THIRD AMENDMENT

TO

PROJECT GRANT AGREEMENT

BETWEEN

REPUBLIC OF UGANDA

AND THE

UNITED STATES OF AMERICA

FOR

AGRICULTURAL NON-TRADITIONAL EXPORT PROMOTION PROGRAM

DATED: August 23, 1994

THIRD AMENDMENT TO THE PROJECT GRANT AGREEMENT

FOR THE

AGRICULTURAL NON-TRADITIONAL EXPORT PROMOTION PROGRAM

WHEREAS, the Government of the Republic of Uganda (the "Grantee") and A.I.D. (collectively the "Parties") entered into a Project Grant Agreement No. 617-0114 dated September 29, 1992 (the "Agreement") for the project component of the Agricultural Non-Traditional Export Promotion Program, which Agreement was amended on May 21, 1993 and August 31, 1993, and

WHEREAS, the Parties desire to further amend the Agreement to grant the Grantee an additional four million United States ("U.S.") dollars ($4,000,000) under this Project, and to modify the Project budget consistent therewith, thereby bringing total obligations to date to seven million five hundred thousand United States ("U.S.") dollars ($7,500,000);

NOW THEREFORE, the Parties hereto hereby agree that the Agreement is amended as follows:

1. The second paragraph of Section 2.1(b) is hereby deleted and replaced with the following:

> "It is anticipated that A.I.D.'s overall contribution to the Total ANEPP over the life of the Program/Project will be fifty-four million United States ("U.S.") dollars ($54,000,000), of which forty-five million U.S. dollars ($45,000,000) in non-project assistance and five million, five hundred thousand U.S. dollars ($5,500,000) in project assistance has already been provided under Program Agreement No. 617-0113; and seven million five hundred thousand U.S. dollars ($7,500,000) is provided, as more specifically described below."

2. The first paragraph of Section 3.1 is hereby deleted and replaced with the following:

> "To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants the Grantee an amount under the terms of this Agreement not to exceed seven million five hundred thousand U.S. Dollars ($7,500,000)."

3. Sections 3.3(a) is hereby deleted in its entirety and replaced with the following:

> "(a) The PACD, which is December 31, 1995, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement."

4. Annex 1, the Project Description, is supplemented by the attached Project Description Supplement. The Illustrative Summary of Project Costs By Expense Category and Source (the project budget) is deleted in its entirety and the attached project budget is substituted in its stead.

5. Annex 2, the Standard Provisions Annex, is hereby amended by adding the following Section B.9

"Section B.9

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States, of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States;

No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a country other than the United States of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of A.I.D.;

No funds or other support provided hereunder may be used in an activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country;

Grant funds may not be used for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in Uganda of an agricultural commodity for export which would compete with a similar commodity grown or produced in a United States unless a) such activity addresses food security in a developing country and will have a significant impact in the export of agricultural commodities of the United States or b) research activities are intended primarily to benefit American producers;

Further, grant funds may not be used for feasibility or prefeasibility studies for, or project profiles of potential investment in, or support in establishment of facilities specifically designed for the manufacture, for export to the United States or to third country markets in direct competition with United States exports, of articles of textile and apparel articles, footware, handbags, luggage, flat goods, work gloves, leather wearing apparel, watches, import sensitive (i.e. affecting domestic sales of U.S. goods) electronic articles, import sensitive steel articles,

ILLUSTRATIVE SUMMARY OF PROJECT COSTS BY EXPENSE CATEGORY AND SOURCE
(in $000)

Expense Category	This Obligation AID Grant (in $000)	Cumulative Funding to-date AID Grant (in $000)	Life of Project Funding AID Grant (in $000)
Technical Assistance/ Special Activities	600	1,200	1,200
African Project Development Facility	-	200	200
Small Enterprise Assistance	-	80	80
Infrastructure (Cold) Storage	-	1,000	1,000
UIA and EPADU Support	1,600	2,820	2,820
UIA Building	-	200	200
Venture Capital	1,800	1,800	1,800
Evaluation	-	100	100
Audit	-	100	100
Total	4,000	7,500	7,500

1. Over the life of the Project the GOU is contributing the local currency equivalent of $3,150,000 to Project activities.

2. Life of project budget is subject to the availability of funds to A.I.D. for this purpose and to the mutual agreement of the parties to proceed at the time of each subsequent increment.

3. Either party may unilaterally, with written notice to the other, adjust line items in this budget to a maximum of 10% per line item, provided, however, that the total obligated amount as shown in the budget is not exceeded and provided further that the GOU contribution and the amounts budgeted for evaluation and audit are not reduced.

and import sensitive manufactured and semi-manufactured glass products."

6. Except as amended herein, the Agreement, as amended, remains in full force and effect.

IN WITNESS WHEREOF, the Government of the Republic of Uganda and the United States of America, each acting through its duly authorized representative have caused this Amendment to be signed in their names and delivered as of the day and date indicated below.

FOR THE GOVERNMENT OF THE REPUBLIC OF UGANDA

Hon. Jehoash Mayanja-Nkangi
Minister of Finance and Economic Planning

Date: 23rd August 1994

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

Keith W. Sherper
USAID Mission Director

Date: 8/23/94

ANNEX 1
AMPLIFIED PROJECT DESCRIPTION SUPPLEMENT

I. INTRODUCTION

Over the past year, the ANEP project has financed a number of activities that are improving the environment for non-traditional agricultural exports (NTAEs). These include the work of the Export Development Advisor and an Export and Investment Policy Advisor at EPADU and continued development of the UIA's investment promotion capability. During the past year and a half, EPADU and USAID have sought a greater balance between the policy agenda and production level export promotion activities. As a result, the output of policy initiatives has decreased somewhat, but important policy issues remain and are clearly defined in EPADU's 1993/94 and 1994/95 workplans. The ANEP program, including project activities, was evaluated in December 1993, and some of the modifications presented in this amendment are based on evaluation recommendations.

The ANEP project is now being amended for the second time. There are several reasons for the amendment: 1) EPADU's production-level assistance to NTAEs will end in September 1994 with the end of the institutional contract with the International Science and Technology Institute (ISTI) and the start-up of USAID's Investment in Developing Export Agriculture (IDEA) project, making it necessary to redefine EPADU's function; 2) a one-year extension of USAID operational support for the UIA is necessary because the World Bank project that was expected to provide resources for this purpose has been delayed; and 3) USAID has identified the absence of venture capital in Uganda as a key constraint to the development of non-traditional exports and wishes to support development of a venture capital fund. This amendment will add $4 million to the project, bringing LOP funding to $7.5 million. The current PACD, June 30, 1995, will be extended by 6 months to December 31, 1995 to accomodate the venture capital grant.

II. REVISED PROJECT DESCRIPTION

A. Export Policy and Development

Over the three previous phases of the ANEP program, export policy and development has been the focus of EPADU, the Export Policy Analysis and Development Unit associated with the Ministry of Finance and Economic Planning (MFEP). During its first two-plus years, EPADU engaged primarily in analyzing policies that affected export activity, and had significant influence on, for example, Uganda's liberalization of the trade and payments system, including exchange rate reform. As ANEPP progressed, it appeared that there was an increasing need to provide support to exporters directly rather than merely influencing the enabling environment. At the same time, it became clear that policy analysis could benefit greatly from having those carrying out the

analysis be associated more directly with exporters. With the emphasis on production and marketing activities over the past two years, there has been less output on policy analysis. Important policy issues remain, and the reactivation of a high level steering committee to guide the policy agenda and EPADU's development of comprehensive workplans for 93/94 and 94/95 has refocused attention on policy analysis.

An evaluation conducted in October 1993 urged EPADU to turn its attention to second-tier policy and regulatory constraints, inasmuch as the macro-level constraints have now been dealt with. It is perhaps most useful to view the next two years in terms of several relatively discrete periods:

-- Between now and September 1994, EPADU will remain as currently constituted. This allows the institutional contract on the development (as opposed to policy) side to come to its end. On the policy side, a workplan for the July 1994--June 1995 period will be agreed upon.

-- At the end of September 1994, all EPADU staff who have been working on both policy analysis and export development efforts will cease to be employed by GOU/USAID as EPADU staff. By this time, the IDEA project should be starting up and will be able to take over EPADU export development activities. The acronym will be changed to EPAU - Export Policy Analysis Unit.

-- Substantive EPAU staff, between October 1994 and June 1995, will consist only of those on the policy analysis side of the operation. Current staff involved directly in this side include a non-Ugandan PSC and three Ugandan PSCs. Funding for a fourth Ugandan PSC will be provided under this grant if such a position is deemed necessary to carry out the approved plan of work. In such a situation, it would be inefficient to have managerial resources (i.e., Director and Deputy Director) in EPAU. Therefore, this policy analysis unit will report directly to the Commissioner of Planning within the Planning Department of MFEP. Its work will be guided by a steering committee,[1] and it will have sufficient short-term technical assistance resources[2] at its disposal to cope with the workplan elements (discussed in the following section). Given the much-reduced size of the EPAU staff, office space at Impala House will be correspondingly reduced.

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1 This committee might consist of a representative each from the MFEP, the Ministry of Trade and Industry, and a few other public and private sector entities.

2 Such resources could be made available through a buy-in to projects such as the Agricultural Policy Analysis Project.

-- Beyond June 1995, USAID support for such policy analysis functions would cease to exist in the form of EPAU. If there is any further USAID support for export policy analysis beyond this time, it will occur through an institutional contract, and the locus of this support will be open to discussion.

-- In addition to supporting these elements of ANEPP over the coming period, USAID also proposes to financially support an advisor to the Ministry of Trade and Industry (MTI) beginning in October. The two objectives of this new position are directly connected to establishing a working export promotion entity in Uganda. The first objective of the new position is to serve as an interim counterpart to the IDEA project, until the anticipated new UEPC is operational. USAID does not anticipate that the new UEPC will be ready to serve in the counterpart role envisioned in the IDEA project until perhaps the middle of 1995. The second objective of the new position is to work with appropriate entities to see that the new UEPC actually becomes operational. (With respect to the latter objective, this position will directly support ANEPP goals.) This position should be established initially as a nine-month contract ending June 30, 1995.

The foregoing can be summarized as follows: 1) the development side of EPADU will cease to exist after September 1994; 2) the positions of Director and Deputy Director of EPADU will also cease to function as of that time; 3) the remaining policy analysis side of EPAU will continue to operate and report to the Commissioner of Planning through June 1995; 4) from July 1995, any USAID support to export policy will flow through an institutional contract, and a decision prior to that time will be made as to whether such support will be connected to the MFEP or to the MTI (in direct connection to the newly formulated UEPC); 5) the project will, from October 1994, provide financial support for an advisor to the MTI who will be responsible, ultimately, for ensuring that the new UEPC is formed and, in the interim, for acting as a counterpart to the USAID IDEA project.

The Policy Focus of ANEPP Through June 1995

The ANEPP evaluation proposed relatively specific areas in which it would be productive for EPAU to focus its attention. USAID proposes the following, based on not only the evaluation, but also other areas that have emerged since that evaluation:

-- Streamline customs operations, such that spot checks are conducted rather than full inspections of all cargoes. Such a move, accompanied by sufficiently strong disincentives for those who are caught, should speed up what is currently an important bottleneck in external trade operations.

-- Examine airport fees to ensure that they are competitive with fees facing Uganda's export competition. (Some two years ago or so, airport fees were reduced, but they have been somehow revitalized.)

-- Revise the export finance scheme, making it a truly useful support mechanism and ensuring that it is at least as supportive of exporters as are similar schemes in countries which are Uganda's competitors.

-- Examine other export incentive packages, with an eye to encouraging exports without raising hackles among Uganda's competitors. One approach would be to modify the Investment Code such that it provides the most favorable incentives for firms that actually export.

-- Analyze the current situation with respect to import duty drawback, and ensure that the system operates smoothly and transparently.

-- Assess the reliability of export data in Uganda, and provide recommendations -- and probably technical assistance -- to upgrade these data, which are critical to any export policy function.

-- Carry out an analysis of the food security situation in Uganda, with an eye to allaying what are currently frequent calls to contain exports of lucrative foreign exchange earners: maize and beans.

The foregoing elements of an export-promoting regime are not trivial, and are not necessarily simple to implement. Nor are they all necessarily elements that all in Uganda would support. Thus, there is a need for solid analysis, which can be used to lobby for reforms. Such analysis should also clearly set out how implementation should occur, given GOU approval of reforms. EPAU's role should be not only to analyze the efficacy of reforms in these areas, but also to (first) work to ensure that appropriate supporting decisions are taken within the GOU and to (second) follow through to ensure that implementation of reform decisions occurs.

B. Uganda Investment Authority

Since it's inception in 1991 the UIA has made significant progress in realizing its stated goals and objectives. However, the UIA is not without its critics. As recently as June 17, 1994, in his address prior to the presentation of the 1994/95 budget to Parliament, President Museveni noted with concern the inadequacy of investor guidance and support in Uganda and decried the length of time that is required for a potential investor to obtain necessary documentation and establish a business.

The World Bank, while instrumental in creating the UIA under SAC I, is sharply critical of some of its future plans and, while acknowledging its overall positive impact on the investment climate in Uganda, will seek changes in the Investment Code under SAC II. Bank officials are mainly concerned with UIA interests in new areas such as development of industrial estates and entrepreneurship development. In stating their concerns World Bank advisors stress that the UIA was designed to operate as a very specialized but lean and efficient organization for promoting Uganda as an investment site. Given these concerns and in the interest of fully achieving a cost effective and efficient organization for investment promotion as envisaged at the conception and establishment of the UIA, the World Bank is withholding support to UIA until the results of a study to be carried out under SAC II in December 1994, are known. Essentially the study will re-examine and recommend refinement of what the UIA should be doing and how.

In March 1994, The Services Group prepared a study for USAID/Uganda entitled Uganda Export Policy and Investment Promotion Options Under ANEPP. The report, while agreeing with some of the criticisms of UIA, felt many were unfair and that the organization had achieved much success given the short period of time it had been in existence. The consultants did, however, agree that there are areas which can be further improved and noted that UIA officials are in the process of addressing many of them. These, which USAID concurs with, include:

- better targeting of promotional efforts;
- lack of concise and inexpensive promotional materials;
- use of lower cost, but better targeted outlets in advertising campaigns;
- resolving problems with partner agencies on issues such as access to land, utilities, and work permits;
- lack of understanding within Uganda of what the UIA does and what it has accomplished.

The report goes on to recommend that USAID use this opportunity to diversify and strengthen the UIA's ability to become more financially self-sustainable. This recommendation implies continued USAID funding of certain UIA requirements for an additional period of time.

Based on these recommendations, as well as USAID's own assessments of UIA's contribution to economic development in Uganda, funding for an additional year of operation as well as provision of an additional year of a long term advisor is included in this amendment. This action acknowledges the World

Bank's need for additional review and revision of the Investment Code and UIA activities but fully anticipates World Bank support following those actions. USAID support is also based on UIA's commitment to organizational strengthening and securing funding from the GOU and other donors.

C. Venture Capital

1. Background

This amendment incorporates venture capital as a project activity which will contribute to the ANEP project goal and purpose. This takes into account lessons learned -- both from ANEPP and from the Rehabilitation of Productive Enterprises (RPE) project (617-0104), an earlier agricultural enterprise development project in Uganda. Venture capital also capitalizes on the opportunities presented by the growth and enhanced stability in the Ugandan economy since the initial design of the ANEP Project.

Under the RPE Project USAID established a venture capital facility through a $2 million grant to the DFCU. The purpose of the grant was to make equity investments in Ugandan businesses, with the primary emphasis on agricultural investments. Because of DFCU's strong performance and a larger than anticipated demand for equity financing the grant was subsequently increased by $550,000 before the RPE PACD.

Continuing to expand the availability of venture capital under the ANEP project will build upon USAID's experience in promoting venture capital in Uganda. Incorporation of venture capital as an explicit component of the project will enable USAID to strengthen the financial sector's ability to finance new and expanding businesses, particularly in the non-traditional export sector where Uganda has a comparative advantage.

2. Relationship to Project Goal and Purpose

The goal of the ANEP Project is to increase rural production and employment. The project purpose is to increase the range and value of non-traditional exports by resolving public and private sector constraints to export promotion. Inclusion of a venture capital facility is necessary to the achievement of both. First, by creating access to equity financing, more exporters will be able to initiate and sustain export-oriented enterprises. Logically, such an expansion in export oriented businesses will contribute to an increase in the range and value of NTEs. All investments are expected to generate employment and growth in the economy, including in rural areas, and so venture capital can also be expected tc contribute directly to the achievement of the project goal. All investments will be tracked to determine people-level impact.

Exporters and project implementors have identified access to financing as an especially critical constraint to the expansion of non-traditional exports. The availability of venture capital, in particular, is considered a necessary precondition for new starts or project expansions in the relatively high risk area of non-traditional exports. Thus, by reducing one of the principal constraints identified to date, support for venture capital expansion will contribute directly, though not exclusively, to the achievement of the ANEP project goal and purpose. The venture capital facility itself, as the only equity finance mechanism in Uganda, will also provide a demonstration model for replication by other donors, financial institutions and indigenous investors.

3. Activity Description

USAID will make a grant to the Development Finance Company of Uganda (DFCU) to provide resources for a venture capital fund for equity investments and to share with DFCU the operational costs of managing the facility. The equity resources will be invested and managed on a commercial basis. DFCU will require separate appraisal and supervision of equity and debt investments. Each decision to invest either equity or debt will have a consolidated financial impact on the DFCU. If there are profits and capital gains from investments, the shareholders of DFCU stand to gain. Likewise if there are losses on the equity investments, the DFCU shareholders will share in the loss. There will be close cooperation and referral from the Mission's IDEA project, Mission staff and the other components of the ANEPP project to the DFCU for consideration of specific investments opportunities.

Equity investments from the venture capital facility will capitalize on Uganda's areas of comparative advantage which lie in export oriented production with primary reliance on locally-sourced inputs such as agricultural commodities and labor. The Development Finance Company of Uganda has developed an investment policy to govern their resource allocation and ensure stability and continuity of their portfolio. In order to achieve the diversification necessary for balance and growth, the investment policy gives primary emphasis to agriculture but stipulates that no more than thirty percent of the fund can be concentrated in any one sector. To limit investments to any one sector would distort the overall investment portfolio and create a situation where investment decisions are determined by factors other than the viability of the proposed project. This would make the fund vulnerable to sector-specific disruptions, such as drought. The DFCU investment policy will govern the investment decisions of the DFCU in accessing ANEP resources.

The DFCU will have the option but not the requirement to obtain USAID concurrence in individual investments prior to submission to their Board. Once the DFCU Board has approved an investment

the DFCU can either obtain an advance from USAID which will be disbursed in the equity investment, or disburse funds to the investment and seek reimbursement from USAID.

The DFCU will provide investment monitoring and impact reporting to USAID on a quarterly basis. During the grant period the DFCU will continue with staff development, monitoring and information system expansion, and pursue options for continuation and expansion of venture capital activities through wider participation in this fund or through creation of a secondary equity fund.

III. FINANCIAL PLAN

This amendment increases LOP funding by $4,000,000 to a new total of $7,500,000 and re-allocates the budget between line items. The previously authorized LOP budget and the revised LOP budget are summarized below. A new line item for provision of venture capital has been added. The host country contribution will remain at the previously specified level of $3,150,000.

SUMMARY

A. Funding for the technical assistance and training element will be provided to:

1) Fully fund the third and final contract year of the long term advisor to the Uganda Investment Authority (UIA).

2) Fund the remaining balance of the current two year contract of the senior policy advisor to Export Policy Analysis Unit (EPAU).

3) Provide funding for various internal and external training programs in areas such as policy, investment, management and computer systems.

4) Fund short term specialized expertise to carry out studies/analyses on various policy/investment issues related to UIA and Export Policy Analysis and Unit work plans..

B. This amendment provides $1.1 million to the UIA and $.5 million to the policy unit (EPAU) for the period of July 1, 1994 to June 30, 1995. It is anticipated that the policy unit will become an integral part of the Ministry of Finance and Economic Planning (MFEP) structure beginning in October, 1994, but will continue to focus on policy issues related to export of non-traditional agricultural commodities. For both UIA and the policy unit, funds are being provided for normal operational costs.

C. An amount of $1.8 million is included in this amendment for venture capital which will be provided to DFCU. $350,000 of this amount is for start-up and operational costs and the balance of $1,450,000 is for equity capital.

Summary Grant Budget

ELEMENT NO.	ELEMENT DESCRIPTION	PREVIOUS BUDGET ($)	THIS AMENDMENT ($)	NEW LOP BUDGET ($)
01	Techn. Asst.,Spec. Act. & Training	600,000	600,000	1,200,000
02	African Project Dev. Facility	200,000	- 0 -	200,000
03	Small Enterprise Assistance	80,000	- 0 -	80,000
04	Infrastructure (cold storage)	1,000,000	- 0 -	1,000,000
05	Support to UIA and EPADU	1,220,000	1,600,000	2,820,000
06	Support for purchase and renovation of UIA building	200,000	- 0 -	200,000
07	Venture Capital	- 0 -	1,800,000	1,800,000
08	Audit	100,000	- 0 -	100,000
09	Evaluation	100,000	- 0 -	100,000
	TOTALS	3,500,000	4,000,000	7,500,000

IV. REVISED IMPLEMENTATION AND PROCUREMENT PLAN

The Ministry of Finance and Economic Planning will continue to be the primary GOU implementing entity for this project. The Development Finance Company of Uganda (DFCU) will implement the new venture capital component.

Implementation Schedule

Date	Activity	Responsible Parties
8/30/94 Quarterly thereafter	Process payments for UIA and EPAU operational costs	USAID/GOU
9/1/94	Order commodities for EPAU	USAID
9/13/94	ISTI Contract ends EPADU Development program ends	
9/15/94	Sign DFCU Grant	USAID, DFCU
9/15/94	Sign PIL transferring policy analysis functions to Planning Dept. (MFEP)	PIL by GOU/USAID
10/1/94	Re-appoint or employ required staff for policy unit	GOU(MFEP)
10/1/94	Contract technical assistance for MTI	USAID
6/1/95	Export Policy Advisor's contract ends	
6/30/95	Funding for UIA and policy unit ends	
12/29/95	Project Assistance Completion Date	

After the end of September, the project will not have an institutional contractor. As indicated in the table below, operational support for UIA and EPAU will be provided by means of Project Implementation Letters (PILs). Long-term technical assistance for UIA and EPAU will be provided using Personal Services Contracts and short-term technical assistance will be procured through local contracting, buy-ins to USAID/Washington projects and delivery orders under Indefinite Quantity Contracts (IQCs). The DFCU will receive a grant.

V. MONITORING AND EVALUATION PLAN

The ANEP Project Monitoring and Evaluation (M&E) Plan will track and assess project performance and impact. It will provide periodic feedback on progress towards the attainment of the project outputs and purpose. This information will be used by USAID, the implementing entities like the UIA, EPAU, DFCU, the GOU, and the private sector in adjusting efforts to keep the

project on course.

Monitoring and evaluation of this project focuses on constraints analysis to export promotion of public and private sector activities that influence the enabling environment for both export and investment. USAID will have overall M&E responsibility and will review all reports. The hierarchy of M&E responsibilities is shown in Exhibit 1 below.

Exhibit 1

Monitoring and Evaluation Responsibilities

WHO: USAID/KAMPALA WHAT: * Case studies of selected sites and NTEs * Increased Incomes * Increased NTEs HOW: * Rapid Appraisal * Supervise M&E * GOU Monitoring/Public Sector export data	
WHO: UIA WHAT: * Investments * Jobs created	HOW: UIA MIS
WHO: DFCU WHAT: * Financed ventures/firms	HOW: DFCU MIS
WHO: EPAU WHAT: * Policy studies * Policies reviewed and Implemented	HOW: EPAU MIS/SURVEYS
WHO: COLD STORAGE WHAT: * Volume of Perishables	HOW: MANAGEMENT MIS
WHO: MTI/UEPC WHAT: * Restructured UEPC * IDEA Implementation	HOW: TA REPORTS/ADC

The project goal is to **increase rural mens' and womens' income from agricultural exports.** The impact of export promotion will be assessed mainly through case studies of selected NTEs to generate the goal level logical framework indicator:

* Average dollar values per producer of selected NTEs from selected sites, which will be preferably rural settings.

The project purpose is to **increase the range and value of Non-Traditional Exports (NTES) by resolving public and private sector constraints to export promotion.** Achievement of these purpose-

level indicators will be tracked both through EPAU records[3], GOU export and other relevant statistics departments. Logical Framework indicators to be applied are:

* Number of NTEs with value greater than $2 million from 9 to 14 by 6/95.
* Annual dollar value of NTEs.

End of project Status indicators (EOPS) and outputs will be reported by each project affiliate with the assistance of long-term technical assistance personnel. Output indicators to be incorporated into the monitoring and reporting process are shown in Exhibit 2. USAID will track accomplishment of outputs and output indicators as set forth in the logical framework with the cooperation of various relevant entities shown in Exhibit 2 as well.

Exhibit 2: Output Indicators

UIA:

* Increase number of approved, licensed (622 projects) and implemented investments from 219 in 12/93 to 650 in 6/95.
* Increase in number of new jobs created through UIA assisted firms to 49,342 by 6/95.

EPAU:

* Number of policy studies conducted and number of policies reviewed by GOU as initiated by EPADU. From 5 in 93/94 to 10 in 94/95.

DFCU:

* Increase in number of DFCU financed ventures from 3 in 5/93 to 8 by 6/95.

MTI:

* Local TA meeting output
* Timeliness of IDEA Implementation activities.
* Restructured UEPC

CAA/Cold Storage Contractor:

* Increased volume of perishable exports through Entebbe Airport.

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[3] EPADU has been contracting "MSE Consultants", a local consulting firm to derive NTEs volume and $ values form ISTC Customs data. This effort has been very fruitful and timely and is therefore recommended for continued funding by USAID.