Austrian Development Cooperation

care

KIGEZI BUSINESS DEVELOPMENT SERVICES

(KBDS)

HABIB TIBRICHU & RITA MWASE

FINAL KBDS END OF PROJECT EVALUATION REPORT 2005-2008

PREPARED BY | Habib Tibrichu & Rita Mwase

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ACRONYMS

AAMP	Agricultural Modernization Programme
ABDA	Agri-Business Development Advisor
A2N	Africa 2000 Network
BDS	Business Development Services
CBTs	Community Based Trainers
CUHQ	CARE Uganda Head Quarters
EOP	End of Project
Euro	Euro Currency Units
FSC	Financial Services Coordinator
GoA	Government of Austria
ISAMI	Income Smoothening through Agricultural Initiatives
HH	House Households
IRDP	Integrated Rural Development Project
KBDS	Kigezi Business Development Services
KADFA	Kigezi Development Farmers Association
KIBECO	Kisoro Beekeepers Cooperative
KPSPC	Kigezi Private Sector Promotion Centre
M&E	Monitoring and Evaluation
MDA	Market Development Approach
MSEs	Micro and Small Enterprises
MSEs	Micro, and Small Enterprises
MTR	Mid Term review
MoUs	Memorandum of Understanding
NA	Not Applicable
NAADS	National Agricultural and Development Services
NGOs	Non Governmental Organizations
PAs	Protected Areas
PEBO	Promoting Equitable Business opportunities
PPSS	Public and Private Sector Services
PM&E	Project Monitoring and Evaluation
PM	Project Manager
REPA	Rights Equitable Protected Areas
RIFI	Rural Institutional Financial Interventions
VSLA	Village Savings & Loan Associations
SME	Small and Medium Enterprises
SO	Sub Office
ToR	Terms of Reference
UOBDU	United Organization for Batwa Development in Uganda
UGX	Uganda Shillings
US $	US Dollars
EoPER	End of Project Evaluation Report
LP	Local Partners
POs	Producer Organizations
PMA	Plan for Modernization of Agriculture
KCBTA	Kigezi Community Based Trainers Association
CBT	Community Based Trainers
FGD	Focus Group Discussion
UWA	Uganda Wildlife Authority
NFA	National Forestry Authority
KCBTA	Kigezi Community Based Trainers Association
KPFTA	Kable Passion Fruits Traders Association
URPD	Uplift for Rural Poor Development Project
EEEGL	Enterprise, Environment, and equity in the Virunga Landscape of the Great Lakes

EXECUTIVE SUMMARY

Introduction

This is an End of Project Evaluation Report (EoPER) for Kigezi Business Development Services (KBDS) Project prepared by external Consultants as per the terms of reference. The report is comprised of background, summary of key findings conclusions, recommendations and lessons learnt. The KBDS initiative was designed to promote Business Development Services (BDS) models that were supposed to appeal and reach 25,000 people. The first 3 years of KBDS was considered as a pilot phase, and was supposed to cover three districts of South Western Uganda i.e. Kisoro, Kanungu and Kabale. The project is funded by the Government of Austria, Care Austria and CARE Uganda with the budget amounting to €614,000.

Purpose of Evaluation

To determine whether the project approach and activities undertaken led to the achievement of the specific objective and made a contribution to the overall objective.

Study team and Methodology

The consulting team for this evaluation was composed of Habib Tibrichu (BDS/Agribusiness Development Specialist/Team Leader), and Rita Mwase (Agriculturalist/Agronomist/Monitoring and evaluation specialist). The evaluators used internationally accepted project evaluation methodology, which include: Sampling, Focus Group Discussions, Observations, Interviews, Roundtable Meetings, and Workshops. The study had limitations such as limited time for verifications, and inadequate access to accurate data.

Summary of Major Findings

- The project was well designed and structured to address the rural economic development challenges in a sustainable manner.
- The Midterm Review recommendations have been successfully implemented and the study helped the project to make 180 degrees U-turn to achieve the project outcome.
- The studies/consultancies carried out during project implementation provided vital information to the project management. However, the mission discovered several proposed study initiatives, which have not been integrated into the project implementation strategies.
- The baseline study carried out provided some important baseline data for performance measurement but also some of log frame indicators did not have baseline data.
- The achievement of 57% performance target on beneficiaries is a satisfactory result, which has been achieved within relatively shorter time (2007-2008). The number of target beneficiaries increased from 1,544 to 14,229 from 2006-2008. 118 service providers were created, 4 local partners developed, and a range of BDS products developed and tested.
- The project planned to target 60% of women beneficiaries and total of 53% of women target beneficiaries was achieved by the end of the project, which is a highly satisfactory result.
- Under the beneficiary category of subsistence smallholder farmers, the project experienced deficit of about 9,290 beneficiaries (representing a shortfall of about 93%) and Batwa of about 1,839 (representing a shortfall of about 92%).
- Number of beneficiaries reporting an increase in income increased from 3.3% to 50.8% of 18,750 targeted beneficiaries by end of the project.
- The evaluation mission found out that the MDA model is such an excellent rural BDS market development initiatives that must be scaled up in the region and replicated in other rural parts of Uganda. This is because initiatives such as marketing linkages in passion fruits, and handicrafts have increased confidence among local community. However, MDA has both benefits and gaps.
- KBDS project has developed the basic infrastructure & basic skills needed to propel the initiatives into large scale to achieve full sustainability e.g. local partners, CBTs, VSLA, Collection centres, information network, producer organizations, and range of BDS products.
- The evaluation team critical examined the capacity building initiatives for the local partners, and therefore, has come to a conclusion that the capacity building started in August 2006 (i.e. after 16

months). The timing was therefore not adequate to develop these local partners into viable and efficient BDS facilitators. Institutional linkages were developed by partners and the project.

- The evaluation mission examined the gender sensitivity issues such as household decision making, control and allocation of resources, and marginalisation. The mission commended KBDS gender mainstreaming strategy because through the focused group discussions respondents reported that women had increased control over household resources. The M&E data collected reported about 65% of the women beneficiaries' perceived increased control over HH resources.
- Policy and advocacy initiatives have been implemented but no policy advocacy programs or platforms have been established.
- The integration of the VSLA model into the BDS concurs with new BDS best practices. KBDS through its VSLA has managed to mobilize 175 groups with total membership of 5,499 of whom 3,307 (60%) are women. The total cumulative group savings was about Ushs 63 million by end of May 2008.
- On the issue of HIV/AIDS, there has been a deliberate effort employed by the project to ensure that those targeted beneficiaries of whom some are affected by HIV/AIDS have access to counselling services.
- Environmental issues have been addressed through the different training programs. KBDS for example has promoted the use of "live poles" as sustainable agricultural practices for the passion fruit growing.
- As a result of the various commodity market linkages created by the project such as for handicrafts and passion fruits, the targeted beneficiaries have reported increased household investments e.g. improvement in the quality of houses, purchase of bicycles, medical services, school fees, and agro inputs.
- Exit strategy was clearly defined in the project design document and the project management should have been integrated it at the inception of the project but was not done.
- The project has spent Euro 588,875 to develop BDS markets for about 14,229 target beneficiaries as of June 2008 based on the MDA model. This means the average project funds used per individual target beneficiaries was about Euro 41 over the last three years.
- The project budget absorption rate increased from 16% to 9% in the period 2005-2008. The highest funds utilization rate increased shapely from 70% to 96% in 2007-2008, which corresponds with the outcome of the project goals.
- After the Midterm Review, the Project Coordinator resigned and was replaced by a new Project Manager (Margaret Barihaihi). The new Project Manager made quite significant changes in the personnel setup and propelled the project to achieve the outcomes outlined in this report.
- The project expenditure reduced from Euro 5,683 to about Euro 4,990 per BDS supplier supported. The total project expenditure on beneficiaries using BDS reduced from Euro 162 to about Euro 51 per beneficiary supported. Finally, for every 1 Euro spent by the project, the target beneficiaries generated revenue of 2 Euro as annual revenue in 2008.
- The Project has generally complied with strategy principles of the Austrian Development Cooperation (ADC), PEAP, and PMA. The project relevant is relevant to Ugandan's rural economies, which mainly depends on subsistence agriculture.
- The integration of the partners, producer associations and farmer village groups directly into the project implementation within the different value chains has facilitated the project to achieve substantial results.

Conclusion and Recommendations: The project has been implemented with difficulties at the inception but later the project gained momentum to achieve substantive results. The mission therefore, rates the performance of the project over the period satisfactory. Success factors included committed farmers, good project design, competent and committed project staff, capacity building of the local participants, and creation of market linkages. The mission recommended that its time to scale up the project with emphasis placed on increased commercialization of BDS. The strategy is to expand the project interventions and systematically develop viable and profitability BDS markets. Matching grant scheme, commercialization, value chain approach, and integrating the marginalized groups, product development, research and development are key areas of focus.

Lessons: Number of lessons has been drawn from the implementation of the project, which include aspects such as financial viability, market assessment, capacity building of local participants, stakeholder involvement, dynamic MDA model, commercialization of BDS, integrating poor, technology adoption, project time management, performance contracts, defining exit strategy, and dealing with marginalized group of people.

INTRODUCTION

This is an End of Project Evaluation Report (EoPER) for Kigezi Business Development Services (KBDS) Project prepared by independent Consultants as per the terms of reference. The report contains assignment background, summary of key findings conclusions, recommendations and lessons learnt.

Project description

KBDS (Kigezi Business Development Services Project) is a three year Project implemented by CARE Uganda and is funded by the Government of Austria, Care Austria and CARE Uganda. It commenced operations on 1st April 2005. The Kigezi BDS - Business Development Services Initiative was designed to promote Business Development Services (BDS) models that was expected to reach 25,000 beneficiaries (comprised of 10,000 Subsistence small producers, 10,000 house holds involved in small enterprises, and 5,000 ethnic minorities- Batwa and landless youth), 60% of the target beneficiaries expected to be women. The first 3 years of Kigezi BDS was considered as a pilot phase, and was intended to cover three districts of South Western Uganda i.e. Kisoro, Kanungu and Kabale. The project was financed up to the tune of €614,000.

The project was designed based on the broader policy framework of the Poverty Eradication Action Plan (PEAP) and Plan for Modernization of Agriculture (PMA) with emphasis on the following result levels:

1. Micro: Increased household capacity to engage in market oriented production in the passion fruit, honey and handicraft enterprises that provide a growing and sustainable income.
2. Meso: Increased capacity of civil society and private sector service providers to effectively participate in BDS market linkages on a sustainable basis so as to build the economic development processes in rural Kigezi region.
3. Macro: Smoothened price fluctuations of marketable agriculture commodities with higher average prices prior to the intervention of the project.

The activities of KBDS project in the first three years were planned as follows:

Phase 1: Re-establish pre-conditions for logistical set-up and project refinement
Phase 2: Developing and piloting of interventions- trying and testing various models and products
Phase 3: Replication and scaling up of activities – to move the activities beyond the pilot areas and partners.

The KBDS project has been implemented based on value chain approach covering 3 districts. The value chains included:

1. Handicrafts value chain: Covers only Kabale district (a total of 10 Sub counties) with Drucilla Balaba Vocational training institute as the implementing local partner.
2. Honey value chain: Covers Kisoro district only (a total of 14 Sub counties) with Kisoro Beekeepers Cooperative (KIBECO) as the local partner.
3. Passion fruit value chain: Covers Kabale and Kanungu (a total of 8 sub counties. i.e. 4 sub counties per district) with Africa 2000 Network (A2N) as local partner.
4. VSLA: This component covers 3 districts (a total of 32 sub counties) where KBDS is facilitating access to finance in the three selected value chains. The main implementing local partner is Kigezi Community Based Trainers Association (KCBTA).

Purpose of Evaluation

To determine whether the project approach and activities undertaken led to the achievement of the specific objective and made a contribution to the overall objective. In order to assess the achievement of the overall objectives, the following fundamental aspects of the evaluation were considered:

- Validation of what results were achieved, and how and why they were or were not achieved.
- Comparison of planned with intended outcome achievement. This focused on how and why outputs and strategies contributed to achievement of outcomes. (It focused on questions of relevance, effectiveness, sustainability and change).
- Evaluation of achievement of outcomes by comparing indicators before and after the intervention. (This relied on monitoring data or information from external sources).
- The partnership strategy (how KBDS worked with its partners).
- Identification of possible lessons, case studies, and other relevant interventions that can facilitate decision making process for possible scaling up of program or in formulation of new projects.

To achieve the purpose of the evaluation the Consultants carried out four categories of analysis:

- *Outcome status:* whether or not the outcome has been achieved and, if not, whether there has been progress made towards its achievement;
- *Underlying factors:* an analysis of the underlying factors beyond KBDS's control that influence the outcome;
- *KBDS contribution:* whether or not KBDS's outputs and other interventions can be credibly linked to achievement of the outcome, including the outputs, programmes, projects and soft and hard assistance that contributed to the outcome;
- *Partnership strategy:* whether KBDS's partnership strategy has been appropriate and effective.

Methodology

The consulting team for this evaluation mission was composed of Habib Tibrichu (BDS/Agribusiness Development Specialist/Team Leader), and Rita Mwase (Agriculturalist/Agronomist/Monitoring and evaluation specialist). The team was supported by Margret Barihaihi, KBDS Manager, Kava Jimmy, KBDS-BDS Advisor and Doris, KBDS Monitoring and Evaluation officer. The skills mix of the evaluation team is in Annex 6. The team worked in Kigezi region from June 6th through June 18th, 2008. A preliminary report of the team's observations and recommendations was presented to KBDS staff and partners on 16th June 2008. The preliminary findings informed the KBDS partner's monthly end of project roundtable meeting, which was held on 17th June 2008 in Kabale district in which the evaluation team participated.

The methodology used in the evaluation comprised of the following main elements:

- Literature review of available background information and reports relevant to the KBDS project (see bibliography in Annex 19);
- Interviews held with representatives of the CARE Uganda, Austrian Development Agency, National Agricultural Advisory Services District Coordinators and Agricultural Sector Program Support (ASPS) project.
- Interviews of key informants, including Local Government, KBDS partners, service providers, Producer Organizations, minority groups, private sector enterprises, financial institutions, processors, traders, producers, and farmers;
- Focus Group Discussions (FGD) involving farmers, producer organizations, partner organizations, service providers (CBTs) women's groups, female-headed households and the disadvantaged (youth, landless and Batwa);
- Direct observation and informant recall; and

- Use of secondary statistical information from KBDS Monitoring and Evaluation system.

Topics covered in field interviews included the status of partner organizations, commercialization of BDS, access to credit through VSLA; demonstration and training; technology packages and adoption; access to input supplies, including seeds, seedlings, harvesting gears, raw materials for handicrafts; yields; product quality; processing; bulk sales; marketing channels; corporate linkages in the value chain system; product prices; net revenue; and gender and institutional linkages.

Qualitative and quantitative analyses of data collected using these methods were undertaken to compare changes in project performance over time and to assess KBDS operations. The selection of these mixes of evaluation methods was informed by a preliminary analysis carried out by the evaluation team and CARE staff, which provided administrative support for this evaluation.

Limitation of the evaluation

- The time frame (11 days) for the undertaking the field evaluation was in adequate and therefore, the time was not sufficient for interviewing large number of beneficiaries. In addition, the mission could not carry out an in-depth verifications and assessment of the project interventions in the three districts.

- The beneficiaries are so scattered all over the mountainous area, which hindered the team from interviewing households in the hard to reach villages.

- Some of the project indicators on commercialization of BDS were not well designed to capture data that can measure the outcome of the project. Hence, the data collected and analyzed through the monitoring and evaluation system does not adequately provide valid information to measure sustainability, effectiveness, and efficiency of the interventions. .

- Project's actual implementation activities started in 2006/2007 and hence the implementation period for the project was reduced by nearly one year as compared to the planned 3 years, therefore it was difficult to evaluate and measure the outcome of some interventions especially in honey and passion fruits value chains, were significant results are expected by the end of year 2008/2009. It should be noted that, the three months project extension facilitated the completion of some key interventions with the local partners.

SUMMARY OF END OF PROJECT EVALUATION FINDINGS

The objective of the evaluation's terms of reference, required the Consultant to determine whether the project approach and activities undertaken led to the achievement of the specific objective and made a contribution to the overall objective. The terms of reference further required answers to questions about achievement at the project's outcome level, which depended on the extent to which the project implemented the BDS Market Development model outlined in the preceding section.

In this evaluation process, the evaluation team examined the extent to which the project interventions contributed to the achievement of the overall project goal and objectives. It should be noted that KBD initiative was specifically designed to focus on the promotion of BDS (including agri-business) services in the target areas using a Market Development Approach (MDA). This approach aims at creating a healthy, private-sector-serviced BDS market. This BDS market was expected to be served by numerous competitive BDS-suppliers who provide a wide range of BDS commercially, to large numbers and types of small enterprises in the project area.

In the project implementation, KBDS carried out a comprehensive assessment of the BDS market, with a focus on the market segments that are employing poor and marginalised groups such as honey, passion fruits, handicrafts and tourism. The evaluation team examined the extent to which different areas of project interventions led to development of BDS products and their commercialization; strengthening of local institution capacity to facilitate BDS market development, and enhancement of the operating environment.

The evaluation team also examined the extent to which key guiding principles that are intended to ensure that services reach poor and marginalised people have been implemented. These included: selective use of subsidies in pre- and post- delivery activities to stimulate demand in market segments for the poor and marginalised; developing specific mechanisms for reaching poorer HHs with BDS; and addressing power imbalances between producers and buyers of agricultural commodities.

The team's evaluation findings, answers directly the requirements of the terms of reference. While the report provides extended findings annexes, which is sufficient additional information to give all the readers a broad understanding of the results of this project as well as the ways in which specific interventions and other factors influenced outcomes. Hence, the following proceeding sections provide summary of the evaluation findings.

PROJECT DESIGN AND MARKET ASSESSMENT

Three documents guide the implementation of the project; a) the Project Design Document- "Kigezi BDS - Business Development Services Initiative Uganda, A subcomponent of the South-Western Uganda PEBO Programme" dated 8th November 2004; b) The official agreement between CARE Uganda and Austria Development Cooperation providing a total budget of €614,000; and c) Logical framework - Kigezi Business Development services initiative, South-Western Uganda PEBO Programme components & framework.

The evaluation mission has examined the project implementation against the project design concept and, the mission is happy to report that the project was well designed and structured to address the major rural economic development constraints. Especially the concept of commercialization of business services, strategic partnership with local organizations, and targeting of the disadvantaged groups such as Batwa, landless youth, and women has offered a new approach to development in the region. However, major inconsistencies have been identified in the definition of the target groups by project implementer, the definition of key indicators and reporting against indicators. **For example, the project design document defines the target participants as beneficiaries of whom 60% are expected to be women, the log frame indicators defines the target participants as households of whom 60% are women**. In the summary of findings, the evaluation team has considered to define the target participants in accordance with the project design document i.e. beneficiaries.

Reference is made to section 5.7 of the project design document entitled the terms of reference for reporting. This section required the monitoring and evaluation system to continuously assess the effectiveness and the impact of the various BDS products, and their effects on the livelihood of the target participants. Whereas at partner level, the system was expected to track changes in BDS demand, impact at organizational and household levels, viability of individual BDS products, and overall project efficiency. The evaluation team concludes that there are several evidences as shall be seen in the summary of the findings in the proceeding paragraphs that revealed some level of misinterpretation or inadequacy in the understanding of the project design concept by the project staff. For example aspects related to BDS products and commercialization, persons involved in SMEs, Male landless youth, and institutional linkages are among others.

In the project design, guidelines are provided on the strategy to use subsidizes for pre and post delivery activities such as product development, testing markets, capacity building, and monitoring. For the case of poorer segments of the market (consumers), subsidizes were expected to be used directly to reduce the cost or price of services to the target groups but also the use of subsidize was recommended for short limited duration with specific objectives of stimulating demand for BDS in that segment. This provision of the project design has been achieved to some extent especially for capacity building of CBTs, Partner, and associations, technology transfer, market assessment, market testing. However, for the poorer segments of the market, the evaluation team observed insignificant application of subsidizes to stimulate BDS demands and supply due to some factors both at project implementation level (*such as inadequate development of innovative BDS activities for disadvantage groups)*, and others beyond the project control (*include factors such as issues related to lack of access to land for the Batwa, cultural beliefs, and climatic conditions in the region).* Hence, KBDS has therefore, developed the market infrastructure to some good extent but increased commercialization of the BDS and sustainability of the interventions remains a major challenge to the project due to over dependency by partners, producer organizations, and target beneficiaries on the subsidizes from the project including other development programs such as NAADS, and AAMPs.

Project Target Beneficiaries

The evaluation team reviewed and analysed the project concept and expectations in terms of beneficiary categories as shown in table 1 below. The mission found out that the project management team had a big challenge of disaggregating the beneficiaries based on the categories defined in the project design. Subsistence smallholder producer category was the easiest to be identified because all the project interventions were channelled through the three main selected agribusiness related value chains. A person

involved in SMEs was one of the most difficult categories to be defined because limited knowledge about SMEs development. The landless youth was equally a very challenging category that the project management found imperatively difficult to identify among the potential participants but to some little extent, attempts have been made in promoting employment opportunities for landless youth in rural transport services in the passion fruit value chain.

Table 1: Project Target beneficiaries

Beneficiary Category	Description of the Target Project Beneficiaries	Target beneficiary Number
Subsistence Smallholder producers	Subsistence smallholder producers that can benefit from the promotion of an agricultural marketing model that aims to increase the voice of subsistence farmers in the marketing process, and promote commercially oriented farming practices.	10,000
Persons involved in SMEs	Undertake BDS market assessment and develop BDS model that will enable at least 10,000 poor and so poor men and women to gain employment and achieve increased income through accessing a range of business services. These are informal entrepreneurs operating micro enterprises in the 3 districts e.g. market vendors, general merchandise formal or informal traders, bicycle repairs, hawkers, produce dealers, service providers etc	10,000
Ethnic minorities	These are to be targeted with initiatives that explore and develop enterprises that meet their needs and capacities.	2,000
Landless youth	Composed mostly of 15 – 25 year old males who dropped out of formal school and begin selling their labour for very low agricultural sector wages.	3,000
Total		**25,000**
Women	Expected to be 60% of target beneficiaries. Additional interventions will aim at redressing the relations between men and women.	15,000

Comments and observations on the project design implementation

In general terms, the KBDS project has managed to work with all the target beneficiary categories defined in project design at different levels of interventions. This has helped the project to make a substantial progress towards achievement of project outcome. The Midterm Review recommendations have helped KBDS to make 180 degrees U-turn. The strategic U-turn has been championed by the new Project Manager, who has substantial knowledge and experience in agribusiness and was fully backstopped by the Economic Development Sector Manager.

Market Assessment Findings and Baseline Survey

The evaluation team reviewed the BDS market assessment report/value chain analysis reports on the different selected value chains studied. The mission has found out that there is substantial and valuable information on the development of BDS market in the passion fruits, honey and handicraft value chain studies, which are still valid to date. The mission noted that KBDS project managed to implement quite a lot of these recommendations as will be detailed out in the subsequent pages of this report. However, there are also quite good number of recommendations that were not equally and never implemented in an extensive manner at the inception of the project such as promotion of market for bee wax for Mukwano industries, which consumes about 100 tones per week, improvement of agronomic practices for small purple passion fruits, working with landless youth of Rushebeya Youth Association in Kanungu town

council in honey production, Gitebe Batwa Communities in honey production (had about local 115 hives) and where selling honey to Rwanda and other Batwa communities such as in Nteko, Buhumba village (Nyarufunjo Batwa Group), which were already engaged in bee keeping in 2006 among others. The market assessment on handicraft recommended the establishment of Batwa Cultural Centre to promote handicrafts and Batwa culture such as Masai Museum in Kenya for example. These findings revealed that the recommendations made in the market assessment were not fully integrated into the KBDS work planning process during the year 2005. *The evaluation mission recommends that the successor KBDS project must review the market assessment report and update the information in these reports and Integrate some of the recommendations that KBDS 1 did not integrate and implement to scale up the project interventions in the region.*

Baseline data

The evaluation mission reviewed the baseline survey report prepared in October 2006 and found the content of the report relevant to the project activities. The different value chain analysis reports have provided some basic baseline data important for measuring the project outcome. However, the team assessed the validity of these baseline data and found that there are discrepancies in the baseline data indicators compared against the project log-frame indicators and the current monitoring and evaluation system. The monitoring and evaluation system therefore has captured and reported some baseline data on selected indicators but other indicators have no baseline data see Annex 8 showing summary of project performance results. Hence, the data available could not adequately measure the performance of the project over last three years.

Comments and Observations

Integration of the market assessment findings/value chain analysis, recommendations and the baseline data in the process of project planning and implementation is critical as this strategy shall help to integrate the important market information into the planning and implementation processes. The mission observes that market assessment is important element of the program design and hence it helps the designer and implementer to gain a broad understanding of potential target markets that can help the participants make broad, upfront program design decisions, including defining which markets to target. Market assessment information should be used to make decisions related not only to program design but also to implementation, mid-project redirection, and monitoring and evaluation.

The evaluation mission also observed that BDS market assessment did not adequately provide detailed guide on the strategies to exploit the BDS market opportunities. The market assessment was expected to give a clear idea of the markets and its segments and to provide some insight into market-oriented BDS. It needed to answer questions related to: BDS services providers and consumers; the range and quality of BDS services; service fees or how services should be procured; BDS required by the poor and marginalised; and weaknesses and opportunities in the market.

OVERALL AND SPECIFIC IMPACT LEVEL

Project Results/ Outcome by Target Groups

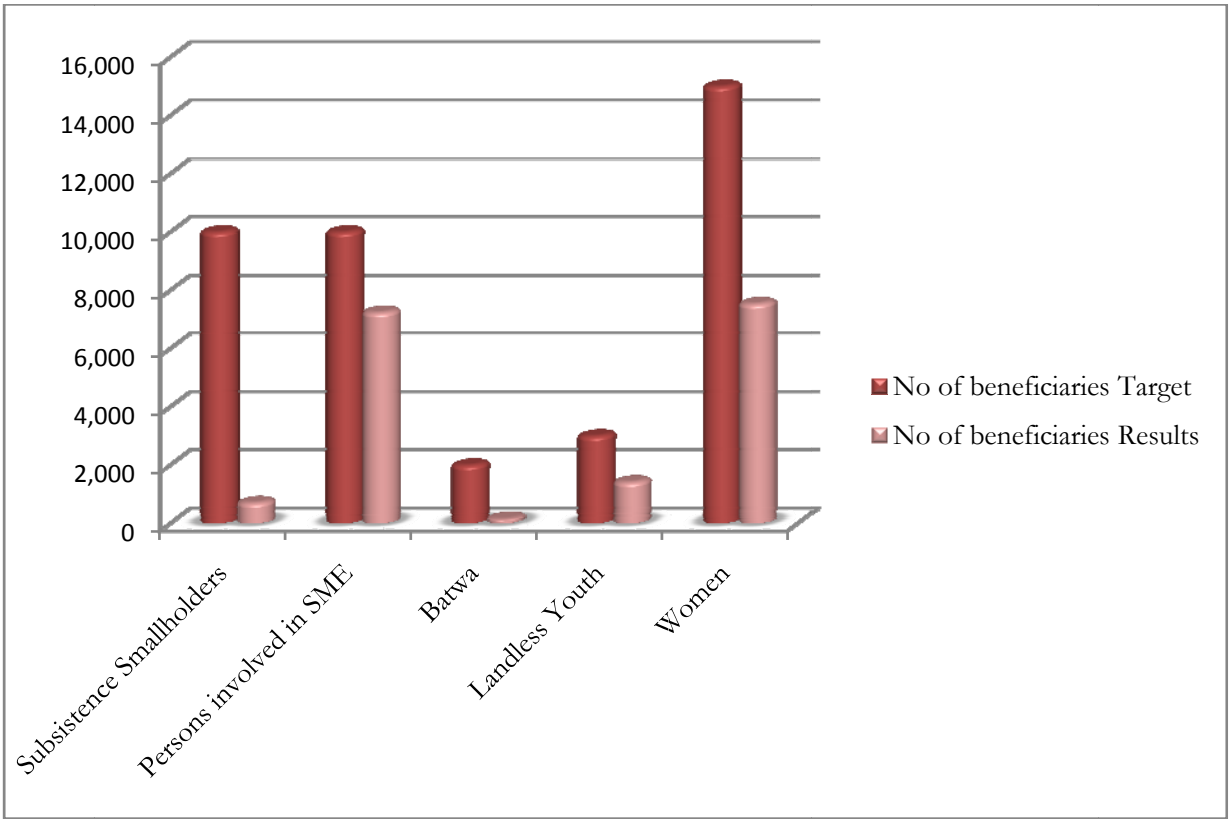
The evaluation team examined the trend and progress made so far towards achievement of impact level indicators based on the project expected results. In order to achieve results, KBDS interventions have been implemented through partnership with Local Partners (LP), private service providers, and Producer Organizations (POs). The evaluation team examined the project interventions and performance towards achievement of the following key result areas:

The major project **results** are:

- increased access to BDS services;
- increased HH income;
- increased control by women over HH income from agri-businesses;
- increased profitability of SMEs;
- increased institutional capacity to deliver BDS services and also contribute to policy processes; and
- Improved access to market information.

The achievement of 57% performance target on beneficiaries is a satisfactory result, which has been achieved within relatively shorter time of one and half years of intensive project activities (2007-2008). The number of target beneficiaries increased from 1,544 to 14,229 from 2006-2008. The mission feels that if the project implementation interventions were not delayed in 2005/2006, the project results should have been highly satisfactory. The project planned to target 60% of women beneficiaries and total of 53% of women target beneficiaries was achieved by the end of the project, which is a highly satisfactory result (See detailed performance results from 2005 - 2008 in Annex 8)

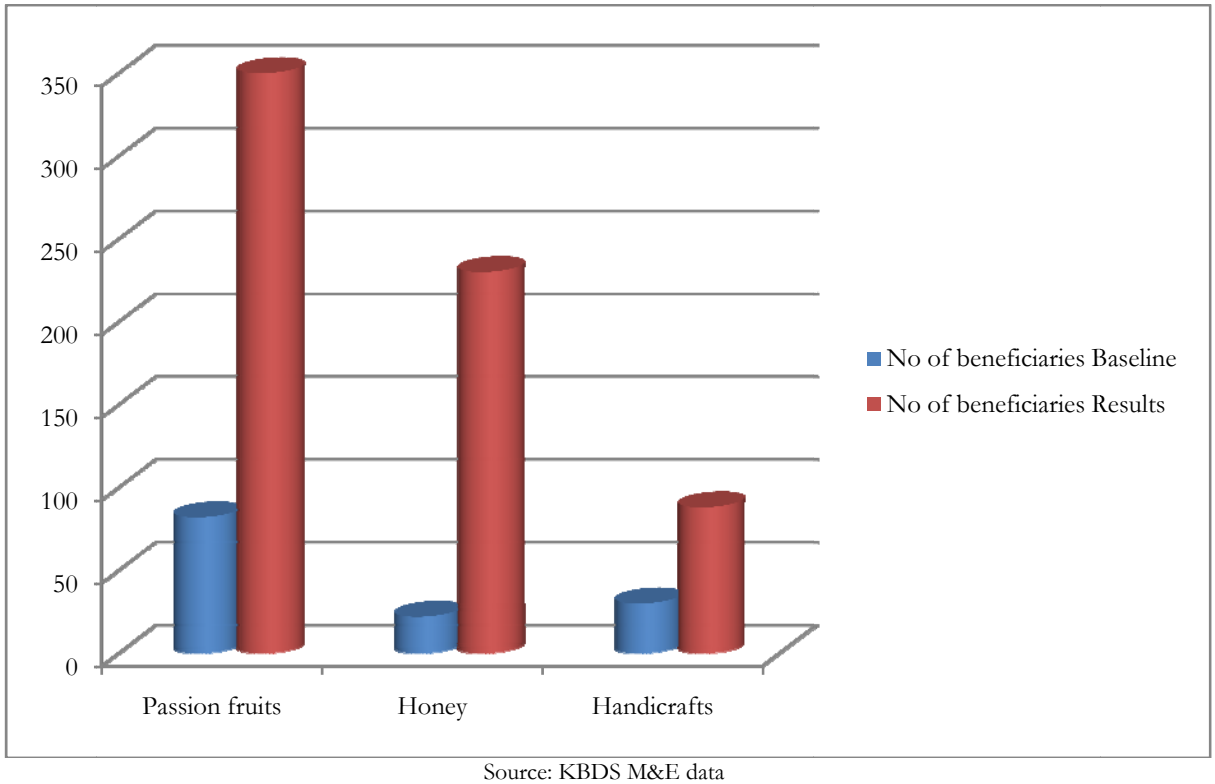
Chart 1: Project Beneficiary Targets Vs Actual Beneficiaries (2005-2008)



Under the beneficiary category of subsistence smallholder farmers, the project experienced deficit of about 9,290 beneficiaries (representing a shortfall of about 93%) and Batwa of about 1,839 (representing a shortfall of about 92%). The mission's believe that the shortfalls have been caused by inadequate development of innovative interventions for the Batwa community and for the case of subsistence smallholder farmers; it has been caused by the inappropriate definition of this target group.

The M&E data for measuring increase in income by at least 30% among the target beneficiaries, indicate passion fruits with the highest number of beneficiaries (income from selling small purple passion fruits), which was original not targeted by the project. The increase from 82 farmers to 350 farmers in the period 2005-2008 earning at least 30% profitability was significant test of the BDS intervention. The increased profitability can be attributed to CARE –KBDS interventions in market linkages between the traders in Kabale and the rural farmers. These interventions resulted into increase in passion fruit purchases from10 tones to about 45 tonnes per week and the subject price increase from Ushs 35,000 per bag to about Ushs 80, 000 per bag. KBDS facilitated through A2N, the establishment of passion fruits collection centres to increase market information dissemination and increased negotiation capacity of traders, and farmers. See the bar chart 2 below.

Chart 2: Distribution of Beneficiaries earning 30% profitability by value chains



Source: KBDS M&E data

The summary of the results trend over the period 2005-2008 is in table 2 below. For more detailed review of the performance indicators see Annex 16.

Table 2: End of Project Results 2005-2008

Key Result Areas	Target	Outcome 2005	Outcome 2006	Outcome 2007	Outcome 2008	Difference between Target & Actual
Increased access to BDS services;	25,000 Target beneficiaries (100%)	0	1,544 (6.2%)	10,938 (44%)	14,229 (57%) Target beneficiaries	10,771 (43%)
Increased HH income;	18,750 (75%) HH representatives perceived improved economic security	0	617 (3.3%)	7,328 (39%)	9,533 (50.8%) representatives perceived improved economic security	9,217 (49.2%)
Increased control by women over HH income from agri-businesses;	7,500 (50%) perceiving increase control over HH income	20%	20%	59%	4,902 (65%) of 7,500 women beneficiaries perceived increase control over HH income	2,598 (35%)
Increased profitability of SMEs;	A viable BDS market will increase poor peoples' business profitability by 30%	82	82	285	668 target beneficiaries have reported at least 30% profitability increase	N/A
Increased institutional capacity to deliver BDS services and also contribute to policy processes; and	At least 1 viable and sustainable BDS facilitator exist in the region	0	3	4	4 BDS facilitators capacity strengthened to facilitate access to BDS in the region	0
Improved access to market information	At least 30 provider organizations have increased product range and capacity by 15%	0	3	35	41 provider organizations provide access to market information to more than 14,229 target beneficiaries	0

Source: KBDS Monitoring and Evaluation System

Note: Number of beneficiaries with increased access to BDS increased from 6.2% to 57% in 2008. The project had anticipated to provide access to 25,000 beneficiaries but only managed to provide access to 14,229. Number of beneficiaries reporting an increase in income increased from 3.3% to 50.8% of 18,750 targeted beneficiaries. Number of beneficiaries who reported increased profitability increased from 82 to 668 over the period 2005-2008.

Comments and Observations on the Project Results

The mission, after reviewing the available M&E data has concluded that the increased household income could have been triggered by number of factors. KBDS intervention being one of the major contributing factor and others such as increased country wide market prices, and income realized from other sources apart from commodities directly targeted by KBDS. The M&E data system did not have a baseline on the average household income of the target beneficiaries, its accuracy can not be guaranteed by the mission.

The absence of accurate baseline data has constrained the mission from carrying out an in-depth analysis of the project results to satisfactory level. However, the KBDS project performance compared to other programs in the region has been highly rated by the local community.

Market Development Approach Model Assessment

The evaluation team critically examined the implementation of the MDA model as means of measuring the project achievements over the last three years. The project was designed to develop a dynamic, innovative and viable BDS Services system that was supposed to support the growth of SMEs (including commercial farming) in the region. The implementation of MDA was supposed to be guided by CARE's broad strategy of developing capacity among intermediary organisations to deliver services and to empower poor and marginalised people to influence the quality of BDS. Rather than supporting BDS providers directly, KBDS was designed to act as a facilitator and focus more on strengthening the core function of local BDS providers (CBTs) by supporting them in product development, innovations, market linkage facilitation, impact assessment and organisational development.

The MDA model, once implemented was supposed to create a healthy, private-sector-serviced BDS market, served by numerous competitive BDS-suppliers who provide a wide range of BDS commercially, to large numbers and types of small enterprises. This was intended to shift the focus towards BDS market development that emphasizes private sector supply of BDS, where providers are self-sustaining and their services are driven more by market needs- market driven (see the model chart in Annex 12).

MDA Application and Implementation

Through literature review, field visits and interviews, the mission was able to evaluate the level of implementation of the MDA model over last three years. The project successfully carried out a comprehensive BDS Market Assessment (MA) which focused on the analysis opportunities for BDS in the different market segments especially in the agri-business area and other SMES segments employing the poor and marginalised groups. The assessment was carried out by Sanjay Karki, Match Maker Associates, which covered honey, tourism, handicrafts, agro processing, potatoes, Mushroom, vegetables, agro input supply, secretarial services, and training, communication, hotel services, hides and skins, transport services, cottage industry, trading, bananas, beans, and dairy. The study report recommended KBDS to concentrate its interventions into four major sub sectors; parks and recreation tourism, bee keeping, bamboo handicrafts, and passion fruits. Other important aspects of the assessment included the development of market information system, access to agro inputs, training in business management, and increased access to finance. Hence, the study recommended the project to be implemented based on the value chain approach, which emphases development of BDS markets from the input supply through production to marketing.

KBDS sub contracted private providers to undertake in-depth sub sector studies on the four selected sub sectors of parks and recreation tourism, bee keeping, bamboo handicrafts, and passion fruits. Theses studies were successfully carried out, its findings and recommendations was partially integrated into the KBDS project implementation strategy. The evaluation mission has found out quite a number of innovative recommendations on these studies which were not implemented and there are no specific explanations to justify the exclusion of the proposed interventions. Yet some of the recommendations

could have helped the project achieve greater results especially on the interventions for marginalized groups. For the tourism value chain, KBDS identified local partners but for strategic reason sub grant agreement was not signed as the project management felt that, the interventions already started in the three value chains would be sufficient to be managed by the project staff and any intervention in a new value chain would over stretch the manpower. Indeed, even with the additional three month extension, activities in the three value chains have not been successfully completed. See the sustainability assessment of the value chain interventions in Annex 2.

Partner Assessment, Selection and Capacity Building

The assessment and selection of KBDS partners was successfully carried out as part of the MDA implementation, which covered potential local partner candidates in the three districts. The selection was based on the following criteria; evaluation of vision and mission, human resource capacity, organization's program, financial analysis, planning, structure, management system, and institutional linkages.

The process of selection was competitive. 12 potential partners submitted proposals for the implementation of project interventions in the different value chains e.g. Honey (4 prospects), Passion fruits (2 prospects), Handicrafts (2 prospects), and tourism (4 prospects). The assessment recommended 3 partners (Bwindi Beekeepers Association in Kabale, KIBECO in Kisoro, and AAMPs in Kanungu) for honey sub sector; A2N was recommended to champion BDS market development in passion fruits to cover three districts, 2 partners selected (Drucilla Balaba Vocational School (DBVS) in Kabale, and Uplift for Rural Poor Development Project (URPD) in Kisoro) for promoting BDS market development in handicrafts; and UOBDU was selected to facilitate BDS market development for Batwa communities in Kabale, Kanugu, and Kisoro districts. KBDS also identified and selected some of the strategic collaborations Kawanda Research Station for passion fruit seeds, UCOTA, and NAWOU for handicraft markets, AAMPS, and NAADS.

The evaluation team found out that the recommendations made in partnership assessment report were not adequately implemented and hence no reasons have been reported in any of the annual reports. For instance UOBDU was recommended as a partner to facilitate BDS to the Batwa communities, Bwindi Beekeepers for honey in Kabale, URPD for handicrafts in Kisoro. However, in Kanungu, the project has implemented interventions on passion fruits only, yet the sub sector studies and market assessment identified BDS opportunities in the Kisoro, and Kabale districts. The midterm review recommended the inclusion of the UOBDU as KBDS local partner to facilitate interventions for the marginalized people, and also district youth organizations, which by the time of this evaluation have not taken effect. However, the mission also realized that after the midterm review, the time and resource constraints was sited as major factors in hindering implementation of interventions. However, it could be argued that the project was extended for another 3 months period, which should have allowed these interventions to be implemented. The mission's experience in the field with project staff and local community revealed that in reality, the implementation of interventions with the local community participation takes longer time except when the interventions are targeted for traders and service providers as beneficiaries. Another factor reported was that UOBDU highly depends on subsidizes from different organizations and their capacity to implement market driven BDS program was a limiting factor.

The capacity building initiative for the local partners was successfully carried out during the last two years of the project implementation. The capacity building initiatives included development of human resource skills in record keeping, monitoring/evaluation, and BDS market development for all the partners. However, management systems have been developed in finance and governance for KIBECO and Drucilla Balaba to operate as viable and sustainable local BDS facilitators. Capacity building initiatives included recruitment of competent staff and payment of salaries to the new staff to enhance management capacity to implement the BDS interventions, staff mentoring support for Drucilla and KIBECO. The partners have also been supported to expand and consolidate commodity markets through promotion of market linkages. For example KIBECO was supported by KBDS to negotiate higher prices with Shoprite Supermarket, which resulted into increase in contract price from Ushs 5,000 to 6,000 per jar, other market opportunities. KBDS facilitated enhanced the capacity to KIBECO to expand supply of inputs such as harvesting gears, improved hives through training of artisans and promoting micro leasing in

partnership with UML, ASPS and KBDS. In addition to the above, KBDS directly supported partners to design and develop promotional materials, radio programs, and exposure visits as its marketing support. Some equipment such as motor cycles, honey extractors, and other technologies has been provided to the partners through strategic arrangement. See local partner assessment summary report in Annex 17.

Comments and observations

The evaluation team critical examined the capacity building initiatives for the local partners, and therefore, has come to a conclusion that the capacity building started in August 2006 (i.e. after 16 months of the project implementation due to bureaucratic delays). The time was not adequate to develop these partners into viable and efficient BDS facilitators. The argument for this proposition is that during the field visits, it was evident that the partners had not grasped the fundamental aspects of the project, which emphasizes BDS market development for rural poor, which is demand driven and fee based.

The capacity building initiative did not have a clear exit strategy that focused on the sustainability of the partners and the BDS interventions. The exit strategy would have made BDS a sustainable product in the region that heavily depended on subsidized services over long period of time. Hence, increased commercialization of BDS was not given the sufficient opportunity to develop as desired in the project design. The fact that partner assessment did not emphasize assessment of BDS knowledge, quantitative analysis of the partners operations, and most importantly business planning and management knowledge, it automatically created gaps in the capacity building process. However, the capacity building initiative had its positive effects on the capacity building program of the local partners especially, as regards development of management system, exposure outside the region, and through highly interactive consultative review workshops, many partners have gained experience and skills in community development and BDS.

These benefits have definitely created a foundation or infrastructure to scale up BDS commercialization in the region. It should be noted that it is difficult to determine the extent of capacity growth as a direct contribution of KBDS project. KIBECO and A2N prior to the partnership with KBDS have received extensive support from other development partners and have continued to receive support. A2N has a national wide structure and resource personnel that is competent to implement even larger programs than KBDS. Based on this argument it was evident that some partners appreciated KBDS capacity building support more on basis of material support such as fuel, transport, allowances, and staff salary as opposed to enhancement of operational system to work with rural community.

<u>MDA implementation Benefits</u>

- BDS Facilitation – KBDS facilitating role of building capacity of local partners, CBTs, and consumers has created a foundation for scaling up expanded commercially viable BDS in Kigezi region.
- Building capacity of Partners – the staff from local partners have been developed and exposed into modern strategies of developing rural community, and creating viable market linkages that can sustain rural economic development. This provides critical structure to promote market oriented BDS in the region.
- Building capacity of Providers – training of CBTs, and their links to the subsistence smallholder's farmers and other agribusiness provides opportunity for employment and for increased commercialization of BDS in the region. CBTs are now available in the region to offer a range of services although not sufficient to create competitive BDS market.
- Promoting BDS to Consumers – the model has helped beneficiaries to have access to market information, which makes both BDS Providers and consumer more effective. In the rural areas market information is often distorted or non-existent. By MDA improving the quality and flow of market information, KBDS has facilitated a more informed, transparent, and competitive marketplace for both CBTs and consumers.
- MDA has allowed interventions to reach downstream market –establishment rural collection centres using the simplest downstream market interventions. These include orientation of farm groups on output marketing, and conducting of workshops where farmers and output traders can

meet and learn about the nature of each other's business. Both groups have been encouraged to develop effective business relationships through workshops.

- KBDS model has helped to integrate the poor into mainstream markets through producer organizations as a means to leverage resources and to increase productivity. Essentially, this entire project focused on integrating the poor into mainstream markets, which other development programs like NAADS, AAMPs had failed to achieve. Poor farm producers of cash crops are integrated into the mainstream markets in the respective districts by increasing sustainable access to productivity-enhancing products and services.
- Use of subsidizes- the use of subsidizes in passion fruits, honey and handicrafts has encouraged local community to start engaging into commercial activities, which would have not been possible without the interventions as reported by 80% respondents in the focus group meetings.
- Institutional Linkages- partners have established some institution linkages with NAWOU for handicrafts, Gorilla Organization for Honey and Britain Allied Industries for passion fruits. These institutional linkages have created a foundation for long term business development that must be carefully exploited and harnessed.

MDA implementation gaps

- BDS Facilitation- the facilitation function of stimulating BDS market through direct interventions on pre and post BDS delivery activities was not adequately done. Evidence gathered in the field revealed that direct intervention into the BDS transactions and use of direct subsidizes that has far reaching impact in distorting the BDS market. The argument for this preposition has been that the market is still young and some of these interventions required direct project interventions and subsidizes.
- Building capacity of local partners –the assessment, and capacity building program was not based on the transfer of MDA model as means of developing sustainable local BDS facilitators. The strategic issue of business development and commercialization of BDS was integrated towards the end of the project instead of integrating the concept at the project inception. Business management skills and appropriate system needed to design and develop approaches for rural economic development for the poor is general low among local partners.
- Building capacity of Providers – CBTs have been trained and supported to develop products and services. Commercialization of the services is still at infant stage of growth and KBDS has provided inadequate technical support to increase promotion of commercialization of their products and services. The ratio of CBTs to beneficiaries is high and competition is too low.
- Promoting BDS to Consumers – quite a lot of efforts and resources have been devoted to increase awareness to consumers but however, there has been limited emphasis on fee for services except for seedlings, and harvesting gears. Consumers are therefore not increasingly aware about fee for services and at what cost? Yet, many have expressed willingness to pay for affordable services. Market distortion by other development programs has affected the level of BDS commercialization, and yet there are no strategies in place to address market distortion obstacles.
- Market Assessment – market assessment is a continuous process in the implementation of the project. Some attempts have been made by KBDS to collect data through monitoring and evaluation system, which was aimed at assessing the market develop progress but however, the system does not adequately assess BDS service providers capacity to deliver commercial services, consumers ability to purchase services; the range and quality of BDS services in the market; appropriate service fees or how services should be procured; BDS required by the poor and marginalised; and weaknesses and opportunities in the BDS market.
- The exit strategy was not defined at the project inception. KBDS's role was considered to be temporary as clearly stipulated in the design document. Therefore, successful implementation of the model required KBDS to define its exit strategy upfront, which clarifies how the project will contribute to the sustainability of the BDS market development through a planned cessation of involvement in the market. Therefore, the exit strategy should have defined two important aspects of project implementation: first, the BDS markets and transactions must be sustainable when facilitation activities end by June 2008; second aspect would be that certain facilitation activities may need to continue on a commercial basis after end of the project in June 2008. The

mission concludes that the perception of the project staff about exit strategy was to define it at the end of the project instead at the inception.

- The project implementation based on the value chain provides strong case for promotion of systematic rural development. KBDS project has supported intermediary, private sector service providers (CBTs) to deliver services within selected value chains. To achieve quick results through value chain approach takes long time.
- Use of subsidizes – in the implementation of the model, KBDS used subsidizes in financing market transactions for example allowances for CBTs, transport support, technology/equipment purchase, and payment of selected staff salaries. The project design limited the use of subsidizes in pre and post BDS delivery services. The evaluation mission during the field work has observed evidence in the market where more subsidizes have been demanded by the local partners and CBTs as clear sign of market distortion and on the other side increased dependency syndrome.
- Institutional Linkages, Finance, and Organizational Issues - Sustainability is possible only through participation and empowerment of stakeholders such as target farmers, service providers, partners and other agencies). Capacity building was not provided to all stakeholders, and therefore, capacity building should have started from the planning stage. The three-year project time frame was too short for achieving sustainable results. At least a six-year term would be necessary for MDA model to generate desired results in a region like Kigezi, which has long history of government and donor grant supported interventions.
- Increased competition among CBTs and other providers – the implementation of MDA model was monopolistic in nature because the service providers are allocated to serve specific sub counties and groups. The advantage with this approach, the capacity of service providers can be strengthened to address the market needs and the disadvantage is consumers are not given options to select service providers of their choices or negotiate for affordable price and it also limits competition.
- Institutionalization of Leader Farmers (CBT) as a Commercial Entity – KBDS has trained Leader farmers as BDS providers. The focus was on enhancing both skill and incentive levels to enable them to function as a commercial entity as other BDS providers. Since most micro enterprises were reluctant to pay for their services for reasons such as low house income, high cost of services, dependency on use free services, lack of understanding that BDS delivery is a commercial service. Increased BDS commercialization is low and in its infant stages.

General Observations and Recommendations

The evaluation mission found out that the MDA model is such an excellent rural BDS market development initiatives that must be scaled up in the region and replicated in other rural parts of Uganda. The implementation phase has been disrupted by inadequate knowledge and skills of BDS market development among the project staff at the project inception. However, with the recruitment of the new Project Manager, and quick integration of the mid term review recommendations, the implementation of the model took a good shape as shown by the excitement among the beneficiaries, partners, and CBTs over the immediate results. Initiatives such as marketing linkages in passion fruits, and handicrafts have increased confidence among local community. Basic infrastructure has been developed and the basic skills needed to propel the initiative are now in place. Therefore, the only major challenge is to increase commercialization of BDS through structuring product/services prices so that BDS is affordable to rural community, and facilitating development of market structures for marginalized poor people. For example, increased commercialization can be seen in promoting bank loans by financial institutions, and also telecom companies promoting sale of air time, internet services on a fee basis.

Cross cutting issues

Gender Mainstreaming

The project development goal placed emphasis on gender mainstreaming where specific interventions are supposed to target women of at least 60% of beneficiaries, and others like landless youth and the marginalized Batwa. KBDS developed a gender strategy to facilitate integration of gender issues in the MDA and the value chain development strategies. Training and mentoring on gender mainstreaming was conducted and gender strategy was integrated into each of the project interventions. All the local partners deliberately targeted women groups, integrated men, and youth into the group project activities. Gender mainstreaming was well articulated and implemented. The implementation was guided by a gender mainstreaming manual. This manual was provided to all local partners and appropriate training was provided to local partner staff. The strategies employed included selecting women groups, training men and women on family values, mentoring women group on entrepreneurship, networking, and resource planning.

The evaluation mission examined the gender sensitivity issues such as household decision making, control and allocation of resources, and marginalisation. The mission therefore, has commended KBDS gender mainstreaming strategy which aims to bring about gender equality and advance women's rights by infusing gender analysis, gender-sensitive research, women's perspectives and gender equality goals into mainstream MDA model and partnership arrangement. This is evidenced in the focused group discussions where women and men reported that women have now increased control over household resources. The M&E data collected reports about 65% of the women beneficiaries' perceived increased control over HH resources.

Policy and Advocacy

A study, which was started at end of the second last quarter of year 2008 aimed at analyzing advocacy issues within the honey, and handicraft value chains was successfully completed. The study focused on possibilities of increasing access rights for Batwa to place their hives in protected areas. During the policy review process, the Consultant met with the different organizations such as NFA, LG, UWA, and WID.

The evaluation mission has reviewed the draft study report, and found the recommendations of the study inadequate terms of the provision of practical guidelines and strategy for KBDS and its partners to effectively carry out policy and advocacy. The mission also observed that many producer organizations have been established and not any of the organization has successfully set up policy and advocacy program to support members to address value chain policy issues. For example policy issues on BDS market distortion, quality assurance, calibration of weighing scales, and land needs to be addressed. UOBDU currently is a strong lobby group for Batwa not much has been done with the organization to address Batwa community policy issues in partnership with KBDS or in partnership with other CARE projects such as EEEGL. Recently, KBDS initiated policy meeting with UWA to discuss strategies to increase access to the protected areas with great success but EEEGL, CARE project, which had already successfully engaged UWA at advance stage on matters related to protected areas was not involved.

Financial Services

KBDS implemented CARE's-VSLA model to enhance the MDA interventions in each of the selected value chains so that financial needs of the target beneficiaries can be addressed to increase access to technology adoption, BDS commercialization, and increasing access to inputs and credit. The integration of the VSLA model into the BDS concurs with new BDS best practices. KBDS through its VSLA has managed to mobilize 175 groups with total membership of 5,499 of whom 3,307 (60%) are women. The total cumulative group savings was about Ushs 63 million by end of May 2008. See the table 3 below.

This VSLA intervention according to the evaluation mission has added a lot of value to the implementation of the MDA model. The mission believes that the conditions for eventual development of rural financial system like VSLA may best be addressed through complementary investments in social and economic infrastructure to improve wellbeing, reduce vulnerability, and raise skills, assets and debt

capacity of target groups. The proportion of agricultural investments and inputs that can be financed directly through financial institutions is often limited by low returns, lack of risk management mechanisms, lack of collateral and absence of effective rural financial intermediaries. This constraint has therefore been addressed by introduction of VSLA system to the selected groups in the region.

Table 3: Distribution of VSLA groups by Sex, and cumulative savings

District	No. of Groups	Males	Females	Totals	Cumulative Savings
Kabale	67	862	1,341	2,199	25,326,800
Kisoro	72	910	1,241	2,151	20,916,400
Kanungu	36	420	725	1,145	17,383,600
Total	**175**	**2,192**	**3,307**	**5,499**	**63,626,800**

Source: KCTA progress Report for May 2008

The mission observed that rural financial market is important element of the project because financial intermediation can stimulate general economic growth and poverty reduction. VSLA groups mobilized funds through savings, allocate them among competing uses, create money, and function as a payment system to its members. The efficient provision of small scale loan, weekly deposits, payment enables entrepreneurship, innovation, and production to develop and flourish. Safe savings facilities established by the VSLA system, payment services, access to credit enable poor households to reduce vulnerability by smoothing consumption and mitigating risks. The mission observed that because rural income cycles are particularly volatile, VISLA financial intermediation is especially important to shift purchasing power over time, as well as between net savers and net investors or spenders at any given time. However, KCBTA professional fees have been subsidized by KBDS to offer VSLA services to groups. This intervention is not sustainable because, it distorts the BDS market growth. The commercialization of VSLA technical services, which has high demand in the region, is a critical factor in scaling up of the MDA interventions. The field interviews held with the different VSLA groups and CBTs revealed that the significance of the VSLA product to the community was the increased access to small loans for acquisition of agro inputs, livestock, medical services, money for payment of school fees, and purchase food items.

HIV/AIDS

On the issue of HIV/AIDS, there has been a deliberate effort employed by the project to ensure that those targeted beneficiaries of whom some are affected by HIV/AIDS have access to counselling services. This cross cutting issue has helped the project to target landless youth as well the small holder farmers. For instance in 2007, through partnership with Kigezi Health Care Foundation (KIHEFO), KBDS managed to train and sensitize about 20 CBTs on HIV/AIDS management in the community. The aim of this activity was to equip the CBTs with knowledge and skills of integrating the cross cutting issues in their daily community development activities. The project therefore, increased awareness about HIV/AIDS and its impact on agribusiness to the targeted beneficiaries.

Environmental Concerns

Environmental issues have been addressed through the different training programs. KBDS for example has promoted the use of "live poles" as sustainable agricultural practices for the passion fruit growing. Instead of using dried wooden poles for planting passion fruits, the project promoted planting of trees. While in the honey and handicraft value chains, the project promoted conservative use of wetland materials and productive use of gazetted National Forests.

Social Economic Enhancement

The mission validated and cross checked the social economic impact of the project beyond the project outcome. The monitoring and evaluation system reported increased household investments as shown in table 4 below. As a result of the various commodity market linkages created by the project such as for handicrafts and passion fruits, the targeted beneficiaries have reported increased household investments. The beneficiaries' reported an improvement in the quality of their houses (replacement of grass with iron sheets), purchase of bicycles, medical services and agro inputs as major household investments. However, these investments have also been triggered by increased access to VSLA resources. Hence, over 71,145 people in the households are indirectly benefiting from the opportunities created by these project interventions. The project socio economic effects are significant results, which has been achieved during the strategic project interventions over the period 2007-2008.

Table 4: Distribution of Household Socio economic Results

Items	Frequency	Percent	Total Percent
Clothing	4,553	32%	100
Improving houses	11,667	82%	100
Bicycles	11,667	82%	100
Education	6,403	45%	100
Land expansion	4,269	30%	100
Livestock	4,269	30%	100
Medical services	9533	67%	100
Agro Inputs	9960	70%	100

Source: KBDS Monitoring and Evaluation System

EXIT STRATEGY AND SUSTAINABILITY

Project Exit strategy

The mission observed that an exit strategy must take two levels of the project into consideration: first, the BDS markets and transactions must be sustainable when KBDS facilitation activities end; and second, certain facilitation activities may need to continue on a commercial basis after June 2008. The evaluation mission examined the KBDS exit strategy of the project. The mission evaluated the strategy used to identify and develop new services/products i.e. training activities are designed and delivered by the project for example. The mission concluded that the strategy used was supply led and it has limited emphasis on commercialization. It was also true that the project intervention in training was to introduce technology and for market testing. However, KBDS has managed to prepare partners and service providers by providing training on product development but not to manage their own targeted market assessments, working with farmers, associations or business networks on commercial basis to develop the segments. In case of the partners, KBDS involved LPs in M&E but not on techniques to undertake market assessment as a service to their membership. Hence, these challenges have made, the project exit strategy so complex and difficult to achieve to a larger extent. Exit strategy was clearly defined in the project design document and the project management should have been integrated it at the inception of the project but was not done.

The mission also observed that KBDS project did not exploit its ability to accurately forecast the people and resources needed to reach market sustainability through its local partners. The mission posed this question to local partners. "Can your organizations manage to continue paying for salaries of the technical staff recruited without KBDS grant? The answer was NO! The local partners interviewed reported that because of insufficient generation of revenue, the institutions may not continue to maintain the current staff for a long time without KBDS support. The mission observed that KBDS management failed to utilize efficiently project time from inception. Therefore, several interventions initiated after midterm review could not been adequately implemented and hence resulting into omissions of critical activities such as strategic interventions to increase BDS commercialization. This further resulted into failure by the project to reach point of critical mass in the market place, which should have enabled BDS market growth.

Strengthening Service providers

KBDS has strengthened the capacity of CBTs, and other providers to develop a range of products. The evaluation mission examined the level of commercialization of these services and products in Kigezi region in order to determine their sustainability. See commercialization levels of BDS products created in table 5.

Table 5: Assessment of Commercialization of BDS Products

No	BDS products	Price	Unit	Market demand	Commercialization	Remarks
1.	Kawanda hybrid seedling	1,000	Per seedling	High	Sustainable	No seeds big constraint
2.	Spray Pump hire	Free-NAADS/500-1000	Per spray	High	Partially sustainable	NAADS provided for free to farmers-hard to task. KBDS -CBTs hired pumps to 82 farmers in 2007
3.	Advisory services	Free	day	Medium	Not sustainable	CBTs offer for free services & NAADS
4.	Bulking services	Free/5%	Commission	High	Partially sustainable	Collection centres for passion fruits free & handicraft charge 5%
5.	Transportation	NIL	Kg	High	Sustainable	Fees charged by Daks; & bicycle transporters
6.	Tree seedlings		Per seedling	High	Sustainable	Demand increasing
7.	Harvesting gears	Ushs 30,000	1 pack	High	Partially sustainable	High demand but prices too high for farmers
8.	Harvesting services- Honey	Free/or 100/= per kg	Per hive harvest	High	Partially sustainable	Not well structured and priced. Some farmers pay and others don't but offer token
9.	Training services	Subsidy 5,000 per group trained	day	Medium	Not sustainable	Training offered for free to farmers and NAADS offered free training. No pricing structure
10.	Micro leasing of hives	4,000 - 134,000	Per hive	Medium	Sustainable	High demand but prices too high for farmers. Awareness needed
11.	Market information	Free	Airtime	High	Not sustainable	Phones for offered free. Pricing structure not developed
12.	Handicraft Raw material	1,000	bundle	High	Sustainable	Sustainable but environmental concerns and stead supply not guaranteed
13.	VSLA technical services	Free	day	High	Not sustainable	High dependency on subsidize of up to 830,000 per group. Not affordable unless structured and appropriately price and promoted
14.	Storage	Free	Sqm	Low	Not sustainable	The location of the storage facility outside the collection centres not viable.

Observations and comments

The mission observes that the project should have increased use of awareness campaigns, aimed at educating the consumers in the market place about the availability BDS providers (CBTs, Transporters, collection centres). Initiative to educate the consumers that providers can assist them in enhancing their value addition activities and, ultimately, increase their profitability was inadequate according to the field survey findings.

The idea of developing the BDS market through provision of subsidies to BDS providers was considered by the evaluation mission as undesirable. Therefore, the mission recommends that any successor project must develop innovative approaches to increase market demand. This is because the evidence in the field suggested that it was time for the BDS providers to start creating their own competitive market segments with limited project facilitation on market linkages, and product promotion.

The evaluation mission also observed that BDS providers must take into consideration the often limited spending power of rural smallholder farmers, and other potential SME entrepreneurs. There is need to apply different fees for different users. In this way, small holder farmers, and marginalized groups, could also benefit from advisory services provided by CBTs. This argument is supported by the best BDS practice theory that assumes a decrease in fees will be outweighed by the surge in volume of services that can be sold to consumers in the case of price differentiation. The mission feels that KBDS successor project should develop capacity of providers to be creative in pricing, embedded services and offering credit facilities to consumers. The fee based services shall help providers to improve their business financial viability and sustainability.

Stimulating Demand for services

KBDS has implemented number of good strategic interventions through its local partners in order to stimulate market demand. These included among others, training in agronomy practices, group dynamics, and business management; promotion of linkages to buyers especially for Passion fruits, Handicrafts and Honey; creation of association to mobilize members and service providers. The main challenge for the mission was to examine the sustainability of stimulating demand side. As the mission examines the sustainability of the interventions to continuously support the market growth, the mission found it important to clarify some of the key definition of the target beneficiaries. Especially subsistence smallholder farmers and persons in involved in SMEs. According to the mission's understanding**, Subsistence smallholder farmers refers to seasonal, part time, diversified economic activities typically operated by low income persons and especially women in risk averse households.** Whereas **persons involved in SMEs refers to person largely based on single economic activity which is multi seasonal and receives routine reinvestment.**

The emphasis of the KBDS demand side interventions have been on technology transfer and adoption, establishment of groups for cost effective support, collection centres, and promoting market linkages. However, the demand side interventions have helped to transform farming as a business in passion fruits and honey value chains. The major constraint to demand side interventions include: the role of NAADS, LGs, and other development programs in providing free services and goods to the farmers without placing emphasis on commercialization and market linkages, which distorts BDS markets. The second major constraint on the demand side market stimulation observed by the mission is the lack of project's innovative approaches to develop a range of BDS products for marginalized groups.

The mission observed that goal of market development interventions on the demand side is to increase awareness among large proportion of consumers to buy the BDS of their choice. The consumers can there make choice from a wide selection of products offered (primarily) from unsubsidized, private sector suppliers in a competitive and evolving market. Through focused group meetings, the respondents demonstrated willingness to pay for services but at a reasonable fee. The mission also discussed with the respondents to identify if this situation existed before KBDS project started. The response from consumers was that they were unaware of the potential benefits of BDS services, and most farmers would

usually decide to generate the service in-house without an evaluation of the relative impact and benefits. Many farmers were concerned that purchasing services would compromise their confidential business information and often, the traders could exploit them. The mission therefore, found out that KBDS interventions increased the farmers and traders awareness on the value and benefits of BDS in their effort to eradicate poverty. This is one of the most significant results of KBDS project.

Observations and comments

The mission noted that in general, demand-driven services are those services that meet clearly identified needs and for which beneficiaries are willing and able to pay. Paying fees for a service is one of the clear ways that demonstrates farmer's desire and value for a service. If the service is adding value to consumers' business then the willingness to pay is high. If not, they won't. In addition, when people pay for something, they expect quality service in return. KBDS project did not develop and implement strategic interventions to consolidate this preposition and hence, this has reduced the opportunity to sustain the interventions. KBDS successor project must know that the providers need technical assistance in identifying services that are in high demand, and in understanding the features and benefits of services that farmers and other entrepreneur's desire. Thus, the successor project should be in position to work with service providers to identify and select services suitable to be commercialized. The project should adopt the following exit strategies if the demand side interventions are to remain sustainable:

- Promote business-like relationships, which foster business-like incentives, behaviour and attitudes among both suppliers and facilitators.
- Provide linkage support to suppliers' to achieve agreed upon objectives.
- Develop capacity building approach that attaches a value to support, which encourages prudent and effective use of the project funds and technical assistance.
- Provide Technical Assistance with or without modest financial support, which enables suppliers to build their own businesses rather than being overwhelmed by external funds and advice.

Building capacity of local partners

KBDS developed capacity of the partners but not adequately to maintain sustainability of interventions after the project has ended. See the analysis of capacity assessment of the partners and the sustainability level in Annex 18.

Financial sustainability of MDA model

The project has spent Euro 588,875 to develop BDS markets for about 14,229 target beneficiaries as of June 2008 based on the MDA model. This means the average project funds used per individual target beneficiaries was about Euro 41 over the last three years. To examine the financial sustainability of the MDA model, the mission's findings are summarized in an Attractive Matrix as shown in Annex 2.

The analysis of financial viability of the BDS products in Annex 18 illustrates the level of commercialization of the different BDS products and the possible challenges related with the sustainability of the products. Input supply was strategically introduced using subsidizes but purely driven by market demand and hence its supply on commercial basis. However, the financial viability of the rest of BDS products cannot be determined because of the supply led nature of the interventions, the long period of using grants with no or limited private sector contribution resulting into low level of commercialization of the products. In addition, low capacity of the providers and partners to continue facilitating or delivering the support services without external sources of funds.

PROJECT IMPLEMENTATION EFFICIENCY

This chapter examined the efficiency benefits of the project often called "costs savings" or "costs-avoided" benefits, efficiency benefits are those that arise by reducing the costs to perform existing tasks in an organisation. This is often achieved by making it faster and cheaper to carry out tasks and projects. Efficiency benefits may be directly measured in terms of the number of staff hours/ salary that are saved, project cost /number of the beneficiaries, and financial sustainability of the providers. The systematic analysis is presented in the following paragraphs.

Project management setup and Administration

There was a delay in the launch of the project. Initially, the project was supposed to start in January 2005 but was delayed until in April 2005. Although the Project Coordinator (Mr. Hannington Sebaduka) had been recruited by the start date of the project (January 2005), there was a delay in the recruitment of the other project staff. The BDS Advisor (Ms Patricia Nsiime) was recruited in August 2005; the M&E/ Research Coordinator (Ms Doris Akishule Mugisha) came on board in April 2006 and the Financial Services Coordinator (Alex Najuna) joined the project in April 2005.

Judith Aguga, The Economic Sector Manager provide project backstopping in Kampala Headquarter and supervises the entire project activities with guidance from the Country Director. The CUHQ provides strategic directions and oversees and controls the project budget expenditure.

After the Midterm Review, the Project Coordinator resigned and was replaced by a new Project Manager (Margaret Barihaihi). The new Project Manager made quite significant changes in the personnel setup such as allocation of three value chains to be managed by specific staff; Doris was assigned Honey, Patricia was given Handicraft and Alex was assigned Passion fruits value chain. The mandate of the officers was clearly redefined that is to manage the value chain facilitation activities and reporting. CARE facilitated KBDS personnel with training in Best BDS practices including the project local partners. However, this training program was useful in enhancing staff skills to implement the project but the timing of the training (April 2008) left a lot to be desired. The new Project Manager also made a lot of changes in the sub-grant funded activity management. The new management entrusted the local partners with the responsibility to delivery specific results per month. The local partners were further held accountable for results every month, which are presented in the monthly partnership roundtable meetings. These initiatives increased implementation team work spirit among KBDS staff and its local partners and therefore, propelled the project to achieve the above outcomes.

The backstopping support from CUHQ improved after the Midterm Review. The Sector Manager, for example would hold monthly meetings with the Project Manager to discuss the progress report, review budget expenditure, and develop action plan for the next month. This close supervision by the CARE Headquarter improved the communication gaps between the CUHQ, and Kabale Sub-office. The procurement issues were effectively and efficiently handled through this arrangement. The coordination with Donors was efficiently managed by Kampala office. For example, CUHQ delivers quarterly and annual reports to all the donors' in timely manner.

The mission examined the KBDS staff performance through interviewing key informants in the field mainly the partners, CBTs, farmers and the local community leaders. Generally, the staff performance was rated excellent by 90% of stakeholders in the project aspects related to information dissemination, technical guidance, technical competence, and ability to offer customer care to the beneficiaries. This rating was also attributed to the ability of the staff to communicate to clients in the local languages. Doris Akishule Mugisha and Margaret Barihaihi were highly rated by the respondents, Batwa honey group in Nyarusiza, Kisoro and passion fruit traders in Kabale respectively.

The mission also observed that there was limited exposure of staff on BDS market development practices. Staff perception and interpretation of the project design concepts are some of major hindrances to the low project implementation capacity.

The mission observed that the project management team frequently met to review and discuss project implementation plans, prepare timely progress reports and Annual reports. The level of staff accountability in terms of performance has tremendously improved after Midterm Review. The quality of reporting structure and the content generally have improved compared to the quality of reports for period 2005 and 2006. The management also successful integrated the recommendations of the Midterm Review into the project activities as shown in Annex 15. MDA model has also been integrated by the project management into all the project interventions with local partners and the beneficiaries.

Institutional Linkages

The project design proposal was reviewed to assess the level of institutional linkages recommended to be implemented by KBDS project. The mission found out that the project was expected to promote linkages to public sector agricultural technology services providers such as the Production and Marketing Departments in the various LGs, and the promotion of linkages to NAADS, regional Agricultural Research and Development Centre (ARDC), Kachwekano, and other public programs in the region.

The mission's findings in the field revealed that the project achieved quite a number of institutional linkages over the last three years either directly or indirectly through the partners. For instance, the respondents reported institutional linkages with the following institutions:

- KIBECO linked to Uganda Micro Finance, and ASPS to develop and operate micro leasing facility for bee hives payable in 2 years;
- A2N linked to Kawanda Agricultural Research Station for passion fruits seed multiplication and training of CBTs on Agronomic Practices;
- KBDS project has maintained a good collaboration relationship directly with Government Agencies like NAADS, AAMPs, Kigezi Private Sector and District relevant Departments;
- KIBECO has initiated linkages with United Organisation for Batwa Development in Uganda (UOBDU) to extend training in beehive management to a total of 50 Batwa (ethnic minorities) in the region;
- In collaboration with AAMP: 350 passion fruit seedlings were provided to Rutooma farmers group in Kirima Sub County in Kanungu district by CARE supported CBTs.
- Kanungu district local government provided office space to A2N offices in Kanungu district - Production & Marketing Department. This has improved coordination and sharing of information with the Kanungu Local Government;
- A2N worked closely with Uganda Commodity Exchange (UCE) to install a modern software for managing community-based data, and trained 2 staff in new software application;
- In partnership with Kigezi Health Care Foundation (KIHEFO), 20 CBTs were sensitized on HIV/AIDS management in the community.
- Kachwekano Farm Institute has taken interest in women handicraft groups around Lake Bunyonyi. So far some the handicraft producers have been able to access improved Irish Potato seed as a result. Drucilla Balaba has been provided access to the institute's local radio in Kabale town for promotion of handicraft production.
- Drucilla facilitated consultative meetings in all the 10 sub counties with Kabale Local Government. During these meetings, the sub county leaders who included; the Sub County Chiefs, The Chairpersons LC3, community development officers, secretaries for production and women representatives in the council all pledged maximum support for handicraft project in the respective sub counties
- Drucilla has established strategic relationship to reach out to at least one Batwa communities through African International Christian Ministries (AICM) and Lake Bunyonyi Development Company (LBDC).

- Gorilla Organization has supported KIBECO with Ushs 10.7 million for renovation of the refinery centre, office furniture and fittings. Other further support by Gorilla Organization include: establishing queen bee rearing unit, procurement of 100 Langstroth beehives for demonstration purposes, and improving packaging materials for finished honey products.
- A total of 20 groups (971 members) in Kabale and Kanungu comprising of 221 members have been linked to NAADS during the project implementation. As a result of this linkage, three passion fruit farmers have been supported with 50 seedlings each and roll of trellis from NAADS in Rwamucucu Sub County for demonstration purposes.
- Collaboration has been established between Drucilla Balaba Vocational Training School and its mother organization, Diocese of Kigezi where sub county parish priests have pledged to support mobilization of communities to participate in the handicrafts project and also one church in Bubaare Sub County has given space for the establishment of handicraft collection centres.

The mission observed that the above strategic linkages have contributed to the project results to some small extent. However, the mission also observed that the impact of the institutional linkages would have been much greater if the project had explored and developed formal strategic institutional linkages with district authorities. Through strategic partnership with LG community issues such as Batwa, landless youth and distortion BDS markets by other development partners would have been addressed. The interviews held with the Local Government officials in all the three districts revealed that some basic institutional linkages were developed by CARE-KBDS but not so sufficient to create multiply impact in the project activities. It's also true that, some of the LG's political interests in community development may not match with the project objectives and this partly contributed to inadequate institutional linkage at strategic level.

Monitoring and Evaluation/ Reporting

The project design proposal recommended development of sound monitoring and evaluation system that is participatory in nature. It further recommended that the monitored indicators should reflect participants' expectations from the project as well as the information needs required by the partners as part of their Management Information System. The mission observed that each of the stakeholders require different information, and therefore the objective of the project would have been to design a system that can not only satisfy the donors and management requirements but which would be used by the project with its partners.

As a response to the project design proposal and following the recommendation of the Midterm Evaluation, KBDS has managed to upgrade and transform its monitoring and evaluation system. The system has integrated all the key log frame indicators as well as data collection tools. The project has managed to develop supplementary data collection system at each of the partners' organizations as a capacity building effort to continue monitoring interventions when the project finally closes. All these have been good steps taken to ensure that the M&E was an integral part of project implementation and its implementation is participatory as required by the design.

The mission has noticed a tremendous improvement in the M& E system compared with the findings of Midterm Review. Hence, good progress towards integration of the Midterm Review recommendations to improve project implementation. However, the mission noticed some constraints in the accuracy and consistency of data, which may have been caused by inadequate definition of the target beneficiaries i.e. Subsistence Smallholder farmers, person involved in SMEs, marginalized groups- Landless youth and Batwa. For instance, the project design defines target groups as target beneficiaries, and the M&E reports about households. The project definition of persons involved in SMEs was not clearly understood by the project staff. The secondly, the log frame indicators were not designed to measure performance of BDS in the market, which would have helped the project to focus its intervention to increase commercialization of BDS. For example indicators on size of the BDS market, price changes, BDS purchases and value, repeat purchases of BDS, cost of service delivery, and profitability are missing.

The project baseline study was carried out in October 2006. The mission reviewed the baseline study recommendations against the project M&E data reports. The mission found out that the baseline study was supposed to been carried out within the first year of the project in accordance with the design proposal but it was actually completed in October 2006 (i.e.18 months after the project commencement). The mission also observed that because the indicators could not integrate some basic details about BDS market performance, some of the baseline data information remained redundant. The complexity of the system was further constrained by the project implementation approach, which integrated BDS into the value chain management. This meant that project had to track value chain development trends, BDS, Financial services, and partner level activities. Hence, the core objective of measuring performance of the BDS market development became one of the smallest components of the entire project performance measurement. Some of the indicators therefore have no baseline data and this meant that it would be hard to accurately measure the contribution of the project under these specific indicators (see summary of the log frame indicators in Annex 8).

Unplanned or Planned Activities

The mission reviewed the project design documents including all the progress reports to assess if some of unplanned or planned activities were all accomplished by the project. According to the mission, the KBDS project focused its interventions on only three value chains. The mission felt that project should have had some flexibility to target persons involved in SMEs (engaged in non-agribusiness) activities such as Beauty saloons, bicycle repairs, mobile phone operators, market vendors, hotel and restaurants. Any flexibility in the implementation of the project towards targeting these SMEs would have created employment opportunities for marginalized groups, market for commodities, and would have created sustainable market for BDS. The project design proposal had provision for the project to design and develop detailed feasibility studies for clients like KIBECO. The mission has examined the implementation of this provision and found out that KIBECO critical needs a business plan already recommended in the Midterm Review. KIBECO also has failed to take up this opportunity to re engineer its business for growth and sustainable.

Short Term Technical Assistance

The mission reviewed the proposed use of local consultants undertake the short term assignments. The mission evaluated the value of the consultancies towards enhancing project results as follow: BDS Market assessment was successfully done and the recommended facilitated the detailed value chain analysis studies on passion fruits, honey, handicrafts and tourism. Baseline study was carried out, and the findings were partly integrated into the project M&E system. Gender study was carried out by independent consultant and the findings and recommendations were integrated into the project interventions that have resulted into at least 57% of the women perceiving increase in control of HH income. Midterm Review was successfully carried out and its recommendations were integrated in the project interventions, which has resulted into improvement in the project performance results to date. BDS gaps assessment was successfully carried to design hands on training that resulted into enhancement of the staff skills in project management and implementation.

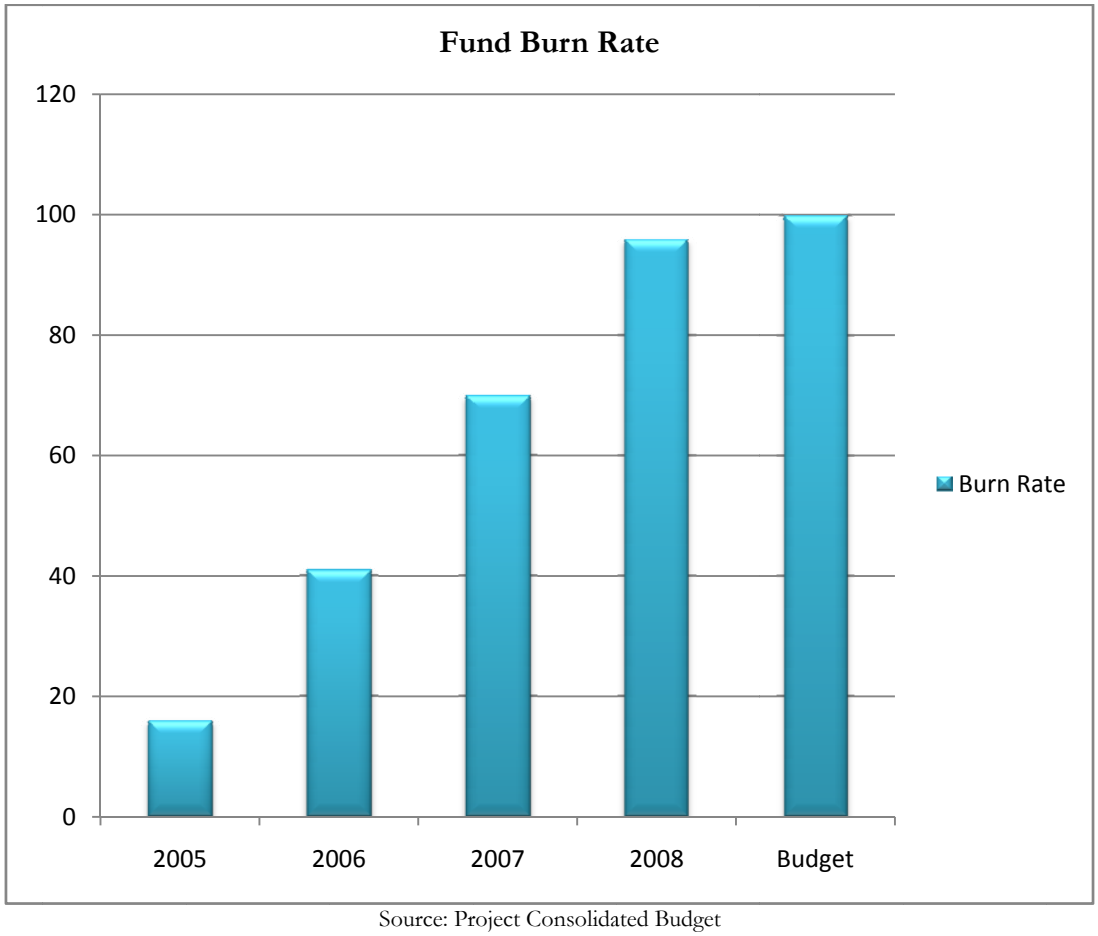
The mission also observed that due to time constraint, several recommendations made by these assignments have not been fully integrated into the project planning and implementation. Some of the reasons identified by the project staff includes: the absorption level of the local community of any new innovations is low, some of these recommendations are not applicable in the current market situation and issues of financial resource constraints was one of them. The significant change in the project performance has been attributed to large extent on the new ideas and skills acquired through interacting with different resource personnel undertaking these assignments. However, the significant expertise contribution of the new Project Manager cannot be underestimated, which greatly contributed to the overall successful project implementation and the subsequent achievement of results as discussed above.

Cost of Operations and Benefits

The mission carried out financial analysis to assess the project's cost effectiveness. The mission reviewed the total program costs for the last three years in comparison with the corresponding log frame indicators. The mission compared these project costs to the different "impact" indicators such as number of people accessing, using and benefiting from BDS, and the profit increase that businesses attributed to the service. The key assumptions for the analysis include the following:

- Project cost is based on annual incremental total;
- Burn rate is fund utilization as a percentage of the original budget;
- Project cost beneficiary ratio is the ratio of total project cost divided by the number of the total beneficiary supported annually by the project;
- Project cost Supplier ratio is the ratio of total project cost divided by the number of the total BDS suppliers supported annually by the project;
- Project cost BDS ratio is the ratio of total project cost divided by the number of the total beneficiary using BDS facilitated by KBDS annually;
- Project cost Revenue ratio is the ratio of total project cost divided by the number of the total revenue earned by target beneficiaries with an average of annual total income of US$ 500 (multiply by the number of the beneficiaries earning US$500 per annum times US$500);
- Project cost profitability ratio is the ratio of total project cost divided by the number of the total beneficiaries earning at least 30% profits as result of direct use of BDS delivered by CBTs.

The project budget absorption rate increased from 16% to 9% in the period 2005-2008. The highest funds utilization rate increased shapely from 70% to 96% in 2007-2008, which corresponds with the outcome of the project goals. The bar chart 3 below illustrates the annual accumulative fund utilization levels (see table 8 and table 9 for analysis details)



Source: Project Consolidated Budget

Table 8: Cumulative Budget Performance (2005-2008)

Items	Original Budget	Dec 2005	Dec-06	Dec-07	May-08	Balance
Personnel Costs	**322,960**	**40,772**	**118,363**	**206,773**	**251,538**	**71,422**
Materials & Equipment	**36,860**	**33,636**	**37,590**	**37,590**	**37,715**	**-855**
Operating Costs	**160,828**	**17,467**	**60,381**	**132,601**	**221,062**	**-60,234**
Travel Cost	*35,947*	*5,707*	*13,620*	*21,154*	*25,529*	**10,418**
Sub grants	*11,738*	*2,114*	*3,413*	*39,281*	*81,658*	**-69,920**
Communication Costs	*10,924*	*1,192*	*3,896*	*6,479*	*8,314*	**2,610**
Vehicle Costs	*33,935*	*1,480*	*13,903*	*19,325*	*24,817*	**9,118**
Field Operation Costs	*31,390*	*0*	*7,224*	*20,333*	*49,944*	**-18,554**
Field Office costs	*22,960*	*6,801*	*15,377*	*20,046*	*21,327*	**1,633**
Others	*13,934*	*173*	*2,948*	*5,983*	*9,473*	**4,461**
Consultancies	**32,760**	**0**	**18,895**	**22,277**	**23,792**	**8,968**
Monitoring & Evaluation costs	**20,480**	**0**	**0**	**5,263**	**16,243**	**4,237**
Sub Total Direct Eligible Costs	**573,888**	**91,875**	**235,229**	**404,504**	**550,350**	**23,538**
Indirect costs	40,172	6,430	14,832	28,315	38,525	**1,647**
TOTAL	**614,060**	**98,305**	**250,061**	**432,819**	**588,875**	**25,185**
Burn Rate	**0**	**16**	**41**	**70**	**96**	**4**

Source: Project Consolidated Budget

Table 9: Cost effective Analysis (2005-2008)

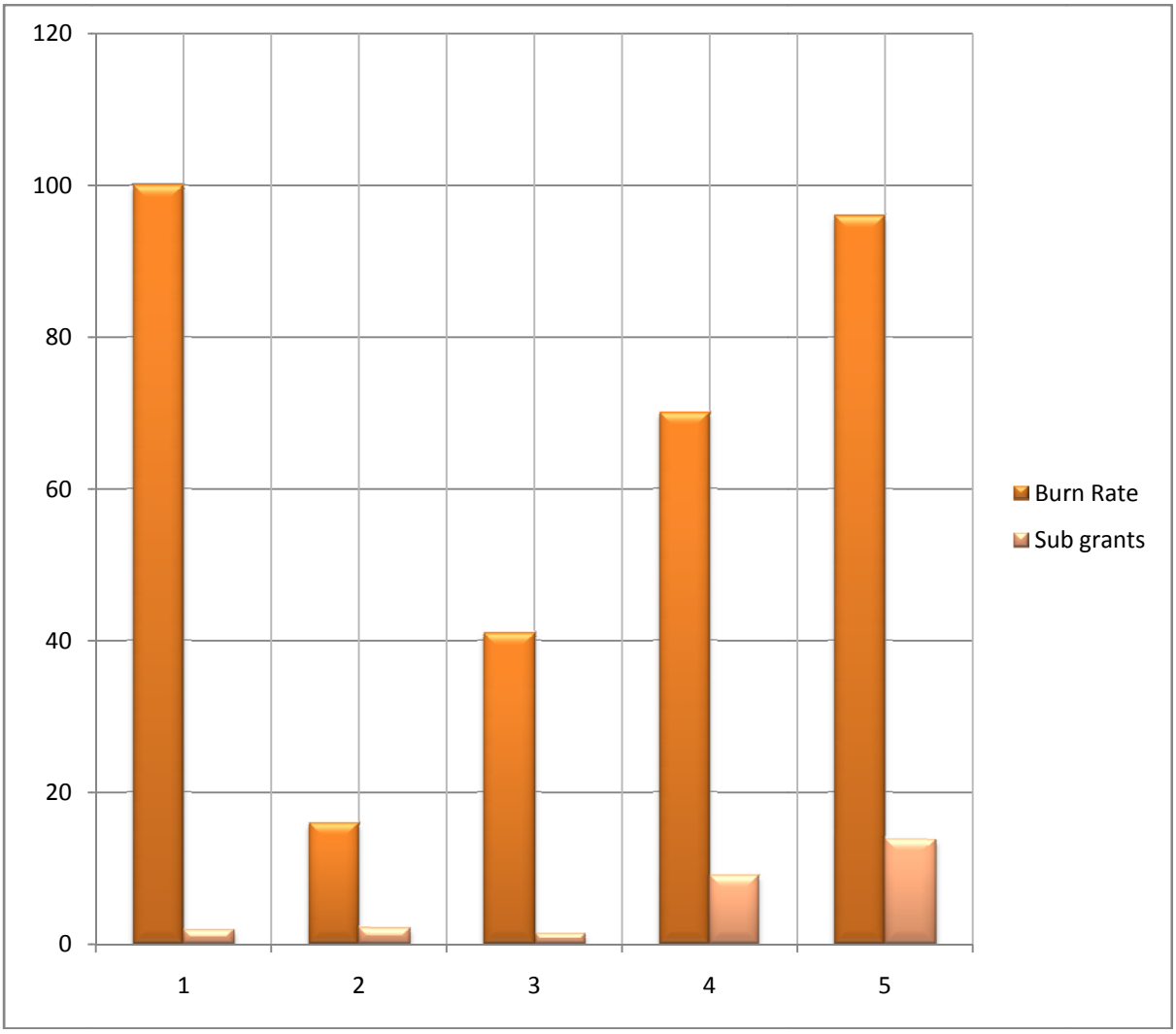
Performance Measure	Budget	Dec 2005	Dec 2006	Dec 2007	May 2008
Burn Rate	**0**	**16**	**41**	**70**	**96**
Cost effectiveness Measure					
Beneficiaries served	*0*	0	617	7,328	14,229
Cost Beneficiary Ratio	**0**	**0**	**405:1**	**59:1**	**41:1**
BDS Suppliers Supported	*0*	0	44	118	118
Project Cost Supplier Ratio	**0**	**0**	**5,683:1**	**3,668:1**	**4,990:1**
Beneficiaries using BDS	0	0	1,544	10,820	11,489
Project Cost BDS Ratio	**0**	**98,305:0**	**162:1**	**40:1**	**51:1**
Revenue generated by beneficiaries (€)	0	0	0	882,377	1,291,393
Revenue Cost Ratio	***0***	***98,305:0***	***250,061:0***	***1:2***	***1:2***
Revenue Cost Margin (%)	**0**	**0**	**0**	**49%**	**46%**
SME Profitability	*0*	*82*	*82*	*285*	*668*
Cost Profitability Ratio	**0**	**1,119:1**	**3,049:1**	**1,518:1**	**881:1**

Source: KBDS M&E system & Project Budget

During the period 2005, the project costs incurred had no direct benefits to the target groups. During the period 2006-2008, the project cost per beneficiary supported reduced from Euros 405 to Euro 41 as the number of beneficiaries' increases. It's cost effective to implement the project with provision of support to at least 50% of the target beneficiaries to reduce wastage of resources. The project expenditure reduced from Euro 5,683 per BDS supplier to about Euro 4,990 per BDS supplier supported. The total project expenditure on beneficiaries using BDS reduced from Euro 162 per beneficiary to about Euro 51 per

beneficiary supported. Finally, for every 1 Euro spent by the project, the target beneficiaries generated revenue of 2 Euro as annual revenue in 2008. Hence, evidence of significant multiplier effects on the rural household income.

The proportion of the budget allocated to sub grants increased from 1.9% to about 13.9% showing over expenditure on the planned budget of about Euro 69,000. This is a clear evidence of over subsidy and BDS market distortion. Ideally, the sub- grant disbursements should have been reducing towards the project closure. See in bar chart 4. Burn rate V/s Sub grants.



Field operational costs increased from planned Euro 7,000 to about Euro 49,000 during the period 2006-2008 as direct subsidy for technology transfer, BDS promotion and other BDS transactional costs. Ideally in the vibrant and growing BDS market, the field operational costs should be reducing as private sector investment increases. The monitoring and evaluation system could not adequately track the private sector investment and contribution to measure the cost effectiveness of the project interventions.

PROJECT IMPLEMENTATION EFFECTIVENESS

The mission evaluated project effectiveness benefits, which is sometimes called "value-added" benefits, effectiveness benefits are those that arise by improving the outcome of projects or tasks because of better information (e.g. reduced uncertainty due to higher quality or more up-to-date M& E data) or the addition of new tasks that could not be performed before the planned timeframe. The systematic analysis of the project effectiveness is presented in the paragraphs below.

Resource Management and Partnership Support

The project implementation structure is appropriate to support management of typical rural development project (see project actors in Annex 11). The integration of the partners, producer associations and farmer village groups directly into the project implementation within the different value chains has facilitated the project to achieve substantial results. However, the establishment of several associations (e.g. CBTs, farmers, traders) may in the short run be effective in delivering cost effective services to the target beneficiaries but in the long run they may become unsustainable because of limited revenue streams and lack of strong membership cohesiveness. For the case of VSLA groups, the initiative shall remain sustainable because of tangible benefits accruing from the SLA activities. The willingness to save ego shall sustain the group network for such a long period of time. Local partners played vital role in implementation of activities such as mobilization of the target beneficiaries in hard to reach areas, information dissemination, and increased project presence in the region.

The project structure is appropriate but one key position of SME specialist is very vital in facilitating the project to commercialize BDS, create innovative business ideas, and to support development of strategies that can increase competition within value chain. This shall help similar successor projects to deviate with NGO type of project implementation approach. These roles should have been played by the Agricultural Marketing Advisor, that the mission found missing in the current project staff structure. The BDS Advisor must have the SME development skills to play this vital role (see project structure in Annex 10).

Policies and practice in fund management. The project has been managed using the original budget with absorption rate of about 96%. This is a good performance in fund disbursement, allocation and accountability. However, the policy on cost sharing or matching grant was not clear and somehow not existing. The authority to cost share or not depended on the powers of the Economic Sector Manager and the Project Manager. The mission observes that there is need for CARE to develop a cost sharing grant policy that can guideline disbursement of funds in typical BDS market development projects to stimulate market demand. The accountability and fund utilization has greatly improved after the Midterm Review, when the project management introduced the monthly partnership progress review meeting. The mission found these meetings so useful in supporting the implementation of the project and to provide KBDS direct field feedback, which is so necessary in project planning and monitoring.

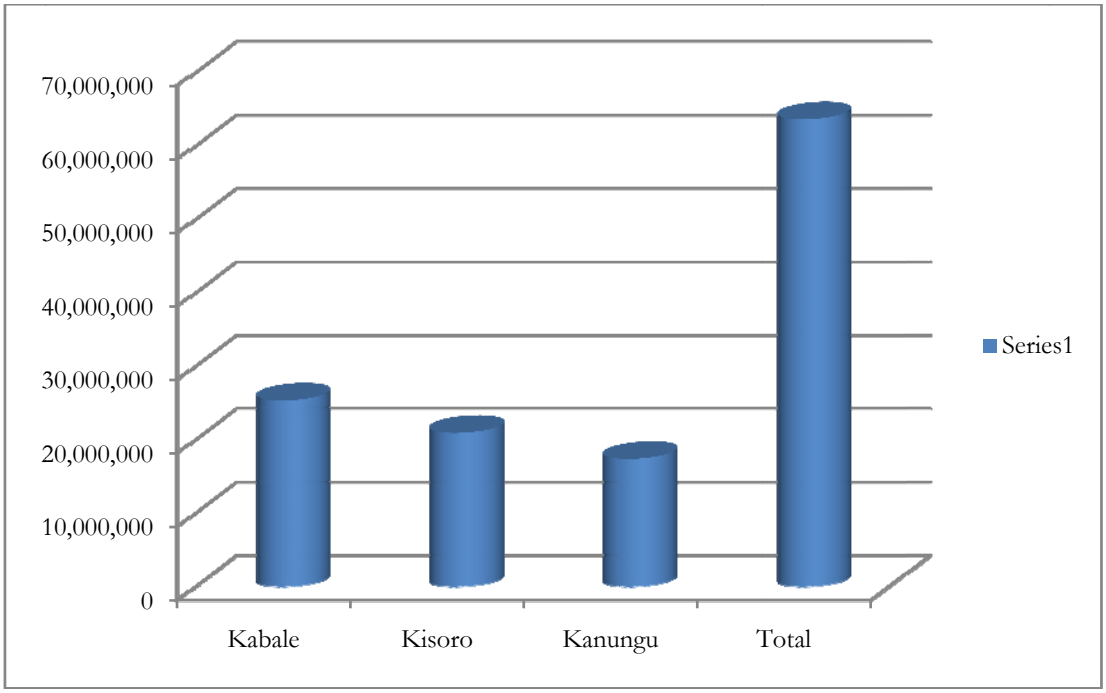
Financial resources that have been allocated for BDS promotional activities and new technology development were insufficient and insignificant to support sustainable impact in the project. For instance Euro 16,254 was allocated for new technologies and only Euro 9,659 was used by May 2008. The mission's findings in the field revealed there are increasing demands from farmers and the local governments for research and development services especially to upgrade technologies for honey production, handicraft product development, and multiplication of passion fruit seeds. The allocated funds have not been adequately utilized in product development and technology transfer. For the case of promotional activities about 10,000 Euro was allocated and the project only utilized about 50%. Yet the mission's findings in the field revealed low level of promoting BDS products and services to the local community to increase demand.

The local partners working modalities with CARE –KBDS was based on the project implementation level. The local partners work directly with target beneficiaries and this has helped the project to save field costs and staff time. The local partners have local experience and understand the operating environment much better then the project staff. As long term strategy for project exit and sustainability, the mission

commends CARE – KBDS approach of working through partners as viable and sustainability rural development system. The main constraint to achieve full scale sustainability through this approach has been related to inadequate capacity of the partners, inadequate generation of financial resources, and inability to operate as business like system.

BDS and VSLA services

The mission found out that there is a growing need for credit to micro enterprises to stimulate growth of BDS markets in the region. KBDS's approach of integrating VSLA into all the groups that have been supported by the project to access BDS is more sustainable approach. Increasing access to credit alone has not been effective but integrating BDS with access to credit creates sustainable market for loans and BDS. For example, introduction of new agricultural technology to rural farmers such as Kawanda big purple passion fruits increases demand for inputs. The low household income and lack of collateral to access bank loans has left many farmers with no option to adopt new technology. Several VSLA groups interviewed by the mission reported that they have accessed small loans to purchase farm inputs, household items, school fees, and livestock. The respondents' major constraint now is to create market for their agricultural commodities, which can be guaranteed by access to BDS. The expanding commodity markets through linking farmers to buyers, who offer better prices, shall increase the opportunity for the farmers to earn more income, save more and borrow bigger loans to improve household income. The bar chart 5 below shows the distribution of saving groups by district and gender.



38% of the target beneficiaries supported by KBDS have had access to VSLA with cumulative savings of Ushs 63 million as at May 2008. The project has been increasing rural access to financing as an innovative effort to strengthen agribusiness and non-agribusiness activities. The access to finance increases access to technical services and agro inputs, which can boost productivity and markets for BDS. The objective of increasing rural access to finance has been partially achieved but more effort is needed to expand the market size and product range to reach large number of beneficiaries in the three districts.

PROJECT COMPLIANCE WITH NATIONAL DEVELOPMENT STRATEGIES

Relevance of the Project Interventions

The review of all the above interventions and the project outcomes has provided the mission with overall project performance. The mission has come to a conclusion that BDS and VSLA are very vital in developing the capacity of the rural communities in Kegezi region as a strategy to eradicate poverty and improve livelihood. The initial BDS market assessment, the in-depth analysis of the four strategic value chains, and the subsequent design and implementation of the interventions and the outcomes has generated a lot of fundamental changes in the agribusiness infrastructure in the Kigezi region as compared to all other previous program interventions. 95% of Kigezi's economy depends on agriculture, and with increased land fragmentation, the future of agricultural development is uncertain to support the next generation. Innovative approaches such as intensive farming technologies and value addition are needed to sustain economic growth. The Government of Uganda has been deliberating implementing policies that increase privatization and liberalization of the economy, which depends mainly on Agriculture.

Following the above background, KBDS was established to develop BDS market as a sustainable means to increase access to markets for rural poor and marginalized groups. Poverty is caused by failure to reach markets by the rural poor people. Many government programs and other development agencies have provided short term grants and goods to the local community without emphasising market linkages to increase rural income. This assertion makes the KBDS more relevant project intervention in the region, which has been designed to address rural development issues to reduce poverty through development of sustainable market infrastructure. The mission concludes that the project is relevant because it meets the needs and interest of the local community and government policy framework.

KBDS initiatives have enhanced significant changes in the business-enabling environment, which place emphasis on open markets for private-sector growth and small enterprise (SE) participation. The project has enhanced the competitiveness of region in passion fruits, and honey by linking small-scale producers to buyers within supply chain. The project has enabled small-scale producers to reap more rewards from negotiating higher prices, which is one of commercial solutions to the barriers that exclude poor people from the benefits of higher value markets. And the project has been promoting program and policy shifts that help the marginalized poor to gain access to protected land, and engage in productive economic activities by supporting local market systems in which marginalized poor people play a critical delivery role. The concern of the mission on these interventions has been mainly on increased commercialization and enhancing project implementation based on business principle of sustainable BDS market development.

Project performance and compliance to GoU Policies and Development Programs

KBDS project has been implemented based on the guiding principles of Plan for Modernisation of Agriculture (PMA). Through the respective district local governments, the PMA programme is promoting the development and adoption of agricultural technologies that have the potential to generate increased income. The National Agricultural Advisory Services, (NAADS) has been piloting the new privatised and decentralised approach to agricultural advisory services delivery in region. KBDS project has developed its interventions to fill the gaps in these programs. For example, the development of sustainable BDS markets and increasing commodity market linkages to better paying markets was created by KBDS project. The project performance results related to increasing BDS access to poor, market linkages, access to CBTs, enhancing labour skills, and promotion of value addition fully complied with the principles of PEAP of improving rural poverty through the PMA programme.

Strategic Project Implementation Scenario

The mission observed that the project is very relevant and important to the region because of the project has developed sustainable poverty eradication interventions for poor and marginalized poorer people. The justification for this argument is that the project has developed the basic infrastructure needed to develop vibrant BDS market. This infrastructure must be maintained and sustained so that the market can grow to maturity stage. The mission observed that BDS market development takes a gradual process and it is important to keep the momentum in order to realize the full scale benefits. Once, this important infrastructure collapses in the near future, the local community shall develop negative attitude towards BDS market development. And all these project resources already invested shall become null and void.

However, as discussed in this report, the mission has outlined some shortcoming of the MDA model. These shortcomings can be overcome by re-designing the implementation strategies, selecting competent project staff, and integrating market assessment into the day-to-day operations of the project. The mission observes that increased commercialization of BDS, promotion of value addition, increased access to financing and development of vibrant sustainable commodity market linkages must be the strategy for the way forward. Marginalized groups like Batwa and Landless youth, require special strategic interventions that must emphasis access to basic human needs such as land, food, education and medical before any BDS interventions could be developed. The marginalized groups cannot afford the most basic human needs in a sustainable manner.

Project compliance with ADC Strategic Principles

The Austrian Development Cooperation (ADC) country strategy emphasises the need to promote inter-sectoral linkages and synergies. KBDS project has contributed and complied with the strategic principles as shown in table 10 below.

Table 10: KBDS compliance with ADC country Principles

Strategic Principles	Compliance	Rating	Remarks
Market Driven	Yes	Low	All Value Chains
Private sector delivery	Yes	High	All Value Chains
Promotion of Governance	Yes	High	All Value Chains
Institutional Linkages	Yes	Low	All Value Chains
Geographical Focus	Yes	Low	All Value Chains

Source: Field Activities Assessment

High rating means the compliance has been validated in the field and the target beneficiaries have provided evidence of success. However, low rating means evidence and validation exercise revealed partial compliance with the strategic principles. For example, on geographical focus, the project has been operating in some of selected sub-counties with marginalized poor people but not covering the entire districts. In the case of passion fruits, the interventions have been targeted in Kabale and Kanugu districts, Honey only in Kisoro district and Handicrafts only in Kabale district. The M&E data also shows that the number of marginalized people supported was below the planned target. The mission observed that some institutional linkages actually do exist but not at the strategic level with the respective local government authorities. If the project had successfully developed a strategic alliance with LGs may be the project would have increased significantly its resource base to cover large number of beneficiaries.

STAKEHOLDER INVOLVEMENT

Local Community Participation, Shared Responsibilities and ownership

CARE Headquarter is mandated to make strategic project decisions and technical field advice being mandate for the CARE sub office in Kabale district. Local partners play a representative role between the project and the target beneficiaries. In terms of resource allocations, selection of interventions and personnel, the strategic decisions are made by CARE/KBDS project based on the project design proposal and work plans. However, local partners provide feedback on the interventions implemented, which influence the project decisions. The main challenge faced by the project in involving stakeholders in strategic development and decision making process has been the limited knowledge and exposure in BDS practices including SME development skills among many stakeholders including some of the project staff. In the market assessment, Midterm Review, and subsequent value chain analysis, many stakeholders were consulted and involved in the design process. To some extent through the local partners, KBDS project has engaged the stakeholders in several brain storming sessions as strategy to build local capacity. The local partners have also participated in the development of appropriate collective action plans for the effective project implementation. Nevertheless, the responsibility of resource allocation, BDS development strategies, and planning has been vested on CARE – KBDS project. The project benefits, equipment, and results have been jointly owned by all the major stakeholders as revealed by respondents in the field visit interviews.

Sustainable Local Capacity Development

About 80% of the project interventions are directly implemented through the local partners, CBTs, and producer associations as a strategy to build local project management capacity. As discussed in the previous chapters, the capacity of local partners is not fully developed but rather better than before the project was launched. All the CBTs are local people, whose skill and experience shall remain a vital asset for the region.

The mission also observed that the principle behind the design of the project was to facilitate the expansion of markets. These can be achieved through provision of technical assistance, incentives to encourage suppliers to enter new markets. The providers can then develop new, low-cost products, and expand services to underserved markets. Therefore, to achieve this, the project implemented a local partnership arrangement with local facilitators, providers, associations, groups and district local governments to some little extent. The mission further observed that the project was designed strictly on a demand-led business approach, which required development of a detailed business plan for all the major services providers involved in the initiatives.

KBDS project is a facilitator and its role is to focus more on strengthening the core function of local BDS providers by supporting them in product development, innovations, market linkage facilitation, impact assessment and organisational development. The mission observed that this mandate was to large extent achieved by the project based on the mission's findings in the different districts. However, the design proposal recommended that all services to be delivered should be *demand-driven and paid for*, but subsidies should be considered for pre- and post- delivery activities such as the development of service products, test-marketing, capacity building and awareness raising, and gathering consumer feedback. That subsidies should be also be used to directly reduce the cost or price of services for identified **poorer segments** of the market **(Batwa and landless youth)** and will be limited to a short duration with the specific objective of stimulating demand in that segment. The mission's findings revealed that the project interventions regarding poorer segments was not adequately developed and implemented. For example, facilitating micro leasing facility for 95 beehives to Batwa group to start beekeeping business was a good intervention. However, interview held by mission with the group leaders of Batwa community revealed major challenges such as the group did not have land for placing the hives and no food to eat and hence resulted into failure to implement the intervention. The second example was the supply of treated bean seeds to Batwa farmers, who had no land for farming and no food to eat. The Batwa group ended up eating the seeds to satisfy their immediate basic needs.

PROJECT DEVELOPMENT POTENTIALS & SCALE UP

In order to develop possible areas of expansion and scale up activities, the mission developed the five fundamental questions to guide the thinking process so that practical activities can be recommended. These included:

- How can local partners facilitate the spread of "MDA package" gradually from the pockets into the surrounding areas of Kigezi region?
- Which components of the BDS products could now be provided by various service providers on fee basis and at affordable cost?
- How can the local partners now continue to facilitate the development and expansion of the BDS in the different market segments?
- Are there some options for commercializing the key extension delivery activities needed to speed up the technology transfer?
- Finally, what could be the limits to income generation for target beneficiaries who are using small pieces of land for commercial farming?

The terms of reference (see Annex 1) required the evaluation mission to come up with possible areas for expansion and scaling up of the BDS project based on the following aspects:

- Activities and outputs which may not have been completed or reached during the implementation of the project
- Activities and outcomes as well as models which have proven to be cost effective and successful for increasing incomes of poor households
- The proposed scale up activities is summarized in the following paragraphs.

Possible Areas for Expansion and Scaling up of BDS Project

The project concept and implementation has been of great importance to the local community in the three selected districts, its value and benefits cannot be underestimated. The mission has therefore commended the implementation of the MDA model. Hence, recommended the model to be replicated and to be continued but with some fundamental changes in the implementation strategies. Key factors that need to be looked at include:

- Market assessment to determine the market potential of selected BDS products that can be commercialized in all the potential value chains.
- Design and development of a rural matching grant scheme to facilitate private sector contribution in order to stimulate BDS market growth.
- Development of specific interventions for persons involved in SMEs such as restaurants, hotels, cottage industry, market vending, and small scale agro processing.
- Design and development of specific BDS intervention for the marginalized groups like Batwa, and Landless youth in order to bring them to the level of other communities in the region.

Possible areas for scaling up

Honey Value Chain:

ACTIVITIES	OUTPUTS
Increase commercialization of BDS products to be consumed by producers and other enterprises. Facilitate BDS providers to cost services, promote, and increase range of low cost products.	-Number and value of BDS products purchased. -Profitability of each BDS products sold
Increase access to tree seedlings for forage improvement to increase honey production by increasing the number of nursery operators, awareness campaign and establishment of demonstration sites;	-Number of Nursery operators selling tree seedling -Profitability generated from tree seedling sales
Facilitate consolidation of the local honey markets through strengthening of the collection centers, quality assurance and increasing volume of raw honey;	-Volume of Honey supplied -Volume & Value of packed honey supplied to customers
Increase policy and advocacy program to increase access to the protected area for bee keeping for the local community. Organize policy and advocacy platform, build capacity of partners in policy and advocacy and facilitate producers to productively utilize effectively the protected areas.	-Number of protected access sites authorized. -Number of hives colonized in the protected areas -Volume & value of honey supplied from the protected areas.
Improve quality of primary processing equipment such as facilitating micro leasing for extractors, baskets; packing machinery. Promotion linkages between the potential buyers and sellers.	-Number of equipment procured -Number of SMEs processing and packing quality honey
Expand the coverage and network of VSLA product in all the Honey producer groups. Develop affordable VSLA services and promote VSLA in rural areas.	-Number of VSLA groups formed -Value of annual savings -Value of loans disbursed
Explore and determine the feasibility of accessing raw honey from new potential sources e.g. Bushenyi, Kanugu, and Rukungiri.	-Volume of honey purchased by district - Value of honey purchased by district
Increase institutional linkage with government programs and Local Government e.g. NAADS, Gorilla Organizations, & NRM department in a strategic manner. Sign MoU with the LGs to support implementation of the project.	-MoU signed between Project & LG -Percent of funds committed by LG/Agencies -Number of interventions jointly developed and implemented.
Increase project coverage from Kisoro to other districts of Kanungu and Kabale. Identify potential producers and provide capacity building support.	-Number of new producers recruited -Volume & value of honey produced by new districts

Passion Fruits Value chain:

ACTIVITIES	OUTPUTS
Increase commercialization BDS products through promotion of CBTs products.	-Number and value of BDS products purchased. -Profitability of each BDS products sold
Increase opportunities for CBTs to access quality seeds, and support research and development on seedling grafting.	-Volume of Seeds purchased by CBTs - Number of quality grafted seedlings
Facilitate the development of passion fruit market structure by providing technical assistance to traders and strengthening the capacity of collection centers to bulk, grade, and market.	-Volume & value of fruits purchased -Number of people employed by sex -Average annual farmer income -Value of revenue generated by collection centers -SMEs Sales turnover -SME profitability

Develop mechanism for farmers associations to charge fees for managing collection centers as a sustainability strategy. Facilitate capacity building and develop appropriate structures to manage the centers.	-Number of producer associations -Average revenue generated by Pos -Number of BDS access facilitated by Pos to its members
Carry out market assessment of other potential crops that can be intercropped with passion fruits to increase the farmer's annual income levels. Introduce and promotion production suitable profitability commodities or enterprises that can be supplied to market through existing market linked system.	-Number of farmers practicing intercropping -Volume of the new Commodity produced and sold. -Value of passion fruits & new commodity sold -Average annual farmers income
Strengthen the capacity of the passion fruit associations to manage and coordinate the activities of the value chain.	-Market assessment done -Number of farmers linked to BDS providers -M&E data processed
Expand the initiatives to cover Kisoro district and other remaining sub counties in Kabale and Kisoro	-Number of new farmers recruited -Volume & value of Passion fruits produced by new districts

Handicraft value chain:

ACTIVITIES	OUTPUTS
Restructure and re-design value chain interventions to produce economically viable & profitable handicrafts.	-Establish central pilot handicraft production center of Excellency -New raw materials for handicraft identified -Developed business like culture to manage value chain
Market research to identify the profitable handicraft products, buyers, price, demand trend and potential for growth;	-Number of profitable handicrafts products identified -Number of orders and value
Establish of rural handicraft production centers to produce profitability high value handicrafts. Use the centers to transfer skills, quality control and commercialize the handicraft activities.	-Number of commercial viable and profitable handicrafts produced -Number of producers engaged in producing viable and profitable handicrafts
Encourage out of centre individual producers to increase production.	-Number of out producers created
Expand the handicraft activities to cover district of Kisoro and Kanugu in order to reach large number of women groups.	-Number of new producers recruited -Volume & value of handicrafts produced by new districts -Number of new partners created and strengthened

VSLA Activities

ACTIVITIES	OUTPUTS
Integrate commodity marketing in all the VSLA groups as a strong vehicle to increase rural farmer's income to increase savings loan funds and sustainability.	- Number of collection centres established - Volume & value of sales
KCBTA must develop standard VSLA products and services with affordable prices and promote VSLA system installation to the potential farmer groups in Kisoro and other districts as a commercial service.	-Number of VSLA services sold at low cost -Number of beneficiaries served by sex -Value of savings generated

Other Non agribusiness interventions

ACTIVITIES	OUTPUTS
Identify BDS needs and facilitate BDS providers to offer range of services to the restaurants, and hotels in the region	-Number of BDS products sold - Number of people employed by sex - Sales turnover & profitability
Identify BDS needs for market vendors and facilitate BDS providers to offer range of services – market vendors, traders, and cottage industry	- Number of BDS products sold - Number of people employed by sex - Sales turnover & profitability

Interventions for Marginalized poorer people

ACTIVITIES	OUTPUTS
Develop and facilitate in partnership with UOBDU – "Batwa community Enhancement Strategy (BEST) – Develop and implement at national level a fundraising campaign to raise funds that can help to settle the community in the region. Involve Government, corporate companies such as MTN, Celtel, NTV, Shell Uganda etc. The campaign shall cover exhibition of Batwa culture, fashion show for Batwa Young Ladies, Drama and Cultural dancing competition. All funds raised in this activity shall be used to settle Batwa and for creating sustainable BDS.	-Value of Funds raised - Number of Batwa settled -Number of Batwa engaged in economic activities - Number of new businesses developed
Landless youth – project initiative entrepreneurship training for youth in the region as means to identify potential skills. Facilitate youth to start small businesses such as bicycle repair services, mobile phone repair, group transport services etc	-Number of youth trained -Number of businesses created by type -Business turnover and profitability

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Project Performance Results: The project has been implemented with difficulties at the inception but later the project gained momentum to achieve substantive results. The mission therefore, rates the performance of the project over the period satisfactory because it managed to reach at least 57% of the target beneficiaries and has developed infrastructure for BDS market in the region. The project has created socio economic impact among the community and also empowered women to control HH resources.

Project Design: The project was well designed to address rural economic challenges in a sustainable manner such as expanding economic choices for poor and marginalised people. The project has achieved this objective through improving access to a range of private-sector-based business development services, and increasing poor peoples' bargaining power in the delivery services. The mission therefore concludes that the project design is suitable to facilitate for rural economic development in a sustainable manner, should be replicated, and expanded. The mission further concludes that the project design remains relevant to the new development proposed in PEAP, PMA and NAADS.

Capacity Building, Training, and Mentoring: KBDS has implemented different capacity building programs for CBTs, Farmer Groups, Partners, and associations. The mission found that training in Kigezi region has been a business for every program but the advantage with KBDS project, the training and capacity building programs have been well targeted to develop value chains (e.g. technology adoption, improving management system, and product development for new markets). Hence, the mission concludes KBDS project has created different kinds of capacity building initiatives, which are needed at different levels of the value chains.

Market Linkage: KBDS project has managed to implement successful market linkages such as in for passion fruits value chain, handicrafts, micro leasing, honey, and seedlings. The sustainability of any rural market depends on buyer and seller relations. The mission concludes that the project has made greater success in building up viable market linkages in passion fruits, honey and handicraft value chains, which has created benefits to the poor.

Services provided directly to target beneficiaries through associations, local partners, and informal networks such as farmer groups: the mission concludes that these avenues have provided opportunities for very poor to reach markets and also to access BDS.

Sustainability: The mission concludes that the project has helped the local community to generate revenue, adopt new technology, and changed the farming approach to business like. These features are critical to guarantee sustainability of the interventions. The basic infrastructure needed to stimulate BDS markets has been created and therefore, must be developed further until the market reaches maturity.

Finally, the mission concludes by confirming that the project implementation had some shortcoming as clearly outlined in the report. These shortcomings contributed greatly to the project's failure to achieve better results/ outcome than those outlined in this report. The project outcomes/results achieved were not all triggered directly by KBDS interventions but other factors contributed such as knowledgeable and committed farmers, good climatic conditions, local government support, improvements in national economy, and interventions from other development partners.

RECOMMENDATIONS

In order to improve future projects, the mission has recommended the following:

Up-front Investment in Stimulating Markets is Essential: The mission recommends that the successor projects must invest in understanding markets and engaging businesses to deliver support services and products. This is because the projects can produce better results and investment can pay off within the life of the project in terms of reaching more businesses. KBDS successor projects shall concentrate resources in developing rural sustainable markets. The implication of this recommendation is to define the exit strategy from the marketing point of view.

Involve Poor in Weak Markets: Although rural markets serving the poor people are often very weak as evidenced by low interventions for Batwa community and Landless youth. The successor projects must to demonstrate that even in very weak markets, serving the very poor, microenterprises and other community-based businesses can facilitate the poor to sell support products on the markets. When the local market for marginalized poor is given an opportunity to grow in a sustainable manner, it can have substantial development impact. But, offering free services can easily destroy these fragile markets as evidenced by the increased dependency syndrome in the region. The implication of this recommendation is to encourage the integration of the poor people in the main stream markets to reduce marginalization effects.

Building new partnerships with local Institutions: KBDS has managed for the last 2 years to work with local partnerships such as NGOs and other community groups. These relationships have had their own challenges such as long time re-orientation. The mission recommends that the selection of local partners has to be done carefully in the successor projects so that the project can work with a set of partners in a business like manner. The implication of this recommendation is to avoid working with institutions that shall not sustain the project interventions when the project finally closes.

Marginalized Groups: KBDS has made some attempts to facilitate BDS access to this market segment but a lot can still be done. Innovative ideas are needed to make this groups come out of the misery created after their homeland "protected area" was taken away from them. They are humans, Ugandans and they deserve to live better life like any other Ugandans. All efforts must be put together at all fronts including central government, local government, UOBDU to give these marginalized people a destiny once for all. The implication of this recommendation is to reduce the mistakes of developing unviable interventions that cannot address the needs of the marginalized groups.

Vouchers and Matching Grant Scheme: The mission recommends that the successor projects should develop a rural matching grant scheme to expand demand for BDS by providing information and encouraging SMEs to try services. The match grants can be used subsidize the initial purchase(s) of BDS through cost sharing. The implication of this recommendation is that, the project can avoid the issues related with market distortions and dependency on the grants from the project by clients.

Information to Consumers: KBDS project has attempted to disseminate information on the availability of BDS products to consumers but not in the strategic manner. The mission recommends that the successor projects should develop information dissemination strategy and system that can be maintained by the local partners. The implication of this recommendation is to avoid the mistakes of developing adhoc information interventions that collapse before the closure of the project.

Clusters or Networks or working through value chain: The mission recommends the KBDS clusters or value chain approach, which is still relevant. This approach shall help enterprises to overcome diseconomies of scale in purchasing BDS. The mission recommends that promoting business linkages to create or expand embedded BDS is the way to go because larger companies like Mukwano Industries, and Britania Allied Industries can integrate backwards to provide a range of services. The implication of this recommendation is to help projects to remain focused and create sustainable impact within the value chain.

Technical Assistance: The mission recommends provision of technical assistance to build the capacity of new or existing BDS suppliers to profitably serve markets. The mission further recommends that more service providers must be created through offering demand driven capacity enhancement opportunities. Increasing the number of providers shall create competition and increase range of products to be offered and other businesses can have choice. The implication of this recommendation is to avoid supplier monopolistic tendencies created by KBDS, which does not support the principle of market growth.

Product Development and Commercialization: Product development requires market assessment in order to identify the needs and ability to pay. The mission recommends that BDS products must be designed based on demand driven approaches and must be tested to confirm suitability of the product in the market. The basic principle is for the project facilitator to design and test new products on the market, which can then be commercialized through existing suppliers. The mission found this condition relevant with the implementation of KBDS and the next stage in the project implementation phase should be to commercialize already tested products in the different market segments. The implication of this recommendation is to increase the commercialization of BDS products, which has been one of the major problems to KBDS project.

Finally, the mission has recommended that KBDS project should be scaled up in a strategic manner in order to take advantage of already invested resources. The project scale up shall help to keep the momentum of BDS market development until it reaches maturity level. The mission observes that project personnel contributes a lot to the project success and therefore, project personnel must be carefully selected, trained and facilitated to manage future projects.

LESSONS LEARNED

Financial Viability: KBDS experience with CBTs and beneficiaries provides a major lesson on development of financial viable interventions. CBTs sold passion fruits seeds at fee, offer free advisory services, and other products. It should be noted that financial viability hinges on selling a product or service that customers want. To be viable, an intervention must be cost-effective, i.e., offer a demanded product or service at a price and volume that cover costs without continued external subsidy or assistance. CBTs and other providers continued to depend on subsidy to deliver services to the customers. The demand for chemical is high in the passion fruits value chain and none of the CBTs supplies this highly demanded services.

Market research: BDS Market Assessment should not end when the project begins; it must be a constant part of the feedback loop. Customer satisfaction, derived through market research, is a barometer that indicates whether the enterprise continues to meet its customers' wants and needs. Market research also acts as a watchful eye on the changing environment—so the project can stay ahead of the curve and respond to changes rather than get crushed by them. KBDS project only carried out market assessment in first year and has been carrying out assessment.

Building local capacity increases opportunities for sustainability. KBDS project interventions has demonstrated that the building capacity of BDS providers to deliver services to the underserved segment of the market helps create multiplier effects in the sense that support given to one CBT has been transferred to hundreds of beneficiaries through the services the provider delivered. 118 providers have delivered services to about 14,000 beneficiaries.

Beneficiary participation: The participation of beneficiary is a key factor to the success of a project. Project priorities should be demand-driven and flexible: KBDS project has involved user groups in project implementation. There should be cost sharing by the beneficiaries to increase their sense of ownership, which KBDS did not fully exploit.

Create dynamic MDA model: A successful project model like MDA has the ability to maneuver in the marketplace by identifying and entering new markets. BDS models cannot be based on fixed program designs and left to stagnate; they must be dynamic and flexible, responding to new opportunities and circumventing arising threats, if they are to survive in the long run. The MDA model is dynamic has been implemented in the strategic and operating rural environment. The level of flexibility on the MDA model was not adequate to address the ever changing business environment because of its implementation nature.

BDS Commercialization: The MDA model application and the subsequent evaluation revealed gaps in commercialization of the BDS. It should be noted that BDS market development should be market oriented in terms of cost sharing and cost recovery of its services. The mission accepts that BDS cannot only be developed with commercial business providers but also with other private non-profit organisations with diversified financing (cost sharing services plus donor funded activities) as done by private NGO, farmer associations and public research station. Some services will even have to be provided on grants and by public structures especially for marginalized groups.

Integrating the poor into the mainstream markets: The integrating the rural poor and marginalized into mainstream markets enhances rural income like the case of KBDS project. Poor farm producers of were integrated into the mainstream markets of fruits, honey and handicrafts by increasing sustainable access to productivity-enhancing products and services. These products and services include: micro-leasing equipment, agricultural inputs (seeds, fertilizer, and pest control), repair, access to downstream markets, and access to agricultural information. The project has made significant progress in providing access to some of these items through local partnership arrangement. The project has linked the farmers and farmers groups into these input and producers into some mainstream markets. By increasing the capacity

of collection centres to supply quality goods and services through training and orientation, the project has therefore, assured the sustainability.

Technology adoption: Passion fruits adoption rate was report at 50% with about 30% already harvesting is a good achievement for the project. The lessons that can be drawn from this experience include: 80% of the farmers that managed to adopt the technology had previously grown passion fruits. Initial investment, access to inputs and skills are major factors that enhance the adoption rate. The project managed to successfully changed farmers attitude from using baskets as a measuring instrument to use of modern weighing scales by demonstration and increasing awareness.

Project time management: Management of project time must be considered a very important element of implementation. KBDS experience of poor project time management resulted into poor performance over the period 2005-2006. The improvement on time management, resource allocations and focusing on the project results over the period 2007-2008 has produced good project performance results for KBDS project.

Use Performance Contracts: Sign contracts that outline performance expectations and specific targets or deliverables and detail how the partnership will be conducted. The use of performance contracts in implementing KBDS project generated four key lessons. First, performance contracts set concrete results that advance project goals. Second, targets and expectations specified in the contract function act as a project management tool, reducing the need for the project staff to micromanage local partners. However, the system promotes partners' integrity because of the transparency and close supervision. Thirdly, performance contracts have been used by KBDS as an evaluation tool or incentive to provide additional funding. Finally, the setting of performance targets helped the project and partners to define boundaries, which is a potential source for duplication of services and waste of resources.

Defining exit strategy: KBDS project experience of not defining the project exit strategy right from the inception disrupts the opportunity to create sustainable interventions. The successor projects should plan the departure at the start of the BDS project. Issues related to type of structure, ownership of assets and revenue often are sticking points for BDS programs. The projects should try to sketch at a project's outset, vision for the future of the interventions and the local partners.

Supporting Marginalized Groups: It's not easy to integrate the marginalized groups into the mainstream markets because of the cultural beliefs, attitudes, and resistance to change. Innovative approaches are needed to integrate the marginalized groups such as embedded services, integrating disadvantaged groups into the local community, and addressing basic needs. KBDS project failed to integrate its interventions into other CARE projects working for example with Batwa community because of project structural complexities.

ANNEXES

Annex 1: Evaluation Terms of Reference

Annex 2: Evaluation Terms of Reference

Annex 3: Project Staff

Annex 4: List of people Contacted

Annex 5: Evaluation checklist and Tools

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Annex 9: Project Log frame at EOP

Annex 10: KBDS Project Structure

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Annex 18: Assessment of Financial Sustainability of BDS Products

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TERMS OF REFERENCE (ToRs) FOR THE END OF PROJECT EVALUATION FOR THE KIGEZI BUSINESS DEVELOPMENT SERVICES (KBDS) PROJECT

A. Introduction

The Kigezi Business Development Services (KBDS) project is a 3 year project (01/04/2005 – 30/06/2008) being implemented by CARE in the 3 Districts of the Kigezi region, i.e. Kanungu, Kabale and Kisoro, and is funded to an average tune of Euros 610,000 funded by ADA (. The KBDS project works through three subsectors of passion fruits, honey and handicrafts to promote Business Development Services models that appeal to and will reach the poor and marginalized peoples of this region to enable them expand their economic choices.

The project's goal and specific objectives are as follows:
Overall Objective: To achieve sustainable livelihoods and social inclusion for 25,000 capital and poor households in the three districts of Kabale, Kisoro and Kanungu.
Specific Objective- A dynamic, innovative and viable Business Development Services (BDS) supply system that support small enterprises, employing and providing income- earning opportunities for poor and marginalised groups is in place.

The project is designed to achieve this goal through the promotion of Business Development Services models that will appeal to poor and marginalized people to boost their production in the handicrafts, honey and passion fruit sub sectors as well as increasing household access to financial services through the village savings and loans Association (VSLA) Mechanisms.

It is also important to note that the project is designed within the broader policy framework of the Poverty Eradication Action Plan (PEAP) and Plan for Modernization of Agriculture (PMA) with emphasis on the following result levels:

Micro: Increased household capacity to engage in market oriented production in the passion fruit, honey and handicraft enterprises that provide sustainable and growing income.
Meso: Increased capacity of civil society and private sector service providers to effectively participate in BDS market linkages on a sustainable basis so as build the economic development processes in rural Kigezi region.
Macro: Smoothened price fluctuations of marketable agriculture commodities with average prices higher than before the intervention of the project

The activities of KBDS project in the first three years were planned as follows:
Phase 1: Re-establish pre-conditions for logistical set-up and project refinement
Phase 2: Developing and piloting of interventions- trying and testing various models and products
Phase 3: Replication and scaling up of activities – to move the activities beyond the pilot areas and partners

In total, the project targets 25,000 poor and marginalized people in the categories of:-
- Subsistence small producers
- House holds involved in small enterprises
- People living in Protected Areas
- Ethnic minorities, especially the Batwa.

B. Current operational areas

The KBDS project operates in a total of 3 districts as follows:

a) Handicrafts sub sector: Operates in Kabale district covering a total of 10 subcounties with Drucilla Balaba Vocational training institute as the implementing partner.
b) Honey sub sector: Operates in Kisoro district covering all the 14 subcounties with Kisoro Beekeepers Cooperative (KIBECO) as the partner.
c) Passion fruit sub sector: Operates both in Kabale and Kanungu covering a total of 8 sub counties. i.e. 4 sub counties per district with Africa 2000 Network (A2N) as partner.
d) VSLA: This component covers 3 all the districts and 32 sub counties where the three sub sectors are operating. The main implementing partner is Kabale Community Based Trainers Association (KCBTA).

C. Objectives of the review

It is thus in this context that CARE International in Uganda seeks to contract the services of a Consultant to carry out a end of project evaluation to determine whether the project approach and activities undertaken lead to the achievement of the specific objective and made a contribution to the overall objective.

D. Scope of work - Issues to be evaluated.

a) Overall and specific impact level

- Assess trends and progress made so far towards impact level indicators based on the project expected results.
- Validate project promoted models with regards to scale-up potential
- Assess the gender sensitivity of the promoted models (e.g. empowerment of women in VSLA and production units, etc.,)
- How far the promoted models enhanced the economic and social development beyond the level of the immediate users.

b) Examine the extend to which the project outputs and components **will be sustainable after** the close out specifically:-

- Multiplier effect of strategies
- Promoted linkages within the value chain among the different stakeholders
- The level of institutional capacity of participating parties in being committed to the interventions, if the parties institutionally are capable of continuing the flow of benefits after the project ends and are well prepared to take over.
- On the financial sustainability of the models being promoted, i.e. if they are affordable for the intended beneficiaries now and after the project funding has ended.

(c) **Efficiency in the implementation** of project activities in attaining the intended results. This will have a special focus on the following:-

- Quality of day-to-day project management with respect to level of relations and/or coordination between the project and local authorities, institutions, beneficiaries and other donors.
- Quality of monitoring with respect to accuracy and flexibility as well as the adequacy of the baseline information being used.
- How well the sourced technical assistance led in providing the appropriate solutions and develops project staff capacity to produce results.
- If any unplanned results arose from the activities.
- Make analysis on the cost benefit of the project

(d) **Effectiveness of implementing the project** in realizing their potential benefits and purpose. Thus the focus will be towards:

- Examine the extent to which the resources (i.e. project management and structure, staff, financial resources, polices and practice in fund management etc) and partner working modalities were effective in implementing the project mandate.

- Assess the project operational modalities i.e. BDS and VSLA and the different activities undertaken in each of the component if they were effective in address the challenges which the target group faces and which the project over all objective planned to address.

(e) Relevance (appropriateness) of the intervention in relation to the priorities of the recipient country; comparison of results against the immediate (operational) and more general objective (development objective)

- How important is the intervention for the target groups and/or to what extent does it conform to their needs and interests?
- To what extent does the intervention comply with development policies and development planning of the recipient country or counterpart government?
- Does it make sense to continue the intervention or is it necessary to redesign or stop it?

(f) Compliance with strategic principles and programs of the Austrian Development Cooperation; comparison of intervention objectives against the strategies of the Austrian Development Cooperation
How does the project contribute to ADA Uganda country strategy?
As per proposal
Market driven approach
Private sector service delivery capacity
Promotion of good governance
Linkages among various projects and sectors
Geographical focus

(g) Participation or (shared) responsibilities and ownership

- To what extent are stakeholders (target group, beneficiaries, and affected groups) involved in strategy development and decision-making?
- To what extent is the intervention designed to rely on local project program management or to develop the necessary local institutional capacity?

E. POSSIBLE AREAS FOR SCALING UP

- In addition the consultancy should come up with possible areas for expansion and scaling up. This will be based on:-
  i) Activities and outputs which may not have been completed or reached during the implementation of the project
  ii) Activities and outcomes as well as models which have proven to be cost effective and successful for increasing incomes of poor households

F. Methodological Aspects

The team will be expected to:

a) Review all the relevant documents (Annex I)
b) Develop and discuss a Review plan with the CU (Director of Programmes), which will include the areas of focus and how they will be addressed, interview meetings and field visits.
c) Undertake Interviews for the project stakeholders; a) Individual producers and their leaders at village levels, Community Based Trainers (CBTs) plus Local Experts, processors, produce buyers, other BDS suppliers, local government technical staff (production and planning), political leaders at sub county and headquarters, partner CBOs, NAADS, AAMP, KPSPC, Financial services providers e.g. Uganda Micro Finance Ltd and SACCOs.
d) Make Field Visits, to areas of project intervention whose selection will be determined by the Consultant.
e) A Wrap up Workshop to discuss the preliminary results and validate the findings to the project partners, stakeholders and CARE staff.
f) A special focus will be laid on women and data disaggregated by sex will be collected

G. Reporting and Feedback

The team leader shall take the responsibility for ensuring the final results of the review process shall be completed to the satisfaction of the client as follows:

- A Draft report: The team will submit the draft report to the client not later than ten days after completion of the initial field work in Kabale and wrap up workshop, and it should include findings, conclusions, lessons learnt and recommendations for further project implementation in addition to any other relevant supporting materials. This will later be circulated to the relevant CARE partners in the KBDS implementation.
- A final report: This is expected to be submitted not later than ten days from receiving the comments in relation to the draft report from CU. It will be expected that it will incorporate all the comments agreed upon with CU and its Donor partners arising from the draft report and an executive summary of no more than 5 pages with fully cross-referenced findings and recommendations.

H. Expertise required

Team Composition:
The team of Consultants will be expected to be composed of One Team leader (who will plan and manage the review exercise) plus 1 other member.

The *Team Leader* will be expected to possess extensive experience in project management in all its major facets of planning, implementation, monitoring review, in addition to partnership processes. The team leader will be expected to have vast experience in the area of agricultural marketing and business development services as well as adequate knowledge of gender equity and diversity.
He/ she will be charged the overall responsibility of planning; compiling and presentation of the review report to the client as well as answer any of the questions, which may arise from it.

The *Other Team Member* of the review team will be expected to be an expert in business administration with a bias on financial services specialist in the areas of small sized farmer marketing and rural financing, especially in demand driven market led sector approach intervention. He/she will be expected to have extensive experience in the adaptation and implementation of Uganda's PMA. In addition he/ she should have thorough knowledge of partnership processes and implementation of community based programmes, in a decentralized environment.

I. Work plan and Time Schedule

This is an exercise, which is anticipated to take a total period of 17 working days

The review exercise shall take place in May 2008 in accordance to this timetable

Period	Days	Activity
	2	• Review project Literature and development of research tools/check lists.
	1	• Consultative meetings with CU head office staff.
	2	• Consultative meetings with CU-Kabale Sub Office staff and district Commercial officer, NAADS AAMP, KPSPC, UML, e.t.c.
	1	• Review brief to discuss tools and methodology to be used. • Make discussions to the stakeholders within Kabale, e.g. Local Government, partners (A2N, KIBECO, KCBTA, Drucilla Balaba Voc. institute)
	5	• Undertake Field studies in selected sub counties.

	1	• Presenting the preliminary results and validating them in a workshop discussion.
	5	• Writing of the Draft report • Writing of the final report
Total days	**17**	

Annex I- Documents relevant for the review process

- Review of project documents- original project proposal, implementation plan, log frames, plans and progress reports
- Consultancy studies and interfacing with project stakeholders
- Project Mid term review report.

Annex 2: Implementation of MDA Models Based on Value Chain Approach

Honey Value Chain BDS Interventions

Through Marketing Development Approach, and in partnership with KIBECO, the KBDS developed interventions for promoting honey based on the value chain approach i.e. from input supply to the marketing level. The project introduced langstroth beehive type, which has capacity to produce 30-40 Kgs at harvest time compared to 6-10 Kgs produced by traditional hives. The project through its partner organized honey producers into producer groups /associations with emphasis on women, Batwa and landless youth. Sensitize and training of the group members' and Community Based Trainers was accomplished, which covered management and maintenance of improved hive i.e. langstroth hives; trained local artisans in construction of improved hives; carried out policy advocacy on increasing access to protected areas' to enhance placement of hives in the forests. KBDS facilitated the establishment of pilot rural honey collection centre in each sub county. KBDS supported and upgraded the management system of the central collection center in Kisoro town to enhance processing and supply of finished products to the market. The impact of these interventions includes: increased bulking for the market; improved harvesting, post handling and product packaging. Additional intervention was developed to increase access to finance for rural producers through promotion of the Savings & Loan mechanism (VSLA) to make it easy for the producers to access credit, especially for the purchase of langstroth hives.

Types of Changes	Very Negative (--)	Negative (-)	No Change (0)	Positive (+)	Very Positive (++)	Strategic Interventions
Input Supply	•	•	•	√	•	KBDS facilitated access, 2480 tree seedlings supplied by private nursery operators, Harvesting gears are now made locally following KBDS supported training, micro leasing of traditional improved hives to Batwa, and modern hives – Langstroth. 40 CBTs trained to delivery BDS (commercialization level for CBT's services is low)
Honey Production	•	•	√	•	•	KBDS has facilitated activities towards honey production through training of 2,484 bee keepers in honey production techniques. KIBECO reports improvement in quality and volume of production is still low to support processing and supply of products to meet contract requirements.
Harvesting	•	•	•	√	•	The use of harvesting gears has improved harvesting but commercialization of harvesting services is inadequate. Extractors needed for harvesting – modern hives
Organization	•	•	•	√	•	100 bee keeper groups established and capacity strengthened. District level CBT association formed. KIBECO cooperative components weak and nearly inexistent. KIBECO

						has formal links with Local Government and NAADS in Kisoro. KBDS established contacts with UWA to facilitate access to protected areas for marginalized people in the region.
Collection, grading & Storage	•	•	•	√	•	3 collection centres established to serve 2,484 farmers. Grading system not adequately enforced, storage is a major constraint. However, there is plan and progress towards expansion of collection centres, and enforcement of grading v/s price. Use of weighing scale is new approach to beekeeping.
Collection, grading semi processing	•	•	√	•	•	The current interventions discourage bee keepers from semi processing due to lack of access processing technology and inadequate skills.
Processing, labelling & packing	•	•	•	√	•	KBDS has encouraged the three main processors to cooperate to improve marketing. KBDS has provided technical support to KIBECO, KHP, and KBC to improve quality of honey processing, labelling and packing.
Retailing	•	•	•	√	•	Contract for honey supply to Shoprite, royal supermarket successfully concluded but volumes can't be met. Honey price increased from Ushs 2,000 to about 4,500 per kg
Exporting	√	•	•	•	•	No export initiative has been explored during the last three years of the project implementation.
Intervention Coverage	√	•	•	•	•	16 sub counties in Kisoro district but no interventions in Kabale & Kanungu

Passion Fruits Value Chain BDS Interventions

Through the Market Development Approach, and in partnership with Africa 2000 Network, KBDS developed interventions to promote Kawanda Hybrid Passion Fruit based on value chain approach i.e. from input supply level to the consumer level. Through this approach partners supported farmers groups to improve on agronomic practices of small purple passion fruits and A2N created a market linkage that was viable and profitability for farmers increasing the price from Ushs 35,000-80,000 per bag. KBDS developed capacity of Nursery Operators (CBTs) to establish and run commercial nurseries where the passion fruit seedlings are propagated and supplied to farmers. Britain Allied Industries has been approached by passion fruit traders with support of KBDS to negotiate market for small purple passion fruit. Britain consumes annually about 500,000 tonnes and 80% of the passion fruits are imported from Rwanda and Kenya. This market has high potential to increase farmer's income.

Types of Changes	Very Negative (--)	Negative (-)	No Change (0)	Positive (+)	Very Positive (++)	Strategic Interventions

Input Supply	•	•	•	√	•	KBDS established strategic relations with Kawanda Research Station and A2N to guarantee multiplication of big purple passion fruit seeds. A2N and KBDS identified 20 local CBTs and trained them on nursery management and agronomy of passion fruits including business skills. CBTs offer advisory services and have sold 14,961 seedlings to farmers on fee basis (BDS commercialization at infant stage). Farmers purchase chemicals on cash basis from agro input dealers in town and use spray pumps at no fee. Seeds shortage at research station has led to be 360 seedlings grafted by 138 farmers (76 male and 62 female). The farmers have been trained on grafting skills. 8 Simple green houses constructed in each sub-county of operation.
Production	•	•	•	√	•	Kawanda big purple variety still at early stages of harvesting but small purple (*passiflora edulis*) has tremendous improved in quality and quantity. 2500 farmers trained on big purple passion fruit growing technology and of which 1,250 have adopted the technology with passion fruit orchards (91.2 acres). Skills acquired on management of big purple have been applied on small purple, which has ready market in Kabale and Kampala. The estimated quantity of passion fruit in Kigezi region was 770 Mt.
Bulking & Grading	•	•	•	√	•	12 collection and buying centres have been established and each centre has a mobile phone for accessing market information and bicycles for transportation. The BDS at the collection centres have not been commercialized to enhance sustainability. Centres are directly linked to buyers.
Organization	•	•	•	√	•	8 producer's organizations established and capacity building enhancement has started such opening of bank accounts. POs are linked to the collection centres to enhance bulking. Local traders of passion fruits linked to the collection centres to increase marketing. Capacity of the traders built to sustain the market.
Transportation	•	•	√	•	•	KBDS is establishing a pilot bicycle transport system for the collection centres to enhance bulking. Youth have been identified to provide transport services at fee (not yet operational), traders offer transport as embedded services to ease movement of passion fruits.
Processing	•	•	•	√	•	GATCO is a new KBDS partner to support agro processing function. Buy about 930 kgs of passion fruits per season, and process 700 litres of wine and 101 bottles of passion fruit juice. 30 farmers supply passion fruits. KBDS has strengthened their capacity as SME to expand market for farmers.

Retailing	•	•	•	•	√	The Kigezi Passion Fruit Traders Association (an initiative of KBDS) provides largest market for passion fruits in the region. Currently the traders buy about 45 tonnes per week, and have increased passion fruit prices (farm gate price at collection centre) from Ushs 40,000 to 80,000 per kg. GATCO also offers market for 30 farmers. Bwindi hotels and restaurants offer small markets.
Wholesale	•	•	√	•	•	Wholesale market has been guaranteed by Kigezi Traders. KBDS brokered marketing linkages between Kigezi Traders and Britain Industries to supply small purple for processing (the deal not yet concluded)
Intervention coverage	•	•	•	√	•	Kabale & Kanungu districts but not all sub counties and Kisoro district.

Handicrafts Value Chain BDS Interventions

Using the Market Development Approach (MDA), and in partnership with Drucilla Balaba, KBDS linked the institution to Stromme Foundation, which provided US$ 30,000 to develop handicrafts in Kabale district. The following were the specific interventions in this value chain: Organization of handcraft producers starting with 30 members each; capacity building program to enhance skills of group members' and Community Based Trainer's in handicraft design and business skills; Establishment of at least one pilot Handicraft Collection centre in 3 sub counties and one show room in Kabale town. KBDS facilitated through Drucilla linkages to new handicraft markets in Kampala. In addition VSLA promotion for the Savings & Loan was established to enhance to access credit, especially for the purchase of raw materials.

Types of Changes	**Very Negative (--)**	**Negative (-)**	**No Change (0)**	**Positive (+)**	**Very Positive (++)**	**Strategic Interventions**
Input Supply	•	•	•	√	•	Two groups identified by Drucilla to produce and supply raw materials for handicrafts. About 200 bundles of banana fibres were supplied by March 2008 worth Ushs 20,000 to 11 groups. 2 additional suppliers of materials have been identified. Training instructors in Functional Adult Literacy to train 10 groups. CBTs trained to support artisans are not well versed with handicraft making. New Local Experts have been identified to offer advisory services.
Production	•	•	•	√	•	KBDS through Drucilla trained 1.495 artisans to produce quality handicrafts. Over 221 handicrafts were produced by March 2008,

Management & Organization	•	•	•	√	•	10 sub county associations formed, and capacity strengthened to mobilize members. Marketing commission of 5% charged on the products sold as revenue for the associations.
Collection & Bulking	•	•	√	•	•	10 collection centres planned and only 3 have been established but no bulking has taken place at the centres
Transportation	•	•	•	√	•	Daks courier offers transport services for Drucilla and its artisans to deliver products to the Kampala Market at fee
Retailing	•	•	√	•	•	1 central retail outlets has been established in Kabale with KBDS support.
Wholesale	•	•	•	√	•	KBDS facilitate the market linkages with NOWU. KBDS supported Drucilla to apply for export license from UIA and to register as member of UMA
Intervention coverage	√	•	•	•	•	16 sub counties in Kabale district

Annex 3: KBDS Project Staff

Kabale Sub Office

1. Project Manager: Margaret Barihaihi
2. BDS Advisor: Patricia Nsiime
3. FSC: Alexander Najuna
4. M&E Coordinator -Doris

Sub-office support staff

1. Administration officer: Herbert Sabiiti
2. Project Assistant: Bonny Tumuhaise

Technical team at Care Uganda Headquarters

1. Country Director: Kevin FitzCharles
2. Programme Director: Shameem Siddiq
3. Economic Development Sector Manager: Judith Aguga

Annex 4: List of people Contacted

Roundtable Meeting: KIBECO – Kisoro District

NO	NAME	ORGANISATION	CONTACT/ TELEPHONE
1	Habib Tibrichu	KBDS- CARE	0782-555403
2	Kava Jimm	KBDS-CARE	0772-589595
3	Doris A Mugisha	KBDS-CARE	-
4	Rwsebura David	KIBECO	0774-067217
5	Kyokunda Grace	KIBECO	0772-394489
6	Nicunda Banyanga Buregyeya	KIBECO	-
7	Hagumi Mana Kanyabikyingi	KIBECO	-
8	Zimurinda	KIBECO	-
9	Kazungu Stephen	KIBECO	-
10	Nyirasarafina ventina	KIBECO	-
11	**Sarah Nyirarukundo**	**KIBECO**	-

Roundtable Meeting: GATCO – Kanungu District

NO	NAME	ORGANISATION	CONTACT / TELEPHONE
1	Habib tibrichu	CARE consultant	0782-555403
2	Siboyintore Johnson obote	Kayonza passion fruit farmer association	0777-248753
3	Jenerous tumwesigye	Contact farmer	0777-248753
4	Michel gasana	Farmer	0772-619153
5	Telesa gasana	Wine processor	0772-619153
6	Maria Meehan	CARE Peace corps	0775-700577
7	Kamanzi Allan	Latco partners	0772-835059
8	Tugumisiriza yese	Passion fruit grower	0773-288107
9	Doris mugisha	CARE KBDS	0772-455719
10	**Arinaitwe kulson**	**Africa 2000 Network**	0782-315596

Kabale Community Based Trainers Association – VSLA Partner (Afternoon of 11/6/2008)

No	NAME	ORGANIZATION	TITLE	CONTACT
1.	Turamyomwe Fred	KCBTA	Field Assistant Coordinator	
2.	Tumulimbise Sarah	KCBTA	Secretary	
3.	Muhangi Dushan	KCBTA	Coordinator	0772661789

Africa 2000 Network – Passion Fruit intervention Partner (Morning of 10/5/2008)

NAME		
Mwase Rita	Consultant	0772200349
Arinatwe Wilson	C.D.W	0782315596
Kava Jimm	K.B.D.S	
Habib Tibrichu	Team Leader	0782555403
Atokwatse Rose	C.D.W	0712722114
Serwanga Wilberforce	Project Coordinator	0772890847

HANDICRAFT Group- KACHWEKANO (Morning of 11/6/2008)

Akampurira Anna	Member
Kyomuhendo Enid	Member
Tindibasa Mary	Chairperson(district)
Miriseta	
Tayomurugyendo .A.	
Kato Agnes	
Turinawe Uniisi	
Kabatoro More	
Namaara Betty	
Musiimenta Mildred	Marketing Assistant
Twesigye Jane	Secretary
Rukari Saverina	
Tamutambo	
Byaruhanga Anna	Member
Busingye Lydia	
Tumuhimbise Jovia	
Bakuta Eresi	
Bemera Eseza	
Kagota Pahurina	
Kamondo Jozirini	
Molly Agaba	C.P
Burisira	Member
Atwebembere	Member
Buhango .J.	Chairman
Kabakyenga .K.	Member
Rwajeservesitiri	

Kisoro Bee-keepers Cooperation – Honey production Partner (Afternoon of 12/6/2008)

Rinisebura David	KBECO Board member	0774067217
Boshuwenda Geoffrey	Rukongi Nyarusiza	
Seburo Charles	Rukongi Parish Musasa Bakuki	
Dusabe Benon	Regina Beekeepers	
Gapere Charles	Bikoro Beekeepers	
Basabose John (CBT)	Rukongi Beekeepers	
Tumusiime Stephen	Centre Manger KIBECO	0782329008
Mkezimana	Adel C.B.S Mabungo Parish	
Munyakibina Tom	C.B.T Parish	

Kabale Passion Fruit Traders Association (Morning of 9/6/2008)

NO	NAME	ORGANIZATION	TITLE
1.	Byaluuka Julius	KPTA	Sec Rwamucucu
2.	Tukesiga Richard	KPTA	C/man KPTA
3.	Ngabirano Jane	KPTA	Treasurer
4.	Ndyomugyenyi Hope	KPTA	Member
5.	Mahuwa Jenminah	KPTA	Member
6.	Mugisha Joram	KPTA	Member

Kamuganguzi VSLA Group (Afternoon of 11/6/2008)

NO	NAME	ORGANIZATION	Title
1.	Ngabirano Serastino	Kyarugondo Bakyala twebiseho group	Member
2.	Nkuzire Deogasias	Kyarugondo Bakyala twebiseho group	C/man
3.	Rucara John	Kyarugondo tukore group	C/man
4.	Ndinawe Severo	Kyarugondo Bakyala twebiseho group	Treasurer
5.	Tumuramye Pross	Kyarugondo tukore group	Treasurer
6.	Tu mwebaze Rovina	Kyarugondo Bakyala twebiseho group	Member
7.	Tumusiime Vangirista	Kyarugondo Bakyala twebiseho group	Member
8.	Turinomukama Dandi	Kyarugondo Bakyala twebiseho group	Member
9.	Tumusiime A.	Kyarugondo Bakyala twebiseho group	Member
10.	Kantanazi	Kyarugondo Bakyala twebiseho group	Member
11.	Nyakarungi	Kyarugondo Bakyala twebiseho group	Member
12.	Ahimbisibwe	Kyarugondo Bakyala twebiseho group	Member
13.	Tumusiime Shallon	Kyarugondo Bakyala twebiseho group	Member
14.	Kengoma	Kyarugondo Bakyala twebiseho group	Member
15.	Tindimwebwa M.	Kyarugondo Bakyala twebiseho group	Member
16.	Barazana	Kyarugondo Bakyala twebiseho group	Member

17.	Twinomuhwezi	Kyarugondo Bakyala twebiseho group	Member
18.	Timwesigire	Kyarugondo Bakyala twebiseho group	Member
19.	Mbabazi	Kyarugondo Bakyala twebiseho group	Member
20.	Mrs. Katabweba Tereza	Kyarugondo Bakyala twebiseho group	Member
21.	Twinomugisha	Kyarugondo tukore group	Member
22.	Tunyashemererwa	Kyarugondo tukore group	Member
23.	Arimbisa P.	Kyarugondo tukore group	Member
24.	Muremberehe Orudini	Kyarugondo tukore group	Member
25.	Kyarikunda K.	Kyarugondo tukore group	Member
26.	Kanyangi	Kyarugondo tukore group	Member
27.	Turikinze K.	Kyarugondo tukore group	Member
28.	Tibereba F.	Kyarugondo tukore group	Member
29.	Tiwangye S.	Kyarugondo tukore group	Member
30.	Mburahona	Kyarugondo tukore group	Member
31.	Tibeita Beatrice	Kyarugondo tukore group	Member
32.	Kobisingye	Kyarugondo tukore group	Member
33.	Twebaze	Kyarugondo tukore group	Member
34.	Kwarinkunda W.	Kyarugondo tukore group	Member
35.	Nduhukire	Kyarugondo tukore group	Member
36.	Turinawe G.	Kyarugondo tukore group	Member
37.	Monday Pias	Kyarugondo tukore group	Member
38.	Mugabirwe S.	Kyarugondo tukore group	Member

Annex 5: Evaluation checklist and Tools

1. BENEFICIARIES

Focus Group Discussions

1. What type of support activities did you receive during the KBDS project implementation together with partner?
2. What benefits did you realized after receiving support from the partner organization (Partner/KBDS) – production, income, profitability, and gender control, Financial services **(probation and collect primary data)**
3. What constrained your capacity to realize more benefits (cultural barriers, project gaps, economic status, geographical etc)
4. What opportunities exist in your community that can be exploited to increase your production/ business capacity (new areas for support or intervention, new project opportunities)
5. What will happen to your businesses when the project funding ends? (What happens to CBTs, willingness to pay for services, marketing and information dissemination, VSLA, group dynamics, and income to sustain the main organization).
6. What lessons have you learnt by collaborating with this project?
7. How would you rate the effectiveness of the partner organization and CBTs to supporting your farming business? (Quality of services, assessment of partner's capacity, and ownership).

2. COMMUNITY BASED TRAINERS (CBT)

Focus Group Discussions

1. What type of support activities did you receive during the KBDS project implementation together with partner? (Project support – capacity building)
2. What type of services and products have you been offering before partner/ KBDS support and now? (range of products and services)
3. How many of these services and product do you actual sell? How much and to whom? (Commercialization of services and products)
4. Have you realized some income by selling services and products? How much in average per annum (month or week) and what is the net profitability? (assessment of commercialization)
5. Are there similar individuals that offer the same services at a fee or not at a fee to the target group? (assessment of market distortion)
6. What has constrained you from increasing the scale of your business to support large number of smallholders? (marketing, willingness pay, demand of products and services, and quality of services and products)
7. What are your future plans to sustain these services and products? (checking sustainability)

3. PARTNERS

Focus Group Discussions

1. What type of support activities did you receive during the KBDS project implementation? (Project support – capacity building)
2. What type of services and products have you been offering before KBDS support and now? (range of products and services)
3. How many of these services and product do you actual sell? How much and to whom? (Commercialization of services and products)
4. Have you realized some income by selling services and products? How much in average per annum and what is the net profitability? (assessment of commercialization)

5. Are there partners that offer the same services at a fee or not at a fee to the target group? (assessment of market distortion)
6. What has constrained you from increasing the scale of your business to support large number of smallholders? (marketing, willingness pay, demand of products and services, and quality of services and products)
7. What are your future plans to sustain these services and products? (checking sustainability)

CAST Matrix

The CAST (Change and Scoring Tool) matrix enables the beneficiary/lessee to rate and qualify the extent to which changes have occurred because of KBDS.

Types of Changes	Very Negative (--)	Negative (-)	No Change (0)	Positive (+)	Very Positive (++)	Strategic Interventions
	•	•	•	√	•	

Annex 6: Profile of the Evaluation Team

Habib Tibrichu (BDS Expert/Team Leader): Has over 12 years' extensive hand-on skills and experience in designing and implementing BDS projects in Uganda. He has a Diploma in Market Oriented Small Business Development Services, Italy Turin and a post graduate Diploma in Business Management. He has a Bachelors Degree in Public Administration and a certificate in BDS Program Design, Financial Accounting/Taxation, and consultancy development services.

He worked for three years with a World Bank funded Business Uganda Development Scheme (Matching Grant Scheme) under the Private Sector Competitiveness Project and later worked with the USAID funded Support for Private Enterprise Expansion and Development (SPEED) as BDS Specialist. He has designed and implemented a BDS program on MSMEs Consultancy Best Practices in Mbarara and Lira. He carried out socio-economic impact assessment on modern energy use and BDS for Shell Foundation, UK. He developed BDS provider's roster. He designed BDS interventions for Honey, Pyrethrum, Maize, Fish farming, and Coffee sub sectors under the USAID funded Productive Resources Investment for Managing the Environment (PRIME-West).

He participated in the design of West Nile Region Development Concept program funded by GTZ and DANIDA. He coordinated Solar PV training program for rural solar technicians in 14 districts in Uganda on behalf of BUDS ERT/PSFU. He developed and implemented on behalf of BUDS ERT/PSFU Productive Energy Use Campaign in West Nile region in partnership with WENRECo. He carried out impact evaluation of a matching grant scheme called SME Competitiveness Facility in Tanzania funded by DANIDA. He provides BDS support services to DANIDA funded ASPS ABDC project on agribusinesses based on framework sub contract to date. He is part of the team of consultants reviewing and re designing the financial accounting, inventory and procurement systems for Joint Clinical Research Centre (JCRC). The Consultant carried out short term consultancies for CARE international in Uganda in the fields of BDS, mid term review and sesame project assessment.

His expertise are in: BDS program design and implementation (Matching Grant, Voucher Program, and Embedded Business Services), monitoring and evaluation, financial planning and management, training, business diagnostic and planning, strategic planning for institutions, solar market development, competitive service providers procurement, human resource management, sub sector analysis and project impact evaluation.

Rita Mwase (M&E Expert/Associated Consultant): An Economist with 10 years experience in policy analysis, project formulation processes as well as monitoring and evaluating including financial planning and administration. She has Masters Degree of Arts in Economic Policy and Planning, Makerere University, Certificate in Financial Management and Administration, Certificate in Project Management, Certificate in Budgetary Monitoring and control of project Funds, and Bachelor of Science in Economics degree, Second class Upper from the University of Wales, Swansea (U.K).

Through analysis of project documents and implementation procedures, she has developed monitoring plans and established relevant monitoring systems for the effective management of community development initiatives. This experience was gathered while working in various government departments of Monitoring and Evaluation, Transport Economics and Social Economics, under Office of the Prime Minister, National Agricultural Research Organization (NARO), Ministries of Local Government and Water, Lands and Environment respectively. Main tasks included analysis of national, ministerial and sector policies in order to establish and develop suitable monitoring indicators and maintaining database on project performance. She has participated in the evaluation of communities involved in agricultural, water and feeder roads projects. She has organized various surveys and trained communities for different development purposes.

Annex 7: Field work schedule

Day	District	Organization	Time
Wednesday, 4th Jun	Kampala	• Meeting KBDS Project Manager • Signing contracts • Receiving literature review	**All day**
Thursday, 5th Jun	Kampala	• Brief on project • Follow up on logistics • Discussing methodologies and tools	**All day**
Friday, 6th Jun	Kabale	*Travel to Kabale*	
Saturday, 7th Jun		• Meeting with project staff • Detailed project briefing • Work plan development	**All day**
Sunday, 8th Jun		• Liaising with respondents/ making appointments	**Half day**
Monday ,9th Jun		• Kabale Passion fruit traders assoc • Royal supermarket	**9am -12 noon**
Tuesday, 10th Jun		• Drucilla/ Handicrafts group leaders, district assoc, (Kach. Site) ….morning • Local Govt, production, AICM, IGCP …(Afternoon) • Admin/Finance	**9am -1pm** **2pm -:3pm** **3pm – 4pm**
Wednesday, 11th Jun		• A2N / Farmers leaders,CBTA, s/c,disrt Assoc..(Morning) • KCBTA, CBTs, Group leaders..(afternoon)	**9am – 1pm** **2pm – 5pm**
Thursday, 12th Jun		*Travel to Kisoro* • KIBECO, KHP, KBC • Farmer groups leader, associations, CBTs	**All day**
Friday, 13th Jun	Kisoro	• Gorilla project • UOBDU • Local Govt (Production) • Batwa groups	**All day**
Saturday, 14th Jun	Kanungu	*Travel to Kanungu* • GATCO (afternoon) • UWA Chief Warden Bwindi (evening) (*sleep in Buhoma*)	**All day**
Sunday, 15th Jun		• Farmer group leaders, CBTs, District/ subcounty ass, LC, NAADS • Travel back to Kabale	**9am- 1pm** **2pm**
Mon, 16th Jun		• De-brief to Kabale staff and partners	**4.00 pm**
Tuesday 17th Jun		• Partners End of Project Workshop	**All day**
Tues, 17th Jun		*Travel to Kampala*	
Wed, 18th Jun	Kampala	• CARE CUHQ (Judith, Shameem, Kevin) • ADA • NAWOU- 0772950533 • Shoprite- 0712987879 • Britannia- 0712112422	**To be fixed**
Thurs, 18th Jun		• Kubira	**To be fixed**

		• UWEAL • UML • ASPS- 0712624977	
Thurs 17th July		**De-brief at CUHQ**	**3.00pm**

Annex 8: Summary of Project Performance Results (2005-2008)

Project Overall Goal	Indicator	Baseline	2005	2006	2007	2008	Remarks
	Total households reached (out of 25,000)	**0**	**0 (0%)**	**1544(6.2%)**	**10938 (44%)**	**14229 (57%)**	
To achieve sustainable livelihoods and social inclusion for 25,000 capital and land poor households in the three districts of Kigezi region (Kabale, Kisoro,	75% of the targeted participants perceiving improvement in HH economic security	0%	0%	3.3% (617)	39% (7328)	50.8% (9533)	**Partially Achieved**
	Subsistence Smallholders	*0*	0	46	547	710	
	Persons involved in SME	*0*	0	477	5687	7242	
	Batwa	*0*	0	2	110	161	
	Landless Youth	*0*	0	92	984	1420	
	50% of women are perceiving increased control over HH income	20%	20%	20%	59%	65%	
Project Specific Objectives							
Dynamic, innovative and viable Business Development Services (BDS) supply system that support small enterprises, employing and providing income-earning opportunities for poor and marginalized groups is in place.	At least 1 viable and sustainable BDS facilitator exist in the region	0	0	3	4	4	**Achieved**
	At least 2 viable providers exist in every district	0	0	2	37	48	**Achieved**
	At least 30 provider organizations have increased product range and capacity by 15%	0	0	3	35	41	**Achieved**

	A viable BDS market will increase poor peoples' business profitability by 30%	82	82	82	285	668	Achieved
	Passion fruits	22	22	22	150	350	
	Honey	30	30	30	89	230	
	Handicrafts	30	30	30	46	88	
	Asset accumulation, financial security and greater integration in their communities	0	0	0	7,328	8,731	Achieved
	At least 10,000 HHs achieve annual net-income of at least USD 500 from commercial agriculture	0	0	0	2,153	3,151	Achieved
	1 viable and profitable agri-business private Company is in place	0	0	1	5	5	Achieved
ER # 1: Project Implementation Framework							
Project framework (project strategy, partnerships, gender aspect etc.) redesigned in co-operation with key stakeholders	A BDS market assessment report defining various market segments and opportunities produced	0	1 MA	0	0	0	Achieved
	Project design changes submitted to, and approved by GoA by the end of Y1 (need to set indicators above just meetings at this level)	0	Logframe	0	0	0	Achieved
	Indicators for gender analysis and mechanisms for gender integration developed	0	Gender Study	0	0	0	Achieved
	Partnership agreements signed	0	0	3	4	4	
	Baseline data and PM&E framework established	0	BD & ME	0	0	0	Achieved

ER #2: Business Development Services							
Community-based BDS services to stimulate demand and use of BDS services for increased SME profitability piloted and implemented	At least 150 community-based trainers (CBTs) are operational by EOP	0	0	44	118	118	**Partially Achieved**
	At least 10,000 smallholder farmers, and 10,000 SMEs will have access to BDS	0	0	1,588	10,938	11,504	**Partially Achieved**
	Subsistence Smallholders	*0*	*0*	*1,554*	*6,066*	*6,624*	
	SMEs	*0*	*0*	*44*	*2,188*	*4,880*	
	At least 10,000 poor smallholder farmers (60%women,) achieve increased HH income (targeted at 50% by EOP) arising from agribusiness services	0	0	0	7,331 (51%w)	8,731 (53%w)	**Partially Achieved**
	30% increase in profitability in MSEs undertaken by poor people by EOP	0%	0%	10%	15%	15%	**Partially Achieved**
	At least 20,000 poor men and women have received BDS services and registered increased profitability by EOP	0	0	1,544	10,820	11,489	**Partially Achieved**
	Registered Profitability	0	0	0	7,331	9,131	
	At least 6 new BDS products have been adopted by local services providers and is commercially available to entrepreneurs	0	0	1	2	2	**Partially Achieved**

	At least 75% of beneficiaries utilizing the SLA model with at least 50 million shillings mobilized as savings	0	0	0	4,754	4,862	**Partially Achieved**
	At least 2 financial products are developed and accessed by 10% of the beneficiaries in the specific sub sector	0	0	1	2	2	**Achieved**
	At least 30 BDS provider organisations have increased their product range and capacity by 50%.	0	0	3	35	41	**Achieved**
ER #3: New Markets and Business Opportunities							
New economically viable markets and business (or livelihood) opportunities explored	A study report on non-farm businesses opportunities in the region by Y2	0	1 VCA . Handicraft	0	0		**Achieved**
	A sub-sector business analysis report on commercial production of honey in South Western Uganda by Y2	0	1 VCA . Honey	0	0	0	**Achieved**
	A business analysis report on investment opportunities in local tourism sub-sector by Y2	0	1 VCA . Tourism	0	0	0	**Achieved**
	A business analysis report on potentially viable business opportunities in natural (forest) products by Y2	0	1 VCA . Passion Fruits	0	0	0	**Achieved**
ER #4: Agricultural Marketing Services							
Effective linkages exist between smallholder producers and buyers facilitated by strong local producer associations (no need to be committed to business co. – explore options when	3 district-level producer associations have developed strategies to provide production and marketing services to their members by	0	0	0	3	4	**Achieved**

project start)	EOP						
	At least 10,000 smallholder farmers are producing in response to identified "new" markets by EOP	0	0	1,544	6,066	6,624	**Partially Achieved**
	Passion fruits	*0*	*0*	*1,118*	*2,610*	*2,645*	
	Honey	*0*	*0*	*426*	*1,989*	*2,484*	
	Handicrafts	*0*	*0*	*0*	*1,467*	*1,495*	
	At least 10,000 farmers achieve a 100% increase in production by EOP	0	0	0	2,153	3,154	**Partially Achieved**
ER #5: Linkage to Private and Public Sector Services Providers							
Access to inputs and advisory services from private and public sector providers as result of effective negotiations and/or lobbying by district-level producer associations	At least 10,000 smallholder farmers have accessed inputs and advisory services from the private and public sector by EOP	0	0	1,544	6,066	6,624	**Achieved**
	At least 100% increase in production registered by all the targeted 10,000 farmers by EOP (repeated)	0	0	0	2153 (what is the average production increase)	3151(what is the average production increase)	**Partially Achieved**
	Average increase in production/ total annual output						
	Passion fruits (MT)	*770*	*770 (0%)*	*770 (0%)*	*806.9 (5%)*	*880.7 (14.3%)*	**Partially Achieved**
	Honey(MT)	*170*	*170 (0%)*	*170.188 (0.1%)*	*175.7 (3.4%)*	*176(3.5)*	
	Handicrafts (pieces)	*960*	*960(0%)*	*960 (0%)*	*1802(87%)*	*2023(110.7%)*	

ER #6: Policy and Advocacy							
Capacity of civil society to redress constraints to agri-business development at policy and broader environment level increased	A study on local and national policy issues that affect business development and agricultural marketing services completed by Y2	0	0	0	0	1 PA	**Achieved**
	At least one identified policy issue is successfully pursued at local level and national levels by EOP	0	0	0	0	1 PI	**Partially Achieved**

Annex 9: Project log frame At EOP

Logic of Intervention	Verifiable Indicator	Achievements and Remarks
To achieve sustainable livelihoods and social inclusion for 25,000 capital and land poor households in the three districts of Kigezi region (Kabale, Kisoro, Kanungu) in South West Uganda	By End of Project (EOP): • 75% of the targeted participants perceiving improvement in HH economic security • 50% of women are perceiving increased control over HH income	A total of 14229 hh reached (57% of target) ; 53% of them are women, 9% landless youth and 2% Ethnic minorities of the Batwa tribe • 67% perceive improvement in HH economic security • 65% women perceive increased control over HH income
Dynamic, innovative and viable Business Development Services (BDS) supply system that support small enterprises, employing and providing income-earning opportunities for poor and marginalized groups is in place.	By End of Project (EOP): • At least 1 viable and sustainable BDS facilitator exist in the region • At least 2 viable providers exist in every district • At least 30 provider organizations have increased product range and capacity by **15%**	• At least 4 BDS facilitators, A2N, DRUCILLA, KCBTA and KIBECO are in place whose capacity has been built through mentoring and training in improved agronomic practices, bulking and collective marketing, business planning and markets aspects • 120 individual viable BDS providers are active i.e. 118 CBTs:Kabale (64) Kanungu (14) and Kisoro (40) ,Harvesting gear maker & Nursery operator. In addition 3 makers of langstroth have been trained although they are yet to start • There are active 41 BDS provider organizations are in place i.e Handicrafts:4 gps producing raw materials, 1 handicrafts experts associations, 1 transporter,10 subcty assoc, 1 district assoc Honey: KIBECO, KHP,KBC, CBTs assoc, langstroth- Nyabubaale, harvesting gear maker, nursery operator, batwa hives makers P.F: CBTs associ, GATCO, KPTA ,Kigezi private Sector, 8 subcty assoc, 2 district associ, 1 regional associ SLA:KCBTA Their capacity is still being built already beyond 50% to increase on product range and engage in meaningful business. In addition, there are also 387 groups of small holder producers involved in the 3 subsectors of passion fruits,

<table>
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• A viable BDS market will increase poor peoples' business profitability by 30%

• Asset accumulation, financial security and greater integration in their communities

• At least 10,000 HHs achieve annual net-income of at least USD 500 from commercial agriculture

• 1 viable and profitable agri-business private Company is in place
</td>
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honey, handicrafts and VSLA.

• The net incomes increase for participating HH show profitability as: Passion fruit >390%, Honey> 200%, Handicraft 88%
(

• High asset accumulation: (32%clothing%, 82% improving houses %, bicycles%, 82% education 45 %, Land?, 30% Livestock (goat..hens.cows?%) 67% medicine, 70% agro inputs/ production inputs

• 3151 HHs (15,755 farmers) so far achieved annual net-income of USD 500
<table>
<tr><th>Subsector</th><th>Landless youth</th><th>Batwa</th><th>Women</th><th>Men</th><th>Total</th></tr>
<tr><td>Passion fruit</td><td>0</td><td>0</td><td>153</td><td>872</td><td>1025</td></tr>
<tr><td>Honey</td><td>45</td><td>2</td><td>140</td><td>420</td><td>560</td></tr>
<tr><td>Handicrafts</td><td>10</td><td>0</td><td>236</td><td>10</td><td>246</td></tr>
<tr><td>VSLA</td><td>25</td><td>1</td><td>462</td><td>858</td><td>1320</td></tr>
<tr><td>Total</td><td>80 (3%)</td><td>3 (<1%)</td><td>991 (31%)</td><td>2160 (69%)</td><td>3151</td></tr>
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• 4 viable and profitable private Cos: KIBECO, GATCO ,KPTA, KHP and KBC, CBTs
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<tr>
<td>ER # 1: Project Implementation Framework</td>
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<tr>
<td>Project framework (project strategy, partnerships, gender aspect etc.) redesigned in co-operation with key stakeholders</td>
<td>
• A BDS market assessment report defining various market segments and opportunities produced
• Project design changes submitted to, and approved by GoA by the end of Y1 (need to set indicators above just meetings at this level)
• Indicators for gender
</td>
<td>
• DONE, qualitative assessment , project efficiency, Gender strategy, partnership arrangements: cost, supervision, capacity building; technical support cost and level of support, costs related to Judith's support)
</td>
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</table>

	analysis and mechanisms for gender integration developed • Partnership agreements signed • Baseline data and PM&E framework established	
ER #2: Business Development Services		
Community-based BDS services to stimulate demand and use of BDS services for increased SME profitability piloted and implemented.	• At least 150 community-based trainers (CBTs) are operational by EOP • At least 10,000 smallholder farmers, and 10,000 SMEs will have access to BDS • At least 10,000 poor smallholder farmers (60%women,) achieve increased HH income (targeted at 50% by EOP) arising from agribusiness services • 30% increase in profitability in MSEs undertaken by poor people by EOP • At least 20,000 poor men and women have received BDS services and registered increased profitability by EOP	• 118 CBTs : honey (40), handicrafts(25) and passion fruits (21) as well as VSLA (32) At least 14229 households (71145 farmers) of which 53% are women have accessed BDS both non-financial and VSLA. (Passion fruit 3345, Honey 4235, Handicraft 1495, VSLA 5154). 53% of them are women, 9% landless youth and 2% Ethnic minorities of the Batwa tribe Of the 71145 farmers, 40552 (57% are small holder farmers) while 30592 (43%) are SMEs **8731** HHs (43,655 farmers) have achieved increased income (67% of 11489 of out reach) **(**i.e. 5% i.e.436 Smallholder producers 51% 4452 persons involved in SMEs, 40% 3492 women i..e<1% 87 Ethnic minorities, 873 (10%) Landless youth • Profitability has been perceived as: Passion fruit 390%, Honey 200%, Handicraft >80% **(+ SMEs and smallholder farmers include 1 Batwa grp)** **14229** households(71145) farmers have received BDS although 61% i.e. **8731** HHs (43,655 farmers) 5% i.e.436 Smallholder producers 51% 4452 persons involved in SMEs, 40% 3492 women i..e<1% 87 Ethnic minorities, 873 (10%) Landless youth have registered increased profitability of over 80% • A total of 17 new BDS products have been developed and practiced: Passion fruit: Kwanda Hybrid seedlings, spray pumps, advisory services Honey: Tree seedlings, Harvesting gears, Specialised honey harvesting, Advisory services by CBTs, collection centres, leasing, T.hives scheme, Langstroths hives Handcraft: transport, advisory services, raw materials, storage services, Gp service fee, market information system: VSLA methodology •

	• • At least 6 new BDS products have been adopted by local services providers and is commercially available to entrepreneurs • At least 75% of beneficiaries utilizing the SLA model with at least 50 million shillings mobilized as savings • At least 2 financial products are developed and accessed by 10% of the beneficiaries in the specific sub sector • At least 30 BDS provider organisations have increased their product range and capacity by 50**%.**	• 5154 households are using VSLA (36%) of the beneficiaries so far with 63,626,800 million Uganda Shillings **(, % 53 of women, 2 %landless youth, 1%Batwa)** • VSLA and leasing of langstroth hives • **(as above)**
ER #3: New Markets and Business Opportunities		
New economically viable markets and business (or livelihood) opportunities explored	• A study report on non-farm businesses opportunities in the region by Y2 • A sub-sector business analysis report on commercial production of honey in South Western	• Sub sector studies were done in the areas of Honey, Passion fruit. Tourism and Handicrafts. • Using, Attitude and Image (UAI study)

	Uganda by Y2 • A business analysis report on investment opportunities in local tourism sub-sector by Y2 • A business analysis report on potentially viable business opportunities in natural (forest) products by Y2	• Conducted a rolling baseline survey to assess the immediate effects of the BDS interventions at partner, BDS provider and household levels done
ER #4: Agricultural Marketing Services		
Effective linkages exist between smallholder producers and buyers facilitated by strong local producer associations (no need to be committed to business co. – explore options when project start)	• 3 district-level producer associations have developed strategies to provide production and marketing services to their members by EOP • • At least 10,000 smallholder farmers are producing in response to identified "new" markets by EOP • At least 10,000 farmers achieve a 100% increase in production by EOP	• 4 district level producer associations are in place, providing services to members. They are Kanungu Highlands passion fruit producers, Kabale Highlands passion fruit producers and Kabale handicraft producer Association and KIBECO • **8731** HHs (43,655 farmers) i.e.1222 Smallholder producers 51% 4452 persons involved in SMEs, 40% 3492 women i..e<1% 87 Ethnic minorities, 873(10%) Landless youth • 3151 HH (15,755) farmers have received a 100% increase in production **(**
ER #5: Linkage to Private and Public Sector Services Providers		
Access to inputs and advisory services from private and public sector providers as result of effective negotiations and/or lobbying by district-level producer associations	• At least 10,000 smallholder farmers have accessed inputs and advisory services from the private and public sector by EOP • At least 100% increase in production registered by all	• 71145 smallholder farmers (**14229** households) have accessed production inputs and are producing for the market • **(as above)**

	the targeted 10,000 farmers by EOP	
ER #6: Policy and Advocacy		
Capacity of civil society to redress constraints to agri-business development at policy and broader environment level increased	• A study on local and national policy issues that affect business development and agricultural marketing services completed by Y2 • At least one identified policy issue is successfully pursued at local level and national levels by EOP	• A study has been done and a lobbying paper is ready for sharing with relevant authorities. Under Handicraft: lobbying for access rights and conserving some key wetlands in Kabale for specific handicraft materials that are getting extinct. Under Honey: lobbying for space to place bee hives in the forest reserve and access rights. **Specific minutes with UWA + BAtwa+ UOBDU + KIBECO,** **Minutes stakeholder subsector**

Annex 10: KBDS Project Structure

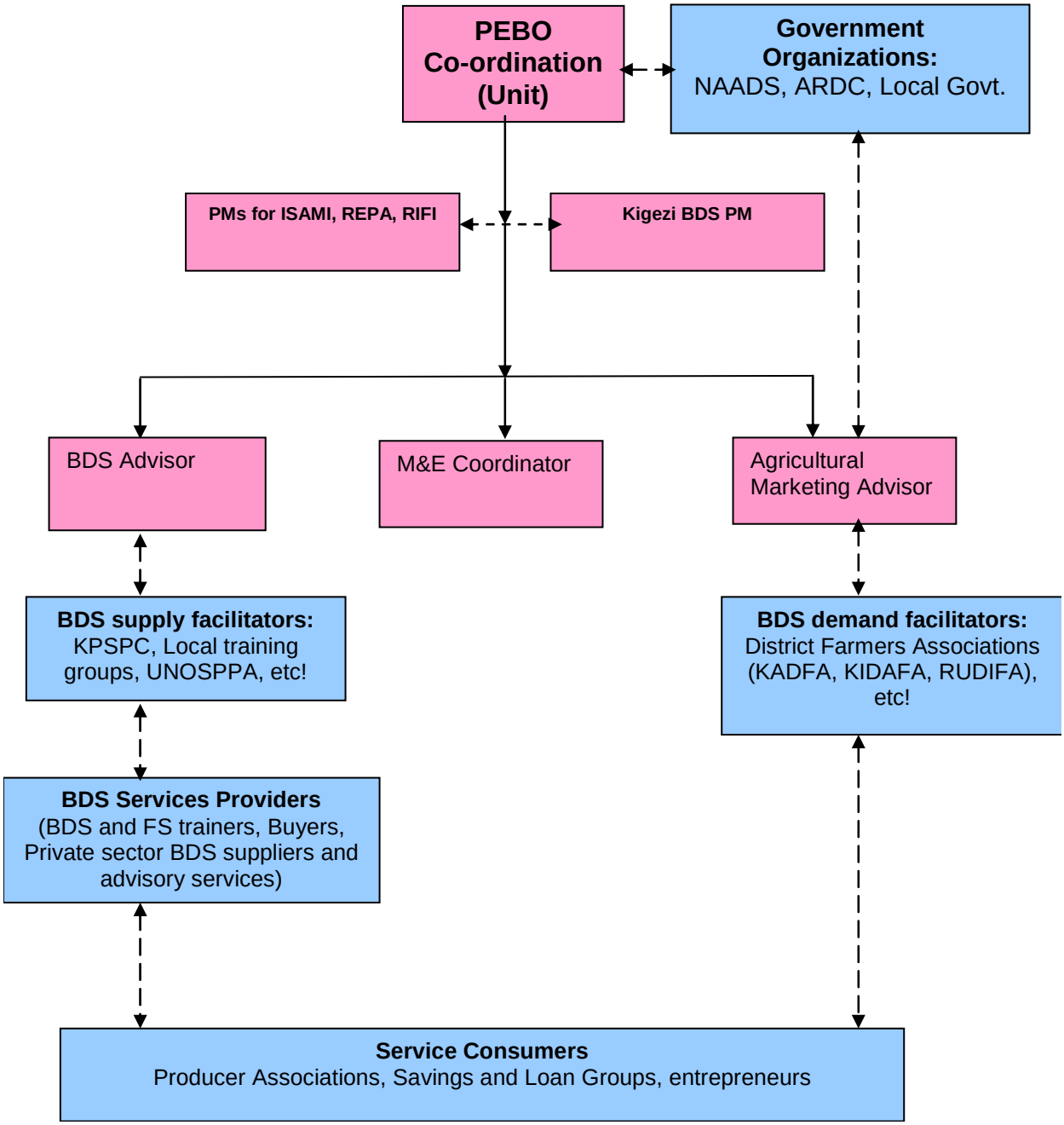
Legend:

Line management

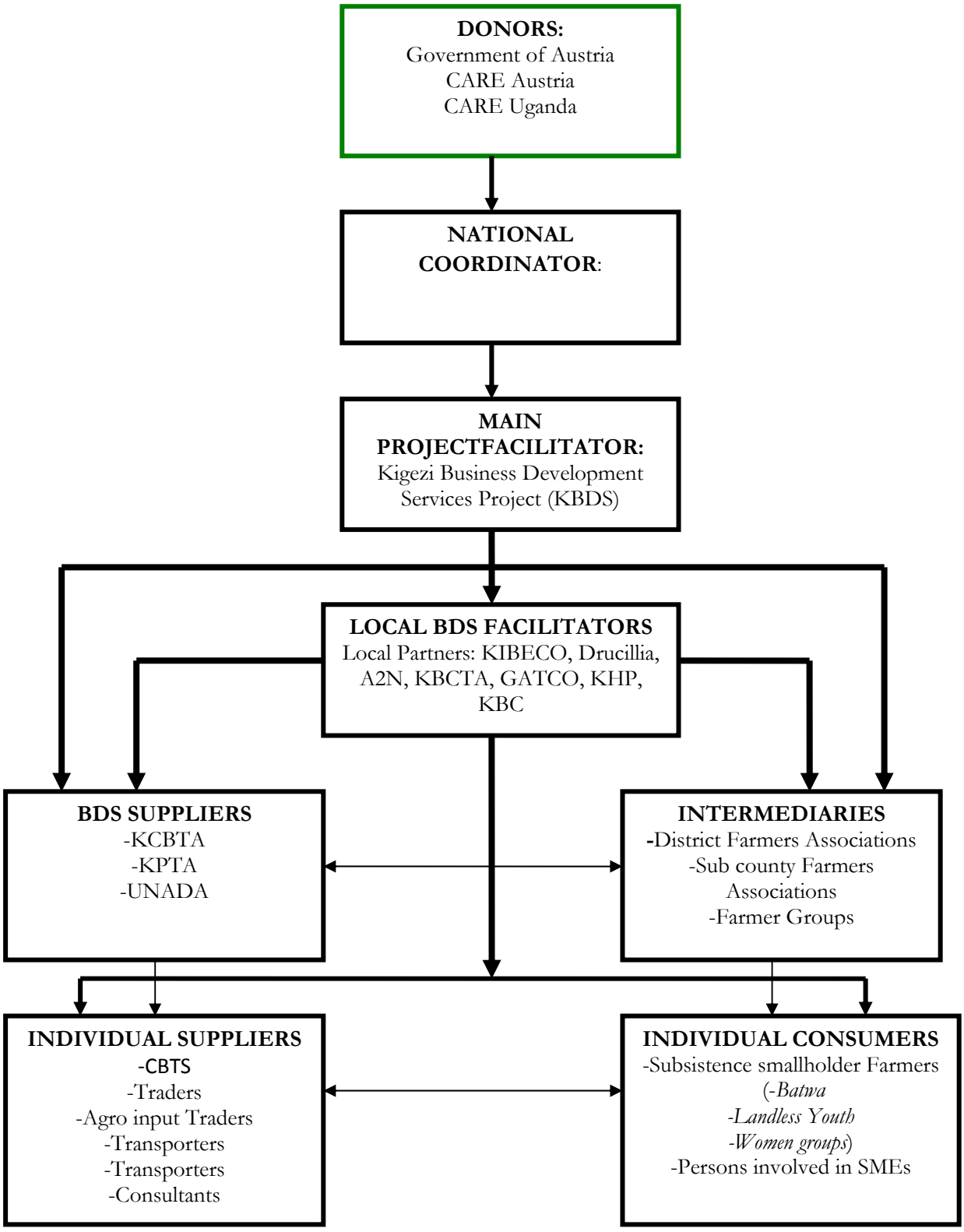
Collaboration

- CARE Structures

- Partners Structures

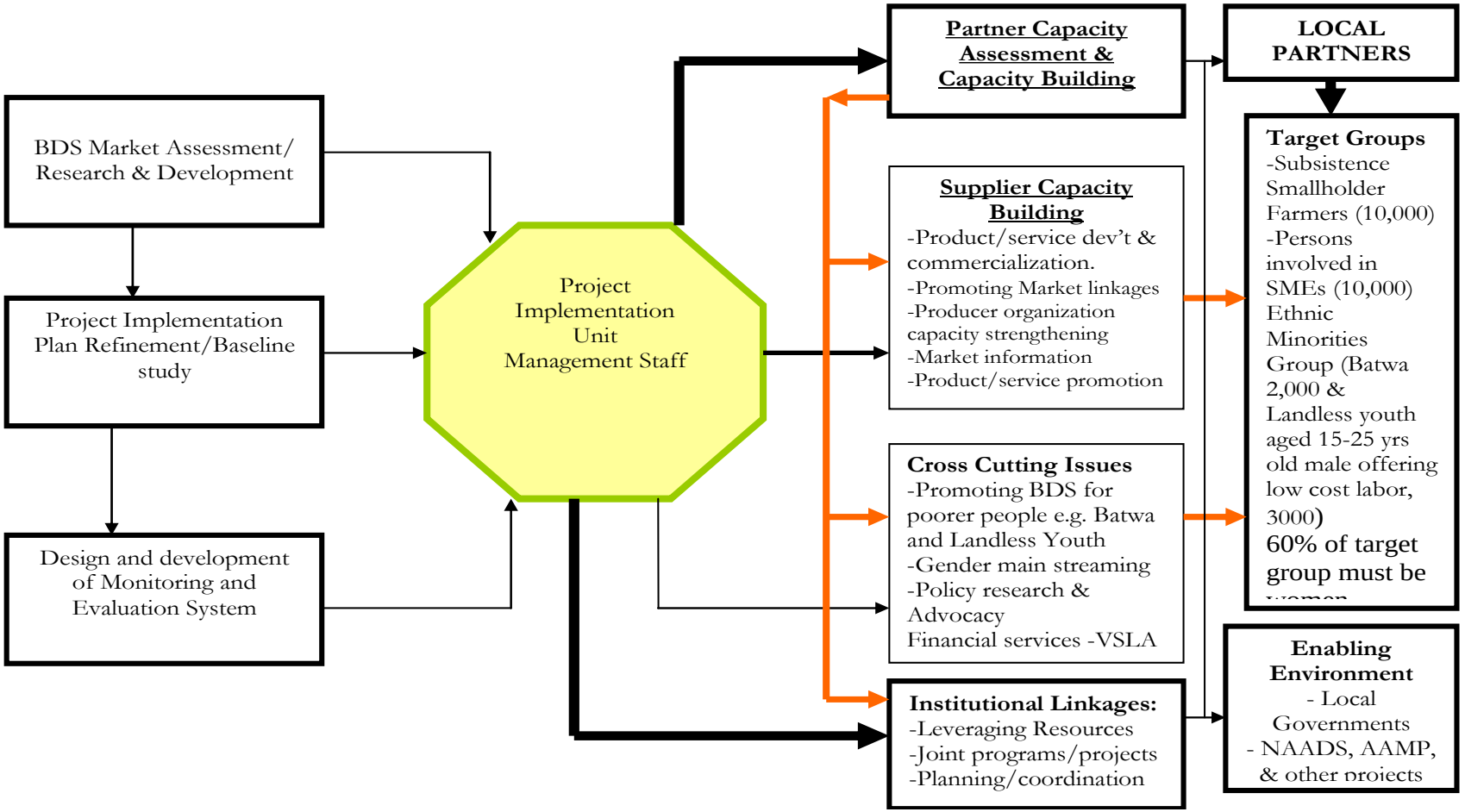


Annex 11: MDA Main Actors

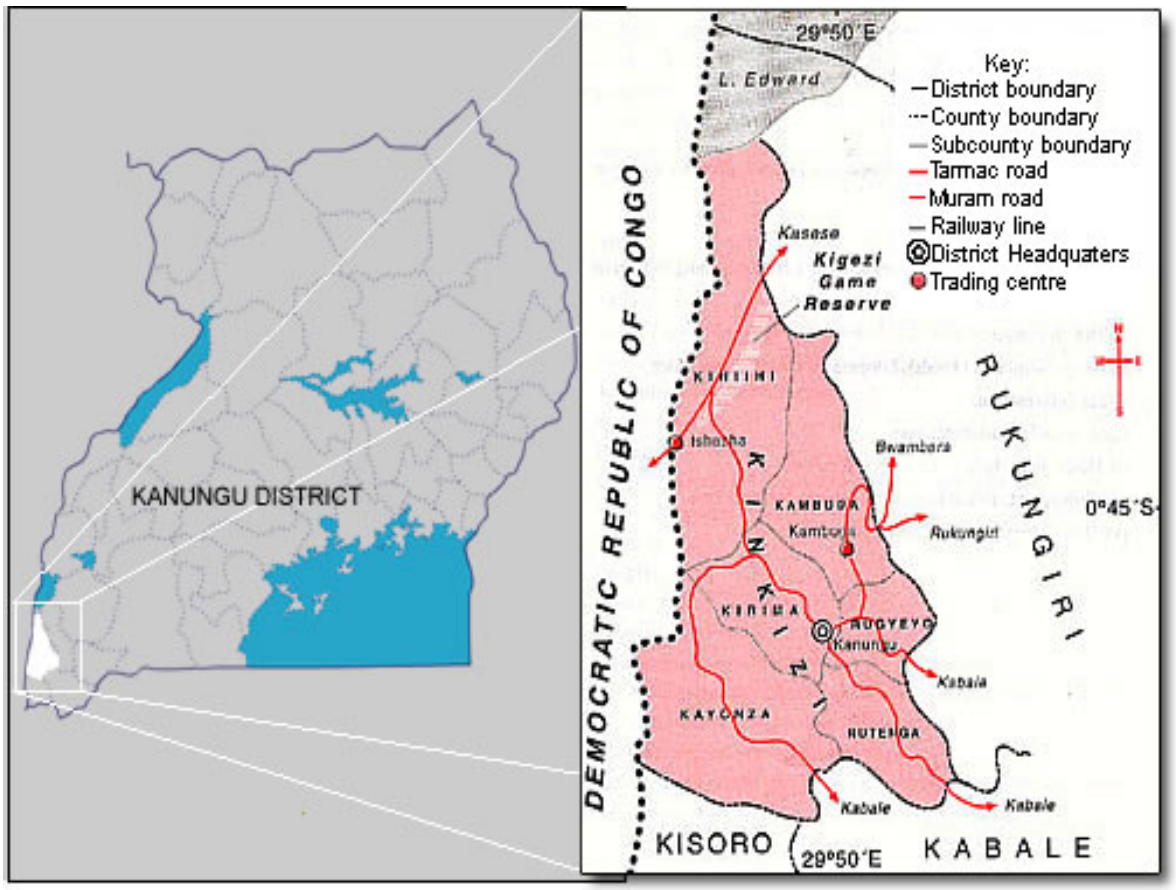


Annex 12: Market Development Approach Model Implementation Flow Chart

Market Development Approach – BDS Delivery Mechanism



Annex 13: Map of the Target District-Kanungu



Annex 14: Project Budget, and Disbursements

Contributions	Sub Total Year 1				Sub Total Year 2				Sub Total Year 3				BUDGET All Years				EXPENSES Previous Periods			ADA Total Budget	CARE Budget	EXPENSES Previous Period ADA	EXPENSES Previous Period UNR	EXPENSES Current Period			EXPENSE Current period ADA	EXPENSE Current period UNR	TOTAL EXPENSES			Total spend ADA	Total spend UNR	Total expenses (both ADA + UNR)	BALANCE ADA	BALANCE CARE	Total BURN RATE			TOTAL BALANCE
	ADC	CARE	DANIDA	TOTAL	ADC	CARE	DANIDA	TOTAL	ADC	CARE	DANIDA	TOTAL	ADC	CARE	DANIDA	TOTAL	ADC	CARE	DANIDA					ADC	CARE	DANIDA			ADC	CARE	DANIDA						ADC	CARE	DANIDA	ADC
A: PERSONNEL COSTS																																							
Name/position/function/time dedicated to Activity																																							
Staff Costs																																							
Project Manager	24,707	0	0	**24,707**	22,481	3,211	0	**25,692**	23,384	3,340	0	**26,724**	70,572	6,551	0	**50,492**	12,450			45,859	4,633	43,090	5,293	1,117			2,644	-385	13,567			45,734	4,908	50,642	125	-275	100%			-150
Financial Services Coordinator	18,109	0	0	**18,109**	18,828	0	0	**18,828**	19,584	0	0	**19,584**	56,521	0	0	**36,874**	17,001			36,874	0	34,207	112	1,096			594	0	18,098			34,801	112	34,913	2,073	-112	95%			1,961
BDS Advisor	12,845	0	8,563	**21,408**	16,695	0	5,565	**22,260**	17,361	0	5,787	**23,148**	46,901	0	19,915	**46,715**	13,781			32,717	13,999	26,493	18,647	1,258			5,059	-4,655	15,039			31,552	13,992	45,544	1,165	6	97%			1,171
Income Sector Coordinator	5,539	791	0	**6,330**	5,763	823	0	**6,586**	5,994	856	0	**6,850**	17,296	2,470	0	**26,063**	0			23,321	2,742	24,515	601	0			0	0	0			24,515	601	25,117	-1,194	2,141	98%			946
Driver	4,375	625	0	**5,000**	4,557	651	0	**5,208**	4,736	676	0	**5,412**	13,668	1,952	0	**18,305**	4,934			16,035	2,270	14,091	3,567	580			1,774	-1,126	5,514			15,865	2,441	18,305	171	-171	100%			0
Kabale SO support personnel @ 40%	10,418	1,488	0	**11,906**	10,836	1,548	0	**12,384**	11,269	1,610	0	**12,879**	32,523	4,646	0	**23,340**	5,187			17,794	5,546	16,473	4,496	289			0	210	5,476			16,473	4,706	21,180	1,320	840	91%			2,160
Kampala Admins= and finance support	10,413	1,487	0	**11,900**	10,528	1,504	0	**12,032**	15,642	2,235	0	**17,877**	36,583	5,226	0	**41,905**	18,008			36,879	5,026	44,940	1,123	1,508			-3,897	3,897	19,516			41,043	5,020	46,063	-4,164	6	110%			-4,158
M & E Officer																**7,206**				7,206	0	5,421	0				1,131	0				6,552	0	6,552	654	0	91%			654
Recruitment	3,638	1,212	0	**4,850**	1,456	208	0	**1,664**	1,419	203	0	**1,622**	6,513	1,623	0	**3,139**	2,639			2,216	923	3,222	0	0			0	0	2,639			3,222	0	3,222	-1,006	923	103%			-83
Sub-Total - Personnel Costs	**90,044**	**5,603**	**8,563**	**104,210**	**91,144**	**7,945**	**5,565**	**104,654**	**99,389**	**8,920**	**5,787**	**114,096**	**280,577**	**22,468**	**19,915**	**254,039**	**74,000**	**0**	**0**	**218,900**	**35,139**	**212,452**	**33,839**	**5,848**	**0**	**0**	**7,305**	**-2,059**	**79,848**	**0**	**0**	**219,758**	**31,780**	**251,538**	**-857**	**3,359**	**99%**			**2,501**
B: MATERIALS AND EQUIPMENT																																							
Non-personnel inputs - Materials, and Equipment,																																							
Laptop	0	4,000	0	**4,000**	0	0	0	**0**	0	0	0	**0**	0	4,000	0	**2,973**	327			328	2,645	453	2,645	0			0	0	327			453	2,645	3,098	-125	0	104%			-125
Desk top	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**	0			0	0	0	0	0			0	0	0			0	0	0	0	0	#DIV/0!			0
printer	600	600	0	**1,200**	0	0	0	**0**	0	0	0	**0**	600	600	0	**169**	169			169	0	169	0	0			0	0	169			169	0	169	0	0	100%			0
Accessories - CARE	88	12	0	**100**	273	39	0	**312**	0	0	0	**0**	361	51	0	**237**	165			192	45	193	45	0			0	0	165			193	45	237	0	0	100%			0
Communication equipments	0	0	0	**0**	637	91	0	**728**	0	0	0	**0**	637	91	0	**517**	504			517	0	517	0	13			0	0	517			517	0	517	0	0	100%			0
Office furniture	500	1,500	0	**2,000**	0	520	0	**520**	0	0	0	**0**	500	2,020	0	**2,186**	1,187			1,533	653	1,621	565	249			0	0	1,436			1,621	565	2,186	-88	88	100%			0
Pick-up Truck	25,200	2,800	0	**28,000**	0	0	0	**0**	0	0	0	**0**	25,200	2,800	0	**31,508**	31,508			31,508	0	31,508	0	0			0	0	31,508			31,508	0	31,508	0	0	100%			0
Sub Total: Material & Equipment	**26,388**	**8,912**	**0**	**35,300**	**910**	**650**	**0**	**1,560**	**0**	**0**	**0**	**0**	**27,298**	**9,562**	**0**	**37,590**	**33,860**	**0**	**0**	**34,247**	**3,343**	**34,461**	**3,255**	**262**	**0**	**0**	**0**	**0**	**34,122**	**0**	**0**	**34,461**	**3,255**	**37,715**	**-214**	**88**	**100%**			**-125**
C: OPERATING COSTS																																							
Travel Costs																																							
FARES/AIRPORT TAXES																																							
Regional	1,215	135	0	**1,350**	1,404	0	0	**1,404**	1,278	182	0	**1,460**	3,897	317	0	**1,091**	571			583	508	571	0	0			0		571			571	0	571	12	508	52%			520
National	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**	0	0	0	**1,373**	822			1,373	0	1,823	238	74			0	0	895			1,823	238	2,061	-451	-238	150%			-688
international	2,700	300	0	**3,000**	3,060	0	0	**3,060**	2,810	312	0	**3,122**	8,570	612	0	**607**	0			246	361	247	360	0			0		0			247	360	607	-1	1	100%			0
PER DIEMS AND LODGING																	260			0	0								260						0	0			0
Per Diem National	864	0	288	**1,152**	899	0	300	**1,199**	1,420	203	0	**1,623**	3,183	203	588	**8,922**	3,148			7,886	1,036	6,911	2,066	251			520	-224	3,399			7,431	1,842	9,272	456	-806	104%			-350
Per Diem International	945	105	0	**1,050**	1,092	0	0	**1,092**	1,391	199	0	**1,590**	3,428	304	0	**48**	48			-27	75	48	0	0			18		48			66	0	66	-93	75	138%			-18
Lodging National	1,401	0	467	**1,868**	2,096	0	699	**2,795**	3,346	0	1,115	**4,461**	6,843	0	2,281	**16,587**	4,772			15,043	1,544	9,908	2,251	328			792	0	5,099			10,700	2,251	12,951	4,343	-707	78%			3,636
Lodging International	1,512	168	0	**1,680**	1,497	0	0	**1,497**	2,226	318	0	**2,544**	5,235	486	0	**0**	0			-80	80	0	0	0			0		0			0	0	0	-80	80	#DIV/0!			0
Sub Total Travel Costs	**8,637**	**708**	**755**	**10,100**	**10,048**	**0**	**999**	**11,047**	**12,471**	**1,214**	**1,115**	**14,800**	**31,156**	**1,922**	**2,869**	**28,628**	**9,621**	**0**	**0**	**25,024**	**3,604**	**19,509**	**4,914**	**653**	**0**	**0**	**1,330**	**-224**	**10,273**	**0**	**0**	**20,839**	**4,690**	**25,529**	**4,185**	**-1,086**	**89%**			**3,099**
Sub Grant to Partners																																							
Personnel	0	0	0	**0**	1,174	0	0	**1,174**	633	90	0	**723**	1,807	90	0	**46,490**	0			38,314	8,175	18,713	4,472	0			11,245	0	0			29,958	4,472	34,429	8,357	3,704	74%			12,061
Office Consumables	0	0	0	**0**	200	0	0	**200**	137	19	0	**156**	337	19	0	**7,304**	5			7,072	232	4,358	0	0			3,103		5			7,462	0	7,462	-389	232	102%			-158
Vehicle running	0	0	0	**0**	200	0	0	**200**	32	5	0	**37**	232	5	0	**9,182**	0			8,995	187	6,714	0	0			2,557		0			9,270	0	9,270	-275	187	101%			-88
Equipment	0	0	0	**0**	248	0	0	**248**	217	31	0	**248**	465	31	0	**3,900**	0			3,764	136	2,945	0	0			855		0			3,800	0	3,800	-36	136	97%			100
Perdiem/accomodation	1,856	0	0	**1,856**	990	0	0	**990**	901	129	0	**1,030**	3,747	129	0	**5,181**	0			4,873	308	3,960	43	0			1,043	0	0			5,003	43	5,046	-129	265	97%			135
Field training/workshops	2,856	0	0	**2,856**	990	0	0	**990**	901	129	0	**1,030**	4,747	129	0	**20,834**	2,447			20,209	625	19,196	246	158			2,208	0	2,605			21,405	246	21,651	-1,196	378	104%			-817
Sub Total Training Costs	**4,712**	**0**	**0**	**4,712**	**3,802**	**0**	**0**	**3,802**	**2,821**	**403**	**0**	**3,224**	**11,335**	**403**	**0**	**92,891**	**2,453**	**0**	**0**	**83,228**	**9,664**	**55,887**	**4,761**	**158**	**0**	**0**	**21,010**	**0**	**2,610**	**0**	**0**	**76,897**	**4,761**	**81,658**	**6,331**	**4,902**	**88%**			**11,233**
Communications																																							
Communication costs - tel./e-mails etc.	2,280	0	0	**2,280**	2,075	296	0	**2,371**	2,075	296	0	**2,371**	6,430	592	0	**6,290**	1,607			5,058	1,232	4,992	1,462	166			65	-65	1,774			5,057	1,397	6,454	1	-165	103%			-164
Kampala Communication costs	1,140	0	0	**1,140**	1,038	148	0	**1,186**	1,038	148	0	**1,186**	3,216	296	0	**2,262**	454			2,050	212	1,860	0	56			0	0	510			1,860	0	1,860	190	212	82%			402
Audio Visual	0	0	0	**0**	114	16	0	**130**	228	32	0	**260**	342	48	0	**0**	0			-33	33	0	0	0			0		0			0	0	0	-33	33	#DIV/0!			0
Sub Total Communications	**3,420**	**0**	**0**	**3,420**	**3,227**	**460**	**0**	**3,687**	**3,341**	**476**	**0**	**3,817**	**9,988**	**936**	**0**	**8,552**	**2,061**	**0**	**0**	**7,075**	**1,477**	**6,852**	**1,462**	**223**	**0**	**0**	**65**	**-65**	**2,284**	**0**	**0**	**6,917**	**1,397**	**8,314**	**158**	**80**	**97%**			**238**
Vehicle Costs																																							
maintenance	2,940	420	0	**3,360**	2,620	374	0	**2,994**	2,182	312	0	**2,494**	7,742	1,106	0	**9,503**	2,558			7,305	2,199	4,206	2,978	432			162	0	2,990			4,368	2,978	7,346	2,936	-779	77%			2,157
insurance	457	65	0	**522**	475	68	0	**543**	475	68	0	**543**	1,407	201	0	**82**	0			7	75	26	15	0			10	0	0			36	15	51	-29	60	62%			31
fuel	3,780	540	0	**4,320**	4,204	601	0	**4,805**	7,709	1,101	0	**8,810**	15,693	2,242	0	**13,105**	2,953			10,664	2,441	9,139	2,261	495			1,238	0	3,448			10,377	2,261	12,638	287	180	96%			467
other spareparts / tires	1,575	225	0	**1,800**	1,638	234	0	**1,872**	1,638	234	0	**1,872**	4,851	693	0	**3,704**	0			3,248	457	1,886	2,897	0			0	0	0			1,886	2,897	4,783	1,362	-2,441	129%			-1,079
Sub Total Vehicle Costs	**8,752**	**1,250**	**0**	**10,002**	**8,937**	**1,277**	**0**	**10,214**	**12,004**	**1,715**	**0**	**13,719**	**29,693**	**4,242**	**0**	**26,394**	**5,511**	**0**	**0**	**21,224**	**5,171**	**15,256**	**8,151**	**927**	**0**	**0**	**1,410**	**0**	**6,438**	**0**	**0**	**16,666**	**8,151**	**24,817**	**4,557**	**-2,980**	**94%**			**1,577**

Field Operation Costs																																					
Training Materials	1,094	0	156	**1,250**	1,138	162	0	**1,300**	1,138	162	0	**1,300**	3,370	324	156	**12,257**	45			10,775	1,482	5,404	950	22			2,164	0	67			7,568	950	8,518	3,207	532	69%			3,739
Staff and partner training	3,500	0	500	**4,000**	3,465	495	0	**3,960**	5,460	780	0	**6,240**	12,425	1,275	500	**9,481**	0			8,570	911	6,720	1,866	0			94	0	0			6,814	1,866	8,679	1,756	-955	92%			802
New Agric technologies	875	0	125	**1,000**	455	65	0	**520**	1,820	260	0	**2,080**	3,150	325	125	**16,254**	0			14,204	2,050	4,870	417	0			13,092	0	0			17,962	417	18,379	-3,759	1,633	113%			-2,125
Other equipments	1,500	0	0	**1,500**	1,365	195	0	**1,560**	1,365	195	0	**1,560**	4,230	390	0	**4,000**	0			750	3,250	0	2,651	0			188	0	0			188	2,651	2,839	562	599	71%			1,161
Promotional activities	1,750	0	250	**2,000**	1,365	195	0	**1,560**	1,365	195	0	**1,560**	4,480	390	250	**10,109**	76			8,612	1,497	4,724	754	132			6,050	0	207			10,774	754	11,528	-2,163	744	114%			-1,419
Sub Total Operation costs	**8,719**	**0**	**1,031**	**9,750**	**7,788**	**1,112**	**0**	**8,900**	**11,148**	**1,592**	**0**	**12,740**	**27,655**	**2,704**	**1,031**	**52,101**	**121**	**0**	**0**	**42,911**	**9,190**	**21,718**	**6,638**	**154**	**0**	**0**	**21,588**	**0**	**275**	**0**	**0**	**43,306**	**6,638**	**49,944**	**-395**	**2,552**	**96%**			**2,157**
Field Office Costs				**0**																																	
Consumables Kabale	2,100	300	0	**2,400**	2,184	312	0	**2,496**	2,184	312	0	**2,496**	6,468	924	0	**7,652**	2,333			7,018	634	7,263	356	225			4	161	2,558			7,268	518	7,786	-250	116	102%			-134
Office rent Kabale	1,575	225	0	**1,800**	1,419	203	0	**1,622**	1,638	234	0	**1,872**	4,632	662	0	**1,620**	366			1,431	188	1,124	0	0			0		366			1,124	0	1,124	307	188	69%			496
Office rent Kampala	1,733	247	0	**1,980**	1,802	257	0	**2,059**	1,802	257	0	**2,059**	5,337	761	0	**2,555**	340			2,107	448	601	0	25			0		365			601	0	601	1,506	448	24%			1,954
Office utilities & Maintenance	1,187	169	0	**1,356**	1,234	176	0	**1,410**	1,234	176	0	**1,410**	3,655	521	0	**11,529**	5,540			9,975	1,555	5,778	6,038	103			0	0	5,644			5,778	6,038	11,816	4,197	-4,483	102%			-287
Sub Total Field Office Costs	**6,595**	**941**	**0**	**7,536**	**6,639**	**948**	**0**	**7,587**	**6,858**	**979**	**0**	**7,837**	**20,092**	**2,868**	**0**	**23,356**	**8,580**	**0**	**0**	**20,531**	**2,824**	**14,767**	**6,394**	**353**	**0**	**0**	**4**	**161**	**8,933**	**0**	**0**	**14,771**	**6,555**	**21,327**	**5,760**	**-3,731**	**91%**			**2,029**
Other (Specify)																								0			0												
Bank Charges	294	42	0	**336**	305	44	0	**349**	305	44	0	**349**	904	130	0	**1,011**	259			901	110	989	0	34			1		293			990	0	990	-89	110	98%			21
Audit	2,188	312	0	**2,500**	4,550	650	0	**5,200**	4,550	650	0	**5,200**	11,288	1,612	0	**7,726**	2,471			6,785	941	4,335	933	0			3,215	0	2,471			7,551	933	8,484	-766	8	110%			-758
Sub Total Other	**2,482**	**354**	**0**	**2,836**	**4,855**	**694**	**0**	**5,549**	**4,855**	**694**	**0**	**5,549**	**12,192**	**1,742**	**0**	**8,737**	**2,731**	**0**	**0**	**7,686**	**1,051**	**5,324**	**933**	**34**	**0**	**0**	**3,216**	**0**	**2,764**	**0**	**0**	**8,540**	**933**	**9,473**	**-855**	**118**	**108%**			**-736**
Sub Total: Operating Costs	**43,317**	**3,253**	**1,786**	**48,356**	**45,296**	**4,491**	**999**	**50,786**	**53,498**	**7,073**	**1,115**	**61,686**	**142,111**	**14,817**	**3,900**	**240,659**	**31,077**	**0**	**0**	**207,678**	**32,982**	**139,313**	**33,254**	**2,501**	**0**	**0**	**48,624**	**-128**	**33,578**	**0**	**0**	**187,937**	**33,126**	**221,063**	**19,741**	**-144**	**92%**			**19,596**
D: CONSULTANCIES																																					
BDS Market assessment	5,469	781	0	**6,250**	0	0	0	**0**	2,275	325	0	**2,600**	7,744	1,106	0	**6,515**	11			5,700	814	11	6,504	0			0		11			11	6,504	6,515	5,690	-5,690	100%			0
PM&E baseline and database	3,281	469	0	**3,750**	0	0	0	**0**	0	0	0	**0**	3,281	469	0	**4,357**	0			3,889	469	4,089	468	0			0	0	0			4,089	468	4,557	-200	1	105%			-200
Sub-sector analysis	0	0	0	**0**	2,250	0	750	**3,000**	0	0	0	**0**	2,250	0	750	**5,514**	0			4,136	1,379	5,514	0	5,514			-2,130	2,130	5,514			3,385	2,130	5,514	751	-751	100%			0
Feasibility on honey	0	0	0	**0**	9,100	1,300	0	**10,400**	0	0	0	**0**	9,100	1,300	0	**5,449**	0			4,767	682	5,449	0	0			0		0			5,449	0	5,449	-682	682	100%			0
Market Research	0	0	0	**0**	2,600	0	0	**2,600**	0	0	0	**0**	2,600	0	0	**2,055**	55			2,055	0	1,157	0	0			601		55			1,758	0	1,758	298	0	86%			297
Market studies and linkages	0	0	0	**0**	0	0	0	**0**	3,640	520	0	**4,160**	3,640	520	0	**0**	0			0	0	0	0	0			0		0			0	0	0	0	0	#DIV/0!			0
Sub Total: Consultancies	**8,750**	**1,250**	**0**	**10,000**	**13,950**	**1,300**	**750**	**16,000**	**5,915**	**845**	**0**	**6,760**	**28,615**	**3,395**	**750**	**23,890**	**66**	**0**	**0**	**20,546**	**3,344**	**16,219**	**6,972**	**5,514**	**0**	**0**	**-1,529**	**2,130**	**5,580**	**0**	**0**	**14,690**	**9,102**	**23,792**	**5,856**	**-5,758**	**100%**			**98**
E: MONITOPRING AND EVALUATION																																					
Mid-term review	0	0	0	**0**	7,200	800	0	**8,000**	0	0	0	**0**	7,200	800	0	**5,229**	0			4,429	800	5,263	0	0			0		0			5,263	0	5,263	-834	800	101%			-34
End of Project (EOP)Evaluation	0	0	0	**0**	0	0	0	**0**	10,920	1,560	0	**12,480**	10,920	1,560	0	**12,480**	0			10,920	1,560	0	0	0			10,980		0			10,980	0	10,980	-60	1,560	88%			1,500
Sub Total+A34: M&E	**0**	**0**	**0**	**0**	**7,200**	**800**	**0**	**8,000**	**10,920**	**1,560**	**0**	**12,480**	**18,120**	**2,360**	**0**	**17,709**	**0**	**0**	**0**	**15,349**	**2,360**	**5,263**	**0**	**0**	**0**	**0**	**10,980**	**0**	**0**	**0**	**0**	**16,243**	**0**	**16,243**	**-894**	**2,360**	**92%**			**1,466**
SUBTOTAL DIRECT ELIGIBLE PROJECT COSTS (A-E)	**188,499**	**19,018**	**10,349**	**197,866**	**158,500**	**15,186**	**7,314**	**181,000**	**169,722**	**18,398**	**6,902**	**195,022**	**496,721**	**52,602**	**24,565**	**573,887**	**139,003**	**-**	**-**	**496,720**	**77,167**	**407,708**	**77,319**	**14,125**	**-**	**-**	**65,380**	**(57)**	**153,128**	**-**	**-**	**473,088**	**77,262**	**550,351**	**23,632**	**(95)**	**96%**			**23,537**
F. INDIRECT COSTS (7%)	**11,795**	**1,331**	**724**	**13,851**	**11,095**	**1,063**	**512**	**12,670**	**11,881**	**1,288**	**483**	**13,652**	**34,770**	**3,682**	**1,720**	**40,172**	**9,730**	**0**	**0**	**34,770**	**5,402**	**28,540**	**5,412**	**989**			**4,577**	**-4**	**10,719**			**33,116**	**5,408**	**38,525**	**1,654**	**-7**	**96%**			**1,648**
TOTAL COSTS (EUR)	**200,294**	**20,349**	**11,073**	**211,717**	**169,595**	**16,249**	**7,826**	**193,670**	**181,602**	**19,686**	**7,385**	**208,674**	**531,491**	**56,284**	**26,285**	**614,060**	**148,734**	**-**	**-**	**531,491**	**82,569**	**436,248**	**82,732**	**15,114**	**-**	**-**	**69,957**	**(61)**	**163,847**	**-**	**-**	**506,205**	**82,670**	**588,875**	**25,286**	**(102)**	**96%**			**25,184**
TOTAL (USD)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**																					

Annex 15: Implementation Status of Mid term Review Recommendations

Summary of Key MTR Recommendations	Level of Integration
Market Development	*IMPLEMENTATION*
• Develop new demand driven BDS products for the passion fruit sub sector to be delivered by CBTs i.e. spray pump hire, advisory services etc	*Integrated but not fully commercialized*
• Develop new demand driven BDS products for the honey sub sector to be delivered by CBTs i.e. hire of harvesting gears, harvesting services etc	*Integrated and commercialized*
• Promote market linkages between service providers and the farmers on the application and benefits of the new BDS products; and	*Integrated and achieved – 2,484 farmers targeted*
• Develop a mechanism to support service providers deliver market oriented BDS.	*Not well integrated. Increased commercialization needed*
Policy and Advocacy Support	
• Develop and implement policy and advocacy programmes with partners, farmers groups, NGOs and public sector agencies UWA, NAADS, AAMPS etc	*Integrated and achieved*
Capacity Building	
• Develop a direct intervention with subsidies for the disadvantaged target groups e.g. UBODU;	*Integrated but not significant to transform livelihood*
• KBDS Partners develop clear exit strategy;	*Not integrated. Still understanding in the end of project evaluation*
• Restructure and strengthen KIBECO;	*Not integrated. KIBECO did not show any demand for the service*
• Strengthen A2N Capacity;	*Integrated and achieve*
Institutional Linkage	
• Kick-start the promotion of linkages with other public sector initiatives;	*Integrated and needs to be scaled up*
• Partner with NAADS, AAMPS, UOBDU, and IUCN to adapt the MIS, UOBDU to the beneficiary groups;	*Integrated and achieved*
Project Management	
• CARE Uganda to provide adequate administrative and backstopping support.	*Integrated and achieved – CUH increased supervision and coordination*
• KBDS staff skills gap identified and training provided;	*Integrated and achieved – BDS, M&E training provided*
• Finalize selection and engagement of partners for the handcraft and tourism sub sectors as soon as possible;	*Integrated and achieved*
• Improve and upgrade M&E system	*Integrated and achieved – some limited constraints identified*
• Refine the log frame and draw up fresh work	*Integrated and achieved*

plan/ budgets for the remaining period.	
Cross cutting issues	
• KBDS needs to integrate gender activities in all its interventions with the partners over the remaining project period.	*Integrated and achieved*
Financial Access	
• Identify additional sustainable financing mechanism beyond leasing, VSLA; and	*Integrated and achieved – 175 groups formed with 63 million savings*
• Support and facilitate KIBECO to access to working capital for the business unit;	*Not integrated*

Annex 16: Summary of Value chain Activities and Outputs

CARE International In Uganda

DRUCILLA BALABA

HANDICRAFT SUB SECTOR

Overall KBDS Goal: To achieve sustainable livelihoods and social inclusion for 25,000 capital and land poor households in the three districts of Kigezi region (Kabale, Kisoro, and Kanungu) in South West Uganda. For the Handicraft sub sector, the project targets 1500 poor households focusing on women.

Problem: Kigezi region as a whole suffers the problem of land shortage, and would definitely require 'off-farm' income generating activities that easily involve the poor and marginalized people such as women. Women were found to be highly involved in the Handicraft Sub Sector; however, this sub sector is still at a nascent stage such that women only seem to make handicrafts for leisure or for some side income rather than serious business. Never before has handicraft production been considered a business enterprise that could sustainably generate incomes for a household. Consequently, specialized services within the sub sector have not been developed, and there also exists a wide gap between producers and consumers of handicrafts.

Hypothesis: CARE believes that promoting the production of handicrafts through skills development, enhancement and facilitation of market linkages, and developing Business Development Services (BDS) along the supply chain, would go a long way in addressing the problem as stated above and subsequently the issue of sustainable livelihoods and social inclusion. For the producers would be enabled to earn reasonably high incomes from their products.

Means to Achieve the Goal: Using the Market Development Approach (MDA), and in partnership with Drucilla Balaba and with more financial support from Stromme Foundation, the KBDS project has the following as its major interventions: Organizing handcraft producers starting with Kabale District into producer groups of 30 members each; Polishing the group members' and Community Based Trainer's handicraft and business skills; Establishing at least one Handicraft Collection centre in each sub county and one such centre in Kabale town to enhance bulking for the market; Establishing a Handicraft Display Centre in town for promotion purposes; Linking producers to 2 or 3 major markets for Handicrafts; and promotion of the Savings & Loan mechanism to make it easy for the producers to access credit, especially for the purchase of raw materials.

Services offered by CARE-KBDS : in partnership with Austria Development Cooperation and Stromme

- Financial and technical support
- Product development and commercialization
- Research and policy influence
- Organizational Development (OD) for BDS facilitators, providers and consumers
- Market Development activities
- Scaling up successful models

Services offered by BDS facilitator—DRUCILLA BALABA

- Facilitates the production, bulking and transportation of handicrafts to the market
- Mobilizes & trains the producers, and monitors the groups' activities
- Facilitates the linkage of hand craft input supplies and the producers

- Provide Technical support and Training to Community Based Trainers
- Promotion and development of the District Handicraft Associations
- Facilitate the implementation of the VSLA component in handicrafts groups.

Services offered by Handicraft Community Based Trainers:

- Polish the women's skills in handicraft
- Facilitate group mobilization and formation
- Sensitize groups members on the importance of honouring market orders
- To ensure an orderly selling and repayment system for handicraft producers
- Train groups in record keeping, on group dynamics and management

Roles played by the Handicraft Producers

- Commitment to farmer groups and associations
- Paying for the necessary BDS
- Commitment to bulking and collective marketing and honor market orders
- Keeping necessary records on handicraft
- Availing required information to the group leaders

CARE International In Uganda

AFRICA 2000 NETWORK

PASSION FRUIT SUB SECTOR

Overall KBDS Goal: To achieve sustainable livelihoods and social inclusion for 25,000 capital and land poor households in the three districts of Kigezi region (Kabale, Kisoro, and Kanungu) in South West Uganda. In passion fruit sub sector the project targets 2500 poor households.

Problem: The indigenous 'small' purple passion commonly grown by smallholder farmers in Kigezi region, is prone to certain diseases which have forced farmers to choose other crops in fear of loss, get low yields and poor quality fruits. This scenario is not helped by a lope-sided trade system where the price of the commodity is controlled by the regional traders, which has forced the poor farmers to sell at controlled rates by the intermediaries. Farmers are averse to 'bulking up' and group functioning which has added to the deteriorating bargaining power.

Hypothesis: CARE believes that passion fruit growing is a potential avenue for income generation amongst smallholder producers in South Western region. The Passion Fruit being a high value crop compared to other crops, will comparably realize higher incomes from a small piece of land. There is generally high demand for Passion Fruits both on the local and international markets; however, the supply at the moment is unable to meet vast demand. Therefore, the improvement on the agronomic practices of small purple passion fruits, facilitating passion fruit farmers to market passion fruits collectively and linking them to better markets coupled with the promotion of the Kawanda Hybrid Passion Fruits which is more resistant to diseases and high yielding would enable the smallholder farmer to greatly improve on their livelihoods economically.

Means to Achieve the Goal: Through the Market Development Approach, and in partnership with Africa 2000 Network, the project's main focus of intervention is promoting Kawanda Hybrid Passion Fruit with a number of interventions along the supply chain, i.e. from input supply level to the consumer level, improvement on agronomic practices of small purple passion fruits and linking farmers to viable markets. Nursery Operators (CBTs) have been trained to establish and run commercial nurseries where the passion fruit seedlings are propagated. The capacity of these CBTs is also being built in such a way as to enable them commercially extend advisory services to other farmers. Subsequently, the project will promote the collective marketing concept amongst the passion fruit producers as well as link them to the best markets available while encouraging Business Development Services along the whole supply chain.

Services offered by CARE-KBDS: in partnership with Austria Development Cooperation

- Technical and financial support in product development and commercialization
- Research and policy influence
- Market development activities,
- Organizational capacity development to the Business Development (BD) service facilitators, providers and consumer
- Scale up successful models

Services offered by BDS facilitator—AFRICAN 2000 NETWORK

- Providing Technical support and Training to Community Based Trainers
- Linking farmer groups to profitable markets available
- Facilitating farmers to access market information
- Facilitating the production, improved post handling, bulking and collective

marketing

- Monitoring and supervision of CBTs for quality control and effective delivery of intended services.
- Facilitating the linkage of passion fruit input supplies and the producers
- Promotion and development of the District Passion Fruit Producers' Associations
- Lobby and advocate for inclusion of commercial passion fruit farming in district development plans

Services offered by BDS provider CBTs:

- Mobilization and formation of farmer groups
- Provide technical support and embedded extension services to passion fruit farmers
- Provide improved passion fruit varieties and necessary inputs
- Facilitate farmers to access market information
- Document lessons learnt and share with farmers and partners

Roles played by the farmers

- Willingness to improve traditional small purple and to switch to Kawanda hybrid type
- Commitment to farmer groups and associations
- Paying for the necessary BDS
- Commitment to bulking and collective marketing
- Keeping necessary records on passion fruits
- Availing required information to the group leaders

CARE International In Uganda

KISORO BEEKEEPERS' COOPERATIVE (KIBECO)

HONEY SUB SECTOR

Overall KBDS Goal: To achieve sustainable livelihoods and social inclusion for 25,000 capital and land poor households in the three districts of Kigezi region (Kabale, Kisoro, Kanungu) in South West Uganda. The honey sub sector targets 2000 poor households living around Mgahinga NPand Bwindi Forest. Forests provide excellent forage and nesting habitat for honey bees

Problem statement: The majority of bee farmers in Kigezi use semi-traditional bee keeping practices using locally available materials. Originally, bee keeping was mainly for food and medicinal purposes. Skills for bee keeping have been passed on along family lineages. Of recent, most families acknowledge that bee keeping is a viable enterprise that can raise their incomes and help them come out of poverty being an off-farm activity, with little land available. A few honey processors like KIBECO have come up to develop the sector in Kisoro, but are unable to maintain constant supplies to the current high demands of honey and other products of bee hives mainly due to low levels of production, weak collaboration with producers, weak organizational/management structures and competition from other buyers

Hypothesis: CARE under KBDS believes that introduction of new and improved methods of beekeeping coupled with strengthening both the potential individual producers and processors into strong commercial oriented associations will provide an avenue for them to demand and acquire necessary support services to boost their production levels so that they can systematically meet the market demand and increase farmers' house hold incomes

Means to Achieve the Goal: Through Marketing Development Approach, and in partnership with KIBECO, the project's main focus of intervention will be promoting honey with a number of interventions along the chain i.e. from input supply to the marketing level. The project will introduce langstroth beehive type which produces 30-40 kgs at harvest time compared to 6-10 kgs produced using traditional hives; organize honey producers into producer groups /associations with emphasis on women, Batwa and youth; sensitize and train the group members' and Community Based Trainers in usage and maintaining improved hive i.e. langstroth hives; train local artisans in construction of improved hives; continue lobbying protected areas' management for placing hives in the forests; establish at least one honey collection centre in each sub county and improve one central collection center in Kisoro town at KIBECO to enhance bulking for the market; improve harvesting, post handling skills and product packaging ; and promotion of the Savings & Loan mechanism to make it easy for the producers to access credit, especially for the purchase of langstroth hives. Facilitate and strengthen existing market linkages and probe for new markets.

Services offered by CARE-KBDS: in partnership with Austria Development Cooperation

- Financial support,
- Technical support: Product development and commercialization; Research and policy influence; Market developm activities;;
  Organizational development to the Business Development Service (BDS) facilitators, providers and consumers

Services offered by BDS facilitator—KIBECO

- Buy and refine honey and other honey bi products and facilitate market linkages
- Facilitate the production, bulking and transportation of honey to the market and formation of district producer associations
- Facilitate the linkage of honey production input supplies and the producers
- Provide Technical support and Training to Community Based Trainers

- Facilitate the implementation of the VSLA component in honey groups, access to financial services and market information

Services offered by BDS providers(CBTs)

- Mobilize and train the producers, to engage in market focused production and monitor the groups' activities
- Provide advisory and mentoring services to farmers on improved production and post harvest handling
- Provide improved bee hives like langstroth with embedded extension services to farmers
- Document lessons learnt and share with farmers and partners

Roles played by farmers

- Willingness to change from traditional beehives to improved hives like langstroth and improved methods of honey production
- Commitment to producer groups /associations and collective marketing
- Commitment to utilizing and paying for BD Services
- Keep and manage records on production and marketing

Annex 17: Local Partners Capacity Assessment Summary Report

Partners	Capacity Building Interventions	Sustainability of Interventions Gaps	Sustainability Rating	Remarks
A2N	- Staff Training/salary - Mgt support System -M&E data system -Gender mainstreaming - Sub-grant - Farmer Network -Office equipment -Bulking centers -Demonstration site mgt through CBTs	-Commercialization of CBT-services and products is low – service delivery dependences on grants -Demand side market stimulation heavily subsidized by KBDS and A2N cannot continue because this was a project -Strengthening POs does not address constraint of financial sustainability	Sustainable	-A2N is a sustainable partner as an NGO because it implements several rural development projects funded by other donors. -Passion fruit market linkages can drive the value chain activities but strong market infrastructure (embedded services) must be developed through partnership with buyers if the sustainability of interventions can be full achieved.
KIBECO	-Staff Training/salary -Sub-grant -Gender mainstreaming -M&E data system -Linkage –KHP & KBC -Mgt Tree nursery operators - Coordination of micro leasing -hives -Farmer Network -Mgt support system -Office equipment -Bulking centers -coordinate CBTs	-Ownership of KIBECO is not clear. -The management re structuring between cooperative movement and the business components has not been done. -Commercialization of CBT-services and products is low – service delivery dependences on grants The partnership between KIBECO, KBC & KHP is loose and bound to collapse after June 2008	Partially Sustainable	Sustainable but expansion capacity limited because KIBECO dependence on donor funds. KIBECO generates revenue but the profit margins cannot support large scale production promotion activities in the district. The leadership conflicts and lack of transparency cannot likely help the partner maintain KBDS initiatives unless NAADS and LG continues to provide support
Drucilla	-Staff training/salary -Farmer Network -Mgt support system	-Commercialization of CBT-services and products is low – service delivery dependences on	Not sustainable	-Not sustainable and it needs restructuring of intervention especially in production of handicrafts that are

	-Sub-grant -Office equipment -Coordinator CBTs -Mgt collection centers & showroom -Transportation-Handicrafts to Market -M&E data system -Strengthening producer organizations	grants -5% commission of sales generate small amount of revenue that cannot support current interventions. -Partner only depended on grants to implement activities and so it does not generate revenue from supporting market linkages -expansion to Kanungu and Kisoro cannot be sustained -Many of the products marketed are produced at high costs and sold at a loss		high value and high priced as recommended in the market assessment. -Over dependency on donor funds like sub grants from CARE and Stromme Foundation, which resulted into provision of free services.
KBC	-M&E data system -Farmer linkages/network -Exposure visits -Harvesting gear production -Staff training & salary -Sub-grant -Linkages to KIBECO -Record keeping system -Technology upgrade -Mgt tree nursery operators -Strengthening capacity of market committee Coordinator CBTs	-Commercialization of CBT-services and products is low – service delivery dependences on grants - The partnership between KIBECO, KBC & KHP is not based on business principles and its bound to collapse after June 2008 because of conflicting business interests -Revenue generated cannot support the staff recruited with KBDS support	Partially sustainable	The sustainability position can be improved through commercialization of BDS and increasing productivity. KBC operates in highly marketable commodity with ever increasing demand. Improving farm gate prices, honey production can sustain the interventions for a long period of time.
KHP	M&E data system -Farmer linkages/network -Exposure visits -Harvesting gear production -Staff training & salary -Sub-grant -Linkages to KIBECO -Record keeping system	-Commercialization of CBT-services and products is low – service delivery dependences on grants - The partnership between KIBECO, KBC & KHP is not based on business principles and its bound to collapse after June 2008	Partially sustainable	The sustainability position can be improved through commercialization of BDS and increasing productivity. KBC operates in highly marketable commodity with ever increasing demand. Improving farm gate prices, honey production can sustain the

	-Technology upgrade -Mgt tree nursery operators -Strengthening capacity of market committee Coordinator CBTs	because of conflicting business interests -Revenue generated cannot support the staff recruited with KBDS support		interventions for a long period of time
GATCO	-Improvement of processing technology -Farmer linkages -Processing and marketing -Gender mainstreaming -Exposure visit -Staff training -Forward Contract Grants Coordinator CBTs	- Inadequate working capital -Limited marketing campaign and supply -Low raw material consumptions	Sustainable	Small scale operations driven by niche markets. Increasing opportunity for accessing working capital can propel the company to greater success and shall be in position to offer market for large number of farmers. Embedded services on agro inputs, training can be possible.
KCBTA	-M&E data system -Formation of CBT association -Farmer network/Linkage -Exposure visit -Coordinate CBTs -Training of CBTs -KCBTA saving scheme -Brochures -Fundraising & Lobby -Radio talk show -Staff hire and salary	-High cost of fees (Ushs 830,000) per group -Commercialization of CBT-services and products is low – service delivery dependences on grants -lack of competition among providers -Over dependency of the groups on CBTs - high cost of VSLA kits	Not sustainable	The intervention is implemented through direct subsidizes from the project. The contribution of the groups is insignificant to overall expenditure. VSLA is an excellent rural finance scheme that must be scaled up but sustainable of interventions can be achieved through commercialization of CBT's services.
KPTA	-Formation of association -Warehousing facility -Mgt system -Farmer linkages -Market Research	-Inadequate working capital -Inadequate infrastructure to link with all collection centers -A business expansion plan is absent	Sustainable	Intervention on market linkages with farmers and other processors like Britain drives the sustainability of the interventions.

Annex 18: Assessment of financial sustainability of BDS Products

BDS types	Market prices	Profitability	Cost Recovery	Commercial provision	Demand driven	Supply driven	Remarks
Input supply							
Passion Fruits	√	√	√	√	√	•	*Sustainable*
Honey	√	√	√	√	√	•	*Sustainable*
Handicrafts	√	√	√	√	√	•	*Sustainable*
Technology & Product Development							
Passion Fruits	•	•	•	•	•	√	*Not Sustainable*
Honey	√	√	√	√	•	√	*Sustainable*
Handicrafts	•	•	•	•	•	√	*Not Sustainable*
Market Development							
Passion Fruits	•	•	•	√	√	√	*Sustainable*
Honey	•	•	•	•	√	√	*Not Sustainable*
Handicrafts	•	•	•	•	√	√	*Not Sustainable*
Training & Technical Assistance							
Passion Fruits	•	•	•	•	•	√	*Not Sustainable*
Honey	•	•	•	•	•	√	*Not Sustainable*
Handicrafts	•	•	•	•	•	√	*Not Sustainable*
Information services							
Passion Fruits	•	•	•	•	•	√	*Not Sustainable*
Honey	•	•	•	•	•	√	*Not Sustainable*
Handicrafts	•	•	•	•	•	√	*Not Sustainable*
Policy and advocacy							
Passion Fruits	•	•	•	•	•	√	*Not Sustainable*
Honey	•	•	•	•	•	√	*Not Sustainable*
Handicrafts	•	•	•	•	•	√	*Not Sustainable*
Access to finance							
Passion Fruits	•	•	•	•	•	√	*Not Sustainable*
Honey	•	•	•	•	•	√	*Not Sustainable*
Handicrafts	•	•	•	•	•	√	*Not Sustainable*

KBDS BDS categories;

Input supply services: Linking target beneficiaries to input suppliers; improving suppliers capacity to provide a regular supply of quality inputs; facilitating the establishment of bulk buying groups; information on input supply sources.

Technology and product development services: Technology transfer/commercialisation; linking target groups and technology suppliers; facilitating technology procurement; equipment micro leasing rental; and product development.

Training and technical assistance: Mentoring; strategic plans and business plans; exposure visits and business tours; management training; technical training; counselling/advisory services; accountancy and bookkeeping.

Infrastructure-related and information services: Storage and warehousing; transport and delivery; telecommunications; courier services; information via notice board, radio.

*Policy and advocacy***:** Training in policy advocacy; analysis and communication of policy constraints and opportunities; direct advocacy on behalf of target groups, and policy studies.

Access to finance: CBTs do not provide direct financial support, but link farmer groups to VSLA; provide information on VSLA; encourage savings; assistance in VSLA planning and management.

Market access services: Market information; market linkages; trade fairs; development of samples for buyers; subcontracting; marketing trips and meetings; market research; collection centres; showrooms; monitoring and evaluation of market activities, packaging; advertising.

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