



## BASELINE REPORT

*Submitted by:*

**Chemonics International Inc.**

*In collaboration with:*

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International Business Initiatives

A USAID-funded Activity  
Contract #PCE-1-00-98-00015-00, TO #828

December 16, 2004

## BACKGROUND

SCOPE, Strengthening the Competitiveness of Private Enterprise, is a three-year USAID-funded 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. SCOPE activity is currently in its second year of implementation.

## SCOPE INDICATORS

SCOPE monitors two types of indicators, namely impact and performance indicators. Impact indicators also sometimes called outcome indicators include employment generated, increased sales, and increased market shares, and measure the results of project output. Performance indicators are products that are directly attributed to SCOPE activities and measure the immediate inputs and outputs of the project, as well as deliverables. SCOPE performance indicators include the number of communications, number of policy and regulatory issues and the amounts of CIF awards.

## BASELINES DATA COLLECTION

So as to facilitate effective monitoring and evaluation, and in line with the requirements of the Performance Monitoring Plan (PMP), SCOPE carried out baseline and strategic surveys during the first year of implementation. These baselines not only form the basis upon which progress towards desired results will be measured, they are also very useful during the business plan development process for the subsectors. SCOPE designed sub sector specific questionnaires to obtain information from the cluster members. In most of the cases, SCOPE staff collected this data from individual members as data aggregation even at the Association level was very scanty. For a few indicators e.g. value and volume of commodities marketed, published data was used and the relevant sources have been cited. By virtue of their nature and definition, some of the SCOPE performance indicators naturally have their baselines as zero (0) since they are not comparable to previous periods and hence there was no requirement for baseline data collection. Table 1 at the end of the document shows a summary of the baseline data for all SCOPE's indicators.

## SCOPE LOA indicators

The table below shows SCOPE's indicators at the goal, sub-objective and Intermediate Result (IR) levels.

**Table 1 Summary of SCOPE LOA Indicators**

Indicator	Indicator Name	LOA Target
3	Number of on- and off-farm jobs created	100,000
4	Number of on- and off-farm enterprises created	5,000
S1	Percent change in value of targeted commodities marketed	40%
S2	Percent change in volume of targeted commodities marketed	30%
1.1	Percent change in cluster share of targeted markets	50%
1.2	Percent change in gross cluster revenue	35%
1.3	Percent change in investment in clusters	15%
1.1.1	Number of cluster action plans developed	8
1.1.2	Percent change in cluster membership	100%
1.2.1	Number of cluster action plans implemented	8
1.2.2	Percent change in business participation in clusters	150%
2.1	Amount of resources leveraged through private/public partnerships	\$8,000,000
2.1.1	Focal point for competitiveness established	Yes
2.1.2	Number of clusters achieving sustainability	6
2.2.1	Number of key policy and regulatory constraints alleviated	15
2.2.2	Number of key policy and regulatory constraints addressed	30
3.1	Change in cluster business leaders rating of business environment	10%
3.2	Number of clusters formed outside SCOPE	4
3.1.1	Number of Uganda brands in target markets	4
3.1.2	Number of competitiveness communications	160
3.2.1	Percent change in trade volume within selected agreements	10%

## SCOPE BASELINES

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The following sections give the current status (baseline) of the indicators for the sub sectors for which baseline activity was completed. The baseline information is broken down by subsector.

### S07 Goal Indicators

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

*LOA Target: 100,000*

*Baseline 16,439 jobs (mainly of- farm; incl. on- farm for floriculture)*

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\*. On average there is a low employment level for females in most of the subsectors (average is 32%). Even in floriculture where more females are employed than men (58%), the male dominate the off-farm category, while the females are mainly employed in the on-farm category.

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

Note: \*These figures do not indicate total employment in the entire subsector but rather in the enterprises of 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.

SCOPE's target for the new jobs will be achieved as the clusters expand and the business plans are implemented. These jobs will be defined in the subsector business plans.

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

*LOA Target: 10,000*

*Baseline 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%  
**Baseline value:** 253.95 USD million

An increase in total value of commodities marketed by the subsectors 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 total value. The baseline value of US \$ 253.95 million will provide a basis for computing the change in this indicator.

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
<b>Total SCOPE Subsectors</b>	<b>253.94</b>	<b>261,8100</b>
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%  
**Baseline volume** 261,810 tonnes

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 shows that 261,800 tonnes is marketed. (See above).

## C. AIR 1 Indicators

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

**LOA target:** 50%  
**Baseline:** (See Table for each subsector below)

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.

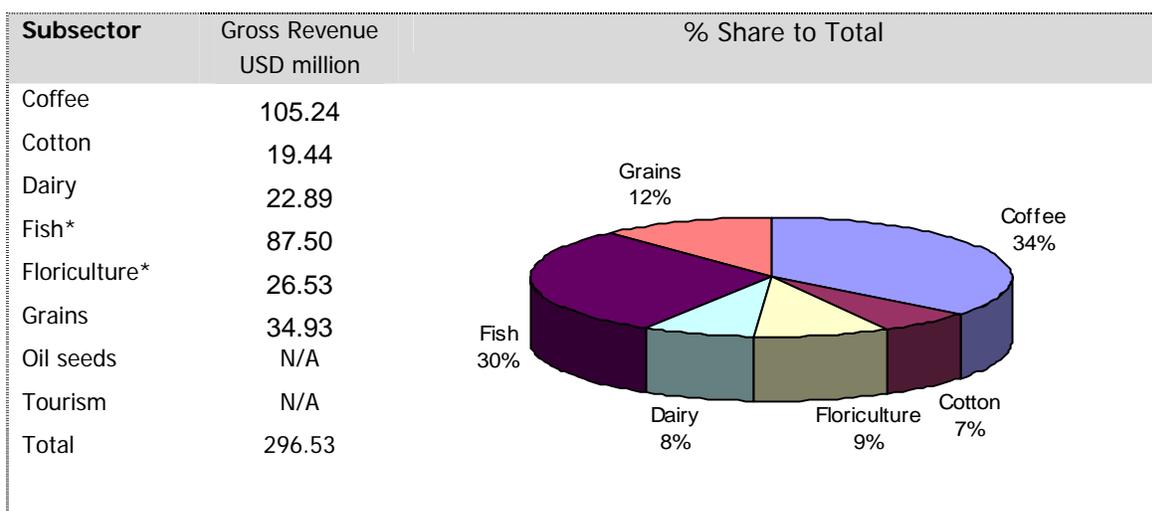
Subsector	Market Share in the World*	Ranking among World Exporters	Ranking among African Exporters	Major markets
Coffee	1%	19 <sup>th</sup>	2 <sup>nd</sup>	Switzerland, United Kingdom, Spain, Singapore, Sudan
Cotton	3%	7 <sup>th</sup>	3 <sup>rd</sup>	United Kingdom, Switzerland, United Arab Emirates, Kenya, South Africa
Dairy	0.003%	76 <sup>th</sup>	5 <sup>th</sup>	Eritrea, Kenya, DR Congo
Fish	1%	21 <sup>st</sup>	3 <sup>rd</sup>	Netherlands, Belgium, Japan, United States of America, Kenya, Australia, U.A.E Italy Egypt
Floriculture	0.3%	29 <sup>th</sup>	5 <sup>th</sup>	Netherlands, Germany, United Kingdom, Norway, Belgium.
Grain (Maize)	0.3%	33 <sup>rd</sup>	3 <sup>rd</sup>	Zambia, Kenya, Zimbabwe, Sudan, Burundi, Rwanda
Oil seeds	0.09%	66 <sup>th</sup>	16 <sup>th</sup>	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%  
**Baseline** 296.53 USD million

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.

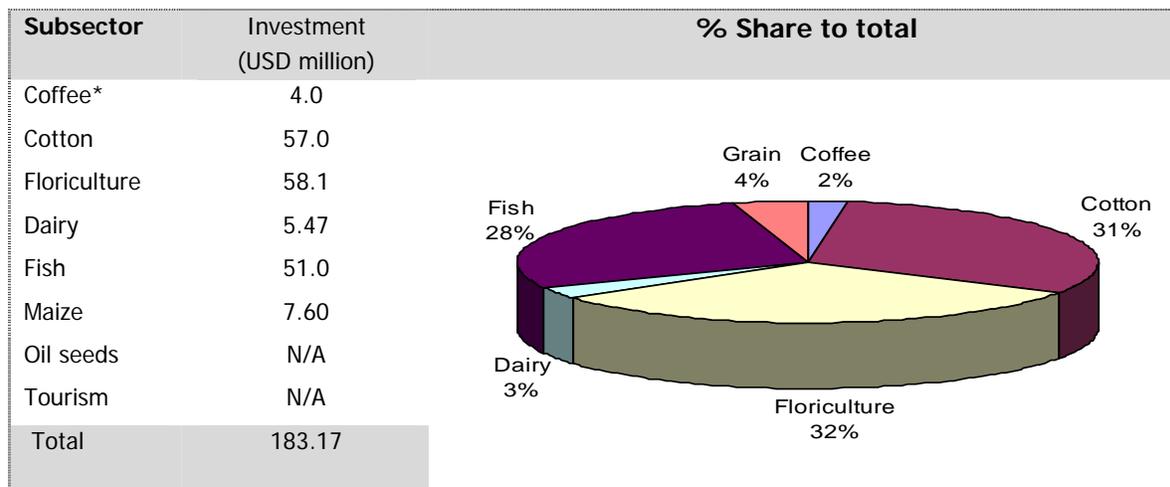


\*Same as their export revenue since they export nearly 100% of their production; the rest include domestic sales

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

**LOA target:** 15%  
**Baseline value:** USD 183.17 million

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.



Note: Coffee investment is still an estimate. Data obtained from the clusters

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

**LOA target:** 8  
**Baseline:** 0

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 baseline for this indicator is zero as this is a performance indicator.

### Indicator 1.1.2: Percent change in Cluster Membership

**LOA target:** 100%  
**Baseline** 54 (June 2004)

Cluster development is reflected in increasing numbers of members to the cluster as the implementation of SCOPE activity continues. To be able to compute a change in this indicator, membership as at June was set as the baseline.

Subsector	Members June 2004	Categories involved
Coffee	6	Traders/Exporters/Farmers
Cotton	8	Lead ginner/Farmers
Dairy	10	Dairy processors (various products)/Farmers
Fish	2	Processors/Exporters/Aquaculture
Floriculture	18	18 Growers/Exporters
Grain (Maize)	6	Traders/Millers/Exporters
Oil seeds	2	Oil Manufacturers
Tourism	2	Tour and travel, airlines rep
<b>Total</b>	<b>54</b>	

### Indicator 1.2.1: Number of action plans implemented

**LOA target:** 8  
**Baseline:** 0

This is a follow up on indicator 1.1.1, as it is the implementation phase. The baseline is zero.

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

**LOA target:** 150%  
**Baseline:** 16

This indicator captures business participation from the supporting businesses that provide services and value addition to the SCOPE subsectors. 16 businesses were identified in the areas of packaging, financing/banks, transport and input suppliers and they cut across all subsectors. (See list below)

#### Packaging

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

#### Input suppliers

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

#### 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

#### 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  
*Baseline:* 0

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. The baseline is zero.

### Indicator 2.1.1: Focal Point for Competitiveness established

*LOA Target:* Yes  
*Baseline:* No

This defines a clearly established and functional national focal point for competitiveness dialogue, consensus and action. The baseline is No to indicate lack of a focal point for competitiveness in Uganda before SCOPE intervention.

### Indicator 2.1.2: Number of Clusters attaining sustainability

*LOA Target:* 6  
*Baseline:* 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 baseline is zero.

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

*LOA Target:* 15  
*Baseline:* 0

SCOPE works towards identifying and alleviating constraints to competitiveness. This is intended to improve the policy, regulatory and business environment for competitiveness to flourish.

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

*LOA Target:* 30  
*Baseline:* 0

This indicator generates a data bank of policy, regulatory and institutional constraints to be addressed by SCOPE and partners.

## E. AIR 3 Indicators

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

*LOA Target:* 10%  
*Baseline rating:* 3.5

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) SCOPE administered a questionnaire based on the Executive Opinion Survey as used by the World Economic Forum. The findings from the survey indicate that Uganda's has an overall score of

3.5<sup>1</sup> 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 (Technology 3.6, Macro Economic Environment 4.2 and Public Institutions 2.8; the outcome of the overall index of 3.5 is an arithmetic mean of the three indices). According to the survey, Uganda hence scored best in the Macro economic and Technology indices while a lot still needs to be done in the public institutions area.

### Indicator 3.2: Number of Clusters formed outside SCOPE

<i>LOA Target:</i>	<b>4</b>
<i>Baseline:</i>	<b>0</b>

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.

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

<i>LOA Target:</i>	<b>4</b>
<i>Baseline:</i>	<b>0</b>

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.

### Indicator 3.1.2: Number of Competitiveness Communications

<i>LOA Target:</i>	<b>160</b>
<i>Baseline:</i>	<b>0</b>

Media coverage is an effective means of propagating knowledge and awareness of competitiveness potential. The communications activities included articles on competitiveness in newspapers, press briefings and talk shows on radio.

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

<i>LOA target:</i>	<b>10%</b>
<i>Baseline value:</i>	<b>USD 117.57million (for COMESA-EAC and AGOA)</b>

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 20%<sup>2</sup> of Uganda's trade in the SCOPE subsectors which amounts to US \$ 104.51 million. 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. Currently the US provides a market for 2.5% of Uganda's exports, amounting to US \$13.06 million. With SCOPE activity, the subsectors will be introduced to and assisted to take advantage of the numerous opportunities that these agreements offer and hence lead to growth in the current levels of trade.

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<sup>1</sup> The GCI has a maximum score of 7 for the best and 1 for the worst. The overall rating of 3.5 rates Uganda as just average.

<sup>2</sup> Source: Uganda Export Promotions Board

Summary of baseline data

Indicator	Indicator Name	Baseline data								
		Coffee	Cotton	Florid.	Dairy	Fish	Grain	Oil seeds	Tourism	Total
3	Number of on- and off-farm jobs created	2,160	3,768	5,779	703	3,370	659	N/A	N/A	16,439
4	Number of on- and off-farm enterprises created	0	0	0	0	0	0	0		0
S1	Percent change in value of targeted commodities marketed (US \$ million)	100.23	17.75	0.81	87.48	26.53	18.96	2.18	N/A	253.94
S2	Percent change in volume of targeted commodities marketed (tonnes)	146,299	16,762	599	26,301	5,636	62,105	4,108	N/A	261,810
1.1	Percent change in cluster share of targeted markets (share %)	1%	3%	0.003%	1%	0.30%	0.30%	0.09%		
1.2	Percent change in gross cluster revenue	105.24	19.44	22.89	87.5	26.53	34.93	N/A	N/A	296.53
1.3	Percent change in investment in clusters	4	57	58.1	5.47	51	7.6	N/A	N/A	183.17
1.1.1	Number of cluster action plans developed	0	0	0	0	0	0	0	0	0
1.1.2	Percent change in cluster membership	6	8	10	2	18	6	2	2	54
1.2.1	Number of cluster action plans implemented	0	0	0	0	0	0	0	0	0
1.2.2	Percent change in business participation in clusters	16 (for all subsectors i.e. cross cutting) 0								
2.1	Amount of resources leveraged through private/public partnerships	0	0	0	0	0	0	0	0	0
2.1.1	Focal point for competitiveness established	No	No	No	No	No	No	No	No	No
2.1.2	Number of clusters achieving sustainability	0	0	0	0	0	0	0	0	0
2.2.1	Number of key policy and regulatory constraints alleviated	0	0	0	0	0	0	0	0	0
2.2.2	Number of key policy and regulatory constraints addressed	0	0	0	0	0	0	0	0	0
3.1	Change in cluster business leaders rating of business environment	Overall baseline index: 3.5 (analysis is based on responses from all the subsectors)								
3.2	Number of clusters formed outside SCOPE	0	0	0	0	0	0	0	0	0
3.1.1	Number of Uganda brands in target markets	0	0	0	0	0	0	0	0	0
3.1.2	Number of competitiveness communications	0	0	0	0	0	0	0	0	0
3.2.1	Percent change in trade volume within	Current Value for all items is US \$ 117.57million for COMESA and AGOA								

selected agreements