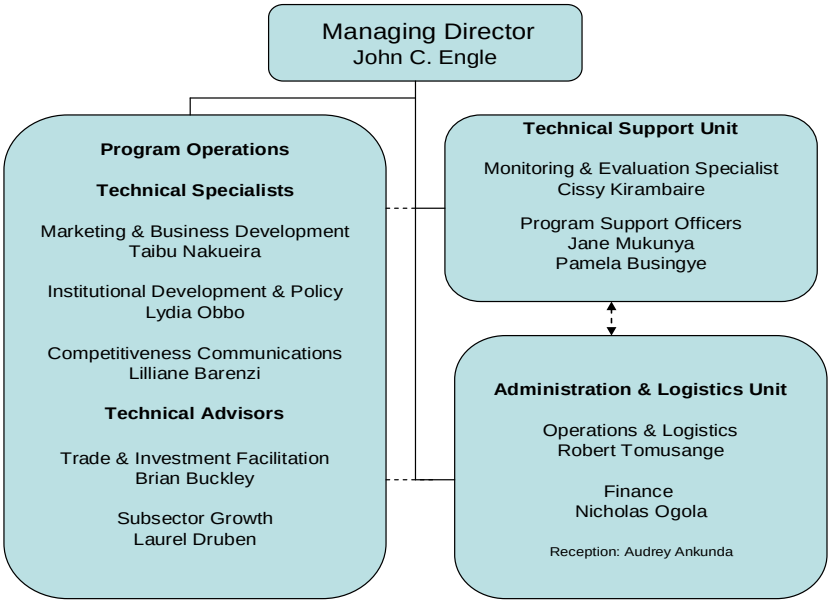
SCOPE activities support the Government of Uganda's poverty eradication goals as set forth in the Poverty Eradication Action Plan (PEAP). The PEAP makes a direct linkage between increased volumes and values (for export and domestic consumption) and the reduction of poverty. SCOPE activities respond also to the objectives of the Medium Term Competitiveness Strategy (MTCS), the document which operates as the implementing arm for the PEAP and guides Uganda's competitiveness growth initiatives.

SCOPE's target sub sectors (coffee, cotton, horticulture, dairy, fisheries, grains, oilseeds, and tourism) are directly in line with the GOU Strategic Export Program (SEP), and they provide a livelihood for an estimated 12 million Ugandans, the majority of whom live at subsistence levels in rural areas. Despite the fact that its share of GDP has continued to drop over the past five years, agriculture remains the major source of livelihood for 70% of Uganda's population, and increased agricultural output and productivity are needed to generate improved farm revenues that will lead to job (on farm and off farm) and enterprise creation. Enterprise expansion will then translate into increased government revenue, and, hopefully, into improved government ability to extend/provide social services. SCOPE addresses this cause and effect chain, which must be in place to move rural populations above the poverty line, within the context of the business plans put together to guide sub sector economic expansion.

## B. Organizational Structure

Exhibit 1 shows the SCOPE organization structure. SCOPE is headed by a Managing Director who serves as Chief of Party and technical coordinator. The activity is implemented by a Uganda-based, multidisciplinary team that provides direct technical assistance to clusters and to participating organizations and implementing partners. A two-person expatriate technical team advises SCOPE in such areas as strategic business planning, institutional development, and trade and investment facilitation.

**Exhibit 1: SCOPE Organization Structure**



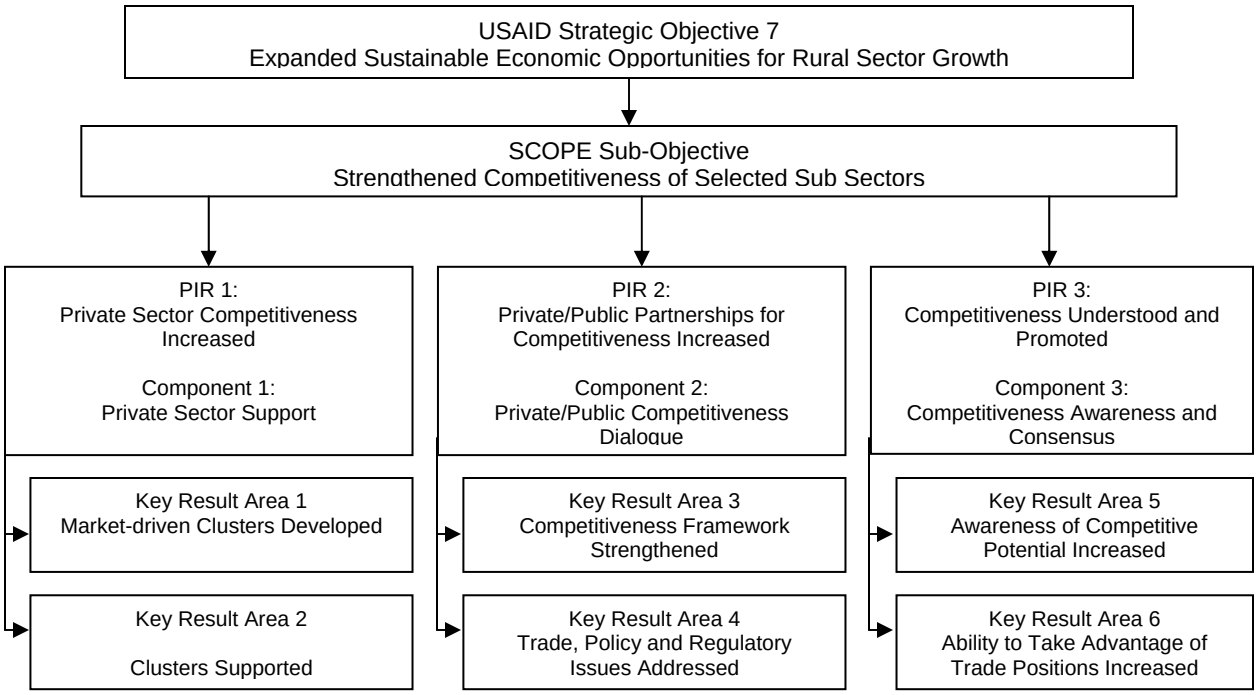

## C. SCOPE Results Framework

SCOPE contributes to USAID Strategic Objective 7 through the SCOPE sub-objective, "Strengthened Competitiveness of Selected Sub Sectors." To achieve this sub objective, SCOPE works through three components:

- Private Sector Competitiveness Increased
- Private/Public Partnerships for Competitiveness Increased
- Competitiveness Understood and Promoted

Each SCOPE component is supported by two Key Result Areas (KRAs), which guide the selection of activities upon which the component focuses. The Results Framework, which is presented as Exhibit 2 on following page, provides a visual overview of the SCOPE approach to implementation.

**Exhibit II: SCOPE Results Framework**




## D. Overview of Prospects for Competitiveness

At the time of SCOPE startup, none of the SCOPE target areas had a competitiveness initiative of any type underway. Today, as a result of work done by the SCOPE technical team and private sector business leaders, each SCOPE target sub sector presents different competitiveness possibilities. The sketches provided in the following paragraphs represent sub sector status after eight months of SCOPE activity.

**Coffee:** Coffee remains Uganda's largest foreign exchange earner, even though its contribution to total exports dropped to 21% in 2003, from a figure of 60% as recently as 1999. Coffee affects the lives of 500,000 farmers and sustains 5-6 million livelihoods. The EU is the traditional market for Uganda's green bean exports, with only small amounts of Ugandan coffee moving into US and other markets. Uganda's Robusta coffee constitutes 90% of exports; only 10% of Uganda's coffee is Arabica. Some Ugandan production is currently targeted to specialty segments within Robusta and Arabica marketplaces, but Uganda's ability to reestablish coffee exports will be built on a strategy that calls for installing sustainable approaches to production, expanding Uganda's share of existing markets, and developing new product and market opportunities. The national business plan being developed by the coffee cluster will set an initial production target of 4.5 million bags, an increase of over 2 million bags from current levels.

**Cotton**: Cotton is Uganda's 8$^{th}$ largest export earner. Cotton affects the lives of 12 million Ugandans living in 33 districts. Most of Uganda's cotton is exported as lint to the United Kingdom, Switzerland, United Arab Emirates, Kenya, Singapore and South Africa. Only 5% of Uganda's cotton production goes to support expansion of the domestic textile industry. Revitalization of the cotton industry is of major strategic importance to Ugandan industrialization

prospects, with cotton production having a major role to play in further development of the spinning, textile, oilseed, and animal feed industries. The cotton cluster will follow a strategy that calls for full utilization of the installed capacity of existing ginneries, increases in the production of cotton lint from the current 200,000 bales to 700,000 bales by 2010, installing sustainable approaches to production, and increasing the technical capacity of both farmers and ginneries.

**Dairy**: Uganda's dairy sub sector is largely oriented to the domestic market, but some exports of UHT products and Ghee are made to regional markets. SCOPE will work with the industry, through the Dairy Processors' Association, to build the domestic market for value-added products and develop expanded export opportunities through the region and into other African markets, including Nigeria. One constraint to sub sector development is lack of dependable milk supply throughout the year. Building industry competitiveness requires introduction of strategies for dealing with this issue and moving ahead to expand product mix and quality in ways that will result in increased demand for products in both domestic and regional markets, while at the same time building an internal market for milk that will encourage and support production expansion.

**Fisheries**: Uganda's fisheries sub sector is currently the 2$^{nd}$ most important export earner for Uganda, with exports led by sale of chilled and frozen Nile perch fillets into European markets. Currently fisheries exports contribute 17% of Uganda's total export revenues (up from 5% as recently as 1999). Industry growth, however, has been based to date on the capture of live fish from Lake Victoria (some wild tilapia in addition to Nile perch) and led by fish processors, who are now running at an average of 40% installed capacity. Demand for fish products in Uganda and throughout the region is high, but supply to meet this demand from aquaculture is not yet effectively organized, while levels of raw material from the lake are unreliable. Members of the fisheries cluster plan to develop a strategy that calls for, among other things, expanding the range of processed fish products flowing into markets, developing new products using the byproducts of fish processing, stemming the flow of Uganda fish through processors in Kenya, and investing in and developing aquaculture potential (including subsistence aquaculture).

**Floriculture:** Floriculture is Uganda's 7$^{th}$ most important foreign exchange earner. Working with SCOPE, Uganda's flower growers prepared and launched a national business plan that calls for expanding the industry from export earnings projected at $30 million for 2004 to at least $80 million by 2010. The flower growers are following a business strategy that calls for 50% of growth to come from new investment (Uganda's climate makes it ideal for certain types of flowers); 30% from expansion into new areas and new products; 20% from innovations in technology. This strategy is accompanied by plans to expand existing markets and enter new markets with both existing and new products. Separate industry support programs will be implemented through six targeted private-public partnerships facilitated by SCOPE. The Uganda Flower Exporters Association will provide critical support services in ways that build a sustainable future for the association.

**Grains:** Maize and beans are currently seen largely as food security crops. However, approximately 15% of Uganda's crop is exported to the region, mostly informally through Kenya, and the World Food Program continues to be a major buyer. Uganda has potential to both grow and export more maize and beans to regional markets, while Kenya, for example, will provide a ready market for much of Uganda's product. The grains cluster, consisting of a group of maize and bean traders, would like to see Uganda as the "provider of quality food products to the region." A major part of the strategy to achieve this vision will call for developing and installing quality standards which govern purchase and sale within Uganda, as well as regional commerce activities.

**Oil seeds:** This category can include cotton, soya bean, sunflower, sesame, and palm oil seeds. Current oil seed production is exported to the European Union, Singapore, Sudan and Kenya. Sales into the domestic market are small, although there is installed processing capacity and willingness to process and market far more than is currently available. Constraints to growth of the sub sector are largely supply-sided. SCOPE's initial strategy for this sub sector will be to build on work done by APEP, SCOPE's SO7 partner, to build a cluster that works with and around a lead investor operating as a focal point and focuses on development of a sunflower (with potential for others) cluster in three economic development zones in the northern part of Uganda. The cluster will include farmers as active participants and develop and incorporate models for sustainable production.

Tourism: Uganda has yet to realize its tourism potential. Industry professionals estimate that only 8,000 to 10,000 "real" tourists come to Uganda (this figure does not include those who come for business, to visit relatives, etc.). Tourism has been considered part of the Services Sector. There are as many as 10 tourism-related associations, some of which barely interact with each other. The Uganda Tourist Association lacks capacity to handle the myriad of issues and challenges. SCOPE strategy calls for positioning tourism, which has significant growth potential, as a separate sector and for developing a private sector-driven, national tourism business plan in concert with representatives of all associations.

SECTION II

# SCOPE'S APPROACH TO COMPETITIVENESS IN UGANDA

## A. Building Clusters

Increased sustainable market share is a key indicator of competitiveness. Sustaining presence in target markets depends upon achieving increases in productivity, efficiencies throughout the commodity value chain, and innovation in response to market demands. Uganda's competitiveness framework is embedded in three main policy documents; namely, the Poverty Eradication Plan (PEAP), the Medium Term Competitiveness Strategy (MTCS) and the Program for the Modernisation of Agriculture (PMA). Uganda's policy framework calls for the formation and promotion of clusters as effective tools for building competitiveness.

SCOPE develops and supports clusters in target sub sectors to identify challenges and constraints to competitiveness, to set targets for alleviating them, and to create sustainable mechanisms for implementation. SCOPE-supported clusters, under the direction of business leaders, develop plans to expand and maintain presence in the target markets.

**Clusters**
*are groups of private and public sector entities (companies, suppliers, service providers and associated institutions, line ministries and regulatory bodies) which work collaboratively to set and achieve business* targets

With cluster business leaders, SCOPE identifies major constraints to sub sector growth and develops strategies that will address constraints and lead to introduction of diversified, value added and/or branded products which have higher potential for sustainability in target markets. SCOPE facilitates the ability of clusters to look beyond traditional products and markets, to identify new markets and products, and to design approaches to realizing market opportunity.

## B. Progressing through Stages of Competitiveness

SCOPE defines 5 stages for competitiveness that must occur for sub sector transformation to take place. Table 1 below shows the progress made by SCOPE target sub sectors during Year I.

**Table 1: Subsector Transformation: Year I Progress and Years II & III Targets**

| Subsector | **Stage 1** Subsector positions defined | **Stage 2** Business Plans developed | **Stage 3** Cluster action plans developed | **Stage 4** Cluster Action Plans Implemented | **Stage 5** Clusters Sustained |
|---|---|---|---|---|---|
| Floriculture | | | | | YEAR II Activity |
| Fish | | | YEAR II Activity | YEAR II Activity | |
| Coffee | | | YEAR II Activity | YEAR II Activity | |
| Cotton | | YEAR II Activity | YEAR II Activity | YEAR II Activity | |
| Maize | | YEAR II Activity | YEAR II Activity | YEAR II Activity | |
| Dairy | | YEAR II Activity | YEAR II Activity | | |
| Tourism | | YEAR II Activity | | | |
| Oil Seeds | | YEAR II Activity | | | |

*Note: Orange shaded area shows progress made in Year I. The blue shows the targeted stage in Year II, while the blank ones show targets for Year III

All eight SCOPE sub sectors completed all or most Stage 1 activities by September 2004. Three sub sectors progressed to Stage 2, although 2 of them are yet to complete this stage. By September 2004, Floriculture had progressed through Stage 3 and was in the early stages of Stage 4.

To support sustainability for sub sector initiatives, SCOPE also identified five stages to institutional framework competitiveness. In Year I, SCOPE began work with selected institutions -- the Medium Term Competitiveness Secretariat (MTCS), the Private Sector Foundation Uganda (PSFU), and relevant sub sector associations -- to put needed changes in place. SCOPE developed and submitted to the MTCS an outline for revising the competitiveness framework to focus on the productive sectors of the economy (see Annex B), drafted a Memorandum of Cooperation with the PSFU, and began work with three sub sector associations to produce Industry Development Support Programs (IDSP). SCOPE completed Stage 1 and Stage 2 competitiveness framework activities in Year I; Year II focus will be on Stages 3 and 4.

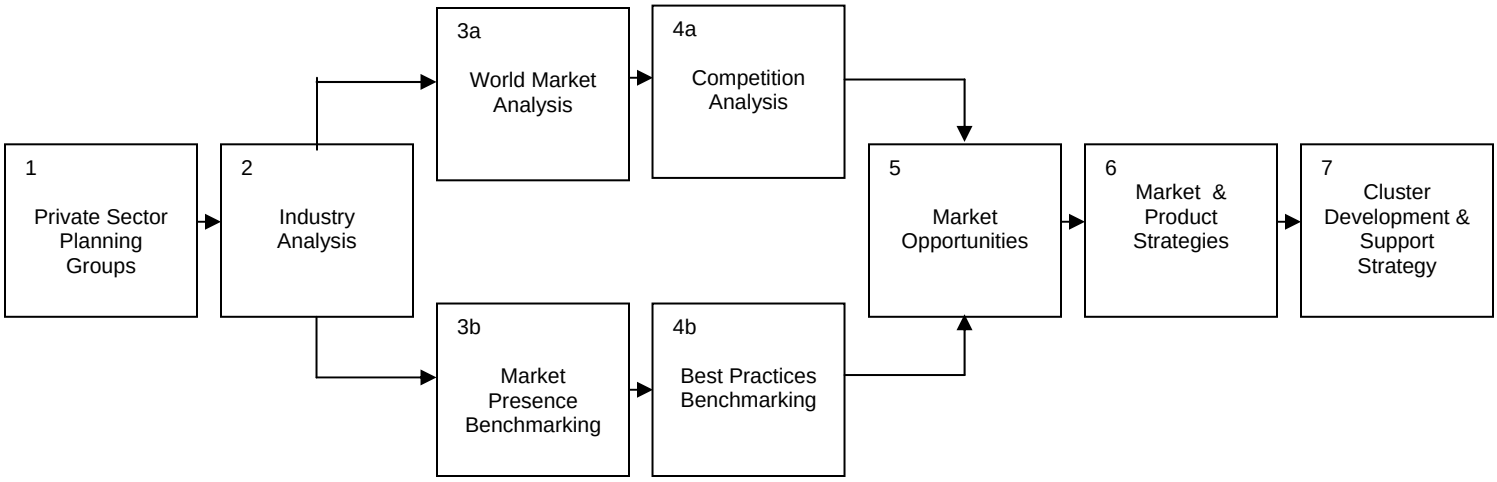
**Table 2: Institutional Framework for Competitiveness: Year I Progress and Year II Targets**

| **Stage 1** Framework Assessed | **Stage 2** Framework Strategy Developed | **Stage 3** Capacities Expanded | **Stage 4** Framework Strengthened | **Stage 5** Framework Sustained |
|---|---|---|---|---|
| Completed in Year I | Completed in Year I | Year II Activity | Year II Activity | Year III Activity |

## C. Business Planning and Cluster Development

SCOPE introduced a seven-step process, shown below in Exhibit 3, to pave the way for development of cluster business plans. Private sector working groups, who are selected by cluster members/leaders to spearhead the planning process, progress through the steps shown below with support from the SCOPE team. The process and the discussion yield the market and product elements of the business plan, as well as agreement on and commitment to these elements.

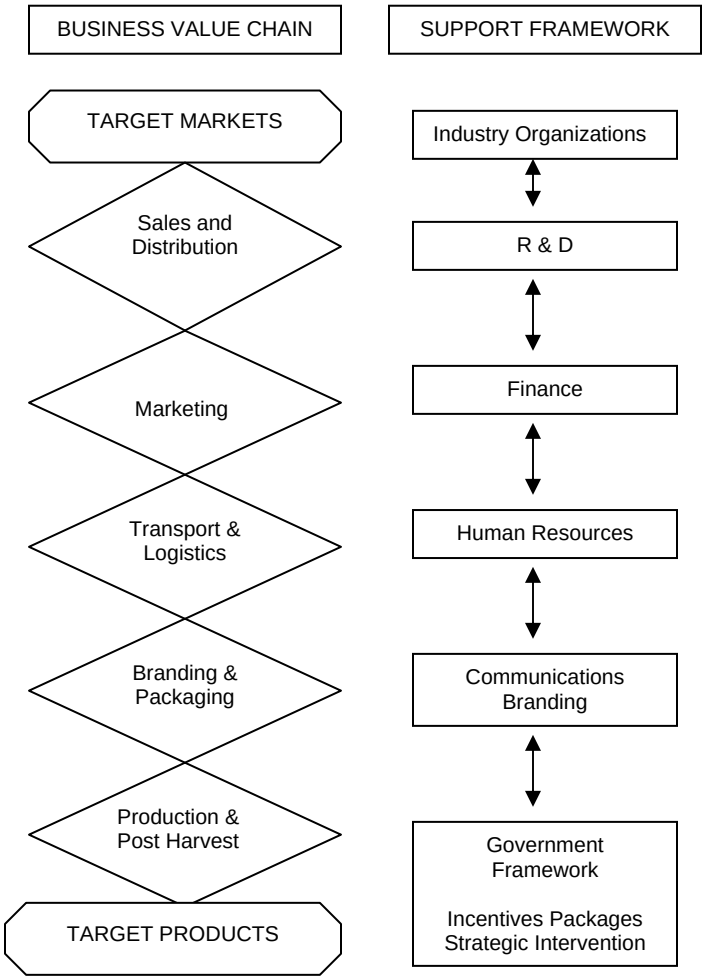
**Exhibit 3: Steps to Business Plan Development and Cluster Formation**




Another major SCOPE tool is a sub sector-specific model of the business value chain and the support framework needed to assist entities within the business value chain to function efficiently.

This model facilitates the ability of both private and public sector industry cluster members to understand the business functions (and cost structure) involved in industry development and to identify the areas within the chain where efficiencies can be created. At the same time, the model enables identification of support functions and the ways in which they work together and in interaction with business functions to provide support to industry initiatives. The example shown in Exhibit 4 below is specific to the floriculture industry and is part of that cluster's business plan.

**Exhibit 4: The Business Value Chain and Support Framework**




## D. Improving the Business Environment

Competitive economies are characterized by responsive business environments. SCOPE works in three ways to support evolution of a responsive business environment:

- SCOPE assists business leaders to define the policy, legal, regulatory, and institutional areas of the business environment where constraints exist to industry development.

- SCOPE works with strategic alliance partners (MTCS, PSFU, and sub sector associations) to identify the ways in which each can support emergence of a more appropriate environment for competitiveness.

- SCOPE assists cluster members to identify the type of private-private and private-public partnerships needed to address business environment issues, whether these are policy, legal, regulatory, or institutional in nature. At the end of Year I, six such partnerships had been identified for Year II focus.

**Addressing the Business Environment**

**A Handy Guide to Differentiating Policy, Legal, Regulatory, and Institutional Issues**

Policy Issues – Occur at various levels, e.g., national, institutional, organizational; may be written or unwritten; "hard" issues that require changes in legal framework (however may not constrain immediate action)

Legal Issues – Arise from interpretation and application of policy through laws and regulations; may be real but are often perceived; sometimes solvable through dialogue

Regulatory Issues – Tend to flow from inconsistencies in arrangements for institutional oversight of laws and policies; "soft" issues, many of which can be addressed through partnership mechanisms and dialogue

Institutional Issues – Caused when organizations fail to identify and play appropriate roles; often caused when public sector entities take on roles better done within the private sector – often to fill vacuums left by weak private sector institutions

SCOPE determined that one major constraint to emergence of a responsive business environment is the inability to define issues in ways that facilitate the right kind of action to address them. To facilitate action, SCOPE separated issues into categories (see box above) and developed a policy, legal, regulatory, and institutional issues matrix that looks at both cross-cutting and sub sector-specific issues. (See Annex E)

## E. Communicating Competitiveness

**Table 3: SCOPE Communications Strategy**

| Constituency | Interaction Modalities |
|---|---|
| Media | Media Cluster<br>Special Briefings |
| Strategic Alliance Partners (MTCS, PSFU, Subsector Associations) | Communication Assessments<br>Website and Newsletter<br>Special Media Activities |
| Sub Sector Clusters | Media Cluster Interactions<br>Press Releases<br>Special Coverage Arrangements |
| Civil Society | Secondary Students – Branding Values<br>University Students – Competitiveness Clubs<br>Farmers – Rural Radio |
| Government | Website and Newsletter<br>Press Releases |

The SCOPE communications strategy, reflected in Table 3 on the previous page, encompasses activities undertaken with and on behalf of relevant constituencies and builds awareness for competitiveness among organizations that are responsible for dissemination of messages.

## F. Lessons Learned

- Individuals within SCOPE private and public sector constituency groups see the world through different lenses, or development paradigms; the ability to understand these differences and the reasons for them is the starting point for meaningful cluster interactions, business development, and change;

- Sub sector strategies developed prior to SCOPE were based on inadequate, and in some cases, incorrect, diagnosis of business/market challenges and competitiveness possibilities, with resulting inability to identify and address the real issues constraining sub sector growth and competitiveness;

- The failure to diagnose issues from business perspective, for example, to work with business leaders to focus on identifying adequate responses to inefficiencies within commodity value chains, has resulted in failure to allocate private, public and donor resources effectively and efficiently;

- The influence of donors on both private and public sector thinking is significant; the "donor" becomes a feature in the room even when business leaders are discussing possibilities; special care is needed to get business planners to focus first on design rather than on what donors might think.

- Related to the above, while access to financing and terms of finance may be major considerations in development of sub sector growth strategies, closer analysis suggests that the ways in which sub sector ventures and activities are packaged can have a major impact on sub sector ability to attract and leverage funds from both private and public sources;

- Traditional actors in the private-public dialogue have become so used to interacting with each other that they often don't communicate; in fact, the dialogue process has become an exercise to get the appearance of "buy-in," often with negative results; opportunities for meaningful dialogue and communications are lost, and the majority of private sector individuals find it difficult to justify time for more meetings;

- Any initial difficulties faced by SCOPE with regard to getting businesses to work together, or to "Cooperate to Compete," are overshadowed by challenges associated with getting businesses to realize that they can make a difference in the way the public sector conducts its activities; overcoming the depth of private sector disillusion with the business environment and the feeling of powerlessness that accompanies this have been a major challenge for SCOPE.

# SECTION III

## ACTIVITY INTERMEDIATE RESULT BENCHMARKS: YEAR I PROGRESS

The SCOPE results framework defines three Activity Intermediate Results (AIRs). Each AIR has its respective KRAs, and these in turn have specific benchmarks. Year I performance against AIRs and KRAs is reviewed in this section.

### A. AIR 1: Private Sector Competitiveness Increased

SCOPE Year I strategy called for beginning the process of cluster development by de-linking private and public sector dialogue. Business targets, SCOPE reasoned, were best set by those qualified to deliver results in the marketplace. With targets set and defined, it would then be possible to expand the clusters to include the full range of private and public sector actors. The component was split into two KRAs, each focusing on different aspects of the stages of competitiveness.

**Floriculture Business Plan Launched**

The SCOPE-facilitated National Floriculture Business Plan was launched in mid-September 2004 at a ceremony sponsored by MTCS, PSFU, and SCOPE and attended by representatives of relevant ministries, public sector agencies, and the financial community. The plan was presented by the Executive Directors of UFEA, the growers' association, and supported by representatives of industry firms, all of which were represented. Under this plan, the industry, which currently employs over 5,000 and exports $30 million a year projects export sales of at least $80 million and employment of 14,000 by 2010.

#### KRA 1: Market – Driven Clusters Developed

**Strategy:** Catalyze private sector-driven cluster formation by facilitating the ability of selected business leaders to identify and set market targets, to develop business plans, and to promote the formation of clusters as vehicles for achieving them.

**Resources**: SCOPE TA, STTA, business leaders, cluster participants

**Benchmark 1.1: Six (6) subsector baselines completed by 9/30/04**
*100% completed. Economic baselines were drafted to inform business planning activities and provide a framework for tracking progress of indicators during implementation. In Year II, all economic baselines will be completed, reviewed and expanded.*

**Benchmark 1.2: Three (3) business plans developed by 9/30/04**
*60% achieved. Floriculture business plan was developed and launched. Business plan strategies were developed for fisheries, coffee and cotton, with planning well underway; status represents a breakthrough in three of SCOPE's most complicated sub sectors.*

**Benchmark 1.3: One (1) cluster action plan by 9/30/04**
*100% completed. The floriculture action plan was developed as part of the business plan which was launched in September 2004, pending full implementation during the second year of implementation*

#### KRA 2: Market-Driven Clusters Supported

**Strategy:** Provide services that support the ability of clusters to drive institutional change, leverage required resources, and achieve market results.

**Resources**. SCOPE TA, STTA, CIF, PSFU, sub sector associations

**Benchmark 2.1: Cluster monitoring system developed by 6/30/04:**
*100% completed. This system will be upgraded in 2005 to increase potential to track and monitor work of private-public partnerships and action plans in support of business plan implementation.*

**Benchmark 2.2: Two (2) competitiveness advocacy initiatives supported through collaboration with PSFU by 9/30/04:**
*100% completed. SCOPE and PSFU agreed to collaborate in the areas of trade agreement participation and sub sector advocacy through use of the PSFU task forces.*

**Benchmark 2.3: Three (3) association cluster support programs defined by 9/30/04:**
*100% achieved. Initial programs defined and in draft form for Uganda Flower Exporters Association, Uganda Coffee Trade Federation (UCTF), and Uganda Fish Processors and Exporters Association (UFPEA).*

**Benchmark 2.4: Forty (40) business leaders actively leading cluster initiatives by 9/30/04:**
*210% achieved. SCOPE works with 84 business leaders as follows (cotton-8, coffee-12, grain –13, floriculture – 18, dairy – 18, fish –11, tourism-2 and oil seeds-2. Numbers continue to grow as work proceeds.*

## B. AIR 2: Private/Public Partnerships for Competitiveness

To support national competitiveness objectives, private and public sector actors must operate as strategic allies within partnerships to address constraints. SCOPE assists business leaders to develop partnerships with both public and private sector organizations to strengthen competitiveness dialogue and advocacy and to strengthen the framework for competitiveness at national level.

### A New Approach to Uganda's Competitiveness Framework

SCOPE assessed the Government of Uganda's competitiveness framework as put into place under the Poverty Eradication Action Plan and the Medium Term Competitiveness Strategy. The framework lacked market focus and failed to link Uganda's wealth creation goals, those based on competitiveness concepts, with poverty eradication, or social welfare goals. Guidelines for a revamped framework drafted by SCOPE and showing how both of these important national goals can be linked within sub sector cluster activities are now providing the basis for revision of GOU documents and approaches.

### KRA 3: Competitiveness Framework Strengthened

**Strategy:** Strengthen and support the MTCS as a national competitiveness framework.

**Resources:** SCOPE TA, STTA, MTCS Management Committee, Steering Committee and Secretariat

**Benchmark 3.1: Roles of MTCS Steering Committee and Secretariat reviewed and recommendations for strengthening developed by 9/30/04**
*100% completed. Approach on way forward for MTCS submitted and under discussion; roles for Steering Committee and the Secretariat to be fine-tuned during the process of reviewing and refining draft MTCS framework.*

**Benchmark 3.2: Competitiveness indicators for Uganda within the Global Competitiveness Rating (GCR) context provisionally developed by MTCS by 9/30/04:**
*30% done. The revised MTCS framework, when completed in early 2005, will be benchmarked to Global Competitiveness Indicators.*

**Benchmark 3.3: MTCS/SCOPE agreement in place by 6/30/04**
*100% done. General agreement on the way forward regarding revision of MTCS framework 2005-2010 is in place.*

## KRA 4: Trade, Policy, and Regulatory Issues Addressed

**Strategy:** Expand the capacity of business leaders and their support organizations to carry out effective trade, policy, and regulatory advocacy in support of cluster initiatives.

**Resources:**
SCOPE TA, STTA, MTCS, PSFU, UIA, UEPB, UCDA, CDO, DDA

**SCOPE's Multi-pronged Approach to solving Cluster-constraining Issues**

- Facilitating release of VAT refunds for UFEA members
- Defining and analyzing different aspects of issues across sub sectors; for example, taxation (import duty on key inputs, VAT refunds, withholding tax and duty drawback)
- Resolving soft issues quickly through enhanced informal private – public partnerships
- Working with support organizations to address hard issues – policy and other issues which require formal advocacy and negotiation to bring framework changes

**Benchmark 4.1: Eight (8) trade, policy and regulatory issues identified and addressed by 9/30/04:**
*100% identified. Issues have been identified across the 8 sub sectors and addressed on at least an introductory level (capacity- building to develop advocacy platforms is underway).*

**Benchmark 4.2: Two (2) issue papers developed in support of cluster action plan implementation by 9/30/04.**
*100% done. Two issue papers were prepared: one on VAT refunds and import duty on inputs on behalf of UFEA; one to guide discussions with MAAIF regarding Policy Legal and Regulatory issues affecting all SCOPE commodity sub sectors.*

**Benchmark 4.3: One (1) association advocacy program developed in support of cluster operations by 9/30/04.**
*100% done. SCOPE worked with the floriculture industry to develop an Industry Development Support Program (IDSP); the UFEA policy and advocacy program is a major core program within the industry IDSP.*

## C. AIR 3: Competitiveness Understood and Promoted

**Harnessing Media Power**

The SCOPE-established media cluster provided important outreach and lent added depth to SCOPE Year I activities. Fifteen members of the Ugandan media worked with SCOPE to develop in-depth understanding of and perspective on competitiveness. Periodic meetings between the media cluster and members of sub sector clusters highlighted the economic contributions of SCOPE sub sectors and facilitated reportage on existing and planned activities, including the launching of the national floriculture business plan. SCOPE's media cluster activities will expand in Year II.

SCOPE views communication as a critical factor in competitiveness and targets a number of audiences, including the public sector, business, the general public, and the media. In Year I, SCOPE developed the concept for a competitiveness website, www.competeUganda!, through which SCOPE will keep its various audiences informed about competitiveness. This website will be fully accessible during the second year of implementation. Groundwork was also done on a quarterly competitiveness newsletter, the first issue of which will be published in October 2004. AIR 3 performance benchmarks and progress targets are given below.

### KRA 5: Awareness of Uganda's Competitiveness Potential Increased

**Strategy:** Build national awareness and support by making competitiveness relevant to all Ugandans and by developing and installing ongoing communications activities.

**Resources:** SCOPE TA, STTA, MTCS, PSFU

**Benchmark 5.1: Competitiveness Communications (CC) strategy developed by the 9/30/04:**
*100% complete. The CC draft strategy highlighted the importance of establishing a media cluster as key to increasing awareness of competitiveness.*

**Benchmark 5.2: Competitiveness data base designed by the 9/30/04:**
*100% completed. The data bank for daily media clippings on competitiveness and subsectors in which SCOPE operates is in place and updated periodically. The competitiveness website was developed and has been linked to various strategic sites for increased access. The competitiveness newsletter is also in the process. Media briefings have been an on going process throughout the year.*

**Benchmark 5.3: Twenty five (25) cluster related communications carried out by 9/30/04:**
*27 communications were initiated during the first eight months of SCOPE implementation.*

**Benchmark 5.4: One (1) branding program identified by 9/30/04:**
*100% achieved. A campaign to "Brand Uganda" is in draft form and waiting launching by President Museveni.*

### KRA 6: Uganda's Ability to Take Advantage of Trade Positions Increased

**Strategy:** Clarify trade position potential and develop mechanisms for maximizing that potential.

**Resources:** SCOPE TA, STTA (OTF), PSFU, subsector associations

**Benchmark 6.1: One (1) trade agreement subsector opportunity profile prepared and distributed by 9/30/04:**
*Postponed pending conclusion of subcontract arrangements.*

**Benchmark 6.2: Uganda trade agreement benchmarking report prepared and disseminated by 9/30/04:**
*Postponed pending conclusion of subcontract arrangements.*

## D. Program Management and Administration

SCOPE operates under three program management and administration Key Result Areas. This section profiles progress made in each during the first year of implementation.

### KRA 7: Resources in Support of Competitiveness Leveraged

**Strategy:** Set up and use a CIF for the purpose of leveraging resources from other sources and/or jumpstart initiatives that will in turn leverage additional participation and resources**.**

**Resources:** SCOPE TA, USAID CTO, Chemonics home office contracts department

**Benchmark 7.1: CIF policies and procedures manual developed and submitted to USAID for review by 5/30/04:**
*100% done. Document was submitted to USAID. The manual establishes the process under which the fund can be accessed, and provides guidelines for reporting and monitoring on activities financed by the fund.*

**Benchmark 7.2: First $ 50,000 CIF committed by 5/30/04:**
*Funds committed by June 2004.*

### KRA 8: Effective Monitoring and Evaluation System Developed and Maintained

**Strategy:** The SCOPE M&E system provides the foundation for tracking the activity's delivery of expected outputs and quantitative impacts to measure progress, as well as support USAID's M&E needs by providing input to the mission's SO7 and associated IR indicators.

**Resources:** SCOPE TA, USAID M&E, Chemonics home office, SCOPE M&E specialist

**Benchmark 8.1: Performance Monitoring Plan (PMP) submitted by 4/30/04:**
*100% completed. Draft PMP was submitted on 26th April 2004.*

**Benchmark 8.2: SCOPE Databases designed and established by 6/30/04:**
*100% done. Updating is an ongoing process.*

**Benchmark 8.3: First Annual Monitoring and Evaluation Report submitted no later than 10/31/04:**
*100% Submitted on 26th October 2004*

## KRA9: Effective Contract Administration Provided

**Strategy:** The home office PMU and the SCOPE team, under the direction of the chief of party, work effectively to provide seamless support to the set up and smooth implementation of SCOPE offices and systems, including all financial and contract reporting.

**Resources:** SCOPE, MD, administrative staff, home office PMU

**Benchmark 9.1: Office build out completed and TA team moved into permanent office by 4/15/04:**
*SCOPE office build out on Plot 17 Yusuf Lule Road completed as scheduled.*

**Benchmark 9.2: Policy and Procedures (P&P) manual completed by 4/30/04:**
*Policy and Procedures manual fully operational.*

**Benchmark 9.3: Financial reports and pipeline analyses provided to USAID quarterly by 3/15/04, 6/15/04, and 9/15/04:**
*Monthly financial reports/invoices and LOE employed status reports submitted to USAID Uganda*

**Benchmark 9.4: Quarterly progress report submitted to USAID by 4/30/04 and 7/30/04:**
*Reports submitted on time.*

**Benchmark 9.5: Property report submitted to USAID by 9/30/04:**
*Property report submitted on time.*
**Benchmark 9.6: Second annual workplan for 2005 submitted by 9/30/04:**
*Work plan completed and submitted.*

## SECTION IV

## SCOPE LIFE OF ACTIVITY INDICATORS: YEAR I PROGRESS

This section captures the progress made by the various indicators at the goal, sub-objective and Intermediate Result (IR) levels towards strengthening private sector competitiveness. Table 4 gives a summary of SCOPE Life of Activity (LOA) indicators, the targets and the outcomes for Year I.

**Table 4. Summary of SCOPE LOA Indicators: Year I Targets & Progress**

| Indicator | Indicator Name | LOA Target | Target 9/30/04 | Outcome 9/30/04 |
|---|---|---|---|---|
| 3 | Number of on- and off-farm jobs created | 100,000 | 1,000 | 0 |
| 4 | Number of on- and off-farm enterprises created | 10,000 | 100 | 0 |
| S1 | Percent change in value of targeted commodities marketed | 40% | 0% | 0% |
| S2 | Percent change in volume of targeted commodities marketed | 30% | 0% | 0% |
| 1.1 | Percent change in cluster share of targeted markets | 50% | 0% | 0% |
| 1.2 | Percent change in gross cluster revenue | 35% | 0% | 0% |
| 1.3 | Percent change in investment in clusters | 15% | 0% | 0% |
| 1.1.1 | Number of cluster action plans developed | 8 | 1 | 1 |
| 1.1.2 | Percent change in cluster membership | 100% | 20% | 56% |
| 1.2.1 | Number of cluster action plans implemented | 8 | 0 | 0 |
| 1.2.2 | Percent change in business participation in clusters | 150% | 0% | 0% |
| 2.1 | Amount of resources leveraged through private/public partnerships | $8,000,000 | $ 100,000 | 0 |
| 2.1.1 | Focal point for competitiveness established | Yes | Yes | Yes |
| 2.1.2 | Number of clusters achieving sustainability | 6 | 0 | 0 |
| 2.2.1 | Number of key policy and regulatory constraints alleviated | 15 | 3 | 3 |
| 2.2.2 | Number of key policy and regulatory constraints addressed | 30 | 8 | 34 |
| 3.1 | Change in cluster business leaders rating of business environment | 10% | 0% | 0% |
| 3.2 | Number of clusters formed outside SCOPE | 4 | 0 | 0 |
| 3.1.1 | Number of Uganda brands in target markets | 4 | 1 | 0 |
| 3.1.2 | Number of competitiveness communications | 160 | 25 | 27 |
| 3.2.1 | Percent change in trade volume within selected agreements | 10% | 2% | 0% |

Note: Where the target and outcome are 0%, it implies that no change was envisaged and made. The LOA target is hence split between years II and III.

## A. SO7 Goal Indicators

### Indicator 3: Number of On and Off-farm Jobs created

***LOA Target:*** ***100,000***
***Period target:*** ***1,000***
***Achievement:*** ***0***

This indicator captures all jobs created as a result of SCOPE intervention. Below is a presentation of the current level (baseline) of jobs in SCOPE's target areas. In floriculture, male employment is higher in the off-farm category, while on-farm jobs are a female domain. This information will provide a basis for tracking progress on this indicator. More jobs will be created during Years II and III as subsectors implement their business expansion plans

| **Subsector** | **Off farm** | | | | **On farm** | | | |
|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | % Female | Male | Female | Total | % Female |
| Coffee | 1,312 | 848 | 2,160 | **39%** | | | | |
| Cotton | 2,529 | 1,239 | 3,768 | **33%** | | | | |
| Floriculture | 7 | 3 | 10 | **30%** | 2,413 | 3,356 | 5,769 | **58%** |
| Dairy | 564 | 139 | 703 | **20%** | | | | |
| Fish | 2,438 | 932 | 3,370 | **28%** | | | | |
| Grain | 393 | 266 | 659 | **40%** | | | | |
| Oil seeds | **N/A** | **N/A** | **N/A** | **N/A** | | | | |
| Tourism | **N/A** | **N/A** | **N/A** | **N/A** | | | | |
| Total | 7,243 | 3,427 | 10,670 | **32%** | | | | |

Note: *These figures do not indicate total employment in the subsector but rather in the clusters/working groups that SCOPE is working with. No numbers have been given for oil seed and Tourism as SCOPE is yet to define the working groups/cluster members for these areas.

### Indicator 4: Number of On and Off-farm enterprises created

***LOA Target:*** ***10,000***
***Period Target:*** ***100***
***Achievement:*** ***0***

New, revitalized and restructured enterprises carrying out business with SCOPE supported businesses are covered under this area. Progress is expected during the second year of implementation.

## B. Sub-objective Indicators

At the sub-objective level SCOPE works towards increasing competitiveness at the international, regional, and domestic levels. SCOPE works with the selected subsectors to increase the volumes and values of commodities.

### Indicator S 1: Percent change in value of targeted commodities marketed

***LOA target:*** ***40%***
***Period target:*** ***0% (LOA target split between Year II and III)***
***Achieved:*** ***0%***

An increase in total value of commodities sold by the sub sectors is an important step towards increasing rural income. It also reflects the country's ability to compete by accessing markets

that can avail higher prices for the products. Baseline data against which progress will be measured is presented below. SCOPE subsectors contribute 48% of the national export earnings.

| Subsector | Value in USD million | Volume in tonnes |
|---|---|---|
| Coffee | 100.23 | 146,299 |
| Cotton | 17.75 | 16,762 |
| Dairy | 0.81 | 599 |
| Fish | 87.48 | 26,301 |
| Floriculture | 26.53 | 5,636 |
| Grain (maize & beans)* | 18.96 | 62,105 |
| Oil seeds | 2.18 | 4,108 |
| Tourism | N/A | N/A |
| **Total SCOPE Subsectors** | **253.945** | **261,810** |
| Others | 273.04 | |
| National Total Value | 522.54 | |
| Share of SCOPE's subsectors to National Total | *48%* | |

Note: This is the value and volume of exported items in the base year. These are subsector totals as SCOPE works with all exporters in the subsectors.
* 72% of the value is for maize while 18% goes to beans, 97% of the volume is maize and only 3% accounts for beans.
Source: Uganda Flowers Exporters' Association (UFEA), Uganda Exports Promotions Board.

### S 2: Percent Change in volume of targeted commodities marketed

***LOA target:*** ***30%***
***Period target:*** ***0% (LOA target split between Year II and III)***
***Achieved:*** ***0%***

The total volume of goods marketed signifies competitiveness. Given that Uganda is an agricultural country, these increased volumes (assuming the price is right) imply increasing revenues to the farmers and hence it is an important step towards increasing rural income. Baseline information on the volume marketed in SCOPE's targeted areas is shown above. Coffee, cotton, fish and floriculture mainly target the export market while the dairy and grain subsectors mainly target the domestic market.

## C. AIR 1 Indicators

### Indicator 1.1: Percent Change in Subsector Share of Targeted Markets

***LOA target:*** ***50%***
***Period target*** ***0% (LOA target split between Year II and III)***
***Achieved:*** ***0%***

Growth in a country's commodity market share is an indicator of improved ability to compete. A summary of the baseline of Uganda's market share in the world with regard to SCOPE subsectors is shown below.

| Subsector | Market Share in the World* | Ranking among World Exporters | Ranking among African Exporters | Major markets |
|---|---|---|---|---|
| Coffee | 1% | 19th | 2nd | Switzerland, United Kingdom, Spain, Singapore, Sudan |
| Cotton | 3% | 7th | 3rd | United Kingdom, Switzerland, United Arab Emirates, Kenya, South Africa |
| Dairy | 0.003% | 76th | 5th | Eritrea, Kenya, DR Congo |
| Fish | 1% | 21st | 3rd | Netherlands, Belgium, Japan, United States of America, Kenya, Australia, U.A.E Italy Egypt |
| Floriculture | 0.3% | 29th | 5th | Netherlands, Germany, United Kingdom, Norway, Belgium. |
| Grain (Maize) | 0.3% | 33rd | 3rd | Zambia, Kenya, Zimbabwe, Sudan, Burundi, Rwanda |
| Oil seeds | 0.09% | 66th | 16th | Singapore, Netherlands, France, United Kingdom, Switzerland |
| Tourism | N/A | | | |

Note: This market share and positioning is based on International Trade Centre (ITC) data

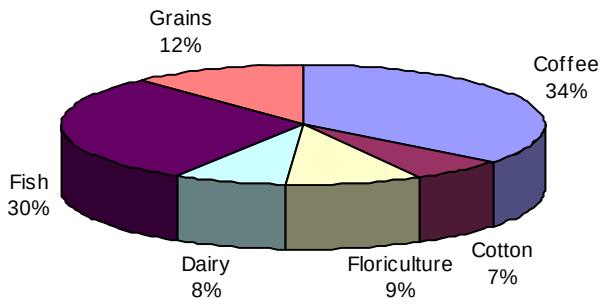
## Indicator 1.2: Percent change in gross cluster revenue

***LOA target:*** ***40%***
***Period target:*** ***0% (LOA target split between Year II and III)***
***Achieved:*** ***0%***

This is the change in gross receipts from the sales of products. Base year gross revenue against which progress will be tracked is given below. The coffee subsector has the largest amount of gross revenue, an indicator of the great relevance of coffee to Uganda's economy.

| Subsector | Gross Revenue USD million |
|---|---|
| Coffee | 105.24 |
| Cotton | 19.44 |
| Dairy | 22.89 |
| Fish* | 87.50 |
| Floriculture* | 26.53 |
| Grains | 34.93 |
| Oil seeds | N/A |
| Tourism | N/A |
| Total | 296.53 |

% Share to Total




*Same as their export revenue since they export nearly 100% of their production; the rest include domestic sales

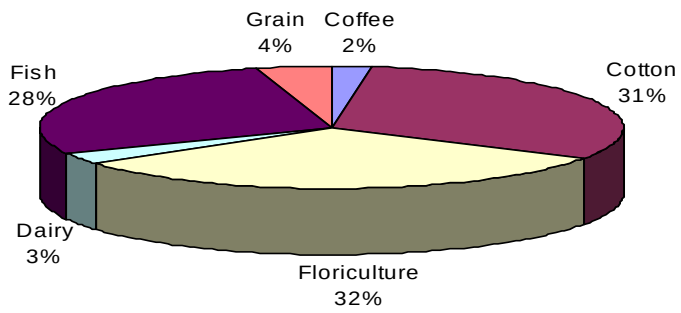
### Indicator 1.3: Percent Change in Investment in Clusters

***LOA target:*** ***15%***
***Period target:*** ***0% (LOA target split between Year II and III)***
***Achieved:*** ***0%***

This covers both foreign and domestic investment. As competitiveness and gross revenue increase, the enterprises become more attractive to investors. In addition, the enterprises themselves increase their level of investments to cope with increasing international and local demand. Baseline data on level of investment indicates that a total of USD 183 million is invested by the clusters, with floriculture presenting the biggest level of investment. Although coffee is the biggest foreign exchange earner, it requires the smallest level of investment among the subsectors.

| **Subsector** | Investment (USD million) |
|---|---|
| Coffee* | 4.0 |
| Cotton | 57.0 |
| Floriculture | 58.1 |
| Dairy | 5.47 |
| Fish | 51.0 |
| Maize | 7.60 |
| Oil seeds | N/A |
| Tourism | N/A |
| Total | 183.17 |

**% Share to total**




Note: Coffee investment is still an estimate

### Indicator 1.1.1: Number of Cluster Action Plans developed

***LOA target:*** ***8***
***Period target:*** ***1***
***Achieved:*** ***1***

SCOPE assists clusters to develop cluster action plans. An action plan is essential to become organized and effective and drive the business plan forward. The target was to develop one action plan during the first year. This was developed for the floriculture subsector as a key component of the floriculture business plan which was launched September 21, 2004. The action plan outlines strategies and targets for attaining increased volumes and higher values for the floriculture products. It defines, among other things; new markets to the United States of America and the Middle East, a creation of 10,000 jobs by 2007, increased local and foreign investment, improved use of technology, improved quality and branding.

### Indicator 1.1.2: Percent change in Cluster Membership

***LOA target:*** ***100%***
***Period target:*** ***20%***
***Achieved:*** ***56% (Number of members at 09/30/04: 84)***

Cluster development is expected to be reflected in increasing numbers of members to the cluster as the implementation of SCOPE activity continues. To compute a change SCOPE used the end June 2004 working group/cluster sizes as the baseline to obtain a change by the end of September

2004. (See below) It is evident that the membership has grown by 56% from 54 in June to 84 members in September 2004. A number of subsectors show increased participation as a result of SCOPE's efforts to work with more diversified composition of clusters.

| Subsector | Members June 2004 | Members September 2004 | Categories involved |
|---|---|---|---|
| Coffee | 6 | 12 | Traders/Exporters/Farmers |
| Cotton | 8 | 8 | Lead ginners/Farmers |
| Dairy | 10 | 18 | Dairy processors (various products)/Farmers |
| Fish | 2 | 11 | Processors/Exporters/Aquaculture |
| Floriculture | 18 | 18 | 18 Growers/Exporters |
| Grain (Maize) | 6 | 13 | Traders/Millers/Exporters |
| Oil seeds | 2 | 2 | Oil Manufacturers |
| Tourism | 2 | 2 | Tour and travel, airlines rep |
| Total | 54 | 84 | ***Percent growth 56 %*** |

### Indicator 1.2.1: Number of action plans implemented

***LOA target:*** ***8***
***Period target:*** ***0***
***Achieved:*** ***0***

As part of the Floriculture business plan, an action plan was developed and preliminary ground for implementation started during Year I. Full implementation (completion of Stage 4) will take place during the second year of implementation.

### Indicator 1.2.2: Percent change in business participation in clusters

***LOA target:*** ***150%***
***Period target:*** ***0% (identify supporting businesses by subsector)***
***Achieved:*** ***(16 supporting businesses identified-mostly cross cutting)***

This indicator captures business participation from the supporting businesses that provide services and value addition to the SCOPE subsectors. 16 businesses have been identified in the areas of packaging, financing/banks, transport and input suppliers and they cut across all subsectors. (See list below) As part of SCOPE work plan for 2005, a packaging cluster will be formed to address packaging issues for all the subsectors.

**Packaging**

1. Mulbox
2. Maaks packaging
3. Packaging Products Uganda
4. Reiley Industries

**Finance**

1. Standard Chartered Bank Ltd
2. Stanbic Bank (U) Ltd
3. Crane Bank (U) Ltd
4. Centenary Rural Development Bank
5. Barclays Bank Uganda Limited

**Input suppliers**

1. Uchumi Commodities
2. Balton Uganda Limited
3. Lipsun (Uganda) Limited
4. Promaco (for cheese/dairy inputs)
5. Greenhouse Ltd (for flowers)

**Transportation**

1. Interfreight Uganda Limited
2. Transami Uganda Ltd

## D. AIR2 Indicators

### Indicator 2.1: Amount of Resources leveraged through private/public partnerships

***LOA Target:*** ***USD 8,000,000***
***Period Target:*** ***USD 100,000***
***Achieved:*** ***0 (Through use of the CIF)***

This covers all resources, both cash and in kind that are leveraged through private/public and private/private partnerships supported by SCOPE through use of the CIF. During the year, SCOPE did not use the CIF to leverage resources. However, through Technical Assistance/Facilitation, SCOPE leveraged 1.63 million[1] as shown below.

1. Ushs 2.1 billion (USD 1.2 million) through private – public partnerships. This money is to be used for the expansion of the cold storage facility at Entebbe. SCOPE's input was USD 700 to cover the launch and dialogue facilitation expenses. The process for accessing these funds is underway.
2. Ushs 772 million (approx 0.43 million) worth of overdue VAT refunds for the floriculture subsector. The subsector had made several attempts at obtaining these refunds in vain. SCOPE's input was SCOPE technical staff time. These resources were leveraged in support of competitiveness as more money was made available to the subsector for investment into increasing volumes and values of their products.

### Indicator 2.1.1: Focal Point for Competitiveness established

***LOA Target:*** ***Yes***
***Period Target:*** ***Yes***
***Achieved:*** ***Yes***

This defines a clearly established and functional national focal point for competitiveness dialogue, consensus and action. During the year, SCOPE worked closely with the PSFU and the MTCS as national bodies to provide the anchor for competitiveness both during and at the end of SCOPE activity. The focal point for competitiveness was hence established early in Activity implementation.

### Indicator 2.1.2: Number of Clusters attaining sustainability

***LOA Target:*** ***6***
***Period Target:*** ***0***
***Achieved:*** ***0***

Clusters should be able to achieve competitiveness goals without external assistance. This is measured by their sustainability plans (Stage 5 of the stages to Ugandan Competitiveness). The floriculture subsector is targeted to proceed to Stage 5 during Year II.

### Indicator 2.2.1: Number of Key Policy, Legal and Regulatory Constraints alleviated

***LOA Target:*** ***15***
***Period Target*** ***3***
***Achieved:*** ***3***

[1] This is leverage through Technical Assistance and not through use of the CIF. Hence it should not be counted under the LOA indicators. SCOPE however intends to keep tracking such resources .

SCOPE works towards identifying and alleviating constraints to competitiveness. This is intended to improve the policy, regulatory and business environment for competitiveness to flourish. During the year, three issues were alleviated as follows:

1. VAT refund arrears of Ushs 772 million to the floriculture cluster was redeemed due to SCOPE intervention.
2. Coir pith (cocus peat) a soil substitute for flower growing, originally classified as a petroleum product attracting import duty is now being reclassified due to SCOPE intervention.
3. A floriculture incentive package drafted to relieve policy and regulatory constraints to investment is now in active negotiation. Preliminary agreement has already been obtained on tax holiday/concessions for development of new areas.

### Indicator 2.2.2: Number of Key Policy and Regulatory Issues addressed

***LOA Target:*** ***30***
***Period Target:*** ***8***
***Achieved:*** ***34***

This indicator operates within the confines of a data bank of policy, regulatory and institutional constraints to be addressed by SCOPE and partners. By the end of the year, 34 issues had been identified and categorized into cross-cutting and subsector-specific issues as indicated in Annex D. SCOPE's efforts to address the issues commenced in Year I and alleviation will be the main focus during years II and III as some are policy issues and hence take longer to alleviate. New issues keep emerging during implementation and this list will therefore be updated continuously.

## E. AIR 3 Indicators

### 3.1. Change in Cluster Business Leaders rating of the Business Environment

***LOA Target:*** ***10%***
***Period Target:*** ***Baseline Survey***
***Achieved:*** ***Baseline Survey***

To obtain the baseline rating of Uganda's Business environment by the business leaders, SCOPE used a sample of 5 business leaders in each of the 8 subsectors, (a sample of 40 respondents, although only 16 responded and the findings are based on these 16 responses- See Annex E). SCOPE administered a questionnaire based on the Executive Opinion Survey as used by the World Economic Forum. SCOPE targets to see an improvement of 10% in the rating by 2006. The findings from the survey indicate that Uganda's has an overall score of 3.5; and therefore a 10% change will imply an overall score of 3.9 in 2006. This overall score is based on scores of the three GCI components as shown below.

**Technology**

Technology is key to economic growth and hence competitiveness. The technology index covers innovation and technology transfer. Uganda is classified as a non-core innovator as it is in the category of those countries that mainly imitate technology. Imitators can score highly on this index if they readily attract FDI. Basing on the findings of the survey, Uganda scored 3.6[2]. The

[2] The GCI maximum is 7 for the best and 1 for the worst. The score of 3.6 puts Uganda slightly above average (average is 3.5). A 10% improvement implies that the Technology Index will move from 3.6 to 3.9 in 2006.

United States of America which takes the first position in the world has a score of 6.3 (GCI Report 2003)

**Macro Economic Environment**

A stable and conducive macro economic environment is also crucial to competitiveness. The business leaders rated Uganda's economy to be good, with prospects for growth in the next twelve months. The survey data shows that Uganda scored 4.2[3] (above average) in this area. Singapore which is the world leader in this category had a score of 5.7 (GCI report 2003)

**Public Institutions**

Public institutions offer support to the various sectors and their role therefore becomes crucial as they carry out policy formulation and regulatory functions. Denmark is reported to have the best public institutions with a rating of 6.56. Uganda's business leaders gave Uganda a rate of 2.8 [4] (below average) in this area, an indicator that Uganda's public institutions are neither supportive nor responsive to private sector needs.

**Constraints to Competitiveness**

The survey revealed that the five most crucial constraints are:

1. Access to finance
2. Inadequate infrastructure
3. Government bureaucracy
4. Tax administration
5. Corruption

## Indicator 3.2: Number of Clusters formed outside SCOPE

***LOA Target:*** ***4***
***Period Target:*** ***0***
***Achieved:*** ***0***

This indicator captures the number of clusters formed independent of SCOPE. It is expected that as SCOPE activity increases, imitation would take place and four (4) clusters would form in different areas, taking SCOPE as the example. The PSFU is working on the establishment of clusters under the four main arms; i.e. the manufacturing, services, tourism and the agriculture clusters. Implementation will take place during Year II.

## Indicator 3.1.1: Number of Uganda Brands in Target Markets

***LOA Target:*** ***4***
***Period Target:*** ***1***
***Achieved:*** ***0***

Name recognition is a crucial factor to increasing competitiveness and vice versa. It is a target therefore to see 4 new Ugandan brands during the lifespan of SCOPE activity. During the year, SCOPE worked on a new strategy of ***"Branding Uganda***" to cover all Ugandan goods and services. The branding program will be launched during the second year of implementation.

[3] A 10% improvement in the Macro economic Index will imply a change from 4.2 to 4.6.
[4] , A 10% improvement on the Public Institutions Index will imply a change from 2.8 to 3.1.

### Indicator 3.1.2: Number of Competitiveness Communications

***LOA Target:*** ***160***
***Period Target:*** ***25***
***Achieved:*** ***27***

Media coverage is an effective means of propagating knowledge and awareness of competitiveness potential. The communications activities during the period included articles on competitiveness in newspapers, press briefings and talk shows on radio. The target for the first year was to carry out 25 communications. During the period, a total of 27 competitiveness communications were carried out. (Details in Annex F). This represents an 8% performance above target.

### Indicator 3.2.1: Percent change in Trade Volume within Selected Agreements

***LOA target:*** ***10%***
***Period Target:*** ***2%***
***Achieved:*** ***0%***

SCOPE enables cluster members to understand the various trade agreements and opportunities that are available for them. These trade agreements include African Growth Opportunity Act (AGOA), the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC). The EAC presents Uganda an opportunity to access a market of 85 million people while the COMESA market guarantees member states a market of 367 million people from the 20 member countries. The EAC and COMESA together currently provide a market for 10%[5] of Uganda's trade in the SCOPE subsectors. AGOA offers Ugandans opportunities for coffee, dairy (different types of cheese, butter, cream etc) and oil seeds particularly those that can be used for the manufacture of vegetable oil and peanut oils.

Although a target of 2% increase was set for 2004, no change was recorded during the first year. The first steps included identifying the possible potential for SCOPE subsectors, and informing the subsectors of the existing opportunities under these agreements. Progress is expected in Years II and III.

[5] Source: Uganda Revenue Authority, data on regional exports.

## ANNEX A

## SCOPE Full Staff List

| | Name | Job Title | Reported on |
|---|---|---|---|
| 1 | John C. Engle | Managing Director | 28th January 2004 |
| 2 | Laurel Druben | Subsector Growth Technical Advisor | 28th January 2004 |
| 3 | Brian Buckley | Trade & Investment Technical Advisor | 1st March 2004 |
| 4 | Taibu Nakueira | Marketing and Business Development Specialist (AIR 1 Manager) | 1st February 2004 |
| 5 | Lydia Ochieng Obbo | Institutional and Policy Development Specialist (AIR2 Manager) | 19th Feb 2004 |
| 6 | Lilliane Barenzi | Competitiveness Communications Specialist (AIR 3 Manager) | 14th June 2004 |
| 7 | Cissy Kirambaire | Monitoring & Evaluation Specialist | 3rd May 2004 |
| 8 | Robert Tomusange | Operations & Logistics Manager | 29th March 2004 |
| 9 | Nicholas Ogola | Chief Accountant | 1st March 2004 |
| 10 | Jane Mukunya | Program Support Officer | 9th Feb 2004 |
| 11 | Pamela Busingye | Program Support Officer | 1st March 2004 |
| 12 | Audrey Ankunda | Secretary/Receptionist | 1st April 2004 |
| 13 | Ahmed Buyondo | Driver | 17th May 2004 |
| 14 | Ben Mubiru | Driver | 8th March 2004 |
| 15 | Ronald Katusabe | Care taker | 12th May 2004 |
| 16 | Francis Oburu | Gardener | 10th May 2004 |

## ANNEX B

### COMPETITIVENESS FRAMEWORK FOCUSING ON PRODUCTIVE SECTORS

| **PRODUCTIVE SECTORS (and Subsector Strategies)** | **POLICY FRAMEWORK** | **BUSINESS ENVIRONMENT** |
|---|---|---|
| **AGRICULTURE**<br>-- Floriculture<br>-- Vanilla<br>-- Coffee<br>-- Cotton<br>-- Dairy<br>-- Fisheries<br>-- Grains and Beans<br>-- Oilseeds<br>-- Organic<br>**MANUFACTURING / INDUSTRY**<br>**--** Textiles/ Apparel<br>-- Agri-processing<br>-- Construction<br>-- Packaging (paper and printing)<br>-- Minerals and Mining<br>-- MSME Development<br>**TOURISM**<br>-- Business tourism<br>-- Ecotourism<br>-- Safari tourism<br>-- Youth tourism<br>-- Cultural & **community tourism**<br>**SERVICES**<br>-- ICT<br>-- Finance<br>-- Transport<br>-- Import/Export<br>-- Advertising/Public Relations<br>_____<br>**APEX ASSOCIATIONS**<br>**SUBSECTOR ASSOCIATIONS**<br>**PRODUCER ORGANIZATIONS**<br>**MSME OPPORTUNITIES** | **ECONOMIC POLICY**<br><br>**TAX REGIME**<br><br>**SECTOR POLICIES**<br><br>**INVESTMENT POLICY**<br><br>**TRADE POLICY FRAMEWORK**<br>- WTO<br>- EACU<br>- COMESA<br>- EU/ACP<br>- -AGOA<br><br>**SCIENCE AND TECHNOLOGY**<br>**-**Research<br>- Standards<br><br>**ENVIRONMENTAL**<br><br>**HEALTH POLICY**<br><br>**LABOUR / IMMIGRATION**<br><br>**LAND POLICY**<br><br>**ENERGY**<br><br>**TRANSPORT**<br>**– Rail**<br>- **-Road**<br>- **-Air**<br>_____<br>**LINE MINISTRIES** | **FINANCE-** access/delivery<br><br>**TAX ADMINISTRATION**<br>**--**Corporate<br>--Import/Export<br><br>**SECTOR-SPECIFIC INCENTIVES**<br><br>**INFRASTRUCTURE**<br>**--**Access to land<br>- -Roads<br>- -Water<br>- -Energy<br><br>**STANDARDS**<br><br>**RESEARCH & DEVELOPMENT**<br><br>**LEGAL & REGULATORY**<br>- -Commercial Justice<br>- -Intellectual Property<br><br>**GOVERNANCE**<br>-- Anti corruption<br>--Transparency<br><br>**HEALTH**<br><br>**LABOUR**<br><br>**EDUCATION**<br><br>**ENVIRONMENT**<br>_____<br>**STATUTORY / REGULATORY**<br>**--**Research<br>--Education<br>--Training |

## ANNEX C

## LIST OF MEETINGS

| Sector | March –June 2004 | July – Sept 2004 | Total 2004 |
|---|---|---|---|
| **Coffee** | 36 | 18 | 54 |
| **Cotton** | 16 | 11 | 27 |
| **Cut Flowers** | 45 | 13 | 58 |
| **Maize/Beans** | 11 | 14 | 25 |
| **Oil Seeds** | 4 | 1 | 5 |
| **Fisheries** | 9 | 14 | 23 |
| **Dairy** | 6 | 14 | 20 |
| **Tourism** | 13 | 11 | 24 |
| **General** | 44 | 37 | 81 |
| **Sister Activities** | 10 | 6 | 16 |
| **Other Donors** | 2 | 5 | 7 |
| **Total** | 196 | 144 | 340 |

ANNEX D

**BUSINESS ENVIRONMENT FOR COMPETITIVENESS**
**An Overview of Policy, Legal, Regulatory and Institutional Issues**

| Sub Sector | Business Environment Issues | Remarks |
|---|---|---|
| Cross-Cutting | 1. Strategic export concept inadequately defined to guide decision-making<br>2. Separation of agriculture from competitiveness framework, into PMA, weakens the MAAIF as major line ministry and agric sector focal point<br>3. Agricultural financing polices and facilities are inadequate to support industry requirements<br>4. Investment policies and programs lack targeted, sub sector focus<br>5. Sub sector policy frameworks are either non-existent, or where in place, fail to provide adequate support for effective private-public partnership<br>6. Failure to clearly spell out authorities and responsibilities among various public sector agencies with regard to sub sector requirements<br>7. Resources for research and extension are public sector-driven and programmed to put existing facilities to work rather than to support industry growth | In a competitive economy, the business environment is responsive to private sector initiative, and public and private sector actors work together to support the ability of the private sector to generate wealth and create jobs. Business environment issues are policy, legal, regulatory, and institutional constraints to effective private/public partnerships. |
| Floriculture | 1. Incentives package inadequate to support industry growth targets<br>2. Inconsistent application of VAT Statute and Tax Policy resulting in un favorable tax regime<br>3. Lack of infrastructure support policy for new investment areas<br>4. Need to change the unwritten "policy" that support for foreign investors translates into lack of support for local investors | The floriculture business plan identifies six areas of private-public partnership that will address issues highlighted here. Work on the UIA and URA partnership is underway. |
| Coffee | 1. VAT and Duty Drawback "receivables" carried by coffee exporters are compounding hardships faced by farmers<br>2. Involvement of UCDA in replanting and distribution, both functions better handled by the private sector, has created major systemic inefficiencies<br>3. Current division of roles between UCDA and private sector (e.g., UCTF) creates distortions in sub sector management and development<br>4. Inadequate producer organization support policy | The UCTF is reexamining its roles in light of strategic directions for the industry and is investigating potential for the association to take on more industry support functions |
| Cotton | 1. VAT and Duty Drawback receivables carried by cotton ginners/exporters are compounding hardships faced by farmers<br>2. Inadequate producer organization support policy<br>3. Lack of favorable tax regime, e.g., providing for tax-free inputs such as spare parts for ginneries<br>4. Need for investment policy and program focused specifically on adding value to installed capacity<br>5. Unclear roles between the CDO and UGCEA result in inefficiencies and distortions within the business value chain. | UGCEA is not perceived as an entity separate from the CDO, and, therefore, is not an effective voice for private sector concerns. Addressing issues effectively will require de-linking CDO and UGCEA. |

| Sub Sector | Business Environment Issues | Remarks |
|---|---|---|
| Dairy | 1. Delayed privatization of the Uganda Dairy Corporation affecting growth in the industry.<br>2. Diversion of Extension Services into NAADS has not supported sub- sector requirements.<br>3. Product development facilities inadequate to support expanded commercialization<br>4. Import duty and VAT charged on key inputs making them costly and out of reach, e.g. cattle feeds<br>5. Land policy implemented selectively and often to the detriment of investors in the sub sector, e.g., the case of Paramount Dairies | Demand for milk products continues to grow in Kampala and the region; the supply of milk, however, is inadequate, both in terms of volume and quality. The Uganda Dairy Processors Association must find a way to address this situation within the context of the organization's emerging strategic plan. |
| Fisheries | 1. The proposed Fisheries Authority lacks private sector focus and is likely to have the same weaknesses as the CDO and UCDA.<br>*2.* Unfavorable tax regime *(taxes and duty are levied on inputs used in the production of fish for export-- e.g. import duty (7%), VAT (17% ), excise duty (10% ), withholding tax (6% ), and import license commission (2% ) are charged on solid board boxes used for export packaging. Charges total 42% and equal 50% of value of given consignment (e.g., a consignment that costs 69,472,471/= will attract a total of 31,755,169/= in taxes). No consistency in application of Excise duty, e.g., excise duty assessed on imported boxes for which there is no local manufacturer.)*<br>3. Duty drawback system does not allow for partial refund of import duty<br>4. Failure to control leakage of Uganda fisheries resources into Kenya<br>5. Lack of fisheries-appropriate investment package | Issues facing the capture fisheries and aquaculture industries have different aspects: the Uganda Fish Processors and Exporters Association (UFPEA), the Uganda Commercial Fish Farmers Association (UCFFA), and the Uganda Fish Farmers Association (UFFA) must find ways to merge the interests of various constituencies in order to come up with an integrated plan. |
| Grains(Maize and Beans) | 1. Lack of post liberalization regulation and policy has led to erratic term of trade for producers<br>2. Poor rural physical and financial infrastructure.<br>3. Lack of mechanisms for enforcement of quality standards<br>4. Lack of financial package to support production and marketing of grain. | Industry aware of need to develop and maintain a regional trading system based on jointly accepted quality system.; needs a strong association support program. |

## ANNEX E

### Summary of Findings from Executive Opinion Leaders Survey

| Subject | Summary of General Opinion/Perception of Uganda's Business Leaders on the Executive Survey |
|---|---|
| The Ugandan Economy | The Ugandan economy is growing and is likely to continue growing. However, efforts to improve competitiveness were mostly non existent in Uganda. The threat of terrorism to business is insignificant. |
| Technology | Uganda's technology advancement and ability to absorb technology were rated as average as R&D and Internet services were. Foreign Direct Investment is an important source of new technology in Uganda. |
| Government & Public Sector | The public spending is wasteful and does not provide the necessary infrastructure services. The system is generally burdensome; taxes limit the incentive to work and invest. Customs is slow and inefficient. |
| Public Institutions | Public institutions are inefficient and subject to manipulation, unreliable and corruption is rampant |
| Infrastructure | It is generally wanting, poorly developed and inefficient, costly and unreliable. |
| Human Resources | Productivity in Uganda is low as are the wages. Women are marginalized in terms of employment positions and wages. Maternity laws also do not favour employment of women. |
| Finance and Openness | Financial markets are not sophisticated. Banks are unhealthy and obtaining a loan is complicated, getting worse, requires a good business plan and collateral. |
| Domestic competition | There is Limited competition and imports are major competitors. Market dominance is by a few big enterprises and local suppliers are few and unreliable. |
| Prevalence of Clusters | Clusters are not common in Uganda. |
| Company Operations and Strategy | Uganda's competitiveness advantage is due to low prices. Customers are generally treated badly. There is hence need to train business leaders companies about the importance of customer care. |
| Environmental and social responsibility | Uganda's laws on environment are generally lax. |
| International Institutions | The World Bank and the IMF are generally not doing their work effectively in poverty alleviation and creating a pro investment climate. The African Development Bank was quoted by a few as a more effective body. |
| General Questions | Out of the list of 15 possible constraints to competitiveness, the five most problematic factors (in descending order of importance were defined as:<br>1. Access to Finance<br>2. Inadequate infrastructure<br>3. Government Bureaucracy<br>4. Tax administration<br>5. Corruption |

## ANNEX F

## COMPETITIVENESS COMMUNICATIONS IN YEAR I

| No | Date | Article Title/Topic | Origin | Source | Major points |
|---|---|---|---|---|---|
| 1 | 14/07/04 | News Article – **USAID to boost Exports** | Media Cluster | The New Vision pg 41 | SCOPE profile |
| 2 | 15/07/04 | Executive Talk – **Competitiveness: to swim or sink** | Media Cluster + SCOPE | The New Vision, pg 31 | Competitiveness in practice |
| 3 | 21/07/04 | Editorial – **Look Out For the Farmers** | Media Cluster + SCOPE | The New Vision, pg 10 (Editorial) | Price fluctuations and the effect on competitiveness |
| 4 | 23/07/04 | Competitiveness | Media cluster | Monitor FM – 8:30pm, Business News | Competitiveness and Sector strategies |
| 5 | 27/07/04 | **Learn Tigers' lesson** | Media Cluster | The New Vision pg 10 (Editorial) | Uganda should emulate Asian competitiveness |
| 6 | 03/08/04 | **Africa's Chance to Trade** | Media Cluster | The New Vision pg 10 | Impact of subsidies on agriculture and trade |
| 7 | 04/08/04 | **Free Markets, Now What?** | Media Cluster | The New Vision, pg 10 (Editorial) | Need national strategies to take advantage of markets |
| 8 | 06/08/04 | **Media/flower clusters interaction** | Media cluster | Media cluster/SCOPE | Flower sector requires targeted incentives to expand |
| 8 | 09/08/04 | **US eyes Uganda Flowers** | Media Cluster | Procurement News, Pg 1 | New markets targeted through SCOPE |
| 9 | 10/08/04 | **Flower Exporters warn of death for lack of incentives** | Media Cluster | The Monitor, pg 17 | Sub-sector growth report |
| 10 | 11/08/04 | **Congo Railway/Policy reversal** | Media Cluster | NV, pg 10 | Public sector driven economic policy useless without input from private sector |
| 11 | 11/08/04 | **A lousy Editorial on Subsidies** | General public | NV, pg 11, Letters | Subsidies are only an excuse for low production |
| 12 | 12/08/04 | **Incentives, labor policy a must for successful EPZ** | Media | NV, pg 19 | Interview with Brian Buckley on EPZ |
| 13 | 12/08/04 | **Targeted incentives** | Media | NV, pg 20 | Incentives should be targeted and monitored in order to be effective |
| 14 | 20/08/04 | **Flower sector to get incentives** | Media Cluster | NV, pg 42 | UIA creating special incentive packages for flower sector |
| 15 | 26/08/04 | **Commit now, not later** | Media cluster | NV, pg 20 | Commitment to export-led growth should include support to productive sectors |

| No | Date | Article Title/Topic | Origin | Source | Major points |
|---|---|---|---|---|---|
| 16 | 02/09/04 | **Mbarara $500m Dairy investment hits snag** | Media cluster | NV, pg 19 | Paramount diary investment frustrated, threatened |
| 17 | 02/09/04 | **Unwelcome Flip Flops** | Media cluster | NV, pg 20 (Biz editorial) | Policy flip flops threaten investment and investors |
| 18 | 02/09/04 | **Andrew Mwenda Live** | Media | Monitor FM, Talk Show featuring Brian Buckley | Impact of currency devaluation on exports |
| 19 | 03/09/04 | **Media/coffee clusters interaction** | Media cluster | Interaction at SCOPE | Production organization in the coffee sector |
| 20 | 05/09/04 | **Rwanda does it better than Uganda** | Media cluster | The Sunday Monitor Op-ed | Rwanda engaging in profitable private-public partnerships |
| 21 | 16/09/04 | **Strong shilling dents economic performance** | Media cluster | New Vision, pg, 20 | Currency devaluation and exports |
| 22 | 20/09/04 | **Coffee Sector should expand** | Media Cluster | Procurement News, pg, 19 | Sustainable coffee |
| 23 | 22/09/04 | **Flower exports to reap $2m** | Media | NV, pg 37 | Royal Van Zanten projects exports |
| 24 | 24/09/04 | **Flower Sector in Major Expansion Drive** | Media | New Vision, pg, 17 | Launch of Floriculture strategy |
| 25 | 24/09/04 | **UDB to be sold by the end of 2004** | Media cluster | New Vision, pg, 49 | Floriculture strategy launch |
| 26 | 25/09/04 | **Floriculture** | Media cluster | New Vision, pg 32 | Flower earnings to hit USD 80 million in 2010 |
| 27 | 27/09/04 | **$21m flower investments lost** | Media | New Vision, pg, 50 | Floriculture investments lost to Ethiopia |