



Project Name	Competitiveness and Enterprise Development Project (CEDP)
Project Number	P130471
Component	Matching Grant Facility (MGF)
Reporting Period	October – December2015
Reporting to:	Project Coordinator /Executive Director
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.

Project Management

The MGF and in line with the developed implementation roadmap was able to undertake the following activities in the quarter beginning October to December 2015.

- 1) The Manager attended the Coffee Day Celebrations held at GladFarmKapekeke in Nakaseke on October 01, 2015. The theme was “Focus on productivity: The Coffee sector at the climate change frontline.”
- 2) Concluded the constituting and formalization of the MGF Grants Review Committee (GRC). The process included nominations, drafting of TOR and appointments.
- 3) Attended the CEDP Project Technical Committee that was held on October 08, 2015 to discuss project implementation matters including the MGF
- 4) Presented the MGF Progress report to the Implementation Support Mission that reviewed progress of CEDP including the MGF between October 20 – 23, 2015

- 5) The Manager /Secretary to the GRC presented the first batch of processed activities under the first call for proposals (over 120 files) to the Grant Review Committee for review. The batch was subsequently approved on November 10th, 2015 with minor adjustments.
- 6) The second batch of 43 processed files was presented to the Grant Review Committee on December 04, 2015 and all but 4 files were approved for support. The MGF Team was requested to avail additional information on the four to allow for appropriate review.
- 7) Signing of Client letter of Agreements for the processed activities after the approval from the GRC and implementation of activities started in earnest from November 2015.
- 8) The Team held a successful awareness and promotional campaign between November 30th – December 03, 2015 in Eastern Uganda including; *a)* meetings with Public officials; including the RDC, CAO and LCV Chairperson (representative) of Mbale, *b)* radio talk show at Open Gate Radio station, *c)* a well-attended business workshop at Mbale Resort Hotel and *d)* TV coverage of the event.
- 9) The MGF Team undertook field monitoring and verification trips between November 02 – 03, 2015 in Mbale, Tororo, Busia and Jinja; and clients visited included:
 - a) Mbale Resort Hotel
 - b) Hotel 100
 - c) Build Tec Solutions Limited
 - d) Busia Fish Mongers Association Cooperative Society Limited
 - e) Geossy Company
 - f) The Source of the Nile Hotel
 - g) Upland Rice Millers Limited
 - h) Sihubira Area Cooperative Society Limited
- 10) The MGF publicized the second call for proposals in the New Vision and Daily Monitor newspapers of November 19 and 20, 2015 respectively. The call is also on the MGF website and emails were sent to the relevant sector associations. Presentations about the same were made to the Tourism

Association and URSB-SME workshop. The deadline for submission is December 22, 2015.

- 11) The MGF portal was completed and it is currently being used to receive applications for the second call for proposals.
- 12) A Retreat to review implementation was undertaken by the MGF team supported by CEDP staff including the Internal Auditor, M&E, Communication and Financial Management Specialists at the Imperial Resort Hotel between the December 10 and 11, 2015 in Entebbe.

Performance Summary – Call for Proposals (Round one)

Subsector	Entities	Value (\$)	Total Beneficiaries	Male Owned	Female Owned
Coffee	18	189,025	80,165	10	6
Edible Oils	7	17,520	896	378	518
Grains & Pulses	38	229,683	14,277	6,141	8,136
Horticulture	17	165,540	29	15	14
Fisheries	22	124,669	609	410	199
ICT/BPO	32	493,002	79	61	18
Tourism	36	452,262	64	31	33
Total	170	1,671,701	96,119	7,015	8,891

The highest commitments went to Agribusiness sector with a cumulative total of 80 entities (firms & associations) allocated US\$ 601,768 which is 36% of total commitments. Under the sector, grains and pulses received the biggest share with 13.7%, followed by coffee at 11.3%; plus horticulture and edible oils at 9.9 and 1% respectively.

Both the ICT/BPO and Tourism sectors performed relatively well with 29.5 % (\$493,002) and 27.1% (\$452,262) allocations respectively. The tourism sector had

36 entities whose proposals were successfully processed while support to the ICT/BPO sector went to 32 organizations.

The fisheries sub sector had a total of 22 applications that were successfully processed with a total commitment value of US\$ 124,669.

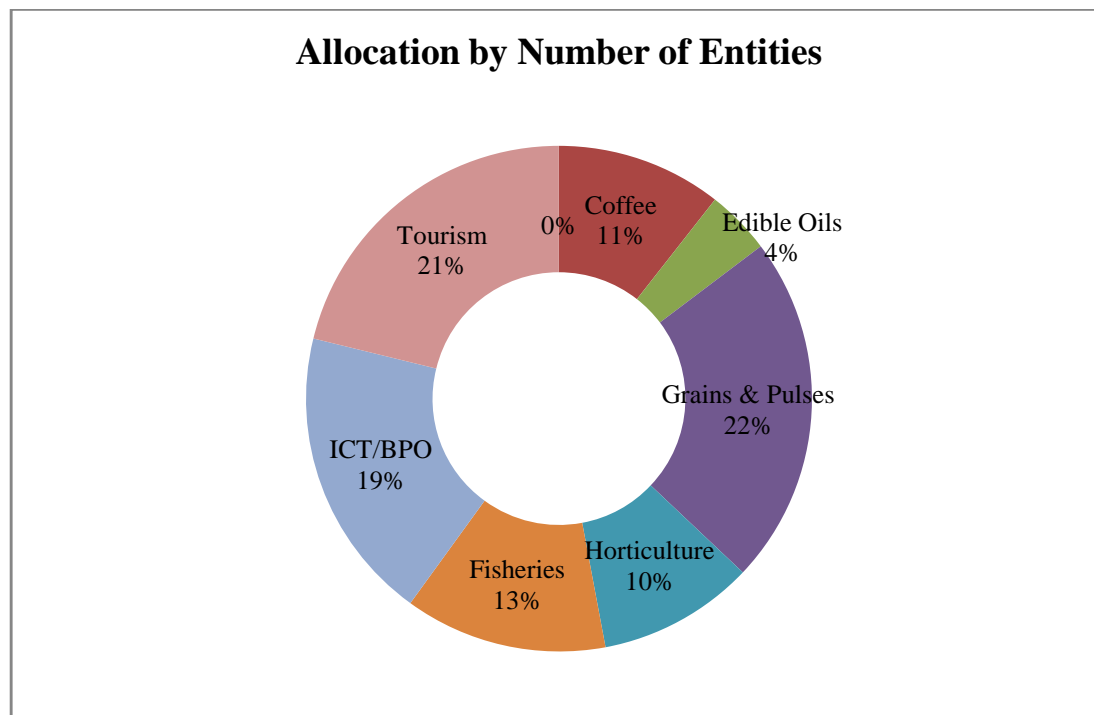
- Total number of beneficiaries is reported at 96,119 individuals.
- Total number of benefiting entities under Agribusiness was 80 with a cumulative allocation of \$ 601,768.
- Under the Agribusiness sector, the biggest allocation went to Grains and pulses which had 38 entities with a commitment of US\$229,683. Coffee came in second with an allocation of US\$ 189,025 followed closely by horticulture with US\$165,540.
- The total number of beneficiaries especially under coffee, edible oils, grains and pulses is influenced by the participation of groups including business associations and cooperative societies with big membership.
- At 8,891, the number of female owned organizations is more than male owned (7,015) largely due to the association of women to groups including associations and cooperative unions.

Supported Activities

Organizations were supported to undertake a range of business development services including the following:

- Business plans & Feasibility Studies
- Training (GAP) & Capacity building
- International marketing & sales promotion (e.g. Trade fairs, travel exhibitions, Market Penetration, etc.)
- Production related – installation
- Domestic Marketing & sales promotion
- Website development
- Management system – ISO, UNBS
- Branding and packaging

- Company Diagnostic & planning
- Management Systems (MIS)



- Grain and pulses had the biggest number of supported activities at 38 or 22% of the allocated total (170).
- Tourism and ICT/BPO had 36 (21%) and 32 (19%) activities supported during the first call for proposal.
- In terms of value, the fisheries sub sector with 13% or 22 activities performed better than coffee, horticulture and edibles oils which registered 11%, 10% and 4% in descending order.

Expected Results

The interventions will trigger processes that will enable participating firms/associations/groups to improve their business performance and competitiveness. The following results are expected in the short, medium and long term:

- a) Increased sales performance
- b) Job creation
- c) Increased exports

d) Increased productivity

Planned Activities for next Quarter

The MGF is expected to execute the following the activities for the Quarter January to March 2016.

- Concluded the recruitment of the Accountant, M&E Officer, Ad hoc Monitors and drivers
- Continue with the monitoring and evaluation of the supported activities
- Undertake the necessary MGF awareness and promotional related activities including a sensitization tour of Northern Uganda in March 2016
- Reimburse successfully concluded activities under the first call for proposals
- Process and award grants under the second call for proposals
- Develop and adopted baseline indicators in line with the prescribed objectives
- Develop a database of the MGF service providers

Working Environment

There has been tremendous improvement in the working conditions with the completion of procurement of the required office tools for the MGF. These include:

- Laptops
- Internet connection
- Desk phones
- 2 Global Positioning System Receivers
- Office chairs
- Visitors Chairs
- File Cabinets
- Backup devices
- Scanner/Photocopier

- Projector

Key Recommendations

The MGF is at crossroads in the implementation circle and should have the necessary resources including human capital to perform to expectations. The following requirements are critical in delivering the component.

- i. There is a need to quickly fill the MGF Accountant's position before the disbursement process for the MGF grants.
- ii. Finalize the recruitment process for the Monitoring and Evaluation officer and Ad hoc Monitors in the next quarter.
- iii. Finalize the recruitment of the two MGF drivers to support the MGF Team
- iv. Decongesting the MGF offices to create sanitation and order.
- v. Conclude the procurement of staff medical insurance.