



Project Name	Competitiveness and Enterprise Development Project (CEDP)
Project Number	P130471
Component	Matching Grant Facility (MGF)
Reporting Period	July – September 2015
Reporting to:	Project Coordinator
Title:	Quarterly Progress Report
Contact Details	Grants Manager
Funding	GOU/IDA

Background

The Government of Uganda received credit from the World Bank towards implementation of the Competitive and Enterprise Development Project (CEDP). The Matching Grant Facility (MGF) is under component four of the Competitiveness and Enterprise Development project and implemented by PSFU under the supervision of the Project Coordination Unit.

Objective of the MGF

The objective of the MGF is twofold and includes:

- 1) Improving enterprise capacity by facility beneficiaries access grants of up to 50% towards use of specific business development services (BDS)
- 2) Increasing the growth and competitiveness of the private sector in order to maximize returns on products/services through value chain analysis

The MGF seeks to support interventions in high potential and sector specific sub-sectors including; tourism, coffee, horticulture, grains and pulses, fisheries, edible oils, and ICT.

Implementation

The MGF received up to 520 applications including 66 from Fisheries, 253 Agribusiness related, 97 from Tourism and 85 ICT in the first quarter as reflected in table one below.

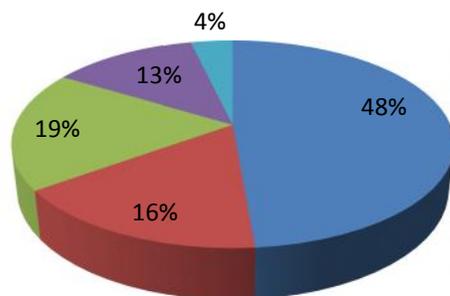
The MGF has concentrated on reviewing and processing the applications in the second performance quarter.

Table 1: Received Applications by Sector

Sector	Activities	%
Agribusiness	253	48.7
ICT/BPO	85	16.3
Tourism	97	18.7
Fisheries	66	12.7
Non-classified	19	3.7
Total	520	100.0

Received Applications by Sector Activities

■ Agribusiness
 ■ ICT/BPO
 ■ Tourism
 ■ Fisheries
 ■ Non-classified



By the end of the second quarter (July – September 2015), over 85 percent of all received proposals had been processed with;

- 152 applications recommended for MGF support totaling US\$ 1,587,185.
- 272 proposals rejected for among other reasons being non-compliant to the call, out of targeted scope and failure to meet eligibility criteria.
- 19 proposals were unclassified and hence not responsive to the call.
- A total of 77 applications are still in-progress.

Summary of Progress Achieved during the Quarter

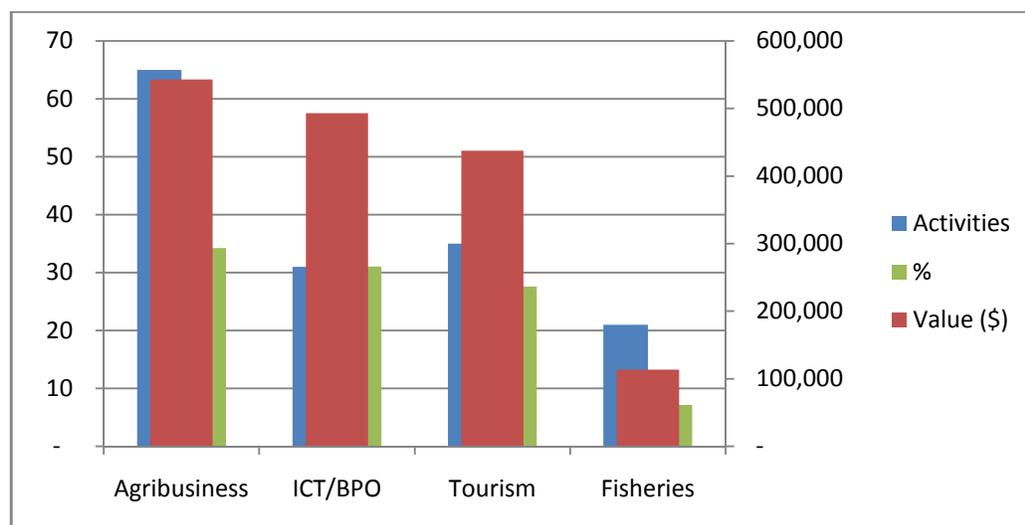
Table 2 below shows the statistics on allocations made by sector with Agribusiness leading in both numbers and value at 65 activities and \$543,44 (34.2%) respectively. This is expected since the sector received the highest number of applications.

Table 2: Processed Activities by Sector

Sector	Activities	Value (\$)	%
Agribusiness	65	543,244	34.2
ICT/BPO	31	493,002	31.1
Tourism	35	437,637	27.6
Fisheries	21	113,302	7.1
Total	152	1,587,185	100.0

It's worth noting that although the ICT/BPO and Tourism sectors had only half the number of allocations, they posted high allocation values of \$493,002 (31.1%) and 437,637 (27.6%) respectively because of the nature of activities for which support is sought.

Processed Activities by Sector

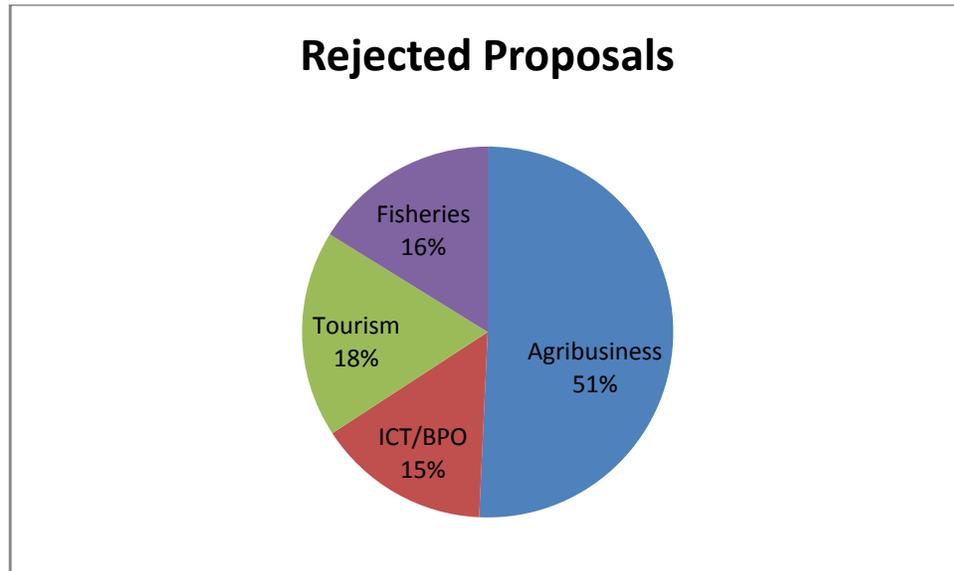


As reflected in table 3, a total of 272 applications (52%) were unsuccessful with the most common reasons for rejections being:

- 1) Request for equipment and machinery which are ineligible for MGF support.
- 2) Application for capital and operational related expenditures.
- 3) Lack of proof of financial availability to undertake planned activities.
- 4) Falsification of supporting documentation.
- 5) Unresponsiveness to raised queries during the review process.
- 6) Unsupported sectors
- 7) Startup businesses

Table 3: Rejected Proposals

Sector	Activities	%
Agribusiness	138	50.7
ICT/BPO	41	15.1
Tourism	49	18.0
Fisheries	44	16.2
Total	272	100.0



The bulk of the rejected applications were under agribusiness (51%) but this is in line with the anticipated support from the sector reflected by the number of prospects from the same sector.

Project Management

- a) Constituting the MGF- Grants Review Committee: Terms of reference for the MGF-GRC were finalized and sent to the nominated names for review and concurrence. All the five nominations have indicated willingness to serve on the committee.
- b) Peer Review Committee: The MGF has constituted an eternal team to review and make recommendations on enriching the quality and processing of applications before submission to the MGF-GRC.
- c) Recruitment of MGF Accountant, M&E Officer and Ad hoc Monitors: The processes are underway to refill the MGF accountant position and recruit an M&E Officer in this quarter. An advert was place in the Newspapers and the Procurement Specialist will advise on progress in due course.
- d) Information management through a Web-Based Portal system: We are in the final stages of rolling out the MGF web-based portal after reviews and contributions from the user department and M&E Specialist on the necessary

design that will allow for maximum data collection, manipulation and retrieval to support and ease report writing.

- e) MGF Work Plan and activity budget for FY 2015/16: These key documents were generated by the MGF staff with support of the FMS, Communication Specialist and M&E Specialist and submitted to the PC for consolidation in the overall Project Plan.
- f) MGF Promotional and Visibility Campaign: The team has continued to promote the MGF in different forums including among others:
- Participating in the 23rd Source of the Nile Jinja Agricultural Trade Show in July 2015 that attracted stakeholders in the agricultural value chain.
 - Promoting the MGF in Radio Talk shows on 89.2 FM CBS and Radio Simba during the preparations for the Trade Facilitation Day in the month of August 2015.
 - Presentations to over 50 UWEAL members at their Head Office in Nakasero.
 - Presentation to over 80 members of the Uganda Tourism Association and invited guests at Serena Hotel.
 - Participating in the PSFU organized International Trade Facilitation day at Lugogo UMA Exhibition hall.

Planned Activities for the next Quarter

A number of activities are planned for in the coming quarter in an effort to move towards realizing the intended objectives of the MGF including;

- a) Award of grants and signing of contracts to processed and approved activities.
- b) Undertake necessary due diligence on prospects, monitoring and evaluation of supported clients.
- c) Process and reimburse approved funds to clients on completed activities.
- d) Concluded the recruitment process for the Accountant, M&E Officer and Ad hoc Monitors.

- e) Finalize the MGF key performance indicators (KPIs) based on the baseline information obtained.
- f) Participate in MGF promotional related activities including workshops, seminars and outreach campaigns.
- g) Make arrangements to undertake a second call for proposals.
- h) Undertake any activities that facilitate the realization of the MGF objectives.

Challenges

Progress has been made to address some of the major issues affecting performance in the past quarter including provision of office chairs, internet connectivity and telephone services. However the following have to be resolved as well to ensure productivity:

- Conclusion of procurement of a network printer, photocopier, cabinets, and laptops for the MGF Team.
- Finalize the recruitment of the two MGF drivers to ensure mobility of the staff in line with their official assignments.
- Conclude the procurement of staff medical insurance.
- Delayed feedback during the 1st Call to prospects on progress of their submissions and ultimately affecting implementation of activities.

Key Recommendations

The following key performance issues still require urgent attention and must be concluded to allow for a smooth implementation of the MGF.

- i. There is a need to quickly fill the MGF Accountant's position before the disbursement process for the MGF grants begin in the next quarter.
- ii. To complete the recruitment process for the Monitoring and Evaluation officer so that latter works with the Manager and Business Advisors on the MGF monitoring requirements including the baseline survey for the Facility.
- iii. Hasten the process of review by the Bank to allow for timely implementation of planned activities.