

ACDI/VOCA

**PARTNERSHIPS FOR ENHANCED PRODUCTIVITY II
THIRD QUARTERLY REPORT**

(JULY 01, 2001 THROUGH SEPTEMBER 30, 2001)

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1. PROGRAM OBJECTIVES AND ACCOMPLISHMENTS

ACDI/VOCA Uganda was granted funds by the USAID Kampala Mission to implement the Partnership for Enhanced Productivity Program (PEP I) in October 1995 and ended December 1998. The first three-year countrywide (PEPI) grant was later extended under the Partnership for Enhanced Productivity (PEPII) Program to seven years commencing January 1997 and ending September 30, 2002.

ACDI/VOCA PEP II activities focus on facilitating a viable and sustainable transition from subsistence farming to commercial agriculture "Farming-as-a-Business (FaaB)". Major technical interventions have therefore been targeted towards enhancement of market accessibility of small holder farmers and their associations/groups. This is achieved through targeted technical assistance of ACDI/VOCA's seasoned volunteer specialists drawn from a database of more than 4,500 technical, agricultural development experts.

PEP II activities were designed to complement other USAID funded projects like IDEA, DFCU, PHHS, FEWS, HPI, LOL, SPEED and COMPETE. The main emphasis of these activities is on promotion of Non-Traditional Agricultural Exports (NTAE) to increase the viability of small- and medium-scale farmers and agri-businesses at all levels of agriculture development from production to marketing. Specific areas include high value crop production, crop-processing, agribusiness development/association strengthening, promotion of non-traditional agricultural exports (NTAE's) and dairy industry development.

Priority technical assistance projects have been those that contribute significantly to USAID SO1, and at the same time putting more money into the farmer's pockets. Future intervention programs will tend to address technical areas that result in multiple benefits and target a expanding benefits for an increasing number of clients. Planned technical assistance interventions will inevitably open grounds for the future USAID's Country Development plans and specifically targeting the planned Strategic Objective 7 (SO7) of "*Expanded Sustainable Economic Opportunities for the Rural Sector growth*".

ACDI/VOCA has, in the recent past, co-opted into the system other new grantees that were not originally included in the project document. This was as a result of the inevitable modifications of programs by different grantees whose focus fell short of the requirements of the original ACDI/VOCA PEP II Project document, thus necessitating a slight strategic shift of our program focus. In this particular case, ACDI/VOCA has reached an agreement with the USAID's COMPETE Project to utilize the remaining volunteer assignments. The focus of these assignments will be on COMPETE's priority sectors, namely; fish, cotton and coffee. Already eight volunteer assignments in the 3 thematic areas of the COMPETE project have been approved and are already under recruitment. The first batch of 3 or more volunteer consultants should arrive in the country before the close of the CY 2001.

2. PROJECT ACTIVITIES

The following outline of project activities describes the cumulative volunteer assignments completed, those being recruited and assignments being developed. During this reporting period (third quarter of 2001), three volunteer assignments were successfully completed, eight are being recruited and two are being developed. Table 1 gives the past, present and planned project interventions.

Table 1: Cumulative Project Activities (January 1999 - PRESENT)

	PROJECT NAME & No.	BENEFICIARIES	NAME OF VOLUNTEER	TIMING	COMMENTS
1	Seed Company Development (UA100033)	CEI	John Harding	Feb.1- Feb. 19, 1999	Assignment completed
2	Procurement/Stores/ Inventory (PP100030)	AT(U)	Richard Maxon	Aug.4-Aug. 28, 1999	Assignment completed
3	Stores Management (PP100029)	Kagodo Feeds	Robert Jensen	Aug. 30- Sept.11, 1999	Assignment completed
4	Technical Assessment (PP100027)	PHHS	Allen Moskowitz	Sept.25- Oct.30, 1999	Assignment completed
5	Fish Farming (PP100025)	Sunfish Farm	Bill Daniels	Oct.31- Nov.21, 1999	Assignment completed
6	Exporters' Training (PP100024)	UEPB	John Riddering	November, 1999	Assignment Aborted
7	Marketing Strategy (PP100031)	AT(U)	Steve Cain	Nov.19- Dec.11, 1999	Assignment completed
8	Exporters' Manual (PP100023)	UEPB	Mortada Mohammed	Dec.4 - Dec.23, 1999	Assignment completed
9	PHHS Extension Manual (PP100033)/161008	PHHS	Judith Killen	Dec.11-Jan.23, 2000	Assignment completed
10	MIS (PP100032)/161007	UIA	Tom Parks	Jan. 11- Feb.12, 2000	Assignment completed
11	Accounting (PP100028)/161008	Kagodo Feeds	Jerry Jennison	Jan. 22- Feb.18, 2000	Assignment completed

12	Seed/Fertilizer Distribution (161009)	CEI	Jim Oliver	March 10-April 12, 00	Assignment completed
13	Dairy Development (161010)	LOL	Richard Spence	June 13-July 7, 00	Assignment completed
14	Tractor Operations (161012)	IDEA-LV	Paul Crovella	June 2 – June 25, 00	Assignment completed
15	Product Development (161013)	House of Quality Spices (HQS)	Robert Miller	Jan 21-Feb. 8, 2001	Assignment completed
16	Market Specialist (161014)	House of Quality Spices (HQS)			Recruiting
17	Horticultural Marketing Development	HORTEXA			Assignment cancelled
18	Business Plan Development	HORTEXA			Assignment cancelled
19	Honey Production and Processing (161015)	Uganda Honey Bee Association [UHA]	Joe Rowland Robert	June 21-July 15, 2001	Assignment completed
20	Queen Bee Rearing (161016)	Zoology Dept, Makerere University	Prof. James Tew	Sept 2-Sept 23, 2001	Assignment completed
21	Honey Standardization & Certification	Uganda Honey Bee Association [UHA]			Recruiting
22	Dairy Business Plan (161020)	LOL	Hal Handley	Aug 3- 24, 2001	Assignment completed
23	Dairy Association Strengthening (161021)	LOL			Recruiting
24	Runner Beans Production and Marketing (161022)	IDEA-HV/ZED Project	Livingstone Ochwada	April 1-May 13, 2001	Assignment completed
25	Dairy Promotion (161023)	LOL	Harold Handley	May 13-25, 2001	Assignment Completed
26	Fish Post harvest handling Procedures development	COMPETE Project			Recruiting
27	Aqua Culture Feed Development	COMPETE Project			Recruiting
28	Fish Sector Curriculum Development	COMPETE Project			Recruiting
29	Fish Farmers Association Strengthening	COMPETE Project			Recruiting

30	Coffee Tissue Culture- for Disease Resistance	COMPETE Project			Recruiting
31	Wet Coffee Processing	COMPETE Project			Recruiting
32	Mucilage Management	COMPETE Project			Developing TOR
33	Coffee Auction & International Marketing	COMPETE Project			Recruiting
34	Coffee Farmer Association building	COMPETE Project			Recruiting
35	Organic Composting	Send A Cow Uganda			Concept not approved
36	Hay/Silage Making	Send A Cow Uganda			Concept not approved

3. PROJECT RESULTS

A: COMPLETED PROJECTS:

Project Number and Name: 161015 Uganda Honey Bee Association (UHA); Honey Production and Marketing

Volunteer and Dates: *Joe Robert Rowland, June 26-July 15, 2001*

Uganda Honeybee Keepers Association (UHA) is an association for beekeepers, honey processors, local honey packers and honey exporters formed to identify and address the constraints within the industry. As part of their mandate, UHA address constraints in honey production, harvesting , extraction and grading.

ACDI/VOCA volunteer Joe Rowland; a renowned apiarist from The New York Apiaries Inc., was recruited to develop and recommend honey production systems and strategies for effective management, harvesting, extraction and honey grading. Joe also developed an appropriate marketing system including containerization, collection system, transportation, processing and pricing structure. Recommendations based on in-country assessments on export potential and constraints that affect successful honey exports from Uganda were also made.

**Project Number and Name: 161020: Land O'Lakes Inc., Dairy Business
Development**

Volunteer and Dates: *Harold Handley, August 3-23, 2001*

Land O' Lakes through grants from the United States Agency for International Development (USAID) has been working to develop the capacity of the private dairy sector in Uganda to meet the needs of a growing population through income generation and better nutrition. The project has an approach that includes farm production of milk, organization of milk collection, the development of value-adding processing and the formation of dairy associations/cooperatives.

These co-operatives are well organised and have great potential for economic growth but lack capacity in developing realistic business plans to explore the potential markets. ACDI/VOCA Dairy sector analyst Harold Handley was recruited to work with 6 national dairy co-operatives/associations namely: Mityana Mwera, GBK, Sunshine Dairies, Nabuka Dairy, Umoja Dairy and BUDICO Dairy in Bushenyi develop sound operational business plans to meet the challenges of the current dairy sector.

Implementing the recommendations should provide the cooperatives and or associations with a more dedicated and revitalized farmer membership that is more ready to meet the current challenges. Given the objectives to expand the volumes and business base of most cooperatives, such support and commitment may well be an integral part of their future successes.

**Project Number and Name: 161016: Zoology Department, Makerere University
Development of an Undergraduate Beekeeping
Program at the University.**

Volunteer and Dates: *Prof. James Tew, April 1- May 23, 2001*

The Zoology Department at Makerere University Kampala; in addition to several other educational programs offers a full course on Economic Entomology at both undergraduate and post graduate levels. Specifically, a program named *Commercial Entomology* is in place and functional. In order for the Department to respond to the dire needs of the national development objectives, the department needed to establish practical bee-keeping course at both undergraduate and post-graduate levels.

ACDI/VOCA volunteer Prof. James Tew; a renowned apiarist and researcher from the Ohio State University was recruited to undertake this assignment. The development of a practical bee-keeping curriculum at Makerere University's Zoology department is a necessary prerequisite for the development of a sustainable Apiary sector in the country. To be responsive, James noted that the training program should be both academic and practical and should cover all aspects of bee training – including handling live colonies and manipulating colonies for queen production.

Both undergraduate and postgraduate programs were developed after consulting several stakeholders. The Advanced program leaned heavily toward honey bee queen selection and production. This was essentially to prepare the sector to respond positively to the advanced technologies associated with the industry and being able to meet international production and trading standards.

If there is increased plantation agriculture in Uganda; there will be a need for increased pollination and so the value of honey will definitely increase. There are currently 800,000 beekeepers in the country and a potential minimal honey production of 60,000 MT annually is a great possibility. If the sector is to improve, strategies for improved production and marketing systems have to be put in place to effectively contribute to the national poverty reduction programs.

B: PROJECTS ON-GOING

(none)

C: PROJECTS BEING RECRUITED

Project Name: USAID's COMPETE PROJECT

USAID-Kampala Mission is currently supporting the Government of Uganda's Medium-Term Competitive Strategy for the Private Sector by providing technical assistance to the government and private sector in strengthening the capacity of the private sector to compete favourably in global markets. In pursuance of this goal, USAID contracted Carana Corporation, USA to undertake initial technical studies for a longer term export competitiveness strategy under the COMPETE project. The project was then designed to respond to Uganda's urgent need to improve the export competitiveness of its private enterprises in international markets so as to increase its foreign exchange earnings and boost domestic economic activity, and employment in three major export crop sectors of fish, cotton and coffee.

The COMPETE Project has sought ACIDI/VOCA technical assistance services in provision of volunteer consultants with expertise in the following areas to undertake the assignments as under:

Coffee Sector:

SOW 1: 161026 Coffee Auction and International marketing

SOW 2: 161028 Wet Coffee cherry processing

Fish sector:

SOW 3: 161024 Aqua-feed development.

SOW 4: 161027 Development of demand driven curricula for tertiary institutions in Uganda.

Cotton sector:

SOW 5: 161025 Cotton quality and certification.

**Project Number and Name: 161021 Land O'Lakes Inc. ; Dairy Association
Strengthening**

Volunteer and Dates: (Still searching)

Land O' Lakes has assisted in the formation/revitalization of farmers private, cooperative societies to serve the farmer-owners to collect and market their milk, and in some cases, process milk into various dairy products. The cooperatives are further assisted by the project to organize member services to increase farm production including farm-input supply, production advisory services and train in-house artificial insemination technicians.

Land O' Lakes also requested ACIDI/VOCA consultancy services to assess the associations strengths and weaknesses of their structures based on management and membership.

D: PROJECTS BEING DEVELOPED

Most of the remaining resources under the PEP II grant will be re-directed to the strengthening activities of the USAID's COMPETE Project. The COMPETE Project has been designed to respond to Uganda's urgent need to improve the export competitiveness of its private enterprises in international markets so as to increase its foreign exchange earnings and boost domestic economic activity and employment.

COMPETE will work closely with USAID's SPEED program, which can provide assistance to small business and micro-finance institutions operating in these sectors, as well as business development services to groups that work with producers and processors in the coffee, fish, and cotton sectors. While COMPETE is designed primarily as a source of technical assistance to the private sector, it will cooperate closely with government institutions involved in these sectors to remove barriers and implement necessary reforms. By working with the Government of Uganda's Special Task Force on Export Competitiveness, the COMPETE team selected three sectors in which to develop export competitiveness pilot projects – coffee, fish, and cotton – each of which contributes substantially to national export earnings and rural incomes.

PROJECT MONITORING AND EVALUATION

On completion of an assignment each volunteer submits a final report. The report contains the volunteer's recommendations to the client, which are discussed with the organisation before his/her departure. The recommendations form the basis of the assignment's critical development landmarks, and are key when evaluating the assignments impact.

After the assignment has been completed, our staff maintains contact with the client, and carries out follow-up and evaluation studies at three-month and nine-months, respectively. These are simply documented milestones in a continuous process intended to monitor progress and identify future needs of the organization. By responding to the expressed needs of our clients; ACDI/VOCA contributes to the attainment of their immediate, intermediate and long-term objectives.

Below is the schedule of follow-ups and evaluations undertaken in the quarter.

PROJECT FOLLOW-UPS AND EVALUATIONS UNDERTAKEN

I. FOLLOW-UPS CONDUCTED

Project Number and Name: 161013 House of Quality Spices Ltd.; New Product Development

Volunteer and Dates: *Robert Miller; Jan 24- Feb. 8, 2001*

House of Quality Spices Ltd. (HQS), a small private, cottage-industry-level spice processing plant located about 3 km north of Kampala city is owned by Mr and Mrs Khan. The plant is involved in processing a wide range of dried spices such as ginger, garlic, turmeric, coriander and chilies.

ACDI/VOCA volunteer Robert Miller helped HQS in product and Market development. Over time, HQS had produced some spiced products, but because of lack of appropriate product quality, marketing skills and stiff competition; production and the business volumes were very low. Robert helped HQS venture into new novel products; marinade mixes, pellet snacks, nuts and (in the near future) honey. Production volumes have increased by about 30% since the start of new production and new markets like Shoprite Supermarkets and Metro Cash and Carry are the main outlets. A distribution network supplying the whole country has been established linking all major towns to their supplies. HQS has a brand name that is used to market its quality products. Export volumes of these products to neighboring regions in Rwanda and the Democratic Republic of Congo have also increased by about 10%.

HQS continues to work with a number of growers in the districts of Kiboga, Luweero, Nakasongola and Mukono for their supply of raw materials, and has developed an efficient network for reliable supply within the Ugandan subsistence farming system.

VISITORS/INTERNAL OFFICE UP-DATE:

Wilbrod Owor was recruited as our new Financial Controller with effect from August 1, 2001. Wilbrod brings to the team a wealth of experience in finance and business planning from the perspectives of the private sector. Previously, Wilbrod worked with SaraLee Household and Bodycare Ltd. and Colgate Palmolive as Financial Controller and Budget Manager; respectively.

Sarah Mayanja also joined ACDI/VOCA team as a Program officer in charge of project development with effect from August 15, 2001. Sarah came in from a long time local partner Volunteers in Development Concerns (VEDCO) where she was working as Agricultural Trade Development Coordinator. She brings to the team expertise in local farmer cooperative marketing strategies and small holder agricultural cooperative systems.

FINANCIAL REPORT:

(To be submitted separately)