

ACDI/VOCA

**PARTNERSHIPS FOR ENHANCED PRODUCTIVITY II
FOURTH QUARTERLY AND ANNUAL REPORT**

(JANUARY 1, 2000 THROUGH DECEMBER 31, 2000)

**ROBERT GENSI
Director Volunteer Programs**

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1. PROGRAM OBJECTIVES AND ACCOMPLISHMENTS

ACDI/VOCA Uganda has been implementing the second phase of Partnership for Enhanced Productivity Program (PEP II) since October 1995. The grant, originally a three-year countrywide program was later extended to seven years beginning January 1999.

PEP II is designed to enhance the productive potential of small- and medium-scale farmers and agri-businesses. It is intended to improve their economic well being through the provision of hands-on technical assistance; and to transfer information to resource users, policy makers, government officials, NGO staff, the private sector and the general public in targeted areas of agricultural development. PEP II activities are designed to complement other USAID funded projects like IDEA, DFCU, PHHS, FEWS, HPI and LOL.

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 agricultural production, agro-processing, agribusiness development/association strengthening, promotion of non-traditional agricultural exports (NTAEs), range and water management and dairy industry development.

During the past 2 years, although wide consultations and dialogue have been established with many SO1 players, we continue to experience late submission of SOWs for technical assistance. This has partly been attributed to altered priorities of different USAID funded projects, which often take sometime to commence implementation. However, we have achieved some success in resolving some implementation constraints by working hand in hand with the project staff to develop SOWs. In other times, we have had to carry forward slots for other grantees to coming years to enable them utilize the much needed technical assistance.

2. PROJECT ACTIVITIES

The following outline of project activities describes the volunteer assignments completed during the past 4 quarters of CY 2000, those being recruited and assignments being developed. During the CY 2000, five volunteer assignments were completed; six are being recruited and twelve are being developed. Table 1 gives the past, present and planned project interventions.

Table 1: Project Activity Breakdown – Past, Present and Future

	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 2, 00	Assignment completed
13	Dairy Development (161010)	LOL	Richard Spense	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	House of Quality Spices (HQS)	Robert Miller		Volunteer ready to come
16	Market Specialist	House of Quality Spices (HQS)			Recruiting
17	Horticultural Marketing Development	HORTEXA			Recruiting
18	Business Plan Development	HORTEXA			Recruiting
19	Honey Production and Processing	Uganda Honey Bee Association [UHA]			Recruiting
20	Queen Bee Rearing	Zoology Dept, Makerere University			Recruiting
21	Designing a pack house	IDEA-HV			Developing TOR
22	Organic farming	IDEA-HV			Developing TOR
23	Sustainable Farming	IDEA-LV			Developing TOR
24	Milk Vendors	LOL Inc.			Developing

	Association				TOR
25	Hay and Silage Making	LOL Inc.			Developing TOR
26	June Dairy Month Promotion	LOL Inc.			Developing TOR
27	Range and Water Use Management	LOL Inc.			Developing TOR
28	Organic Composting	Send A Cow Uganda			Concept rejected
29	Hay/Silage Making	Send A Cow Uganda			Concept rejected
30	Honey Standardization & Certification	Uganda Honeybee Keepers Association (UHA)			Developing TOR
31	Coop Development	Nabuka Dairy Coop Society			Developing TOR
32	Poultry Feeds	Akony Kori Oil Mill			Developing TOR

3. PROJECT RESULTS

A: COMPLETED PROJECTS:

Project Number and Name: 161010 Dairy Development, Land O' Lakes Inc.

Volunteer and Dates: *Richard Spence, June 13, 2000 to July 7, 2000*

Land O'Lakes Inc. sought ACDI/VOCA volunteer services to assist the Uganda dairy cooperative societies and related agribusiness's to improve their formal and informal financing capacities. ACDI/VOCA volunteer Richard Spence was recruited for the assignment. He made several recommendations among which was that the dairy processing groups should form themselves into cooperatives which are capable of self-financing. This appears a very plausible recommendation for cooperatives in the Uganda considering the present fragile credit institutions. ACDI/VOCA was pleased to field Richard with wide experiences in informal cooperative financing systems having been a director of huge farmer co-operative for 10 years.

Project Number and Name: 161009 Commodity Export International Ltd.

Volunteer and Dates: *James Oliver, March 9, 2000 to April 3, 2000*

CEI is a big private trading company that has been in business as an importer/exporter of grains and other products for 12 years. About two years ago, CEI divested into certified seed production and distribution of other agricultural inputs.

ACDI/VOCA volunteer James Oliver helped them set up an efficient and cost-effective distribution and marketing system for their agricultural products and inputs in the country and the region as a whole. A comprehensive production, distribution and marketing plan for marketing of CEI products was also designed.

Project Number and Name: 161012 IDEA –Trainer of Tractor Operators

Volunteer and Dates: *Paul Crovella, June 2, 2000 to June 25, 2000*

ADC/IDEA sought ACDI/VOCA technical assistance to develop and target a focussed training program for farm tractor operators; on whose knowledge, skills and efficiency many farmers depend. Engineer Dr Paul Crovella was recruited for the assignment and successfully helped them design a curriculum for training tractor operators, covering essential tractor operations and maintenance; and conducted a day's training for selected tractor operators.

B: PROJECTS UNDER RECRUITMENT

1. HOUSE OF QUALITY SPICES, PRODUCT DEVELOPMENT

House of Quality Spices Ltd. (HQS), a private spice processing company owned by Mr. and Mrs. Afzal Khan is a small, cottage-industry-level plant located about 3 km north of Kampala City. Currently HQS is involved in processing a wide range of spices such as ginger, garlic, turmeric, coriander and chilies. These are dried using small-scale solar dryers before processing which, when blended are packaged and marketed locally and some exported to Kenya and Rwanda. Presently, over 50 products are on the market.

HQS intends to expand its range of products in the market by developing new products such as spiced snacks out of banana, potato, cassava and rice flour. It also intends to introduce high quality peanut butter and other instant cooking sauces, and to develop recipes for targeted customers i.e. Ugachick Poultry Products and Imperial Gourmet.

In order to achieve its stated objectives, HQS has sought ACDI/VOCA technical assistance in the area of product development. The volunteer consultant will refine the existing recipes and the processes as well as experimenting with other potential products and also develop a processing schedule and train in quality control procedures in order to maintain a high level of market quality.

I. HOUSE OF QUALITY SPICES, MARKET SPECIALIST

In order to improve sales and marketing of its new products in the domestic and export market, HQS plans vigorous marketing strategy which focuses on training of personnel in market research, customer service and promotional campaign/advertisement through posters, printed leaflets, radio and TV.

The ACDI/VOCA volunteer marketing specialist will train personnel in market research, customer service, promotion and distribution, develop an overall marketing strategy and test marketing of new products.

II. HORTICULTURAL EXPORTERS ASSOCIATION OF UGANDA (HORTEXA), MARKETING DEVELOPMENT

Horticultural Exporters Association of Uganda (HORTEXA) was formed in 1990 after the realization that potential Ugandan exporters cannot deal with their common problems individually but rather must address them as a group. Initially, the association was composed of only exporters, but today, it is formed of fruits and vegetable farmers who are both exporters and local traders, organized under an elected executive.

Over the past years, HORTEXA has helped increase export volumes of assorted commodities by over 2,000 tons/year and has organized several training courses in standardization and related export procedures. Currently, HORTEXA faces challenges in widening the export potential of fruits and vegetables grown by its members. In order to compete sustainably in the global marketplace, and with a view to diversification of trade

ventures, HORTEXA seeks ACDI/VOCA technical assistance in developing viable market strategies for its members.

III. HORTICULTURAL EXPORTERS ASSOCIATION OF UGANDA (HORTEXA), BUSINESS PLAN DEVELOPMENT

As part of the process to accomplish its stated objective of becoming a leading exporter of fresh fruits and vegetables, HORTEXA intends to increase the expertise of its member associations in business development. The goal is to train 40 members, two from each of the 20 member groups plus 7 from HORTEXA secretariat, in developing sound business plans. These members will in turn be responsible for training other members of the association. With this increased knowledge, not only will the financial success of HORTEXA be enhanced, but also with business management training and the development of business plans, their eligibility for financing from banks and credit institutions will markedly increase.

HORTEXA therefore, sought ACDI/VOCA technical assistance in training of these members in developing their business plans.

IV. UGANDA HONEY BEE ASSOCIATION (UHA), HONEY PRODUCTION AND MARKETING,

Uganda Honeybee Keepers Association (UHA) is an association for beekeepers, honey processors, local honey packers and honey exporters. Formed in 1995 and registered as an NGO in 1996, the association is composed of 82 primary societies and community groups with a membership of over 5,015 members throughout the country.

UHA was formed in order to identify and address the existing constraints within the industry and develop an integrated apiary development approach of the whole sector. As part of extension services to the bee farmers in the rural areas, UHA is involved in upgrading of production capacity, manufacture and supply of appropriate and affordable bee keeping equipment, buying, collection, processing and marketing of hive products in the local and export market. In pursuance of these objectives, UHA conducts intensive grass roots bee-keeping training to its members on improved quality production of honey and beeswax.

UHA is therefore seeking ACDI/VOCA technical assistance to:

- Assess the current production system and recommend appropriate hive design and management, harvesting, extraction and grading.
- Develop an appropriate marketing system including containerization, collection system, transportation, processing and pricing structure.
- Assess the export potential and constraints that affect successful exports from Uganda.
- Develop an organizational structure for UHA for efficient production, processing and marketing of honey and its by-products from its member groups.

V. DEPARTMENT OF ZOOLOGY, MAKERERE UNIVERSITY, QUEEN BEE REARING.

Bee keeping has been practiced since time immemorial using traditional African methods and only dependant upon luring wild passing swarms into traditional hives. In order to move away from traditional to commercial quality honey production, a queen bee rearing technology needs to be developed. The Department of Zoology at Makerere University has a full course on economic entomology for both undergraduate and postgraduate students. The course incorporates components of economic entomology which has been upgraded to a full program code-named "Commercial Entomology".

In view of the above, the Zoology Department at Makerere University sought ACDI/VOCA technical assistance to achieve the following objectives:

- Identify and secure bee strains with desirable biological and behavioral characteristics for queen rearing
- Identify suitable vegetation zones for queen bee rearing
- Develop course outlines for bee keeping at University level and foster extension services in apiculture.
- Set up code of good practice for queen bee rearing technology.

C: PROJECTS BEING DEVELOPED

I. UGANDA HONEYBEE KEEPERS ASSOCIATION (UHA), HONEY STANDARDISATION AND CERTIFICATION

Presently, the production of honey in Uganda is estimated to be 900 metric tons. With a planned program that includes training, especially for new beekeepers, export quantities should be able to exceed 1500 metric tons in 3-5 years. The world honey market is very competitive, therefore, a quality product at a reasonable price must be offered. Exporters of honey must keep continually alert for changing conditions throughout the world. Countries that import honey expect a constant supply of the same quality of honey whether large or small quantity. If a market abroad is created, that demand must continue to be satisfied or that market will shift to another source.

An exporter such as UHA must be knowledgeable of the requirements of the importing country and be up-to-date with any changes in requirements.

UHA is therefore seeking ACDI/VOCA technical assistance so as to assess, document and make recommendations on Uganda honey quality standardization and certification. Specifically, ACDI/VOCA volunteer is expected to:

- determine the quality standards in relation to flora, composition and production practices; and
- prepare quality assurance scheme to be proposed for certification by Uganda National Bureau of Standards (UNBS) and/or international certification bodies.

II. AKONY KORI POULTRY FEEDS PROJECT, LIRA

Akony Kori Animal Feeds Project, a subsidiary of Akony Kori Co. Ltd. is located in Lira town, a distance of 450kms from the capital city, Kampala. The Animal Feeds Project was deliberately started to utilize the otherwise wasted cake from the company's oil milling project in support of poultry farming in Northern Uganda and Lira in particular.

Akony Kori management therefore sought a ACIDI/VOCA volunteer consultant with rich experience in animal feed milling to put in place a market focussed production unit to capture the growing animal feeds market in Northern Uganda.

4. 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 ACIDI/VOCA contributes to the attainment of their immediate, intermediate and long-term objectives. ACIDI/VOCA's institutional M&E system serves to complement each client's separate M&E obligations. Below is the schedule of follow-ups and evaluations undertaken in the quarter.

I. PROJECT FOLLOW-UP UNDERTAKEN

Project Number and Name: 161010, Dairy Development, LOL

Volunteer and Dates of assignment: Richard Spence, June 13- July 7, 2000

Richard Spence, a retired CUES Board Chairman of Palm Desert California undertook a LOL assignment with the objective of analysing informal financing systems for the Dairy industry in Uganda. Spence, also a retired CEO of Warren Schools Credit Union in Michigan used his 10 years experience to analyse credit sources for the Dairy sector in Uganda. At the end of his assignment, he noted "Generally speaking, the dairy industry in Uganda and its people are literally stymied by their inability to secure sustainable and viable, reasonably priced credit. There is no question, they must establish a self-help organisation".

Mr. Spence highly recommended that these rural farmer cooperatives and their members should attempt to do things by themselves. The best solution is for the cooperatives to organize themselves into a credit union something like "The Dairymen's Savings and Credit Union" without any insinuation to the female gender community.

A Women's Dairy organization in Kabale who had worked with Mr Spence couldn't make enough money out of milk and so have changed business to rabbits and pigs rearing and some members moved into making yogurt. The proceeds are then pooled and borrowed amongst themselves! One widow visited saved some money and topped up with a loan from their cooperative and built herself a house and an in-calf Friesian cow. She intends to continue locally processing yogurt and ghee for sale after it has calved down. This is a manifestation of volunteer Richard Spence's conviction that "Female Cooperative Societies will especially succeed."

Mr Spence wrote many of his personal experiences while on assignment in Uganda in a CUES Magazine "*Credit Union Management*" in a special internet issue of November 2000 found at website www.cues.org.

Project Number and Name: 161009, Seed and Fertilizer Distribution, CEI

Volunteer and Dates of assignment: James Oliver, March 10-April 1, 2000

Volunteer consultant James S. Oliver with 25 years experience in agricultural management, sales and marketing leadership worked with CEI to develop an effective and profitable marketing and distribution system for agricultural products to farmers.

The consultant recommended an effective and profitable marketing and distribution system for agricultural products. The recommendations were based on a 4year CEI plan. The plan was projected to grow from 4800MTS in year 2000 to 14,600MTS in the year 2003 ie an increase of 4,200MTS per year for the next three years.

To achieve the goal of being the leading marketer of farm seeds in Uganda, Volunteer James Oliver recommended that CEI must develop a distribution system that can market 3,200MTS of seed per year. According to Josephine Okot, General Manager of CEI, the sales personnel have been recruited and the seed distribution system involving 30 distributors has been set up according to the James' recommendations.

To date, CEI markets 8,000MTS of seed per year which, is a growth rate of 3,200MTS per year in the last one year.

II. EVALUATIONS CONDUCTED

Project Number and Name: 161006, Accounting, Kagodo Feeds Ltd.

Volunteer and Dates of assignment: Gerald H Jennison, Jan. 22-Feb. 18, 2000.

Volunteer Gerald H Jennison assisted Kagodo Farmers Ltd. in reviewing the accounting system and trained staff in the application of the improved accounting system. He advised on quick accountability of funds and made recommendations on how to improve the reporting system.

As a result of the recommendations, the management of Kagodo Feeds is now able to generate periodic accounting reports in time for management to act on. They are also able to analyze their actual accounts against the budget. According to Livingstone Wafula, the Chief Accountant of Kagodo Feeds, "the accounts department is entirely operating on the basis of the recommendations by Jennison. Gross accounting errors were common before but are now forgotten". Their biggest achievement has been the ability to forecast quite accurately business volumes based on accounting reports.

Jennison's intervention was timely and Kagodo's business has grown tremendously. Customer confidence has been uplifted and trade volumes have almost doubled from 10tons per day to more than 20 tons per day. As a result, management of Kagodo Feeds feels they need additional ACDI/VOCA technical assistance in financial forecasting and business appraisal techniques.

Project Number and Name: 161007, Management Information Systems, Uganda Investment Authority (UIA).

Volunteer and Dates of assignment: Thomas I Parks IV, Jan. 11- Feb. 20, 2000.

As a result of its restructuring, UIA sought ACDI/VOCA technical assistance to automate most of its activities and processes to facilitate proper recording, documentation, and reporting of the organisation's performance. UIA had in place a system, which needed reviewing and consolidation in view of UIA's changing focus. Volunteer Tom Parks, ACDI/VOCA volunteer consultant with a lot of experience in Information Technology worked with UIA in the analysis, design and implementation of supportive MIS to promote investment activities.

The volunteer carried out Information Technology Assessment where he uncovered a lot of problems affecting the Management Information System. He made recommendations which, were implemented and have significantly improved the effectiveness of all UIA staff by providing enhanced access to information. In addition, the organisation as a whole is now more equipped to handle the growing information requirements from investors. According to UIA Data manager, the great diversity of information requests by today's investors in Uganda would have been impossible to handle.

5. PROGRAM DIRECTION:

In addition to the PEP II-Mission funded program, ACDI/VOCA-Uganda is implementing two other complimentary programs: WWFtF in its second year and the Food Security Technical Assistance, a PL480-funded effort that started in January 1999.

ACDI/VOCA intends to continue with our proactive approach towards developing the Terms of Reference (TOR) and Scopes of Work (SOW) and to continue wide consultations with other SOI players and players. Assignments that lead to multiple interventions will be given more priority as greater impact have been achieved through their implementation..

6. VISITORS/INTERNAL OFFICE UPDATE:

Carolyn Martin, Regional Recruiter from ACDI/VOCA California Recruiting Office visited ACDI/VOCA Uganda from October 31 to November 3, 2000. While here, she visited volunteer projects in southwestern region, which included fish and dairy farms.

During the fourth quarter, no major office changes occurred. Changes that occurred during the earlier quarters of the year are documented in the respective quarterly reports available from the ACDI/VOCA office.

7. FINANCIAL REPORT:

(To be submitted separately)