



United Nations Development Programme

Country: Uganda

Project Document



Project Title: Support for development of inclusive markets in Agriculture and Trade.
UNDAF Outcome(s): Outcome 2.2; Vulnerable segments of the population increasingly benefit from sustainable livelihoods and in particular improved agricultural systems and employment opportunities to cope with the population dynamics, increasing economic disparities, economic impact of HIV/AIDS, environment shocks and recovery challenges by 2014
Expected CP Outcome(s): Outcome 2.2; Increased productivity, competitiveness and employment in agriculture, trade and tourism sectors, particularly benefiting women and youth
Expected Output(s): Output 2.2.2; Functional and Inclusive markets in Agriculture and Trade sectors in place
Implementing Partner: Enterprise Uganda.
Responsible Parties: Kilimo Trust, Private Sector Development Companies (PSDCs)

Brief Description: The Agricultural sector still faces a daunting set of challenges, the most important of which are listed in the Development Strategy and Investment Plan(DSIP) and include; low productivity due to antiquated farming methods, difficulty in accessing productive assets including land, weak processing, marketing, storage and distribution systems etc. In addition, market access and growth potential for a number of products are constrained by low purchasing power in producing areas, weak market chains, inadequate economies of scale and difficulties in linking SMEs with market off-takers. This project will aim to address most of the above mentioned challenges through contributing to the government’s DSIP’s Programme 2 “Market Access and Value Addition”. Through building on inclusive business approaches, the implementation strategy involves adoption of a business linkage approach. Project interventions will involve engaging/linking buyers to farmer groups, provisions of customized business development services, strengthening cooperatives and farmer groups, providing customized agricultural services support, and introduction of innovative financing products and appropriate technologies.

Programme Period:	2011 - 2014
Key Result Area (Strategic Plan)	Poverty Eradication and Achievement of MDGs
Atlas Award ID:	00062246
Start date:	2011
End Date	2014
PAC Meeting Date	1 – 2 June 2011
Management Arrangements	NIM

Project budget	
Total resources required	USD 4,112,000
Total allocated resources:	USD 2,600,000
Regular	USD 2,600,000
Other:	
Donor	
Government	
Unfunded budget:	USD 1,512,000
In-kind Contributions	

Agreed by (Government): Ministry of Finance Planning and Economic Development

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Agreed by (Implementing Partner): ENTERPRISE UGANDA

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Agreed by UNDP

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ACRONYMS

AWP	Annual Work Plan
BCtA	Business Call to Action
BDS	Business Development Services
CDR	Combined delivery report
CICS	Competitiveness and Investment Climate Strategy
COMESA	Common Market for east and Southern Africa
DSIP	Development strategy and Investment Plan
EU	European Union
EUg	Enterprise Uganda
FAO	Food and Agricultural Organisation
GDP	Gross domestic Product
ICT	Information and Communications Technology
IP	Implementing Partner
ITC	International Trade Centre
KT	Kilimo Trust
LPAC	Local Project appraisal Committee
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MSME	Micro, Small and Medium Enterprise
MTIC	Ministry of Trade, Industry and Cooperatives
NAADS	National Agricultural Advisory Services
NDP	National Development Plan
PSDC	Private Sector development Company
PSFU	Private Sector Foundation Uganda
RP _s	Responsible Parties
SME	Small and Medium Enterprise

SNV	Netherlands Development Organisation
TA	Technical Assistance
TORs	Terms of reference
UNCDF	United Nations Capital Development Fund
UNV	United Nations Volunteer
WFP	World Food Program
WTO	World Tourism Organisation

SITUATION ANALYSIS

Agriculture Sector Overview

The agriculture sector in Uganda is characterized by a large number of smallholder producers, where over 80% of farmers operate on plots of between 1 and 5 acres. The sector, contributes over 20 percent of GDP, and employs over 70 percent of the working population, with a higher proportion of women (83%), than men (71%). It accounts for half of Uganda's exports and provides a large proportion of raw materials for the manufacturing sector, (where food processing accounts for 40 percent of total manufacturing). However, over the past decade, the sector's performance has been mixed. Growth in output declined from 7.9 percent in 2000/01 to 0.7 percent in 2007/08 (although it showed signs of recovery in 2008/09 with growth of 2.6 percent). While agriculture's contribution to growth has been disappointing, its contribution to the export sector shows a different picture.

Over the past 5 years agricultural exports increased significantly in scope and scale, particularly when informal cross-border trade is taken into account. The value of exports of primary agriculture products grew 16 percent per year on average over the period 2003-2008¹. Part of this is accounted for by the increase in exports of staple food to Kenya, Rwanda and more recently to southern Sudan and the Democratic Republic of Congo. Exports of maize and beans to Kenya more than doubled from 2004 to 2008, and in 2008/09 Uganda exported a quarter of its total marketable maize production, supplying half of Kenya's import demand. Between 2001 and 2007, the COMESA market emerged as the largest market for Uganda's exports. Indeed, in 2007, COMESA accounted for 38 percent of total exports, compared to 24 percent for the EU which was once the largest market.

The above suggests that while performance in subsistence level agriculture has declined and that formal private sector activity has increased in terms of productivity, investment and market development. The Agricultural sector still faces a daunting set of challenges, the most important of which are listed in the Development Strategy and Investment Plan(DSIP) and include physical aspects, such as the effects of climate change and declining soil fertility; low productivity due to antiquated farming methods, poor disease control and inadequate input use; difficulty in accessing productive assets including land together with weak processing, marketing, storage and distribution systems, and infrastructure.

Context for Market Development

The DSIP emphasizes the need to transform the agriculture sector from small-scale production/subsistence agriculture to commercialization, listing 17 "priority" commodities. In addition a number of other Government strategies and plans, notably National Development Plan (NDP), and the Competitiveness and Investment Climate Strategy (CICS) (2006-2010), highlight the importance of introducing measures to improve competitiveness and agriculture market integration, as a way of ensuring sustained economic growth. In pursuance of these growth objectives, measures aimed at encouraging the proactive commercialization of agriculture have been articulated in national and agriculture sector strategy documents. These include activities aimed at improving market access, encouraging value addition and conformity to international standards and infrastructural development. Other documented needs include improved market information flows, logistics and storage facilities; interventions aimed at bulking production to attain economies of scale, and assistance with certification arrangements. Business Linkages strengthening is recognized, as being a central part of this commercialization strategy.

Market access and growth potential for a number of products are constrained by low purchasing power in producing areas, weak market chains, inadequate economies of scale, difficulties in linking

¹ UBOS, 2009

SMEs with market off-takers, difficulties in conforming to food standards, apathetic attitudes to the pursuit of commercialization, and inappropriately located or inadequate distribution of storage facilities. There are a number of existing agri-business development initiatives that address most sections of the value chains for selected products. However there are as yet no major forays in the area of market access.

Existing “market-led approach” interventions include; out sourcing arrangements between MSMEs and market off-takers such as Mukwano (oil seeds), Newman (coffee), East African Basic Foods (soya), UgaChick (Chicken and chicken feed) etc. To sustainably upgrade market competitiveness of small and medium farms and firms, other critical success factors involve the balancing of market power, organizing strong farmers groups and addressing binding constraints, such as appropriateness and affordability of financial services.

Problems / Critical Issues Relating to Market Development

There are challenges in bringing together a large number of small and medium sized farmers to undertake collective production and marketing and these include; fragmented production systems, insecure land tenure systems, low production and inconsistent levels of supply, poor quality of produce. In addition, there are inadequate extension services and incentives to improve production, quality and competitiveness are inadequate. With regard to Uganda’s agricultural inputs markets, use of both pesticides and fertilizers, is among the lowest in the World². Distribution systems particularly in rural locations are weak, as observed in many parts of Uganda.

Small enterprises and farms are also in need of specialized business support and extension services to help to improve efficiency of production systems, conformity to market standards and to market their goods. There are a limited range of business development services (BDS) which are provided throughout the country, with most of the services concentrated in and around Kampala and the largest portions of these activities are subsidized. In the rural areas, the type of services tend to be characterised by generic mass training that is not sufficiently customized in terms of capacity development content and delivery mode. Additional challenges to BDS service delivery to SMEs include limited awareness of the need for these services, and where the need is recognized, limited ability to pay for them, as well as limited numbers of good quality BDS providers

IMPLEMENTATION STRATEGY

This project will aim to address most of the above mentioned challenges through contributing to the government’s DSIP’s Programme 2 “Market Access and Value Addition”. The implementation strategy involves adoption of a business linkage approach, whereby farmers are encouraged to improve production quality and supply through the aid of “market leaders” or “lead firms” in a number of commodities. Given the difference in scale of operation and level of sophistication between farmers and market leaders, farmer groups will be used as a bridge between the two parties and also as an alternative market linkage option, where it is not possible to establish long-term relationship with a market leader. The project will study and build on inclusive business approaches and models operating in Uganda, throughout Africa and elsewhere. Furthermore the project will utilize south-south approaches and solutions in implementation of activities.

Project interventions will involve analysis and mapping of value chains, offering technical assistance and engaging buyers, provisions of customized business development services, strengthening cooperatives and farmer groups, providing customized agricultural/business services support, and

² According to MAAIF statistics fertilizer utilization is among the lowest in the world, standing at 1kg per hectare compared, to Kenya at 6kg per ha.

introduction of innovative financing products and appropriate technologies. The project will achieve its goals through the following outputs and activities;

Output 1: Business linkages established and operationalised

The purpose of this output is to establish at least 20 fully functional business linkages with market leaders which are core to any initiative whose objective is to improve SME market access. Both sides to a market linkage relationship (buyers and sellers) require assistance to identify potential partners and to manage actual and perceived risks related to the development of joint ventures. Given the market power imbalances, contract negotiation assistance is required to safeguard interests of all parties and to offer the weaker parties a number of alternative market options. At the beginning of project implementation, and in partnership with a number of key stakeholders, comprehensive criteria will be developed to ensure that the appropriate product groups and geographical locations are selected, basing on inclusiveness, potential for creating high income impact, sustainability of the interventions as a result of market pull/demand, potential for up scaling these interventions, and many other criteria which are critical to the successful implementation of this output.

Activity results

1. Identify and select potential business linkage players
2. Provide Business development services to selected enterprises
3. Create formal business linkages
4. Mentor established business linkages

Output 2: Capacity of small holder producer groups and Business Support Associations' strengthened

A carefully customised demand-led approach to the provision of services in the areas of general business services, marketing, market research, bulking produce, creation/strengthening of group governance structures, access to technology, brokering of deals and development of market linkages will be followed in order to address business and market development needs. Farmer Groups and cooperatives offer an important avenue for achieving increased economies of scale and building capacity through training, extension and dissemination of market information. This will therefore be used as the main outreach method for farmer capacity building, as well as contract negotiation. In order to achieve this output, the following key activities will be undertaken;

Activity Results

1. Identify capacity gaps of the small holder producer groups and business support associations
2. Develop and implement capacity building initiatives by small holder producer groups and business support associations.
3. Disseminate timely market information

Output 3: Innovative pro-poor business concepts developed and operationalized

This project will engage the corporate private sector to promote innovative pro-poor business models - including those which create mutually beneficial business linkages between micro and small local producers with large local and international enterprises; and will promote advocacy for the use and alignment of Corporate Social Responsibility (CSR) resources in ways that contribute to the development of inclusive markets. This will be a unique platform for private sector corporations to commit themselves to support the acceleration of income generation through inclusive and sustainable core business activities.

Activity Results

1. Identify and sensitize corporate private sector companies and MSMEs
2. Facilitate the development of pro-poor business solutions
3. Mentor established partnerships

Output 4: MSME's access to assets for productive uses (finance, market information and technology) increased

Products currently on offer in Uganda's financial markets are largely of a short term nature and financial institutions are wary of agriculture sector financing. Quite apart from the intermediation gaps affecting the whole sector, it is recommended to pilot products that have worked in other countries and sectors in parallel with the technical competencies and management capacities of the user groups. This will ensure business linkage development initiatives are not stymied. Piloting mechanisms to access various products e.g. patient capital, contract financing, subsidy arrangements (e.g. consider replication of the Uganda Saw Log project), guarantee schemes and returnable grants, with the objective of facilitating for asset acquisition and funding of other agribusiness activities. In order to achieve this output, the following key activities will be undertaken

Activity Results

1. Conduct a mapping exercise of MSMEs' access to productive assets conducted
2. Facilitate access to financial services, information and appropriate technologies

Exit strategy

The strategy for this project is centred around the "market-led" approach. Therefore, the services that will be provided at all levels will be demand driven. The market leaders will identify viable products and the farmer groups they are interested in working with, in order to ensure that the businesses and linkages created are profitable and sustainable and thus will be expected to continue after the project has closed. Selection of the commodity value chains will be a result of comprehensive feasibility studies to ensure the identification of sustainable businesses and mutually beneficial business relationships. In addition, the project will emphasise mentoring and monitoring of the progress of the businesses and partnerships developed during the project.

RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework:

Outcome 2.2: Increased productivity, competitiveness and employment in Agriculture, Tourism and Trade sectors particularly benefiting women and youth

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Applicable Key Result Area (from 2008-11 Strategic Plan): Poverty eradication and achievement of MDGs

Project title: Support for development of inclusive markets in Agriculture and Trade

Intended Outputs	Output Targets	Indicative Activities	Responsible Parties	Inputs
<p>Output 1 Business linkages established and operationalized</p> <p>Indicators: Number of viable business linkages created</p> <p>Baseline: Business linkages, access to productive markets and small holder producers weak and unstructured.</p>	<p>Targets:</p> <p>2011 At least 50 high potential business linkages identified</p> <p>2012 Capacity built in 30 selected enterprises for effective business linkages</p> <p>2013 At least 20 fully developed business linkages in place and fully functioning</p> <p>2014 At least 20 established business linkages mentored</p>	<p>Activity result 1: Identify and select potential business linkage players</p> <p>Action 1: Identify, profile, categorize and select priority sectors for support based on carefully developed criteria</p> <p>Action 2: Identify market leaders and assess lead firm readiness to support SME</p> <p>Action 3: Identify and select MSMEs that are market ready</p> <p>Activity Result 2: Provide Business development services to selected enterprises</p> <p>Action 1. Define required project interventions to facilitate farmer group upgrading</p> <p>Action 2. Offer BDS support to nurture and sustain the linkages formed.</p> <p>Activity Result 3: Create formal business linkages</p> <p>Action 1. Facilitate the process of negotiating and signing of formal</p>	<p>EUG /KT</p>	<p>780,000</p>

			contracts between the selected MSMEs and the market leaders Action 2. Capacity building of the program technical team		
			Activity Result 4: Mentor established business linkages Action 1. Offer business counselling/handholding support to nurture and sustain the linkages formed.		
			Activity result 1: Undertake a comprehensive capacity assessment of selected farmer groups and business support associations Activity Result 2: Develop and implement capacity building initiatives by small holder producer groups and business support associations.	EUG/KT	810,000
			Output 2: Capacity of small holder producer groups and Business support Associations strengthened Indicator: Number of farmer groups and business support associations supported to increase productivity and market power. Baseline: Farmer groups/cooperatives have weak capacity to access markets and sustain trading relationships. Indicator:	Targets: 2011 A capacity assessment undertaken and a comprehensive capacity assessment report produced 2012 At least 4 training programmes developed and implemented 2013 At least 6 training programmes developed and implemented 2014 At least 8 capacity building programmes implemented	
			Action 1: The small holder farmer groups whose capacity will be strengthened, identified Action 2: Select small holder producer groups and business support associations and deliver capacity development interventions to improve productivity Action 2: Develop and implement targeted group training, and strengthen group governance Action 3: Conduct farmer exchange visits for farmer groups to successful model farms and institutions within the country and within the region and develop plans on how to implement the observed best practices. Action 4: Facilitate access to various certification schemes and market standards Activity Result 3: Disseminate timely market information Action: Develop and implement ICT tools for timely market information dissemination.		

<p>Indicators: Number of individuals accessing appropriate productive assets (finance, market information and/or appropriate technologies e.t.c.)</p>	<p>2012 at least 6 products developed to increase access to productive assets.</p> <p>2013 At least 100 MSMEs facilitated to access financial services and availed information on appropriate technologies</p> <p>2014 At least 100 MSMEs facilitated to access financial services and availed information on appropriate technologies</p>	<p>agribusiness productive assets/services requirement in terms of affordability and facility size, to inform design of appropriate products by financial institutions</p> <p>Actions 3 Explore and negotiate possible outsourcing, resource pooling and linkage arrangements with other agribusiness schemes.</p> <p>Activity Result 2: Facilitate access to financial services, information and appropriate technologies</p> <p>Action 1. Negotiate for and link the groups to acquire acquisition of productive assets. Action 2 Broker innovative financing arrangements in partnership with banks and large buyers Action 3. Conduct regional sessions between the finance and assets suppliers and the SMEs</p>	
<p>Baseline: MSMEs have limited access to appropriate financial and productive assets.</p> <p>Management, monitoring and audit evaluation</p> <p>Total</p>			<p>763,000</p> <p>4,113,133</p>

resources effectively and efficiently to achieve the stated outputs. It will also ensure high level support and participation of key stakeholders, especially the private sector both at national and local levels and build synergies with other related institutions that affect or are affected by the results of the project. The membership and specific TORs for the Project Board will be reviewed and finalized during the inception phase.

Project Assurance

The role of project assurance is to support the project board by carrying out project monitoring to ensure appropriate project management milestones are managed and completed. The project assurance will ensure that quality management procedures of UNDP and project board decisions are followed, and that the project fits into the overall country programme. Project Assurance will be coordinated by the UNDP which will be responsible for monitoring progress towards achievement of project outputs, and overseeing compliance implementation with UNDP policies, coordinate quarterly and annual reporting including the presentation of work plans and reports to UNDP and the Board.

Project Management

The Project will be implemented by Enterprise Uganda and the implementation of project activities will be undertaken by a project team headed by the Project Manager, specifically designated to manage this project. The Manager will be responsible for the day to day implementation of project activities to achieve the specified results including use of inputs to produce outputs as set forth in the Annual Work Plans (AWP) to the required standard of quality and within the specified constraints of time and resources. The project manager will ensure that the project produces its intended outputs and will provide guidance to the project teams, manage finances and prepare progress reports as well as annual reports to be submitted to UNDP and the Board.

The project will be supported by a Finance and Administrative Assistant to undertake key project financial & administrative backstopping and operations and procurement of services as defined in the project work plans. The project will be provided with technical resources such as UNV specialists and other experts drawn from the extensive UNDP knowledge resources as well as from other sources. These experts will constitute the project technical teams that will work under the guidance of the project manager to implement the activities and deliver the project results. The technical experts will report to the Project Manager who will report to the Implementing Partner. The Implementing Partner will report to the Project Board. In addition the Implementing Partner will contract Responsible Parties (RPs) that will implement some of the activities and components, based on their (RPs) competence and comparative advantages. The Responsible parties will be accountable to the Implementing Partner for the delivery of activities and results relating to their specific components contracted to them.

UNDP Support Services

The UNDP will provide specific services to the project at the request of the Implementing Partner, including overseas procurement, sourcing of consultants, recruitment of international consultants, and arranging of training and fellowships. Where necessary, the UNDP will also provide other services such as direct disbursements, identification of programme personnel, local procurement of goods and services etc. Such services will be provided in accordance with the UNDP regulations, rules and procedures. UNDP costs on these additional services will be recovered from the project.

LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".

MONITORING AND EVALUATION FRAMEWORK

Monitoring of each component's inputs and outputs in relation to the objectives is an important element of project management. The goal will be to assess and track progress towards the production of outputs as set out in annual work plans against the overall project objectives and the results framework. The UNDP country office will be responsible for the ongoing monitoring and evaluation of the project's progress in accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- An initial review is proposed during quarter 3, to assess progress in project start up, review and confirm targets and agree service standards.
- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As a minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each of the above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Annual review meetings will be used as a mechanism to track progress, promote stakeholders ownership of the programme activities and test key assumptions in design. It is assumed that this will make it possible for partners to define an agreed exit strategy based on progress made within the project financial commitments.

A UNDP Evaluation Advisor will help to design a specific project monitoring framework with clear CD indicators and tools for tracking progress with partners.

Additionally, the monitoring process will allow for an assessment of management and operations (“process evaluation”) of capacity building, technical assistance and investment activities.

The project will contract an independent third-party contractor to undertake an evaluation including verification, analysis and reporting of findings.

An independent final outcome evaluation will take place six months prior to the final Programme Board meeting and will focus on the relevance, effectiveness, efficiency and timeliness of programme implementation. It will present lessons learned regarding programme design, implementation and management.

The table below indicates the Monitoring and evaluation log

Output 1: Business linkages established and operationalized			
Activity Result 1 (Atlas Activity ID)	Identify and select potential business linkage players	Start Date: Q4, Year 1 End Date: Q4, Year 4	
Purpose	<i>Initiate and develop formal and structured trading relationships between the small holder producers and the large market off-takers</i>		
Description	<p>Action 1 Identify and profile priority sectors for support. Action 2. Identify market leaders and assess lead firm readiness to support SME Action 3. Identify and select MSMEs that are market ready Action 4 Define required project interventions to facilitate farmer group upgrading Action 5.Offer BDS support to nurture and sustain the linkages formed Action 6. Facilitate the process of negotiating and signing of formal contracts between the selected MSMEs and the market off-takers Action 7. Build capacity of program staff</p>		
Quality Criteria	Quality Method	Date of Assessment	
<ul style="list-style-type: none"> ▪ Number of profiled sectors adopted ▪ Number of lead firms enlisted ▪ Number of MSMEs enlisted ▪ Number and value of contracts signed ▪ Number of MSMEs that have accessed the BDS support initiatives ▪ Business process improvements made by the MSMEs 	<ul style="list-style-type: none"> ▪ Profile report ▪ Quarterly and annual Activity Progress reports ▪ MoUs signed ▪ Copies of signed contracts 	<ul style="list-style-type: none"> ▪ End of Q4, year 1. ▪ End of project 	
Output 2: Capacity of small holder producer groups and Business Support Associations strengthened			

Activity Result 1 (Atlas Activity ID)	Capacity gaps of the smallholder producer groups and business associations identified	Start Date: Q4, Year 1 End Date: Q4, Year 4
Purpose	<i>To enhance the capacity of small and medium farmer's to access sustain market trading relationships.</i>	
Description	<p>Action 1 – Conduct a capacity assessment of small holder producer groups and business support organizations.</p> <p>Action 2. Develop and implement targeted group training, provide sharing of facilities and strengthen group governance</p> <p>Action 3 Provide business counselling, mentoring and handholding services to farmer groups</p>	
Quality Criteria	Quality Method	Date of Assessment
<ul style="list-style-type: none"> ▪ Number of trainings conducted and number of participants attending 	<ul style="list-style-type: none"> ▪ Activity implementation reports ▪ Training reports 	<ul style="list-style-type: none"> ▪ Annually ▪ End of project
Output 3: Innovative pro-poor business concepts developed and operationalized		
Activity Result 1 (Atlas Activity ID)	Activity Result: Identify and sensitise Corporate private sector companies and MSMEs	Start Date: Q4, Year 1 End Date: Q4, Year 4
Purpose	<i>To enhance poor people's participation in the mainstream business operations of large companies</i>	
Description	<p>Action1 - Mobilize and sensitize corporate private sector</p> <p>Action 2. Conduct a business call to action mapping study</p> <p>Action 3. Facilitate corporate companies to identify and select appropriate business concepts</p> <p>Action 3 Mobilise and conduct awareness campaigns in the identified target communities for active engagement in the business call to action</p>	
Quality Criteria	Quality Method	Date of Assessment
<ul style="list-style-type: none"> ▪ Number of potential mapped innovations 	<ul style="list-style-type: none"> ▪ Innovation study report 	<ul style="list-style-type: none"> ▪ Annually

<ul style="list-style-type: none"> sectors adopted ▪ Number of corporate private sector firms enlisted ▪ Number of MSMEs enlisted ▪ Number of innovations actualized 	<ul style="list-style-type: none"> ▪ Tripartite MoUs signed ▪ Activity implementation reports ▪ Contracts signed 	<ul style="list-style-type: none"> ▪ End of project
Output 4 MSMEs access to assets for productive uses (finance, market information and technology) enhanced		
Activity Result 1 (Atlas Activity ID)	Activity Result: Conduct mapping exercise of MSMEs access to productive assets conducted	Start Date: Q4, Year 1 End Date: Q4, Year 4
Purpose	<i>To upgrade the scale of operations and productivity levels of the MSMEs in their business activities</i>	
Description	Action 1. Study on constraints to access to productive services by MSMEs conducted Action 2: Carry out diagnostic/mapping study to assess agribusiness productive asses/services requirement in terms of affordability and facility size, to inform design of appropriate products	
Quality Criteria	Quality Method <ul style="list-style-type: none"> ▪ Study report ▪ Diagnostic report 	Date of Assessment <ul style="list-style-type: none"> ▪ Annually ▪ End of project
<ul style="list-style-type: none"> ▪ Innovative asset and finance products adopted by financial and asset suppliers/providers ▪ Value of assets obtained ▪ Value of finance accessed 		

ANNEXES

Annex 1:
Annual Work Plan 2011

EXPECTED OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Budget Description	Amount US\$
Output 1 Business linkages established and operationalized Indicators: Number of business linkages identified and supported Target At least 50 high potential business linkages identified Baseline: Business Linkages, access to productive markets and small holder producers weak and unstructured.	Activity Result 1 Identify and select potential business linkage players Action 1 Identify, profile and categorize priority sectors for support according to established criteria Action 2. Identify market leaders and assess lead firm readiness to support SME. Action 3: Identify and select MSMEs that are market ready					EUG/KT	- Consultancy costs - Travel costs - Workshop costs - Advertising and publicity costs - Stationery - Professional fee	60,000
						KT	- Travel costs - Workshop costs - Stationery - Professional fee	28,000
						PSDCs	- Travel costs - Workshop costs - Stationery - Professional fee	25,000

EXPECTED OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Budget Description	Amount US\$
Output 2: Capacity of small holder producer groups and Business Support Associations strengthened Target: Capacity gap assessment of small holder producer groups and	Activity Result 1: Identify capacity gaps of the small holder producer groups and business support associations							
	Action 1. Conduct a capacity assessment of small holder producer groups and business support associations.					EUG/PSDCs	- Travel costs - Workshop costs - Stationery - Professional fee	46,000

EXPECTED OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q1	Q2	Q3	Q4		Budget Description	Amount US\$
business support associations conducted								
Indicator: <ul style="list-style-type: none"> - Report on capacity assessment - Number of capacity building programs developed and implemented - Number of farmer groups and Business support associations supported to increase productivity and market power. Baseline: Farmer groups/cooperatives have weak capacity to access markets and sustain trading relationships.								
	Action 2: Develop targeted group manuals/programs					EUG/PSDCs	<ul style="list-style-type: none"> - Travel costs - Stationery - Professional fee 	25,000

EXPECTED OUTPUTS <i>And baseline, associated indicators and annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	BUDGET DESCRIPTION	Amount US\$
		Q1	Q2	Q3	Q4			
finance, market information and technology) increased	Action1. Conduct a study on constraints to accessing productive assets by SMEs						25,000	
Targets: Mapping of access to productive services by MSMEs in selected areas undertaken and gaps identified.								
Indicators: Number of individuals accessing appropriate productive assets (finance, market information systems, technology e.t.c.)					KT/EUG	- Consultancy costs - Travel costs - Workshop costs - Stationery - Professional fee		
Baseline: MSMEs have limited access to appropriate financial and productive assets.								
Management, monitoring and evaluation							25,000	
TOTAL							329,000	

**Annex 2:
Risk Analysis:**

Description of Risk	Date identified	Type of risk (Financial, organisational, operational)	Impact and probability (1 – lowest – 5 – highest)	Mitigation Measures	Owner of risk	Submitted, updated by	Last update
Insufficient number of market leaders and corporate companies willing to get involved	30/04/11	Strategic	Project target will not be met, and MSMES may be frustrated and discouraged if business linkages fail to work out P=3 I=3	Ensure extensive feasibility studies are conducted and that market leaders are not only restricted to national firms. Regional and international market leaders will be sourced	UNDP, Project Management Team	Angella Katama	22/07/2011
							22/07/2011

Unsustainable business concepts developed	30/04/11	Strategic	Failure of the corporates to implement developed poor business concepts P=3 I=3	Appropriate structuring of these engagements to create win-win partnerships Prove/show evidence of profitability of developed pro-poor businesses through preparation of concrete business plans and feasibility studies	Project Management	Angella Katama	22/07/2011
Lack of commitment of the farmer groups to signed contracts	30/04/11	operational	Corporates and market leaders will lose morale and will be reluctant to participate in the linkage programmes P=3 I=3	Intensive preparation of the farmers/groups in business management aspects and ensuring that contract terms are clear	Project management	Angella Katama	22/07/2011
Lack of sufficient funding for the project	30/04/11	Financial	This project still has a deficit and not all activities will be implemented as planned of resources are not mobilised. Key activities may have to be cut out and thus affect the overall impact of the project	Lobby for more resources from other partners	UNDP Project management	Angella Katama	22/07/2011

- Delegate any Project Assurance function as appropriate;
- Review the Progress Report for the Initiation Stage (if an Initiation Plan was required);
- Review and appraise detailed Project Plan and AWP, including Atlas reports covering activity definition, quality criteria, issue log, updated risk log and the monitoring and communication plan.

Running a project

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the Project Manager;
- Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- Agree on Project Manager's tolerances in the Annual Work Plan and quarterly plans when required;
- Conduct regular meetings to review the Project Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review Combined Delivery Reports (CDR) prior to certification by the Implementing Partner;
- Appraise the Project Annual Review Report, make recommendations for the next AWP, and inform the Outcome Board about the results of the review.
- Review and approve end project report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exception situations when project manager's tolerances are exceeded;
- Assess and decide on project changes through revisions;

Closing a project

- Assure that all Project deliverables have been produced satisfactorily;
- Review and approve the Final Project Review Report, including Lessons-learned;
- Make recommendations for follow-on actions to be submitted to the Outcome Board;
- Commission project evaluation (only when required by partnership agreement)
- Notify operational completion of the project to the Outcome Board.

b) Project Manager

Overall responsibilities:

The Project Manager is responsible for the a day-to-day running of the project on behalf of the Project Board within the constraints laid down by the Board. His/ her responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

The Implementing Partner appoints The Project Manager, will be appointed by Enterprise Uganda who is the UNDP's Implementing Partner's for this project Specific responsibilities would include:

Overall project management:

Manage the realization of project outputs through activities;

Provide direction and guidance to project team(s)/ responsible party (ies);

Liaise with the Project Board or its appointed Project Assurance roles to assure the overall direction and integrity of the project;

Identify and obtain any support and advice required for the management, planning and control of the project;

Responsible for project administration;

Liaise with any suppliers;

May also perform Team Manager and Project Support roles;

Running a project

Plan the activities of the project and monitor progress against the initial quality criteria.

Mobilize goods and services to initiative activities, including drafting TORs and work specifications;

Monitor events as determined in the Monitoring & Communication Plan, and update the plan as required;

Manage requests for the provision of financial resources by UNDP, using advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures);

Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;

Manage and monitor the project risks as initially identified in the Project Brief appraised by the LPAC, submit new risks to the Project Board for consideration and decision on possible actions if required; update the status of these risks by maintaining the Project Risks Log;

Be responsible for managing issues and requests for change by maintaining an Issues Log.

Prepare the Project Quarterly Progress Report (progress against planned activities, update on Risks and Issues, expenditures) and submit the report to the Project Board and Project Assurance;

Prepare the Annual review Report, and submit the report to the Project Board and the Outcome Board;

Based on the review, prepare the AWP for the following year, as well as Quarterly Plans if required.

Closing a Project

Prepare Final Project Review Reports to be submitted to the Project Board and the Outcome Board;

Identify follow-on actions and submit them for consideration to the Project Board;

Manage the transfer of project deliverables, documents, files, equipment and materials to national beneficiaries;

Prepare final CDR/FACE for signature by UNDP and the Implementing Partner.

Annex 4**LIST OF POTENTIAL COLLABORATING PARTIES**

1.	Uganda Commodities Exchange
2.	Uganda Co-operative Alliance
3.	World Food Program
4.	Food and Agricultural Organization
5.	Techno serve
6.	SNV
7.	Stanbic Bank
8.	Centenary Bank
9.	Finca Uganda
10.	NAADS
11.	Apitrade
12.	Private consultancy firms and individuals
13.	Market Linkages Initiative program
14.	aBi Trust
15.	FIT Uganda
16.	Equipment suppliers
17.	Local Economic Development
18.	Uganda Export Promotion Board



