

UPSIDE

**Northern Uganda Resilience Initiative (NURI) –
Extension 2023**

NURI

Danida



Pilot Activity report on Business Development

Services

December, 2023

PILOT ACTIVITY REPORT

Pilot Title:	Business Development services (BDS)
Brief description of pilot	<p>Business skills are essential part of managing both small and medium scale businesses to keep it running smoothly. These skills help groups and individuals to understand the internal and external factors that impact on a business success and processes. With the previous interventions where farmers were expected to do farming as a business, its therefore imperative to equip them with business skills to enhance the value addition and marketing of their produce to gain meaningful incomes.</p> <p>To enhance resilience to shocks among farmers, NURI CF focused on provision of business skills with emphasis on sustainability and greening of the previous interventions. This was done with generation of business ideas that promoted greening and value addition on the previous enterprises that NURI supported hence diversifying their income sources. This was done by NURI program through training of farmers on Business development services (BDS) and supporting them with equipment on a cost sharing basis Groups developed business proposals that underwent a competitive appraisal process at 3 different levels which include; assessment by the units, assessment by CF/consultant and physical validation of the groups that passed the second phase by CF.</p> <p>Farmers were expected to develop proposals and also contribute 30% of the costs of equipment, transportation, training and installation of the equipment. Furthermore, farmers were to construct the shelters that were to house the equipment. However, a major challenge experienced during the process was availability of the farmers for trainings since it was within the farming period, the limited time for proposal development that affected the quality of proposals, limited time for mobilization of the 30% cost sharing among both nationals and refugees and high level of illiteracy among farmers.</p> <p>The BDS was piloted in all the 13 districts of NURI operations, however, only 18 groups from 9 districts benefitted from the cost sharing equipment. This pilot selected 440 groups across the different districts with inclusion of refugee groups with focus on interest and capacity to contribute the 30%.</p> <p>General objective: Sustainability</p> <p>To enhance the sustainability of Farmer Groups/VSLAs through mentoring, business development services, and business support on needs basis</p> <p>Specific objectives:</p> <ul style="list-style-type: none"> ● To strengthen and build on NURI FG/VSLA achievements through mentoring and training in business skills. ● To build the capacity of farmer/VSLA groups in business skills through support for value addition and greening equipment on a cost sharing basis. <p>NURI CF led the implementation of the pilot through its CSA partners; RAU Kitgum/Lamwo, RAU Adjumani, RAU Moyo/Obongi, PICOT, ARUDIFA and AFARD spread in the targeted districts. NURI CF also engaged the services of a consultant to develop the training manual, trained staff, developed proposal format and also did the first review of proposals submitted to CF by the partners.</p> <p>Approximately a budget of UGX. 549 million was used to implement the pilot covering trainings and 70% contribution to the procurement, transportation, installation of the equipment and training of farmer group members on the operation of the equipment.</p>
Brief description of context	<p>Weather: The weather has been challenging for the farmer groups that had to put up structures to house the machines. The rain patterns caused delay in the completion of the structures</p> <p>Economic activities: Farming is the main economic activity for the community in northern Uganda. The farmers depend on farming as the main sources of incomes and food security. With the weather partners being unpredictable, there was very little first season harvests thus low incomes and food for consumption. This affected the contribution of the 30% by farmers. During the period, dry cassava was selling for 1300-1500, and soybean 2000-3000, millet 1800-2000, sorghum 700, maize 1000 as grain, With the value addition, farmers will be able to gain more prices with cassava flour going for 2000-2500, maize flour 2500-3000.</p> <p>Security situation: There was relative peace in northern Uganda which provided good environment for</p>

	<p>implementing the pilot. There were isolated cases of insecurity which did not affect the BDS pilot implementation.</p> <p>Food security situation: Northern Uganda was relatively food secure although there were households that were really stressed due to first season crops failure. In the refugee setting, some food relief was provided by OPM/WFP that supplemented although the rations have been reduced. This improved with second season harvest and vegetable production which is often quick. There was generally high demand for grains and pulses as a result of poor harvest.</p> <p>Supportive infrastructure: the road network was fair in most areas thus access to BDS groups was not hindered. With the available suppliers of the equipment in place, this enhanced the procurement process despite the limited timeframe for implementation of BDS.</p> <p>Social events: Within the communities, events such as market days, funerals, marriage parties, etc predominated the social setup affecting implementation of planned activities like trainings, monitoring and establishment of the structures.</p>
<p>Key project successes</p>	<p>Key results include:</p> <ol style="list-style-type: none"> 1. Training groups on BDS: All the 440 groups were trained on all the business skills topics that included; idea generation, business goal setting and strategy development, business products, sales and marketing, business profit modelling and reinvestment, record keeping, business funding, customer care, sex and gender mainstreaming in business. From the trainings, farmers appreciated and implemented mostly the customer care, gender mainstreaming in business, profitability analysis, record keeping, sales and marketing aspects. 2. Development of the proposals: After the trainings, many groups picked interest in development of the proposals to go through the competitive process. This was shut down by the short period to come up with meaningful proposals since majority of the groups were illiterate and would require more support by the staff in the process. A total of over 200 proposals were developed by the groups and submitted to the units of vetting. 3. Assessment and evaluation of the BDS proposals: The assessment and qualification of proposals was done at 2 different levels. The units were expected to use the same evaluation criteria to qualify group through the first phase of the evaluation. In total units/IPs submitted 110 proposals to CF that included businesses like apiary for greening, milling produce, banana growing, irrigation etc. With consideration for greening and value addition, only 100 proposals qualified and were submitted to a consultant for further evaluation process. After the consultant's evaluation, only 40 groups qualified to move to the next level of evaluation by CF. The 40 proposals submitted by the consultant to CF were reviewed hence, elimination of 4 groups that had business ideas of irrigation while tapping the water from the Nile based on the complexity of the requirement to access the Nile as the water source for irrigation. 4. Validation of the groups: CF constituted a team of 3 that included the NPC, VSLA coordinator and RAU K/L coordinator to conduct the physical visit to the groups to ascertain their readiness for cost sharing and understanding of the business ideas generated. This resulted into visit of 36 groups across the districts of Kitgum, Adjumani, Moyo, Obongi, Koboko, Arua, Madi Okollo, Terego and Zombo. Following the assessment, only 22 groups qualified to receive the equipment that included apiary set (2), cassava/maize milling machines (14), groundnut sheller (1), cassava chipper (1), irrigation (1), maize thresher (1), groundnut paste machine (1), rice milling machine (1). 5. Contribution of the 30% cost sharing by farmer groups: Despite 22 groups qualifying to get the equipment, only 18 managed to contribute 30% of the cost within the timeframe provided. From the total cost of Ugx 155,295,600, farmers contributed Ugx 45,938,600 for the purchase of ricer hauler (1) maize hauler (2), milling machines (13), maize thresher (1), irrigation set (1), cassava chipper (1), apiary set (1). 6. Procurement, Installation and handover of the equipment: The supply, installation and training of the farmers on operations of the equipment was contracted to China North Machines and Lagweno Kiboo bees and multi-investments limited for the apiary. These were successfully done for 18 groups that had contributed their 30% across the districts of Kitgum, Adjumani, Moyo, Obongi, Koboko, Zombo, Arua, Terego and Madi-Okollo.
<p>Project</p>	<p>Short rollout time for BDS: The BDS pilot has been appreciated by the farmers however, the short</p>

<p>shortcomings and solutions</p>	<p>rollout period affected its implementation. The process that started with procurement of the consultant for the development of the training materials and training of staff that took a longer time to take-off. This therefore left a short time for staff to train the groups, mentor, coach and support them develop proposals for cost sharing funding.</p> <p>High level of illiteracy: With the high level of illiteracy among farmers, the quality of the proposals developed was compromised. The sections of goal setting, profitability analysis and budgeting were the most inadequate areas in the proposals since they couldn't relate to the goals set. This being a new concept within the groups, it required more time for mentoring and coaching to come up with meaningful proposals.</p> <p>Delay in procurement process: It was expected that the units do the separate procurement of the equipment for the groups that qualified however, this was changed to a centralised CF procurement. This delayed the whole procurement process since there was need to get a waiver from RDE to proceed. This therefore led to last minute installation of the equipment hence liability period for the installation of the equipment has not been monitored before the exit of the staff/closure of the units.</p> <p>None clarity of the 30% value of the cost of equipment: It was anticipated that NURI CF contributes 70% of the total cost of the proposal however, this changed in the last minute with farmers having to bear the total cost of putting up the structure to house the machines separately. With this NURI CF only agreed to farmers contributing 30% of the cost of equipment, transportation, installation and training which they contributed 70%. This caused confusion and delay in contribution of the 30% by the farmers with some of the groups falling out due to the short notice period to beat the deadline for completion of the activity.</p>
<p>Lessons learned</p>	<p>Willingness to cost share: Despite farmers willingness to cost share, it's important to ensure that it's introduced after a time duration of over a year to enable them engage in other business initiatives to generate money. Cost sharing promotes commitment and ownership by the group members to ensure sustainability of the equipment.</p> <p>Implementation period: The BDS approach used in the programme requires a long period to implement to enable farmers adopt. The farmers require mentoring and coaching since most of them are illiterate in order for them to go through the process of development of competitive proposals.</p> <p>Procurement of equipment: Centralised procurement of the BDS equipment increases its cost. This needs to be decentralised in order to reduce on the cost of transportation of the equipment to the various location.</p> <p>Communication of the cost of equipment: The cost of equipment to be cost shared needs to be determined and communicated clearly to the farmers to give them a range of amounts that the programme is willing to contribute. This will enable them restrict the proposal budget to the agreed terms and budget areas hence reducing last minute frustration due to changes in the amounts to be contributed.</p> <p>Training period and methodology: The training approach of lectures, participation is appreciated by the farmers however, this needs to be coupled with the pictural and translation of the training materials into the local languages for easy reference and comprehension by the illiterate farmers.</p>
<p>Follow-up Actions</p>	<p>More mentoring and coaching on BDS: Much as NURI was able to train group members on BDS within one year, not all have the capacity to learn at the same pace. There are areas like business goal setting and strategy, profitability analysis and record keeping that needs to be closely monitored for the farmers to take off in business. Implementation and close follow up of BDS activities for 2 years makes sense for them to sustain the initiative.</p> <p>Integration of BDS and VSLA in all aspects of the programme: BDS stands an integral part of all the components of the programme and the VSLA bridges the gaps for cost sharing. All VSLA groups should be trained in BDS to enable them generate business ideas and start up income generating activities that will facilitate financing of other initiatives.</p> <p>Focus on the key take home areas of the BDS by farmers: The key take-home areas for farmers include profitability analysis to determine selling price, customer care, gender integration in business, goal setting and strategy development, record keeping. With this in focus, farmers will have a clear road map to improve the sales of their produce that will lead to sustainability of farming initiatives.</p>

	<p>Conclusion</p>
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BDS is an integral part of all the pilots that have been implemented. To enable farmers pick up the FMS, collective marketing, LSB approaches while viewing farming as a business, its key to take them through the business skills trainings that emphasis more on goal setting, profitability analysis, record keeping, customer care and gender main streaming. This will in turn enable farmers to increase production and productivity with a mindset of farming as a business.