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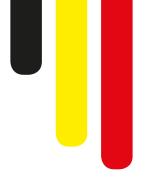
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**PPDA promotes domestic firms** 

**Foreword Hon Amelia Kyambadde** Minister for Trade, Industry and Cooperatives

# **Implementing Buy Uganda Build Uganda Policy**

uy Uganda Build Uganda (BUBU) is aimed at increasing the private sector's consumption of locally originating goods and services, through Government procurement and ordinary channels of commerce, to give an opportunity to local firms to increase their share in the domestic market.

Dr. Ruhakana Rugunda, the Right Honorable Prime Minister of the Republic of Uganda, on March 2, 2017 launched the BUBU Implementation Policy, Strategy and Framework, drawing together all Government institutions accounting officers and selected private sector apex bodies. This marked the official beginning of the implementation process of the Policy.

My ministry has since undertaken prerequisite foundational several activities to BUBU's full implementation. They include registering all informal and formal enterprises to establish their capacity and identify their challenges; developing a communication plan to ensure effective and coordinated communication: developing value addition strategies like the strategic common user facilities and identifying the enterprises that are ready for quality certification.

Others are the creation of awareness about Reservation Schemes Guidelines to the private sector, government ministries, departments and agencies and local governments; acquiring a logo and brand name, Zimba Uganda; persuading supermarket owners to allocate more space to local products and the creation of awareness about the benefits of BUBU, among the key activities.



For BUBU to realize its policy objectives, mind-set change needs to be emphasised. Despite the country's potential in agriculture, services and manufacturing sectors to supply the domestic, regional and international markets, the local products market share especially in the domestic market has not matched the expectations, because of Ugandans perception of local products as substandard and inferior.

Instead the persistent consumption of imported goods has resulted in a chronic trade deficit over the last decade, an almost stunted growth of the manufacturing sector, slow rate of employment growth, regionally and internationally an uncompetitive private sector, a low level of social transformation, depreciation of the shilling and the lack of established Ugandan brands on the regional and

international markets.

To reverse this trend, the prioritization of the consumption of local goods and services is urgent; with a few exceptions, all developed countries consume more than 50% of their products hence the manufacturing firms' sustenance and opportunity to improve their products quality.

The ministry is appropriately addressing the quality and supply constraints, hence Uganda National Bureau of Standards is finalizing the development of more standards especially for plastics, textiles, footwear and stationery and the regulations to make the standards mandatory, to be finalized in September 2017.

Like other policies, BUBU carries no penalties for its contravention. Accordingly, the ministry has teamed with Hon. Patrick Nsamba, to develop and finalize a private member's bill on Local Content that he will move in Parliament.

Its objective is to deliberately use local expertise, goods, services, and businesses and financing in all economic undertakings within Uganda to maximize value addition and job creation. The Local Content law will impose sanctions on contraventions and hence enable BUBU Policy's effective implementation. BUBU is Uganda economy's new driver to its middle-income status and prosperity.

I urge everyone to prioritise local products' consumption to create a positive impact to all of us in the country.

### Editorial >>

# Reawakening of economic patriotism



Paul Mugabi - Editor

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#### **Publisher:**



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P. O. Box 6921 Kampala, Uganda. General Post Office Building Tel: 0414-699710, 0756-329718, 0705-599955, 0772-536215 Buy Uganda Build Uganda is a clarion call for practical patriotism by deliberately buying Ugandan manufactured goods and services, with national economic development as the end result.

This first edition of *BUBU Magazine* is featuring the perceptions at the core of a five years' Ministry of Trade internal strategy that is under implementation since October 2014. BUBU manifests in government ministries, departments, and agencies' activities and calls to mind, "Nobody owes Uganda a living," the national reconstruction clarion call of the 1980s following the devastation of political instability.

The drive to industrialization, a middle income economic status and hence salvation from poverty needs to recognize that 90 per cent of the private sector of which more than 50 per cent operate informally, is constituted by the Micro, Small and Medium Enterprises (MSMEs).

Whereas the Customs Union and the Capital Markets Protocols assist unimpeded import and exports of goods and services, Ugandans need to cultivate preference for Ugandan manufactured goods and services to assist the strengthening of Ugandan manufacturing, and its competitiveness.

BUBU policy provides for a reservation of 50 per cent supermarkets shelf space for Ugandan products. For this to be meaningful, the means need to be found to facilitate Ugandan manufacturers with the credit finance for investment in efficient production without being driven out of business.

They need the consistency to generate the necessary supply volumes, which conform to certified quality and safety standards;

this necessitates collectivism and the cooperative unions' revival.

The SMEs need to be registered entities with operating bank accounts and hence, recognizable by the law and the systems with which they operate, while the skilling institutions need to produce the requisite human resource to manage the operations of modern scientific manufacturing.

Ugandan products' packaging need to be reengineered, and the MSMEs, rudimentary marketing retooled; all actions in discernment of Uganda's unequaled liberalized economy, a situation that will continue obtaining in the foreseeable future.

Like the better established indigenous and expatriate capitalists, the SMEs need accommodation in the industrial parks to expand and grow their enterprises, a feat that is fraught with multiple challenges that call for affirmative intervention.

In the public works sector, the Finance ministry through the PPDA requires of big public works contract jobs, 30 per cent procurements of works above USh 45bn to be localized. The providers could be expatriates registered in Uganda with a non-Ugandan majority shares, employing Ugandans, using local materials and paying taxes, hence contributing to national economic development.

A Local Content Law is in the offing to strengthen BUBU by providing for penalties against the institutions that will be culpable for infringing upon the spirit and intent of BUBU.

BUBU Magazine's subsequent editions will therefore feature the developments of these and other Uganda's manufacturing cultivation aspects as they unfold.

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#### TRADE .

# The commitment to BUBU



**Abdul Kasule** Asst. Commissioner for Trade; "BUBU is patriotism."

Through the Ministry of Trade, Industry and Cooperatives, Uganda is implementing a recently launched patriotic economic drive, Buy Uganda Build Uganda (BUBU) that is essentially geared to popularizing Ugandan consumer goods and services. BUBU is expected to trigger an enhanced capacity for local manufacturers to produce competitive quality goods, increase employment opportunities and lead to Uganda's industrialization.

In an interface with *BUBU Magazine*, the Asst. Commissioner for Internal Trade, Abdul Kasule elaborated on the programme's essentials and gave a glimpse of the future with its implementation.

#### The excerpts:

#### What in fact BUBU is.

Buy Uganda Build Uganda is a drive that is underway to encourage

Ugandans to buy Ugandan manufactured goods and services in the belief that by mobilizing ourselves to buy Ugandan manufactured goods, we shall build our country; it is a patriotic approach to economic development.

The buying of goods and services is through government ministries, departments and agencies and also the ordinary channels of commerce utilized by the common person. BUBU implies that the government needs not necessarily procure goods and services outside of the national economy.

It, rather, promotes deliberate government purchases of Ugandan - generated and provided services and manufactured goods. It is through these means that we shall revolutionalise our economy; Ugandans will deliberately have to buy locally manufactured goods and services, as Ugandans and in the process contribute to the building of this country.

#### Why is this patriotism a policy, hence a conscious drive; how old is it?

The cabinet approved the BUBU Policy in 2014 and the Ministry of Trade, Industry and Cooperatives has since been on a drawing board to formulate its implementation strategy, which has now been completed and launched by the Prime Minister in March 2017.

The Ministry of Trade has been strategizing for its implementation since October 2014. The actual implementation strategy, a five years' programme of detailed internal Ministry of Trade and all other ministries, departments and agencies alongside the private sector are now actively facilitating the implementation of the BUBU project.

#### BUBU would have been a natural economic development; why has it necessitated full-blown government intervention?

The drive is to promote local manufacturing and thereby support the local industry by creating a market. We are in the process creating employment and thus additional demand in the local economy and hence the assumption that once the market within the domestic economy expands by increasing local demand, local industry will grow. By these means, there will be more employment, more tax revenue and enhanced export capacity; domestic trade is the springboard for external trade.

It has become evident over the last two years that most Ugandans, inclusive of parliament and government, are supportive of the BUBU policy, and the private sector has welcomed the drive. We have commenced engagements with the private sector and Uganda Manufacturers Association has offered their hall for hosting meetings with the private sector. It also mobilizes its members for sensitization on BUBU, their capacity building, standards maintenance, how to apply for contracts and prepare to bid for jobs.

Much of BUBU implementation is to do with the mentality and mindset of Ugandans. Many think that Ugandan - made goods are of poor quality and hence are biased to imports including fruit juice say from Egypt and Kenya. This pervasive mindset is a stumbling block to BUBU implementation; hence the awareness creation being carried out to banish the misconception.

#### Where does the ministry derive its inspiration for this BUBU patriotism?

The Ministry of Trade, Industry and Cooperatives is expected to strategise for the revival of the economy and one strategy is to popularize locally manufactured goods through an approach that is pregnant with the potential for economic development.

We have benchmarked with other countries and the reality is that a similar approach has been adopted in many countries; Ethiopia for Ethiopian goods, Rwanda for Rwandan products (Made in Rwanda Policy), Proudly South African campaign and many other countries. Ugandans need to collectively support their locally made goods and services.

However, there is a need to build the capacity of the Uganda Small

#### TRADE \_\_\_\_\_

and medium entreprises and assist them to acquire the competitive standards. Further, to promote locally manufactured goods, the supermarkets operating in the country have been engaged to reserve 50 per cent shelf space for them.

The supermarkets say local manufactured goods need to have quality certification and hence meet the expected standards, the supplying firms need to be registered incorporated companies/firms rather than individuals, they are keen on dealing with suppliers with sustainable supply capacity and their preference is for relating with firms with functioning bank accounts.

The Ministry of Trade has made note of all this advice and made it part of the implementation strategy. We now know what one needs to supply to retail outlets like Game, Capital Shoppers, Shoprite and others.

Every month Shoprite dedicates one week to promoting BUBU, an arrangement the Ministry of Trade is keen on rolling out, now that it is aware of the supply challenge and is prepared to deal with it. All supermarkets have been listed and the suppliers are being profiled at the ministry with a hope that they will start supplying.

Uganda's free enterprise concept has been stretched beyond the means of the ordinary Ugandan to cope, whilst government wants individuals, by their own means, to take advantage of the free enterprise to build the capacity to supply the necessary volumes; they do not have access to credit finance, they cannot generate the volumes, and they work individually as the cooperatives were banished. What is the way forward?

The Ministry has identified the challenges and the means for addressing the capacity gaps the private sector is experiencing. We are profiling the various SMEs and creating a database in the various subsectors like the tea growers, tea processors, cotton processors, and others in the various subsectors. Some may have the capacity but may not know how to go about to deliver.

This is a patriotism drive; hence a desk has been created to facilitate their registration to facilitate confirmation of their capacity and gaps and to offer them guidance on how to bid for government contracts. The various ministries, departments and agencies like URSB, UNBS, PPDA are already collaborating with the ministry to offer capacity building to the various private sector players.. Our target is to have built capacity for over 300 MSEs after five years.

How is BUBU set to facilitate a burgeoning manufacturer in Namwendwa where the state of infrastructure (power, water, roads) militates against his / her economic patriotism?

They are indeed serious issues affecting the private sector and we shall not attain the BUBU objectives without dealing with those gaps. The infrastructural inadequacies have been identified as critical impediments and are being dealt with by government.

At the launch of the implementation strategy for BUBU, the Rt. Honourable Prime Minister Dr Ruhakan Rugunda also launched an inter-ministerial subcommittee and technical committee at the permanent secretary level. These committees will sit periodically to analyse such issues; say the issue of energy and roads at the ministerial



Prime Minister Rt Hon Ruhakana Rugunda with Trade and Industry Minister Amelia Kyambadde launch BUBU policy

BUBU

committee/policy level with a view of addressing them.

#### Uganda is rated as the most theoretical country for generating the best of policies and programmes that are never implemented. How different is BUBU?

Following the launch of the implementation strategy for BUBU, the Prime Minister asked for an update on its progress just after a month...it is that serious. We are, therefore, actively implementing the packages; moreover all government departments are anxious to have BUBU implemented.

The Prime Minister continues to consistently ask for reports on the progress of BUBU which we are implementing and the results will speak for themselves. We are confident that BUBU implementation will be felt.

We are the most liberalized country anywhere on earth. We have the Customs Union and the Capital Markets Protocols assisting unimpeded importation of goods and services and profits repatriation. But you are keenly aware that our SMEs are only fledgling and hence far from competitive. The common man needs convincing that BUBU will help him meet the challenges.

We shall not prohibit the imports. We are only urging ourselves to buy Ugandan. It is patriotic to do so. We are cognizant of the international obligations at the regional and international levels and there is no way BUBU contradicts them.

It is the Ministry of Trade that has negotiated the protocols and conventions you are wary of. We are dealing with goods and services.

We have deliberately identified the services we could promote under BUBU.

We have met the auditors and accountants and players in the private financial services sector and we have now created a database for the services suppliers. The services suppliers are excited about BUBU and are ready to work and move with the ministry and government in promoting BUBU. We are doing the same with lawyers and other services providers.

How is the ministry assisting local people to take advantage of the PPDA reservation schemes and the like when it

#### comes to bidding for contracts?

The Ministry of Finance, through the PPDA, has issued a reservations guide that became effective in March 2017, setting a threshold of jobs to be reserved for Ugandans. Previously it was open to the international bidders without a deliberate consideration for the local economy.

The PPDA, under the Ministry of Finance, Planning and Economic Development guidelines, has detailed the areas and thresholds reserved for Ugandan firms-this. Uniforms, for instance will hence be locally procured from Ugandan manufacturers, which applies to all government ministries, departments and agencies.

Furniture will also be procured from Uganda Prisons service. Medicines that are locally manufactured will also have precedence in procurement. Through the reservation guide, 30 per cent of big public works contract jobs, whatever contract value, will be localized effective March 2017.

#### Expatriate contractors have been importing cement, iron bars and some were on the verge of importing sand and gravel. Big road and bridges constructions are coming on; what is the way forward?

As already stated, BUBU policy has a reservation guide to address this challenge and the suppliers are supplying the big magnitude projects under its provision.

To bolster the policy, a Local Content Bill is in the process of being formulated and when enacted, the Local Content Act will give the force of law to BUBU; . The Act will provide for penalties against culpable institutions.

In the process of its formulation of the Local Content Bill, various stakeholders are being consulted, a process that is being expedited to assist the enforcement of compliance of the good practices in the spirit of BUBU and local content..

LEEM Electronics in Katwe manufactures electronic appliances; circuit-breakers, solar electricity powered irons, stabilizers and inverters. The proprietor laments the Ministry of Trade's lack of interest in relating to his type of innovators and manufacturers whereas the bidding

#### specifications are discriminatory of his type.

He needs to come to the ministry, approach us through the permanent secretary and he will definitely be listened to and helped. He needs to put his case in writing--these are the Ugandans that really need to be supported. The ministry will reach out to him, assess his capacity and figure out how to support him.

Indigenous Ugandan investors are envious of their expatriate counterparts for their access to tax holidays, land and a few other liberal perks from government when they set up shop in the country; justify this lopsided treatment?

This is an issue under the docket of Uganda Investment Authority. However, all investors in the country need to register with the Uganda Investment Authority and hence get recognition to benefit from the available incentives.

The Authority is not only assistive to foreign investors, but works for the benefit of local investors that are known to it through registration. Registered local investors will all get the available incentives.

#### What other aspect of BUBU would you like to address yourself to?

I reiterate that BUBU is a policy for Ugandans to promote our locally manufactured goods and Ugandan businesses and services providers as a matter of patriotism. We need to change our mindset and start believing that local products meet the needs that foreign goods do.

Just because a certain brand of a consumer good has been on the market for a long time does not mean the much newer Ugandan products are inferior. Please support BUBU wherever you are in Uganda; your contribution to promoting Ugandan goods will boost our economy and ultimately build our country.

Preparations for rolling out this programme is about to be launched; slogans, songs, branding of Ugandan goods and much publicity. The BUBU promotional theme will be launched at a date to be determined shortly, along with the logo and a few other publicity tools.



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# **BUBU for local industries' organic growth - Mulwana**



BARBARA MULWANA UMA Chairperson

June 2014 June 2

Among others, UMA aims to promote and protect the interests of industrialists and manufacturers in Uganda, facilitate dialogue on issues affecting industries in Uganda, and to advise the government of Uganda on the facilitation and promotion of industries in the country.

Recently installed UMA's chairperson, Ms. Barbara Mulwana, shared her thoughts with *BUBU Magazine*, first about her agenda, and then about Buy Uganda Build Uganda (BUBU) initiative, in as far as it relates to Uganda's manufacturing sector.

#### The excerpts:

You have only assumed UMA chairmanship in May 2017; please give us an insight of how you intend to make the manufacturers' association more vibrant and much visible to Ugandans.

I will start by recognizing the enormous contribution of the previous leadership of UMA, that have over the years fostered and grown UMA into the strong institution and brand that it is today. I can only build onto what these gallant men and women of yesteryear did.

Regarding my contribution, I intend to:

- Regularly identify and articulate the issues affecting the industry and manufacturing sectors in Uganda, to inform design and implementation of interventions by both Uganda and our other partners, including the government. Remember the government has set a number of time specific development targets, and the manufacturing sector is one of the key vehicles of delivering these targets.
- Address the challenges inhibiting the effective and efficient operation of the manufacturing sector in Uganda. Issues of cheaper electricity, knowledge exchange, capacity enhancement, access to finance and to markets, and a conducive legal and policy environment both within Uganda and the broader EAC region are some of the building blocks of this strategy.
- Facilitate and foster networks and synergies between the manufacturing and other sectors in

the economy, such as agriculture, services, and oil and gas. This will both enhance value addition to Uganda's domestic and for export goods, and progressively increase the contribution of the manufacturing sector to Uganda's economy. Government remains a key partner and facilitator in this process.

Facilitate a bigger participation of women in business, through the creation of inclusive forums through which women in business can address the issues that disproportionately curtail their contribution to the manufacturing sector in Uganda.

#### What opportunities do you see in BUBU towards enhancing the competitiveness of Uganda's manufacturing and industrial sectors?

The overall goal of the Buy Uganda Build Uganda (BUBU) policy is 'to develop a vibrant dynamic and competitive private sector that transforms local products through the value chain to meet the required standards through 'supporting the production, purchase, supply, and consumption of local goods and services.'

The value addition that BUBU brings to Uganda's manufacturing and industrial sectors is:

Putting the manufacturing and industrial sectors in Uganda on the top of the national policy and development agenda. This means that the government will deliberately channel technical and financial resources to re-invigorating the sectors, including capacity building for suppliers of local goods and services.

#### UMA

- BUBU provides a unique policy development space, in which the local industries and manufacturers can enjoy quotas in procurement and domestic markets. This assured domestic market will spur local innovation, production, and return on investment for local industries.
- BUBU will promote improved quality of Uganda's domestic products. This is because the policy puts a premium on defining standards, and ensuring conformity to guarantee quality of goods and services.
- BUBU allows space for local industries to organically grow, and gradually ease into regional and international markets. Without the BUBU policy framework, local manufacturers and industries will have to contend with goods and services from more advanced economies with lower production costs, effectively out competing them into closure.

#### In your estimation, how viable is BUBU; please talk of the issues inhibiting the country's industrialization?

As highlighted above, BUBU aims to 'to develop a vibrant dynamic and competitive private sector that transforms local products through the value chain to meet the required standards through 'supporting the production, purchase, supply, and consumption of local goods and services;

The policy sets realistic targets at the end of its duration, inclusive of:

- 20% of government procurement by value should be of local products and services.
- 50% of shelf space in supermarkets should be populated by local products.
- All MDAs strictly abide by PPDA amendment during procurement processes.
- 50% of local products conform to national standards.
- 50% local resources and raw materials utilized in production.

I think these objectives are not only viable, but are realistic as well.

#### Please talk of the issues that inhibit Uganda's industrialization

The issues that are stumbling to the country's industrialization process and hence fast-paced economic growth include:

- i. Limited access to cheap finance.
- ii. Limited technical knowhow and innovation.
- iii. Comparatively high costs for power.
- iv. Competition from cheaper imported goods.
- v. Poor support infrastructure (roads, processing plants, et al.).
- vi. Duplication and internal competition.
- vii. Counterfeits.
- viii. Lack of universal industry standards for the various products Uganda can produce.
- ix. Low value addition, reducing the competitiveness of Ugandan products across the region and globally. Uganda largely produces primary low - value products.
- x. Non-tariff barriers limiting opportunities for regional trade.
- vi. Political instability in neighboring states, which has affected the market for Ugandan goods. This is true of the civil war in South Sudan.

#### Talk of the means through which these challenges can possibly be addressed

They can be resolved through a combination of various approaches, among them:

- Capacity building and fostering innovation and knowledge sharing, to boost industrial knowledge and intellectual property.
- Engaging the government for reduced electricity tariffs.
- Developing policies designed to foster the organic growth of local industries, together with developing standards and value addition processes to increase the competitiveness of Ugandan products at the regional and global levels.

- Working with the government to put in place the attendant energy and infrastructure to support industrialization, right from production, value addition, transportation, marketing and export.
- Using the EAC as a platform to address any prohibitive trade practices like NTBs, as well as pursuit of resolution of conflicts in neighboring countries.
- Instituting an effective anticounterfeit regime, to encourage local innovation and better returns on investment for local industries. This also requires a vibrant intellectual property regime, where inventions and innovations are recognized, protected and rewarded.

#### Please talk of the way UMA has utilised its relationship with Uganda Government for the benefit of its members.

- Influencing laws and policies to ensure a favourable framework for facilitating and enhancing the manufacturing sector in Uganda. UMA was always one of the strongest proponents of BUBU.
- Identifying key issues affecting members, and engaging the government on them; the reduction of electricity tariffs for local industries is one such success story.
- Generating industry specific data and information, to inform government interventions into the manufacturing sector. The government regularly consults UMA on issues regarding the sector.
- Providing an inclusive space for consultation and dialogue between the members and the government, on a wide range of issues. At present, UMA is facilitating discussion between the government and manufacturers around the proposed levies on soft drinks, as well as the ban on plastic bags within the country.



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- 2. Mr. Muhangi Goodman Director
- 3. Mr. Tumwebaze John Director
- 4. Ms. Stellah Bright Director /
- Company Secretary.



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  - Tarmacking Buremba Road, Mbarara
- » Ibanda Town Council Water Supply
- » Kikyenkye Gravity Flow Scheme, Ibanda
- Kamuhember Gravity Flow Scheme, Bushenyi
- Construction Moslems Maternity Ward, Mbarara
- » Paving and Drainage of Mbarara Central Market
- Uganda Cares, Masaka Regional Referral Hospital

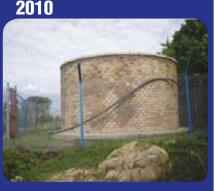


2008



Finished block at MUST Phase 1D

- Construction of Buhweju Secondary School, Bushenvi
- PHASE IV of Kagongi Gravity Flow Scheme, Mbarara
- Science Block, PHASE 1C at Mbarara University of Science and Technology
- Drainage Works on Buremba Road, Mbarara
- Nyamitanga Holy Innocents Children's Hospital, Mbarara



Rwimi-Kasunganyanja Towns Water Supply

- Construction of Estates & Works Department Office Block at Mbarara University of Science and Technology
- Major Repairs and Extension of Ward and Construction of Covered Walkway to Ward 6 & 7 at Masaka Regional Referral Hospital
- Construction of Rwimi-Kasunganyanja Towns Water Supply and Sanitation Scheme, pipeline and Building Works

#### 2014



Holy Innocent's Children's Hospital Mbarara Archdiocese

- Overhaul of Plumbing Works in Selected Student Halls of Residence and Academic Buildings at Makerere University Kampala
- Construction of Staff Accommodation at Masaka National Referral Hospital
- Extension of Masaka Clinic at Masaka National Referral Hospital
- » Sisters of St Claire Monastry, Mbarara Archdiocese
- Construction of staff quarters at Dokolo Police Station-Ministry of Internal Affairs

#### 2015/2016



#### Lira Hospital Doctors' Accomodation

- Second Phase of Overhaul of Plumbing Works in Selected Student Halls of **Residence and Academic Buildings at** Makerere University Kampala
- Construction of Doctor's Accommodation at Mulago National Hospital
- » Staff accommodation at Masaka National Referral Hospital
- Uganda China Friendship Hospital,

#### Naguru

- Gulu Regional Referral Hospital Staff Accommodation
- Lira Regional Referral Hospital Staff Accommodation
- Mbarara Regional Referral Hospital Staff Accommodation
- Mary Hill High School Offices and Jubilee House
- Gravity Flow Scheme, Kabale DWD project
- Renovation and remodeling of existing Lumumba Hall, Kitchen and store into a lecture hall for Makerere University
- Renovation and remodeling of existing Mitchell dining hall into a lecture rooms and study rooms for Makerere University
- Renovation of Assessment centre into accident and emergency and theatres at Mulago Hospital
- » Renovations works at Nsubuga block and lecture rooms at college of Education and external studies department of open and distance learning

#### 2016/2017



Twin Reservoir Tank

- Construction of Namulonge -Kiwenda piped water supply system
- » Construction of retaining wall at staff houses for the China-Uganda Friendship Hospital-Naguru
- » Nyabuhikye, Kikyenkye water supply
- Construction of Laboratories, Ntare School
- Redevelopment of playground and construction of boundary wall around the football pitch at Mulago Hospital
- » Kiboga town water supply
- » Bundibugyo water supply
- » Upgrading of Mulago water system
- » Renovation of ward 14 into ICU
- Upgrading of Mulago water system

Plot 5 Kamakech Rd, Gulu | Plot 84, High Street, Mbarara P. O. Box 1477, Mbarara (U) | P. O. Box 8324, Kampala (U)| Tel: +256 382 271747 | Fax: +256 414 533 826 | Mob: +256 772 886072 Email: blocktechnicalservicesItd@gmail.com | www.blockuganda.com

# World Health Organisation approved long lasting insecticidal nets in Uganda



Sino Africa Medical Devices Company Limited (SMD) is a Ugandan, registered manufacturing and trading company dealing in the manufacture and distribution of Yorkool Long Lasting Insecticidal Nets. It operates under a reputable patent and supervision of Tianjin Yorkool International Trading Company, one of the biggest manufacturers of Long Lasting Insecticidal Nets (LLINs) in the world.

SMD's Yorkool ready-to-use longlasting insecticidal bed nets are made of industrially pre-treated polyester fibers. All bed nets are made of polyester, and meet the World Health Organization Pesticide Evaluation Scheme's requirement (WHOPES) to last at least three years in the field and more than 20 washes. The multifilament net is pretreated with active Deltamethrin, is pleasant to touch and provides easy movement while hanging. Nets are the single most effective preventive measures against malaria today. We supply in bulk in various sizes at good factory prices to NGOs, CBOs, schools, government departments, construction companies, corporate companies and institutions or individuals.

SMD was launched by the Minister of Trade, Industry and Cooperatives together with the minister of health on April 8, 2016 and has since supplied quality nets to The Office of the Prime Minister, the Ministry of Education through the Embassy of The People's Republic of China to Uganda, Sapient Feathers Company Ltd, Zebu Emporium Ltd, China Communications (U) Construction Company, Luyanzi College School, Bweranyangi Junior School, and Uganda Police Force-Directorate of Counterterrorism, among others.

Uganda government, supported by its development partners, has in recent years increased the net coverage,

through mass distributions, the most effective way of rapidly increasing universal and equitable access to long lasting insecticide - treated nets (LLINs), reaching the poorest and most remote households. However, if additional quality nets distribution is not sustained, the net coverage will drop.

SMD manufactures Yorkool Polyester Long Lasting Insecticidal Nets in Uganda since 2015. It initially produced 3,000,000 nets annually in the first phase of production and now 10,000,000 nets annually in the second phase to meet the demand in Uganda and the East-African region. The nets are approved by UNBS, NDA, Ministry of Health, Ministry of Trade and Uganda Investment Authority; the brand is recommended by World Health Organization/WHOPES under the Tianjin Yorkool International Trading Co. Ltd. Supervision.

The malaria control program is an ideal sustainable corporate citizenship program for companies operating in a malaria-endemic area like Uganda. Corporates need to ensure that their staff and communities are fully educated, sensitized and supported to support the national effort to reduce the prevalence of the disease. Malaria is responsible for nearly half of in-patient deaths of children under five years old.

Malaria control is instructive and needs to be of high interest to those who wish to support or partner with the country's efforts to build its health innovation capacity through Buy Uganda Build Uganda Policy.









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# NUCAFE, a farmer - owned and managed business

Until the year 2003 when the National Union of Coffee Agribusinesses and Farm Businesses (NUCAFE) was created, the producers of coffee, Uganda's main cash crop, wallowed in poverty and deprivation yet it is the most traded commodity in the world, only next to petroleum.

It took Joseph Nkandu, NUCAFE's Executive Director's, business insight, compassion and drive to unravel the essence of poverty in the 'coffee mystery' by working out a coffee value chain that exposed the wealth in the chain.

> NUCAFE is in effect an equitable reallocation facilitator of coffee wealth to the producers/farmers, the legitimate owners, in stark contrast to its predecessor Uganda Coffee Farmers' Association, a loose coalition that unconsciously perpetrated the exploitation of the farmer to near extinction.

Nkandu is both an agriculturalist and social entrepreneur with a Bachelor of Science degree in Agriculture and Master's degree in Business Administration, now pursuing a PhD. Explaining the NUCAFE farmer ownership model, he says the farmers

CEPLER MEBE

including his parents and their parents before them, had for long produced coffee yet they never owned it. A coffee farmer would inquire of prices from the middle man he was offering the coffee, rather than set and negotiate for a price of his own.

#### **Farmer-owned business**

The farmer ownership business model seeks to correct this anomaly by facilitating the farmer to own a value-added product, thus graduating the farmer from selling raw coffee (flowers, red cherries, *kiboko*, parchment) to graded coffee, representing a leap in income of at least 250 per cent.

There are 198 member-associations and cooperatives, in all more than one million small holder farmers, the individuals growing coffee in the coffee producing countryside areas of Masaka, Wakiso, Mpigi, Arua and Kapchorwa. They are the people NUCAFE nurtures and empowers.

Having arrived at the coffee value chain and internalizing its implications, the farmers were engaged. The first step in arresting the coffee production decline, evidenced in the coffee processors' less than 50 per cent capacity operation by the year 2003, was to engage the coffee processors and graders. And then the development partners' support was sought, hence USh 20bn investment in the NUCAFE Namanve

Joseph Nkandu NUCAFE Executive Director

NUCAFE VISION Coffee Farmers profitable own their

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Overseeing coffee beans roasting process.

Checking coffee beans' quality at the gravity table, the winnowing machine

#### coffee processing plant.

Hence when the farmers deliver their coffee at the factory, they still own it whereas NUCAFE provides the processing and marketing services. It is graded, roasted, ground, blended and packaged; value is added to it. Elsewhere, once the farmer cedes their coffee to the trader, they are eternally delinked from it.

The farmers are the NUCAFE memberowners. Collectively, alongside the exprocessors and graders, the coffee processing factory is their investment, and to ensure that it continues to serve their interests, they need to pay a nominal fee for its sustenance; UShs 150/kg in cash or on credit, depending on the circumstances.

By progressing from the dry cherries (*kiboko*) coffee to the graded coffee level, the basic value addition interventions, the farmer has realized 250 per cent increase in income per kg. The income of the farmer that progresses to the roasted coffee level has risen to 900 per cent, while the factory's income has at least increases by 80 per cent.

#### **National coffee policy**

Nkandu notes that for the first time ever in Uganda's coffee production history, with NUCAFE's prompting, a national coffee policy has been formulated. It features the need for coffee farmer organizations to add value to their coffee to achieve shared value for a sustainable coffee value chain.

With NUCAFE, value addition has hugely impacted on the economy by creating employment for the more than 1,000 individuals that work within its system.

#### The value in coffee

NUCAFE has contributed to the domestic coffee consumption hence a cup of coffee in a café is sold for UShs7000 and the coffee export that had stagnated at 3million 60kg bags, has increased to 3.5million/60kg bags, on the way to expected 20million/60kg bags by the year 2020.

All the young people in NUCAFE employment have benefitted from international exposure; they are skilled in their respective areas of value addition along the coffee value chain and the farmers get cascading training at their farms to facilitate quality production that starts with the care of a coffee bush.

Nkandu notes that, "By accessing and selling its coffee in the Italian market, NUCAFE is making a statement that, 'we have got it right,' the moisture content, the acidity, alkalinity, the roasting, packaging and hence ultimately the quality."

The main objective is to generate money at home and keep it at home, which makes much sense, besides the generation of employment and the positively transformed farmers' physical living conditions, the totality of which is the NUCAFE farmer ownership model business impact.

Further crusading for the coffee farmers' economic emancipation, Nkandu has told them of the critical need for the succession in family business management and succession planning, and hence the handing over of the entrepreneurial key to young people before the parents pass on, rather than let them inherit liabilities.

At NUCAFE, farmers are followed up on account of their earnings records to ensure

that they put the money to proper use; the building of decent home accommodation, dressing and feeding and educating their children the focus is on changing the household situation. The NUCAFE business model has been conceptualized to build Uganda and hence a call to the government to implement its formulated policies using this model.

"We need to be champions in compassionate leadership and management, an ideological standpoint NUCAFE is demonstrating. The farmers visiting my coffee farm, a demonstration facility for quality production and productivity, feel encouraged to adopt the ideas they are exposed to, for the betterment of their own production," Nkandu advises.

#### **Coffee and BUBU**

He says the inference that is naturally derived from the BUBU concept is economic patriotism, "We need to start with the transformation of the family, the basic building block of any society. BUBU needs to champion the facilitation of the purchasing capability of the people. The family needs to get into business development and succession planning. The aggregation of the families' income and wealth, and hence the calculation of a nation's GDP starts at the family level."

Nkandu argues that given Uganda coffee's potential and considering the growing local demand for it whilst the world looks to Uganda to deliver, the industry needs extra government support. By the year 2020, the global consumption is expected to rise to 165 million/60kg bags, of which Uganda is expected to supply at least 10 per cent, "It is up to the coffee farmers to change

21

BUBU

their mind set and Uganda government to institute an enabling environment and we shall deliver."

#### **Climatic change**

While it looks at the climatic changes as an immediate challenge to the coffee crop, NUCAFE is working on its mitigation and adaptation with the farmers across the entire coffee value chain.

"As we plant the coffee, we plant the trees for shading the coffee bushes whilst ensuring that the water run-off is conserved for irrigation. We mulch the coffee gardens too and as we move up the value chain, NUCAFE will install solar panels for running the coffee processing plant and save on the expenditure on electricity while avoiding the use of diesel generators' emissions."

The solar panel installation is expected to cut the processing costs by 50 per cent that will be ploughed back into the farmers' pockets and also partly fund the extension services to the farmer.

Further, NUCAFE plans to set up a biodegradable fertilizer unit at its Namanve coffee factory. "As the coffee is harvested, nutrients are also harvested, hence the need for a balancing act to replenish the soil. Irrigation equipment is also procured in bulk to reduce the cost to the farmer," Nkandu explains.

#### Agribusiness incubation

Nkandu says the drive to promote the farmer ownership business model has prompted NUCAFE to influence the agriculture curriculum at Makerere University, from only teaching crop production to entrepreneurial agriculture too, which would lead to mind-set reorientation and hence jobs creation.

After initiating discussions with the relevant professors, he wrote a concept that in six months contributed to the raising of US\$ 2million for the implementation of the agriculture curriculum redevelopment. Consequently, any one graduating from the College of Agricultural and Environmental Sciences must be that who formulates a relevant business plan.

In a collaboration with the National Agricultural Research Organization (NARO) and Makerere University, an agribusiness incubator called CURAD was established to support the commercialization of agricultural technologies, hence business incubation to facilitate the origination of agribusiness entrepreneurial ideas. The incubation centre has been established at Makerere University's farm at Kabanyolo, where students graduate with employable skills and capabilities for self-engagement in meaningful entrepreneurial agricultural production.

The professors too have benefited from the NUCAFE initiative by being retooled with a practical entrepreneurial mindset for nation - building and poverty eradication; the high degrees they seek to deliver will now be compliant to the national development ideals and the academia has metamorphosed into a citadel of development.

Hence the university will be assistive in unlocking Uganda's natural endowments for the benefit of the people, a perspective from which NUCAFE perceives development.

#### **Industrial challenges**

Noting Uganda's ranking as the global leading entrepreneurial country,

Nkandu says it is ironic that the existing challenges besetting the entrepreneurial environment are so vicious that investments collapse before their first birthday.

He illustrates his argument by singling out Umeme and explains that government's role is to set up the necessary investment infrastructure, yet unreliable electricity is incessantly a major hiccup, a function of the unskilled industrial electricians in Umeme hence a frustration to value addition.

Urging the government to institute compassionate training, he says beyond empathy, compassionate people would lead by example and ensure that things happen and are seen to be happening.

Nkandu also cites early taxation before an investment makes money as a systemic flaw, "Why would a local manufacturer be expected to pay income tax even when electricity fails them for up to a year?" He argues that local manufacturers too would do with some of the incentives that are liberally bestowed upon their foreign investor counterparts.

Looking forward, Nkandu is optimistic that, "In 12 years, we shall have incorporated another enterprise, as we do not only produce coffee but rather have other enterprises, matooke, small animals and the like."

He is grateful for Uganda government's recognition of NUCAFE's nation building potential that is channeled through its farmer-ownership business approach, "The Government is desirous of working with private sector organizations like NUCAFE as page 15 of the 2017 – 2018 budget speech spells out; that is a gratifying recognition of the farmers' efforts for which we commend the government."

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# TEXDA

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Uganda's enterpreneurs contribute daily towards the vibrancy of cotton transformation

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# TEXDA Uganda

Bringing textile to life

UNBS

# The standards body in BUBU priorities



**Dr. Ben Manyindo** Executive Director UNBS

he Government of Uganda through the Ministry of Trade, Industry and Cooperatives, in March 2017, launched Buy Uganda Build Uganda (BUBU) policy and strategy, demonstrating its commitment to supporting local industries for sustainable economic growth and job creation.

The economic objective of the BUBU intervention is for local manufacturing and services industry to get a share of government business/projects and shelf space in large retail supermarkets for economic growth and creation of jobs.

One of the key requirements is that the local products and services benefiting from the BUBU policy must be certified for conformity to Ugandan standards. In this regard, UNBS plays a central role in the implementation of the BUBU policy and the realization of its objectives.

According to Dr. Ben Manyindo, the Executive Director for Uganda National Bureau of Standards (UNBS), the standards bureau's interventions in support of BUBU policy focuses on three areas:

- Developing standards for products to facilitate specification and evaluation or provide product quality assurance and safety between suppliers and buyers;
- Building the capability of industry to adopt and implement standards to enhance product quality and safety and comply with standards requirements;
- 3. Providing conformity assessment services such as testing and certification to assist industryto demonstrate that their products meet standards requirements.

The initiative is an opportunity for UNBS to work with industry to ensure production of quality goods and services.

The role of UNBS is to support the local industry to implement standards and certify products and services. In this regard, the UNBS has, in the past three months, engaged stakeholders in textile and furniture, which are the priority sectors targeted in the BUBU Policy (Textiles and Furniture), to understand their needs and challenges related to standards use and conformity.

Through these engagements, the UNBS will be able to promote standards and encourage industry to certify their products and services to take advantage of the opportunities the BUBU Policy presents.

#### **ACTIVITIES UNDERTAKEN**

Below are some of the activities undertaken towards BUBU and their status to-date:

#### **Textiles**

- Various stakeholders meetings have been organized in the past two months to establish needs for standards and challenges faced in meeting standards.
- Identification of textile products that are consumed more effectively by government for standards development purposes.
- Visiting NYTIL, Fine Spinners Ltd, Ministry of Defense (UPDF), Uganda Police Force, Uganda Prisons and the PPDA to carry out a survey of specifications to guide in standards development.
- Establishing capacity in conformity assessment areas and identifying gaps in textile sector.
- Standard development process is yet to commence due to lack of common specifications to guide the sector.

#### **Fishing Nets**

Standards have been identified in this sector both indigenous and international standards to guide and support the sector.

#### **Furniture sector**

- A stakeholder meeting was held to find out the standards needs and challenges in the sector.
- Two regional stakeholders meetings were held in Mbale and Kampala where five companies were selected as cluster in Eastern region for support towards certification.
- Standards developmentprocess for specific products in this sector has commenced with a priority list of 55 items identified by the Furniture and Related Industry Association of Uganda (FRAU). The priority list is based on the most procured items by government.
- Sensitizing stakeholders on standards developed including step - by - step description of the implementation plan.

The BUBU is an important policy initiative by the government of Uganda to support local industries to be competitive. In line with our mandate, UNBS will work with local enterprises to assist them with developing standards and gaining the necessary certification which will make them competitive in the market.

A representative of D&M International Group upon receiving a UNBS certification for processed chili.



Certificate of Recognition

#### D & M Group International Limited

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# BUBU Policy Objectives



#### OBJECTIVES

- 1. Promote consumption of local goods and services.
- 2. Promote the use and conformity to standards to guarantee quality goods and services.
- Provide capacity building programs to local suppliers of goods and services.

#### TARGET

The policy aims at achieving the following strategic targets by end of the five - year period:

1. 20% of Government procurement

by value should be of local products and services.

50% of shelf space in supermarkets should be populated by local products.

- All MDAs strictly abide by PPDA Amendment Act during procurement processes.
- 4. 50% of local products conform to national standards.
- 5. 50% local resources and raw materials utilized in production

#### **GUIDING PRINCIPLES**

Public - Private Partnerships

1. Government shall partner and promote synergies with the private sector when implementing the BUBU policy.

#### SYNERGIES

Quality assurance, standards and competitiveness

1. Government shall exploit policy synergies and provide mechanisms for standardization and service delivery geared towards promoting competitiveness and quality assurance.

#### FACILITATE

Branding, packaging, innovation and trade

1. The Government will support the private sector in the development and marketing of Ugandan brands through supporting private sector initiatives like the PROUDLY UGANDAN campaign, exhibitions, and trade fairs.

#### PROCUREMENT

Government shall create awareness and cultivate supportive measures in local sourcing of procurements in Uganda.



PSFU

# Policy implementation will boost BUBU



Gideon Badagawa PSFU Executive Director

Notwithstanding the Private Sector Foundation Uganda's (PSFU) professional input, the country's economic development is not up to speed, a fact the Executive Director Gideon Badagawa attributes to implementation inadequacies.

He says if Uganda had more of implementers than planners, its economy would be much more vibrant, given that for the last 22 years, the PSFU has advocated for policy improvements to better the private sector's functionality. Its contribution of 81per cent policy input into the national budget for 2017 – 2018, is reflective of the government's confidence in its vision of the country's economic development.

The PSFU has asked and it has been granted that all ministerial statements will reflect the PSFU position on development. It has contributed ideas for the National Development Plan and Early Childhood Development initiative, and is encouraging investments in early learning where the government too is focusing, like all fast developing countries that also strongly emphasise infrastructure, human capital development and good governance.

Badagawa notes that fast - growing economies fight corruption, enforce transparency and accountability and insist that investments must be seen to deliver what they have been purposed to deliver. He is, however, concerned that Uganda is challenged by a fast - growing population that is skewed to feeding rather than production, an issue that needs to be addressed.

Ugandans need to enhance their

productivity by doing what needs to be done and do it better, whereas all Ugandans need to modify their mindset like people in other countries have.

#### **Private sector strengthening**

The development of the private sector is pivotal to national entrepreneurship development, and nation - building, considering that the Small and Medium Enterprises (SMEs) comprise 90 per cent of the private sector of which more than 50 per cent operate informally.

Badagawa argues that if BUBU is to materialize, entrepreneurs need to work together to address the issue of competitiveness. Producers need to group up and operate together to supply better by capitalizing on the advantages of self - regulation. They need to supply better because most of the volumes the market requires are beyond the capacity of individual suppliers.

Most Ugandan nascent entrepreneurs do not keep business records; they do not know how they should be doing what they are doing; they neither know what they earn in a week nor what they spend; book-keeping is unknown to most and hence they need help.

And because most businesses are not registered, government has no idea of what they are doing, where they are, how they operate and what gaps need to be addressed to assist them meet the market demands, what assistance they need to develop and how to find them.

Badagawa explains that the lack of organized means of reaching out to



Processing coffee in Kapchorwa

the markets to mobilize volume and quality, self - regulation and compliance to standards which is a benefit of group/collective work is lacking, yet the supplying of commercial volumes by individuals is not possible. This is why the percentage of Chinese and South African goods on Ugandan supermarket shelves includes chili, tomatoes and onions and eggs that Uganda otherwise produces.

The building of market competitiveness is defined by the volumes, their quality and the time in which the supply can be delivered to the required standards, the sum total of which is the PSFU concept of togetherness and joint effort.

Among the 11 associations that established PSFU were Uganda Manufacturers Association, Freight Forwarders' Association, National Farmers' Association, the Federation of Uganda Employers, National Farmers' Federation, Uganda Flowers Horticulture Association, Uganda Chamber of Commerce, and others.

It is through these associations that

each of their capacities is identified; their efficiency, quality assurance, products development, the type of technology required to improve their standards and how it can be acquired. "This is what the strengthening of the private sector capacity for effective policy advocacy and market competitiveness is about; getting organized in unity to face the market," Badagawa elaborates.

While all farmers may not know the international price for their produce, by working together and working more with the UNBS and the Uganda Export Promotion Board, they will identify the market and its requirements; for instance the European Union has sanitary requirements and a certification system that most Ugandans do not understand, and hence cannot satisfy.

He elaborates that exporting to Europe in a group like the Horticulture Export Association, for chili and dried fruits (pine apple and others) has better prospects because it facilitates quality maintenance by each checking

#### **PSFU**

on the other's quality which is not possible without a group and without adequate preparation. It is also easy for policy engagement, for instance to work through UMA on a tax regime rather than going it as an individual manufacturer.

In terms of quality engagement, groups/ associations harmonize at the Private Sector Foundation Uganda and then present their positions to government; the issues that are pertinent to their operations; the tax regime restructuring or dealing with the deficiencies on tax or indeed the minimum wage that affect all employers across all the sectors.

The challenge is to build capacity in an association for policy analysis, hence an association position on a specific issue that can then be harmonized at the level of the PSFU.

#### **Market liberalization**

Uganda has signed two protocols, the Customs Union and the Capital Markets Protocols. The two entail an integration, by which Uganda has ripped away the curtain between Kenya, Rwanda, and Tanzania and recently South Sudan for a wider market. But the integration poses a big challenge for the countries without an established manufacturing base.

Burundi and South Sudan would be at a disadvantage, but Uganda too that has not taken advantage of the bigger market because of its ill - prepared industrial base, its planning, the products' standards and development and their quality, and indeed the people's lack of the knowledge for taking advantage of the existing opportunities.

A Ugandan manufacturer cannot produce for export to Europe and compete in the European market unless they have produced, and put their goods on the shelves in their own country. Likewise, they cannot produce and take advantage of the Eastern Africa market when they cannot put those goods on the supermarkets' shelves in Kampala.

Before we talk of the COMESA market, we need to talk of the Ugandan market.

#### PSFU

Milk producers in Sembabule need to put that milk on a shelf in Masaka or Kampala! Someone doing cassava in Lira not only needs to find market for processed cassava in Kampala, but also the products that can be processed from it.

For the producers of soy beans, simsim, sunflower, groundnuts, they need to know how quickly they can reach the processor/Mukwano; the state of the infrastructure, the agronomy extension services, hence the appropriate agronomy practices involving the soils preparations and access to the seeds. The farmers need to be prepared to attain the standards Mukwano wants. It is by these means that from AGOA, Angola is earning US\$500m, Kenya US\$300m and Nigeria more than US\$5000m while Uganda earns US\$12m.

"We need to pay much attention to integrated textile production starting with the cotton produce, its value addition and turning it into garments, which is what the AGOA market is looking for. Until we perfect our presence on the domestic market, and it is ours only if we fulfill a number of issues, we cannot benefit from the regional markets," warns Badagawa who has worked with the PSFU since 2009.

Looking at the national budget for 2017 - 2018, the roads and energy sectors attracted the biggest chunks of money; USh 3.5 trillion and USh 2.7 trillion respectively compared to the others. Yet it is the Chinese that are contracted for the civil works whereas it is illegal in China for the government to engage an alien contractor for any job.

The PSFU has been struggling that the Chinese should subcontract Ugandan firms, but notwithstanding the preferential close, Kampala-Entebbe Expressway is an all - Chinese construction affair.

Badagawa wonders aloud, "Will the Ugandans have acquired the skills and expertise that go with such a project when the Chinese leave? Given the existing circumstances related to the award of contracts of this magnitude, will the Ugandans be in position to undertake a bidding process on the scale of Kampala-Entebbe Expressway project? A starting point would have been the 15 percent local content, but which local contractor is benefitting from this part of the reservation scheme, say on Karuma Hydro Power Project?"

He further argues that it is for this state of affairs that most of the money is being alienated / externalized, hence with BUBU and the knowledge of what government will spend in the next five years, those in the private sector can plan better.

He suggests that had government policy been the implementation of the UPE programme requiring so many tonnes of exercise book, so many sets of uniforms and so many pens to be produced; it would be upon the Nice House of Plastics, Picfare and Nyanza Southern Range to position the necessary capacity to respond to the market and deliver.

If other investors knew what the

USA Ambassador Deborah Malac interacts with Bugiri Agribusiness Initiative Development Association members.

and the state



Rolls of Ugandan cotton cloth

government wanted, the manufacturer would then only need the standards from UNBS and as they produce, they would also be building capacity for export, in terms of volume and standards - this is the reason BUBU is very important.

Badagawa, however, speaks for the enforcement of the Counterfeit Law, "No country has developed using the style Uganda has adopted. The decentralization policy that Ugandans hatched has attracted Ghana, Malawi, Zambia and others to learn from. Unlike in Uganda, it has been implemented in Malawi where everybody must deliver services at their respective levels, say health, education, infrastructure, et al, like they used to be delivered in Uganda in the 1960s."

#### **PSFU** outcomes

PSFU provides a forum for policy dialogue by mirroring the private sector into the sectors that are defined by the government budget; education, water and sanitation, energy, road infrastructure, skilling, agriculture, mining, tourism et al. These are the sectors mirroring the international standards for industrial classification that contribute to the GDP of a country and through which the private sector is defined. Literally all the PSFU members fall under one or two or three of these sectors; Mukwano a manufacturer is also an agriculturalist, which is also true for Madhvani, while some in mining are also in the oil and gas.

The forum involves members in policy discussions by the sector for its improvement; it could be about the VAT on agro inputs, or what the PSFU thinks about increased productivity or increased job opportunities. There are 35 members in the agricultural sector out of the PSFU 200 membership; Mukwano and Madhvani are direct members of the PSFU.

If a discussion is about manufacturing as a sector, it defines the areas that need to be fine - tuned to improve the manufacturing business; it could be the issue of the counterfeits and their evasion of taxes and its impact on manufacturing whilst the bona fide manufacturers pay the taxes. This calls for a law to fight illegal trade, and hence accordingly engage the government.

Countries including South Africa, Kenya, Rwanda, Ethiopia, and Botswana have laws, the like of which Uganda can adopt, to attract prospective investors and also plug the repulsive loopholes that have deflected investment; 12 documented companies fled to Kenya because our laws are not adequately protective.

In comparison to Uganda, starting a business in Kenya inclusive of the access to credit and the tax regime is flexible and more attractive. Credit finance is at 15per cent interest in contrast to 25 per cent here -these in Kampala, which is among the private sector concerns. In China, credit is at two per cent interest, the reason the Chinese are beating Ugandan toothpicks out of our own market. The Ugandan manufacturer has to import the raw material and whatever else they need to use, besides the costly Ugandan infrastructure, hence cannot compete.

To contribute to policy formulation, an understanding of the economy is prerequisite; hence, the PSFU forum as the platform for action, contributed to 82 per cent of the issues to the last budget. Per PSFU custom, government departments engage the businesspeople to appreciate their expectations, their progress, talk of the gaps and listen to them. They then understand the budget and appreciate the government's priorities.

#### **PSFU** an umbrella

The Private Sector Foundation -Uganda (PSFU), an umbrella body for Uganda's business community, was founded in 1995 as a project of the World Bank and Uganda government. It is a focal point for private sector advocacy and capacity building. Over time, the foundation has had different development partners - the European Union, DFID, USAID, DED.

The idea was to have a private sector's common harmonized voice rather than the bother to government of multiple voices from the manufacturers, farmers, transporters, tour operators and others. It comprises of over 185 business associations, corporate bodies and major public sector agencies that support private sector growth. As the apex body of the private sector, part of the PSFU mandate is to speak on behalf of its members in terms of dialoguing with the government to improve the business environment.

The improvement of the business

BUBU

#### PSFU \_

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President Yoweri Museveni appreciates the young women's rug-making skills

environment will ideally reduce the cost of doing business. This entails the reduction of the delays that impact on business transactions, improvement of the infrastructure, ensuring that the energy supply is consistent and adequate, providing for an atmosphere that makes the requisite skills available to the private sector, the accessibility to the markets and credit financing and the related interests on loans a sum total of which is the cost of doing business.

To facilitate an understanding of the

policy environment, PSFU carries out research and analysis, with partners like the Economic Policy Research Centre and many other research institutions that help businesspeople to understand the environment in which they operate and determine how it can be improved. It is upon the understanding of this environment that the government is engaged through PFSU proposals on how it needs to improve to enable them compete better, which constitutes policy engagement and dialogue.

PSFU also works a lot with parliament

especially on the bills that may define the regulatory framework and entrepreneurship environment and engage other departments of government to ensure that a good tax regime prevails.

For business development, while the external environment consists of the infrastructure that government needs to put in place; the energy, the roads, transportation, et al, the regulatory environment entails the building of institutions that are supportive of the private business sector. They include



Uganda National Bureau of Standards, Export Promotion Board, Capital Markets and Entreprise Uganda.

The other challenges impacting on the business environment are internal, and hence some training in how to write a business plan, how to source capital, where you source the capital from, the state of readiness before sourcing the capital, whether a business plan is viable/bankable, and the standards of the products/services.

It is a discussion of business development, and hence enterprises capacity building so that they can compete better. This is mainly through collaboration with development partners through a project PSFU and the government is managing.

#### PSFU

One of the PSFU landmark successes is the strengthening of the private sector capacity to engage more with development partners and the government over the Public Private Partnership policy. It has worked with the World Bank for the last 20 years building the capacity for quality engagement alongside that for enterprise growth.

A project on competitiveness and enterprises development, to build the capacity for better enterprises performance in the market to meet the market expectations is ongoing, and it is expected to improve productivity.

Five projects are ongoing, four of which are World Bank supported, dealing with the issues of concern to the SMEs, including skills enhancement. They have been packaged through policy engagement by identifying the pertinent issues; access to credit, the skills required, market access, technology transfer, certification, et al.

They consider the business environment and how it can function better including the streamlining of land acquisition. This comprises the PSFU-coordinated ongoing reforms in the Lands ministry supported by the World Bank, a process that has been ongoing for the last seven to 10 years.

PFSU is also involved in skills development, having realized that entrepreneurs need training, guidance, mentoring and exposure to the market. They need appropriate technology application, business planning and writing, and hence readiness to get the kind of capital and its effective investment to meet the market expectations.

PFSU's other project is energy for rural transformation over which it has been involved in policy engagement, and talked for production and value addition, whereas most people in the rural setting lack the capacity for adding value to their produce on account of the unavailability or unaffordable electricity.

Thus supported by the World Bank, the PSFU has been involved in the project to increase electricity connections in rural areas, and promotes the use of renewable energy like solar that is not as expensive as grid electricity.

While Ugandans pay more than US12cents/kWh and the government is only promising that the cost will reduce to US5cents/kWh when electricity from the Hydro Power projects under construction comes on line, China and South Africa use less than US2cents/kWh, and hence due to their production efficiency, their products dominate the market.

Because Uganda needs reduced energy costs for value addition to be efficient and hence competitive even on our own turf, the PSFU has engaged the development partners for support. Uganda could tap into the country's potential for solar power development, by taking advantage of its location, astride the equator and hence much sunshine around the year and the fact that solar power generation costs are affordable.

#### **PSFU** and the state

The PSFU has worked with the Presidential Economic Council, which President Yoweri Museveni established at the request of the Chairpersons of the PSFU, UMA, Farmers' Federation and president of Chamber of Commerce.

The existing challenge however is with poor monitoring and lack of accountability hence the implementers do not deliver. A framework is necessary to ensure that the situation of the people is improved with definite timelines, considering that 80 ministers oversee the implementation of government agenda, besides the Manifesto Implementation Unit.

There should be a mechanism through which the head of state is briefed and questions answered about why things are not happening; whether it is about incompetence, inadequate funding, inadequate human resource, et al, and much of the implementation has failed for lack of supervision.

Badagawa blames much of the supervision gaps on leadership breakdown, hence the expectation of the president to implementer tasks at all levels, which should not be the case and was not the case in the 1960s and when policy used to be translated into tangible investments. Along with the lack of accountability is the lack of clear-cut terms of reference hence literally nothing is moving at the local governance level.

He warns that, "Even with policy engagement and the strengthening of partnerships with the government, without implementation and supervision, there will be no progress. Much as the parliament has made efforts through the laws and the existing policies are appreciated, Uganda lacks the human resource for implementing certain policies and when nothing happens, nothing will happen".

#### Implementation

The implementation of most of the reforms the PSFU has proposed do not require a lot of money; rather than it has a lot with the mindset change. "Ugandans need to learn to do more with less and maximize the little resources available, a cardinal principle of doing business, whereas our government prefers to do less with more, hence any department or ministry wants a bigger budget, but do not show what they have done with the small budget," he notes.

Because of the poor Ugandan mindset, twelve companies have

bolted from Uganda for being asked for bribes, besides the other illegalities encountered in the ministries that are the tip of the iceberg that the President discovered in the Ministry of Finance, Planning and Economic Development. Badagawa argues that many similar irregularities happen in governance yet the would-be culprits are free from harm or penalty.

To be certain of an output that Uganda needs to have, the country must attract and retain investment, by having a functioning one-stop- investment centre, so that the prospective investors do not run around to URA, Immigration, URA and KCCA and then to the Lands ministry to look for land titles. It took nearly two years to procure for Karuma Hydro Power project.

A serious investor encountering this lack of enthusiasm will move to another destination; Rwanda, Ethiopia or Kenya where the systems are efficient; once one understands that there is corruption, they will not come back.

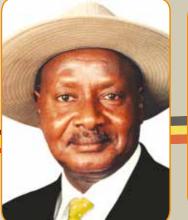
In terms of transportation, we are much worse off than the Kenyans. Understandably, plans are in advanced stages for the Standard Gauge Railway construction but we could in the meantime capitalize on Uganda's hospitality and take advantage of our potential in other areas.





#### **MINISTRY OF GENDER, LABOUR AND SOCIAL DEVELOPMENT**

#### YOUTH LIVELIHOOD PROGRAMME: ECONOMIC EMPOWERMENT FOR PEACE BUILDING AMONG THE YOUTH IN UGANDA



H. E. YOWERI KAGUTA MUSEVENI President of the Republic of Uganda



HON. JANAT B. MUKWAYA (HAJAT) Minister of Gender, Labour & Social Development



HON. FLORENCE NAKIWALA KIYINGI Minister of State for Youth and Children Affairs



PIUS BIGIRIMANA Permanent Secretary

#### Fellow Country Men and Women,

Today Saturday 12th August 2017, Uganda joins the rest of the UN Fraternity in marking and celebrating International Youth Day.

International Youth Day is celebrated annually on 12th August consistent with the UN Resolution 54/120 of the 1999 UN General Assembly. The Day provides us with the opportunity to reflect on the various interventions and programmes that aim at empowering youth in the country.

Fellow country men and women, this year's celebrations will take place under the theme; "Youth Building Peace". The theme is meant to help us celebrate young peoples' contributions to ensuring peace, security and stability.

Ugandans may want to note that peace and security are the two most important factors for anchoring development and growth of a nation. As such, the involvement of youth in shouldering and promoting peace is a strategic undertaking.

We must as a matter of principle plant seeds of love, peace, security and tranquillity right from our homes – we must shun violence of any kind in order to build a peaceful and prosperous Uganda. During this year's International Youth Day; can we all resolve to be ambassadors of peace and ensure harmonious co-existence and respect for each other. Let us embrace unity in diversity.

As government, we shall continue providing an enabling framework and designing programmes that will cushion young people from poverty. We believe that a propertied youth population with a stake in the economy is unlikely to harbour tendencies of insecurity and violence.

H.E the president of Uganda will join the youth and elders in celebrating this important day at Bubukwanga primary school in bundibugyo district. We can together build and entrench peace and stability in our country.

The government of Uganda recognises that economic empowerment of the youth is one of the key pillars in contributing to peace building among the youth. To this end, the government has put in place a number of economic empowerment programmes to achieve this objective. These initiatives being implemented under the ministry of Gender, Labour and social development include among others; the youth Livelihood programme (YLP), The Youth Capital Venture Fund, The Green jobs programme, Programme for Externalization of labour among others.

This supplement is dedicated to all the young people who have made efforts to benefit from government interventions to be able to escape the poverty trap. It will among others provide an update on the progress made by YLP in enhancing access to employment opportunities and generating wealth by youth in Uganda.

#### What YLP is about?

YLP is a Government of Uganda Rolling Programme being implemented by the Ministry of Gender, Labour and Social Development as one of the responses to the high unemployment and poverty among the youth.

The Programme targets poor and unemployed youth (aged 18-30 years) with the following objectives;

- To provide marketable vocational skills and tool kits for self-employment and job creation
- To provide financial support to enable the youth establish Income Generating

#### Celebrating Youth Day 2017

#### YOUTH LIVELIHOOD PROGRAMME: ECONOMIC EMPOWERMENT FOR PEACE BUILDING AMONG THE YOUTH IN UGANDA

#### Activities (IGAs).

- To provide entrepreneurship and life skills as an integral part of their livelihoods.
- To provide relevant information for attitudinal change (positive mind set change).

#### **YLP Implementation arrangements**

Implementation of YLP is mainstreamed into government structures at national and local government levels. The local governments [Districts and Municipal Councils] are responsible for mobilization and sensitization of the youth, beneficiary selection, appraisal and monitoring of projects.

#### **The Business Model of YLP**

Under YLP, eligible youth organized through groups [also known as] Youth Interest Groups (YIGs) of 10-15 persons provided with Revolving Funds (Soft Loans-with youth friendly terms) of up to UGX. 12.5 Million [Approved at district level] or UGX. 25 Million [Approved at national level] to be able implement their projects.

The terms for accessing the Revolving funds include the following

- Zero-interest for the repayments made within the first twelve months and 5% Service fee per annum for the repayments made after 12 months;
- No physical assets/collateral required;
- Flexible repayment period of 1-3 years, depending on the nature of the project;
- Accessible for both existing and new groups;
- Formal registration of groups not a pre-condition for access;
- No administrative fees levied on any application

#### **Basic funds access criteria**

Access to funds is upon meeting the following basic criteria;

- Have willingness to work in a group of 10-15 members (at least 30% female)
- Have a viable group project
- Bona fide residents of the area where the application is made from/intended project location
- Ugandan nationals
- Priority to youth who have not benefited from similar programmes in the past 1-2 years
- One beneficiary per household in a single group for purposes of equity.

#### **BENEFITS OF THE PROGRAMME**

#### a) Financing of projects

Since inception, the programme has to date disbursed a total of UGX. Shs 84,556,288,614 to finance 11,503 youth projects across the country. This is benefiting 144,235 youth of which 78,789 (55%) are male and 65,446 (45%) are females.

#### SUMMARY OF PROJECT DISBURSEMENTS BY DISTRICT AS AT JUNE 30, 2017

No.	DISTRICT	NO Projects	AMOUNT DISBURSED	BENEFICIARIES		
				MALE	FEMALE	TOTAL
1	ABIM	58	558,430,320	447	391	838
2	ADJUMANI	78	556,854,058	592	480	1,072
3	AGAGO	64	543,982,500	499	385	884
4	ALEBTONG	83	705,671,000	638	504	1,142

No.	DISTRICT	NO	AMOUNT	BENEFICIARIES		
		PROJECTS	DISBURSED	MALE	FEMALE	TOTAL
5	AMOLATAR	81	588,090,200	560	470	1,030
6 7	AMUDAT AMURIA	99 124	786,619,670 586,804,304	649 929	606 799	1,255 1,728
8	AMURU	73	555,341,300	610	434	1,728
9	APAC	110	909,961,900	736	617	1,353
10	APAC MC	13	90,846,000	92	64	156
11	ARUA	178	1,343,212,650	1,354	965	2,319
12	ARUA MC	30	261,418,000	217	204	421
13 14	BUDAKA BUDUDA	84 33	599,593,192 363,511,074	560 232	500 173	1,060 405
15	BUGIRI	95	744,471,000	636	526	1,162
16	BUGIRI MC	16	139,620,000	94	73	167
17	BUHWEJU	92	476,569,400	628	493	1,121
18	BUIKWE	42	277,843,000	267	234	501
19	BUKEDEA	65	536,930,965	466	381	847
20 21	BUKOMANSIMBI BUKWO	72 74	441,348,000 321,771,821	442 471	378 411	820 882
22	BULAMBULI	52	312,267,856	367	306	673
23	BULIISA	51	502,186,000	323	303	626
24	BUNDIBUGYO	112	701,853,000	731	722	1,453
25	BUSHENYI	120	650,286,590	719	665	1,384
26	BUSHENYI ISHAKA MC	31	170,687,400	181	164	345
27 28	BUSIA BUSIA MC	63 23	552,433,478	450 146	383 138	833 284
20 29	BUTALEJA	23 57	155,727,069 333,940,957	403	335	738
30	BUTAMBALA	37	289,126,978	261	213	474
31	BUVUMA	57	440,551,980	404	272	676
32	BUYENDE	152	772,459,000	992	753	1,745
33	DOKOLO	85	689,131,000	571	457	1,028
34	ENTEBBE MC	14	103,125,724	88	73	161
35	FORT PORTAL MC	26	158,204,570	187	137	324
36 37	GOMBA	68 104	599,773,022 770,242,300	435	378	813
38	GULU GULU MC	43	327,277,000	828 312	612 267	1,440 579
39	HOIMA	139	1,216,465,125	919	683	1,602
40	HOIMA MC	35	235,847,612	206	199	405
41	IBANDA	70	599,809,415	493	379	872
42	IBANDA MC	21	149,690,000	148	103	251
43	IGANGA	135	1,034,645,000	893	699	1,592
44 45	IGANGA MC ISINGIRO	36 80	267,157,500 733,259,519	239 568	186 402	425 970
46	JINJA	91	728,548,707	603	507	1,110
47	JINJA MC	28	210,454,000	171	141	312
48	KAABONG	145	1,201,434,979	1,017	1,073	2,090
49	KABALE	130	708,747,890	817	795	1,612
50	KABALE MC	18	150,040,500	98	109	207
51 52	KABAROLE KABERAMAIDO	171 82	895,080,856 419,539,159	1,253 572	936 470	2,189
53	KAGADI	29	271,361,800	197	152	349
54	KAKUMIRO	34	268,933,000	224	170	394
55	KALANGALA	84	630,481,000	620	476	1,096
56	KALIRO	87	610,589,600	582	429	1,011
57	KALUNGU	59	470,250,800	387	314	701
58 59	KAMPALA KAMULI	281 141	2,702,457,680 874,211,983	1,677 962	1,454 808	3,131 1,770
60	KAMULI MC	11	97,815,000	48	69	117
61	KAMWENGE	101	875,192,200	679	518	1,197
62	KANUNGU	91	683,709,400	596	583	1,179
63	KAPCHORWA	51	297,191,751	368	301	669
64 65	KAPCHORWA MC KASESE	11	92,324,000 1,339,179,650	59 1.038	69	128
65 66	KASESE MC	171 38	236,824,680	233	1,077 264	2,115 497
67	KATAKWI	96	784.938.017	596	573	1,169
68	KAYUNGA	127	923,817,388	854	648	1,502
69	KIBAALE	121	911,389,539	851	622	1,473
70	KIBOGA	57	377,604,000	406	288	694
71	KIBUKU	80	517,858,076	555	465	1,020
72 73	KIRA MC KIRUHURA	25 82	236,085,000 861,877,500	146 583	126 436	272 1,019
74	KIRYANDONGO	100	789,574,226	747	523	1,270
75	KISORO	117	705,462,000	810	738	1,548
76	KISORO MC	15	130,360,000	83	93	176
78	KITGUM MC	27	152,362,000	172	169	341
79	KOBOKO	60	538,679,858	462	329	791
80 81	KOLE KOTIDO	59 129	411,835,700 680,265,032	445 815	311 1,040	756 1.855
82	KOTIDO MC	28	212,912,500	148	226	374
83	KUMI	56	437,131,654	333	360	693
84	KUMI MC	16	124,935,000	87	85	172
85	KWEEN	96	490,942,727	687	555	1,242
86	KYANKWANZI	50	400,583,000	368	283	651
87 88	KYEGEGWA KYENJOJO	64 170	579,686,300 1,084,130,500	439 1,187	357 877	796 2,064
00	INTENDOUD	170	1,004,130,300	1,107	011	2,004

#### Celebrating Youth Day 2017

No.	DISTRICT	NO AMOUNT		BENEFICIARIES			
		PROJECTS	DISBURSED	MALE	FEMALE		
89 90	LAMWO	121 65	859,474,000 520,897,500	938 504	753 359	1,691 863	
90 91	LIRA LIRA MC	41	363,829,500	257	238	495	
91	LIRA MC LUGAZI MC	41 14	115,088,000	257 81	79	495	
92	LUUKA	79	592.836.500	557	478	1,035	
93 94	LUWEERO	145	997,700,291	971	759	1,035	
95	LWENGO	87	533,218,450	582	477	1,059	
96	LYANTONDE	74	407,797,998	490	358	848	
97	MAKINDYE SABAGABO	25	190,516,000	149	123	272	
98	MC MANAFWA	40	362,125,114	272	212	484	
99	MARACHA	83	568,064,700	567	446	1,013	
100	MASAKA	71	575,950,995	455	418	873	
101	MASAKA MC	50	269,328,681	281	283	564	
102	MASINDI	112	857,292,000	779	602	1,381	
103	MASINDI MC	29	225,926,172	190	138	328	
104	MAYUGE	111	812,597,545	766	664	1,430	
105	MBALE	51	522,249,712	392	305	697	
106	MBALE MC	18	125,034,681	97	117	214	
107	MBARARA	81	786,374,978	531	429	960	
108	MBARARA MC	29	227,876,100	168	153	321	
109	MITOOMA	70	482,784,500	421	387	808	
110	MITYANA	68	436,817,207	471	381	852	
111	MOROTO MO	56	560,340,243	420	381	801	
112	MOROTO MC	27	215,788,681	166	174	340	
113 114	MOYO MPIGI	103 64	905,864,800	718 426	581 378	1,299 804	
114	MUBENDE	180	550,151,000 1,237,172,303	420	947	2.122	
115	MUBENDE MC	19	154,063,000	1,175	100	223	
117	MUKONO	66	564,743,500	434	386	820	
118	MUKONO MC	28	213,218,500	168	165	333	
119	NAKAPIRIPIRIT	71	601,083,399	536	449	985	
120	NAKASEKE	101	719,762,080	707	619	1,326	
121	NAKASONGOLA	45	434,497,500	333	235	568	
122	NAMAYINGO	80	814,743,750	557	382	939	
123	NAMUTUMBA	112	605,411,000	833	582	1,415	
124	NANSANA MC	32	237,893,000	188	149	337	
125	NAPAK	143	956,453,326	1,053	966	2,019	
126	NEBBI	141	734,003,429	1,234	764	1,998	
127	NGORA	84	663,172,532	554	440	994	
128	NJERU MC	11	79,330,000	66	50	116	
129	NTOROKO MC	58	439,541,500	362	350	712	
130	NTUNGAMO	77	629,153,350	504	427	931	
131	NTUNGAMO MC	18	159,067,000	104	90	194	
132	NWOYA OTUKE	103 74	709,563,400	738	644 476	1,382	
133 134	OYAM	74 113	558,073,900 869,690,000	515 818	476 624	991 1,442	
134	PADER	86	606,137,900	629	586	1,442	
135	PALLISA	119	921,650,570	697	677	1,215	
137	RAKAI	133	925.125.250	891	718	1,609	
138	RUBANDA	28	195,787,850	158	171	329	
139	RUBIRIZI	66	418,483,539	452	374	826	
140	RUKUNGIRI	81	675,971,400	501	438	939	
141	RUKUNGIRI MC	25	159,101,700	152	148	300	
142	SEMBABULE	92	579,843,900	606	453	1,059	
143	SERERE	124	801,892,064	803	687	1,490	
144	SHEEMA	60	489,949,000	386	322	708	
145	SHEEMA MC	8	74,125,000	53	32	85	
146	SIRONKO	62	582,539,000	443	327	770	
147	SOROTI	69	547,056,018	514	400	914	
148	SOROTI MC	20	151,098,162	107	113	220	
149	TORORO	104	838,623,993	797	640	1,437	
150	TORORO MC	22	220,137,500	121	141	262	
151	WAKISO	160	1,251,955,150	1,046	864	1,910	
152	YUMBE	148	1,075,558,900	1,088	849 545	1,937	
153		100	640,792,500	744		1,289	
	NATIONAL TOTAL	11,503	84,556,288,614	78,789	65,446	144,235	

#### REVOLVING FUNDS REPAYMENTS OF AMOUNTS DUE - AS AT AUGUST 04, 2017

SN	DISTRICT MUNICIPALITY	DISBUI	RSEMENTS	AMOUNT DUE	REP/	AYMENTS	
-		# PROJECTS	AMOUNT [USH]	USHS	# PROJECTS	AMOUNT	% REPAID
						[USH]	OF AMOUNT
1	BUSHENYI	120	650,286,590	275,901,990	100	271,877,100	DUE 99%
2	IBANDA	70	599,809,415	209,545,000	59	207,542,800	99%
3	KAYUNGA	127	923,817,388	207,471,796	50	204,798,000	99%
4	KYEGEGWA	64	579,686,300	198,481,767	39	196,762,100	99%
5	KIBAALE	121	911,389,539	187,351,608	83	185,730,650	99%
6	KAMWENGE	101	875,192,200	132,048,400	44	130,510,550	99%
7	RUKUNGIRI	81	675,971,400	122,816,780	54	121,500,000	99%
8	SEMBABULE	92	579,843,900	117,034,880	26	115,598,020	99%
9	AMURU	73	555,341,300	114,068,260	39	112,794,700	99%
10	NTOROKO	58	439,541,500 215,788,681	109,954,700 37,246,400	37	109,259,300	99%
11 12	MOROTO MC KYENJOJO	27 170	1,084,130,500	152,572,100	17 101	36,876,800 149,510,000	99%
13	KOTIDO	129	680,265,032	136,053,006	106	133,490,660	98% 98%
14	MOYO	103	905,864,800	125,550,160	68	122,881,500	98%
15	MASINDI	112	857,292,000	124,198,400	49	122,111,000	98%
16	KIRUHURA	82	861,877,500	220,713,650	43	213,854,400	97%
17	SHEEMA	60	489,949,000	200,000,000	54	194,988,800	97%
18	LUWER0	145	997,700,291	130,138,834	78	125,637,000	97%
19	LYANTONDE	74	407,797,998	121,041,714	36	117,803,650	97%
20	OTUKE	74	558,073,900	108,339,580	46	104,735,000	97%
21	MARACHA	83	568,064,700	80,959,340	39	78,205,400	97%
22	KYANKWANZI	50	400,583,000	133,527,667	30	126,950,000	95%
23	HOIMA	139	1,216,465,125	126,427,525	53	120,410,200	95%
24	BUYENDE MASAKA	152	772,459,000 575,950,995	104,909,600 100,041,199	90	99,851,500	95%
25 26	HOIMA MC	71 35	235,847,612	43,528,571	30 20	95,398,000	95%
26	NTUNGAMO MC	18	159,067,000	28,060,311	4	41,330,600 26,628,000	95% 95%
27	KIRYANDONGO	100	789,574,226	101,734,545	4	95,970,000	95% 94%
20 29	ZOMBO	100	640,792,500	190,567,235	49 57	177,718,000	94%
30	MOROTO	56	560,340,243	160,097,212	35	149,497,688	93%
31	GOMBA	68	599,773,022	72,601,804	17	67,573,000	93%
32	NAKASEKE	101	719,762,080	78,223,616	30	72,345,400	92%
33	GULU MC	43	327,277,000	52,042,200	26	47,885,000	92%
34	JINJA MC	28	210,454,000	25,676,800	11	23,550,000	92%
35	KASESE	171	1,339,179,650	229,181,150	92	207,930,250	91%
36	MBARARA	81	786,374,978	181,441,808	54	164,657,100	91%
37	MITOOMA	70	482,784,500	128,245,780	51	116,351,400	91%
38	NWOYA	103	709,563,400	196,231,400	64	176,715,500	90%
39	KISORO	117	705,462,000	190,205,667	75	170,646,900	90%
40	ARUA	178	1,343,212,650	172,139,930	71	154,652,000	90%
41	KABALE	130	708,747,890	180,432,134	78	159,801,100	89%
42	NAMAYINGO	80	814,743,750 869,690,000	123,551,350 108,472,400	62	109,914,610	89%
43	OYAM MASAKA MC	113 50	269,328,681	24,645,736	58	96,411,000	89%
44 45	MASAKA MC MUBENDE	180	1,237,172,303	152,624,461	24 50	21,905,000 133,659,200	89% 88%
46	KOLE	59	411,835,700	63,376,140	44	55,800,000	88%
47	ARUA MC	30	261,418,000	45,794,857	11	40,347,000	88%
48	KITGUM	122	682,060,300	136,412,060	26	118,922,000	87%
49	YUMBE	148	1,075,558,900	126,294,380	85	110,052,000	87%
50	RUBIRIZI	66	418,483,539	109,470,713	48	95,540,750	87%
51	MANAFWA	40	362,125,114	72,425,023	36	62,937,900	87%
52	NAKAPIRIPIRIT	71	601,083,399	120,216,680	52	103,559,000	86%
53	ADJUMANI	78	556,854,058	111,370,812	65	94,461,000	85%
54	SOROTI	69	547,056,018	87,312,604	35	74,017,000	85%
55	SIRONKO	62	582,539,000	96,457,800 81,511,300	35	79,887,010	83%
56 57	LUUKA	79	592,836,500 321,771,821	64,354,364	43	67,830,000 53,636,000	83%
<u>57</u> 58	BUKWO KABALE MC	74 18	150,040,500	19,149,100	57 13	53,636,000 15,978,000	83% 83%
59	KABERAMAIDO	82	419,539,159	129,907,832	66	106,684,499	82%
60	ENTEBBE MC	14	103,125,724	15,287,345	2	12,500,000	82%
61	BUGIRI	95	744,471,000	120,141,600	38	96,789,525	81%
62	KIBOGA	57	377,604,000	80,260,800	28	64,740,000	81%
63	NGORA	84	663,172,532	76,774,706	27	62,127,000	81%
64	BUDUDA	33	363,511,074	72,702,215	25	59,228,000	81%
CE.	BUSHENYI -ISHAKA	21	170,687,400	16,112,233	2	10.005.000	0.00/
65	MC ALEBTONG	31 83	705.671.000	94,593,500	3 48	12,885,000 74,725,000	80% 79%
66 67	ALEBTONG NTUNGAMO	77	629,153,350	185,897,783	40	144,450,000	79%
68	NAKASONGOLA	45	434,497,500	144,832,500	40	113,157,000	78%
69	RAKAI	133	925,125,250	134,404,050	37	104,200,000	78%
70	KABAROLE	171	895,080,856	210,490,819	118	161,289,400	77%
71	MITYANA	68	436,817,207	145,605,736	46	111,461,200	77%
72	DOKOLO	85	689,131,000	139,752,200	55	107,712,800	77%
73	MASINDI MC	29	225,926,172	61,576,377	23	47,344,400	77%
74	KASESE MC	38	236,824,680	44,241,337	15	33,973,500	77%
75	KANUNGU	91	683,709,400	152,737,467	50	115,500,000	76%
76	AGAGO	64	543,982,500	162,796,500	49	123,055,000	76%
77	BUKEDEA	65	536,930,965	107,208,193	24	81,209,930	76%
78	GULU	104	770,242,300	138,166,460	51	102,203,750	74%
79	LWENGO	87	533,218,450	134,836,150	51	99,792,000	74%
80	KIBUKU	80	517,858,076 956,453,326	79,774,188 147,002,665	43	59,233,400	74%
	NAPAK	143	550,453,520		60	105,272,000	72%
82			859 474 000	91 920 600	61	65 704 000	
	LAMWO	121 99	859,474,000 786,619,670	91,920,600 111,123,934	61 44	65,724,000 78,720,500	72% 71%

#### a) The Recovery status

To date, a total of UGX. 12,407,963,080 have been repaid from 6,054 projects. This represents 77% of the amount due. In addition, out of the 156 districts and Municipal Councils in Uganda, 122 have recovered more than 50% of the amount due while at project level, 105 projects have been able to repay their loans up to 100%.

86	KAPCHORWA	51	297,191,751	59,438,350	25	42,116,000	71%
87	KAMPALA/KCCA	281	2,702,457,680	513,736,637	122	358,253,550	70%
88	APAC	110	909,961,900	124,598,780	60	86,838,400	70%
89	BUIKWE	42	277,843,000	56,781,000	23	39,681,201	70%
90	KAMULI	141	874,211,983	291,403,994	126	202,225,000	69%
91	BUKOMANSIMBI	72	441,348,000	106,523,200	24	73,667,000	69%
92	MBALE	51	522,249,712	104,449,942	48	71,958,522	69%
			151,098,162	60,837,341			
93	SOROTI MC	20			18	41,830,000	69%
94	KAABONG	145	1,201,434,979	195,322,796	85	129,927,000	67%
95	KALANGALA	84	630,481,000	182,702,667	54	122,230,000	67%
96	KALUNGU	59	470,250,800	138,948,745	32	93,202,000	67%
97	IGANGA	135	1,034,645,000	127,449,000	68	85,770,000	67%
			502,186,000	107,809,200			
98	BULIISA	51			36	71,118,000	66%
99	AMOLATAR	81	588,090,200	103,345,640	42	68,650,300	66%
100	LIRA MC	41	363,829,500	84,238,857	22	55,300,000	66%
101	KALIRO	87	610,589,600	91,802,920	64	59,977,800	65%
102	KUMI	56	437,131,654	87,426,331	34	57,012,000	65%
			599,593,192	77,445,153			
	BUDAKA	84			46	50,229,500	65%
104	PADER	86	606,137,900	88,976,180	39	57,523,000	65%
105	JINJA	91	728,548,707	94,611,141	55	60,609,500	64%
106	MPIGI	64	550,151,000	70,870,200	20	45,694,000	64%
107	BULAMBULI	52	312,267,856	62,453,571	25	40,085,000	64%
		28	213,218,500	11,231,566	6		
	MUKONO MC					7,152,000	64%
109	AMURIA	124	586,804,304	117,360,861	67	73,410,004	63%
	BUHWEJU	92	476,569,400	109,380,680	45	68,304,800	62%
111	KWEEN	96	490,942,727	64,925,145	36	39,380,000	61%
112	MBARARA MC	29	227,876,100	43,385,320	10	26,508,800	61%
	IGANGA MC	36	267,157,500	28,214,000	17	17,310,000	61%
114	FORTPORTAL MC	26	158,204,570	5,741,960	4	3,476,000	61%
	BUSIA MC	23	155,727,069	34,842,061	7	20,967,700	60%
116	SERERE	124	801,892,064	124,753,613	67	73,768,064	59%
117	BUVUMA	57	440,551,980	88,110,396	20	51,827,321	59%
			159,101,700	33,888,771			
	RUKUNGIRI MC	25			14	19,805,000	58%
119	NAMUTUMBA	112	605,411,000	76,920,000	52	44,600,000	58%
	BUTALEJA	57	333,940,957	66,788,191	27	36,680,000	55%
_							
121	BUTAMBALA	37	289,126,978	57,825,396	20	31,242,000	54%
122	MUKONO	66	564,743,500	207,850,167	50	109,730,000	53%
			125,034,681	25,006,936			
123	MBALE MC	18			7	12,026,400	48%
124	NEBBI	141	734,003,429	244,667,810	89	117,091,000	48%
	MAYUGE	111	812,597,545	270,865,848	74	121,723,000	
							45%
126	LIRA	65	520,897,500	104,179,500	40	46,516,700	45%
127	КОВОКО	60	538,679,858	179,559,953	57	78,354,200	44%
			552,433,478	199,074,782			
120	BUSIA	63			40	86,000,000	43%
129	TORORO	104	838,623,993	305,313,998	97	125,879,180	41%
	KATAKWI	96	784,938,017	226,852,672	56	89,007,500	39%
131	PALLISA	119	921,650,570	116,549,114	34	42,180,000	36%
132	WAKISO	160	1,251,955,150	293,566,900	40	103,385,396	35%
			558,430,320	186,143,440			
100	ABIM	58			27	37,178,000	20%
134	TORORO MC	22	220,137,500	7,863,455	2	1,000,000	13%
							10/0
135	IBANDA MC	21	149,690,000	-	12	8,900,000	
136	KAGADI	29	271,361,800		4	2,260,000	
			237,893,000				
137	NANSANA MC	32			1	8,800,000	_
138	APAC MC	13	90,846,000				
139	BUGIRI MC	16	139,620,000				
140	KAKUMIRO	34	268,933,000				_
141	KAMULI MC	11	97,815,000				
142	KAPCHORWA MC	11	92,324,000				
							_
143	KIRA MC	25	236,085,000				
144	KISORO MC	15	130,360,000	-	-	-	
			152,362,000				
145	KITGUM MC	27					_
		28	212,912,500				
146	KOTIDO MC	20					
			124,935,000				
147	KUMI MC	16	124,935,000				
147			124,935,000 115,088,000	-	-	-	
147	KUMI MC LUGAZI MC	16	115,088,000	-	-	-	
147 148	KUMI MC LUGAZI MC MAKINDYE-	16 14		-	-	-	
147 148 149	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC	16 14 25	115,088,000 190,516,000	-	-	-	
147 148 149	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC	16 14	115,088,000 190,516,000 154,063,000	-	-	-	
147 148 149 150	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC	16 14 25 19	115,088,000 190,516,000	-	-	-	
147 148 149 150 151	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC NJERU MC	16 14 25 19 11	115,088,000           190,516,000           154,063,000           79,330,000	-	-	-	
147 148 149 150 151	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC	16 14 25 19	115,088,000 190,516,000 154,063,000 79,330,000 195,787,850	-	-	-	
147 148 149 150 151 152	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC NJERU MC RUBANDA	16 14 25 19 11 28	115,088,000           190,516,000           154,063,000           79,330,000	-	-	-	
147 148 149 150 151 152 153	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC NJERU MC RUBANDA SHEEMA MC	16 14 25 19 11	115,088,000 190,516,000 154,063,000 79,330,000 195,787,850	•	-	-	
147 148 149 150 151 152 153	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC NJERU MC RUBANDA	16 14 25 19 11 28	115,088,000 190,516,000 154,063,000 79,330,000 195,787,850		-	-	
147 148 149 150 151 152 153 154	KUMI MC LUGAZI MC MAKINDYE- SSABGABO MC MUBENDE MC NJERU MC RUBANDA SHEEMA MC KOBOKO MC	16 14 25 19 11 28	115,088,000 190,516,000 154,063,000 79,330,000 195,787,850	•			
147 148 149 150 151 152 153 154 155	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC NJERU MC RUBANDA SHEEMA MC KOBOKO MC MITYANA MC	16 14 25 19 11 28	115,088,000 190,516,000 154,063,000 79,330,000 195,787,850			-	
147 148 149 150 151 152 153 154 155	KUMI MC LUGAZI MC MAKINDYE- SSABGABO MC MUBENDE MC NJERU MC RUBANDA SHEEMA MC KOBOKO MC	16 14 25 19 11 28	115,088,000 190,516,000 154,063,000 79,330,000 195,787,850	• • • • • • • • • • •		•	
147 148 149 150 151 152 153 154 155 156	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC NJERU MC RUBANDA SHEEMA MC KOBOKO MC MITYANA MC NEBBI MC	16 14 25 19 11 28	115,088,000 190,516,000 154,063,000 79,330,000 195,787,850				
147 148 149 150 151 152 153 154 155 156	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC NJERU MC RUBANDA SHEEMA MC KOBOKO MC MITYANA MC	16 14 25 19 11 28	115,088,000 190,516,000 154,063,000 79,330,000 195,787,850	•			
147 148 149 150 151 152 153 154 155 156	KUMI MC LUGAZI MC MAKINDYE- SSABAGABO MC MUBENDE MC NJERU MC RUBANDA SHEEMA MC KOBOKO MC MITYANA MC NEBBI MC	16 14 25 19 11 28	115,088,000 190,516,000 154,063,000 79,330,000 195,787,850 74,125,000	- - - - - - - - - - - - - - - - - - -	-	-	

YLP wish to acknow	vledge the 105 g	groups who have	managed to
post 100% recovery	y of the funds a	dvanced to them	

SN	DISTRICT	SUBCOUNTY	PROJECT NAME	AMOUNT DISBURSED	AMOUNT RECOVERED	% RECOVERY
1	AMURIA	Kapelebyong	Amaseniko Youth Produce Buying and Selling	4,478,000	4,478,000	100
2	AMURU	Kilak	Gen Meri Agwayugi Bricks Laying Youth Project	4,350,000	4,350,000	100
3	BUHWEJU	Nyakishana	Kiramira Youth Tea Nursery Bed Project	2,365,000	2,365,000	100
4	BUHWEJU	Nyakishana	Rwakatugunda Youth Tea Nursery Bed Project	4,530,000	4,530,000	100
5	BUHWEJU	Nyakishana	Katare Youth Tea Nursery Project	4,470,000	4,470,000	100

SN	DISTRICT	SUBCOUNTY	PROJECT NAME	AMOUNT DISBURSED	AMOUNT RECOVERED	% RECOVERY
6	BUHWEJU	Bihanga	NyakishenyiGeneral Marchandise Youth project	3,533,000	3,533,000	100
7	BUHWEJU	Burere	RutojoYouth Tea Growers Project	3,172,000	3,172,000	100
8	BUHWEJU	Burere	Kikamba B Youth Tea Nursery Bed Project	3,622,000	3,622,000	100
9	BUKEDEA	Bukedea	Akello United Youth Produce Project	11,000,000	11,000,000	100
10	BUSHENYI	Central Division	Tank Hill Salon Youth Project	7,000,000	7,000,000	100
11	BUSHENYI	Ishaka Division	Bwegiragye Youth Poultry Project	6,000,000	6,000,000	100
12	BUSHENYI	Nyakabirizi Division	Igorora Brick Making Youth Project	2,400,000	2,425,000	101
13	BUSHENYI	Bitooma	Nyakishojwa Youth Goat trading Project	4,300,000	4,300,000	100
14	BUSHENYI	Bitooma	Kimuri Youth Goat Trading	2,210,000	2,210,000	100
15	BUSHENYI	Kyeizooba	Nyakiboreera Bull Fattening	5,320,000	5,329,000	100
16	BUSHENYI	Nyakabirizi	Muhire Produce Buying and Selling	4,500,000	4,500,000	100
17	DUQUENN	Kalasaka	Project Rwamukooto Piggery	0.000.000	0.047.500	4.04
18	BUSHENYI	Kyeizooba	Project Rwengwe Youth	3,000,000	3,017,500	101
10	BUSHENYI	Bitooma	Firewood Sellers Rwenjeru Central	2,200,000	2,200,000	100
20	BUSHENYI	Nyakabirizi	Bricklaying Project Kyabumbeire Pig	1,900,000	1,900,000	100
20	BUSHENYI	Central Division	Slaughtering Project	2,000,000	2,000,000	100
	BUSHENYI	Ibare	Nyaruka brick making Project	3,000,000	3,000,000	100
22	BUYENDE	Nkondo	Kiwaba agro Produce buyers & Sellers Youth Project	5,000,000	5,000,000	100
23	DOKOLO	Dokolo T/C	Akaidebe Prodce Buying and Selling Project	11,006,000	11,006,000	100
24	Gulu MC	Pece Division	Pawel Central PWD Youth Produce buying & Selling	6,780,000	6,780,000	100
25	IBANDA	Bisheshe	Rushaka 1 Youth Produce Project	7,000,000	7,000,000	100
26	IBANDA	Rushango T/C	Mugyengyezi I Goat Rearing Project	5,850,000	5,850,000	100
27	IBANDA	Kijongo	Kanyinya Youth Boda Boda Project	7,000,000	7,000,000	100
28	IBANDA	Bisheshe	Kigando Youth Brick Making Project	3,530,000	3,530,000	100
29	IBANDA	Kijongo	Rwenkobwa Youth Boda Boda Riders	7,000,000	7,000,000	100
30			Project Kaihiro I Youth Hulling			
01	IBANDA	Bisheshe	& Milling Machine Project	7,982,500	7,983,000	100
31	IBANDA	Bisheshe	Kigando Youth Brick Making Project	3,530,000	3,530,000	100
32	KABALE	Rubaya	Katabura Irish Potato growing Youth Project	5,358,000	5,358,000	100
33	KABAROLE	Rwiimi	Kakinga Youth Salon Project	2,740,000	3,000,000	109
34	KABAROLE	Kasenda Central	Kasenda C Youth Produce buying and Selling	4,520,956	4,520,956	100
35	KABAROLE	Busoro	Kirere Youth Poultry Project	5,458,500	5,458,500	100
36	KABERAMAIDO	Kobulubulu	Kirabet Youth Saloon Project	4,139,000	4,139,000	100
37	KAMULI	Namwendwa	Mission Youth Metal Fabricators	6,000,000	6,000,000	100
38	KAMULI	Nanwendwa	Bukagenha Youth Agro Produce Project	6,350,000	6,350,000	100
39	KAMULI	Balawoli	Busaamo Youth Poultry	5,000,000	5,000,000	100
40	KAMWENGE	Bihanga	Katebe Youth Produce buying & selling	8,000,000	8,000,000	100
41	KAMWENGE	Busiriba	Irubata Youth Produce buying & selling	7,100,000	7,103,500	100
42	KANUNGU	Nyanga	Nyanga Youth Piggery	5,725,000	5,725,000	100
43	KANUNGU	Kihihi T/C	Project Karama Youth Piggery Project	6,000,000	6,000,000	100
44	KAYUNGA	Kangulumira	Project Kayunga Youth	7,828,000	7,828,000	100
45			Poultry project Katikamu Youth			
	KAYUNGA	Kayunga	Coffee and Maize buying and selling Project	6,160,000	6,160,000	100

SN	DISTRICT	SUBCOUNTY	PROJECT NAME	AMOUNT DISBURSED	AMOUNT RECOVERED	% RECOVERY	SN	DISTRICT	SUBCOUNTY	PR
46	KAMUNCA	Kaunaa	Ntooke Youthy Motocycle auto spares	7 000 000	7 000 000	100	75	KYENJOJO	Kigaraale	Kig Bod
	KAYUNGA	Kayunga	Psrts Project and Mechanic	7,090,000	7,090,000	100	76	LUWERO	Makulubita	Kar Mot
47	KAYUNGA	Kayunga	Kayunga West Diary project	8,500,000	8,500,000	100	77	Lyantonde	Lyakajjura	Rw you
48	KAYUNGA	Nazigo	Nazigo H/Q Coffee Nursery Bed Youth	5,500,000	5,500,000	100	78	LYANTONDE	Kinuuka	Rw Fatt
49	KAYUNGA	Kangulumira	Project Bugiri Mbulakati Youth Motorcycle	7,828,000	7,828,000	100	79	LYANTONDE	Mpumudde	Bik Pro Sell
50			Enterprise Project Kitimbwa Town				80	LYANTONDE	Kinuuka	Kin bod
	KAYUNGA	Kitimbwa	Balugazi Tents & Chairs	5,700,000	5,700,000	100	81	LYANTONDE	Lyantonde T/C	Kal layii
51	KAYUNGA	Kayunga	Katikamu Youth Maize Growing Project	5,000,000	5,000,000	100	82	MARACHA	Oleba	Om You
52	KCCA	Kawempe	Makrere 3 Youth welding and Motor spare parts	9,150,000	9,425,500	103	83	MASINDI	Pakanyi	& S Kiha Grov
53	KCCA	Kawempe	Komamboga Youth Events management	11,960,000	12,350,000	103	84	MITOOMA	Rurehe	Rw Trai
54	KIBAALE	Buyanja	group Kisaalizi Piggery	5,467,000	5,467,000	100	85	MOROTO	Nadunget	Lop Ban
55			Youth Project Kindeke Lwomuliro				86	NAKAPIRIPIRIT	Chekwii	Nan East
	KIBOGA	Kapeka	Mpola Mpola Youth Bull Fattening Group	5,400,000	5,400,000	100	87			Mill Lob
56	KIRUHURA	Nyakashashara	Tukwatanise Youth Goat Rearing Group	13,000,000	13,000,000	100		NAPAK	Ngoleriet	Torr Ban
57	KIRUHURA	Kazo T/C	Nkungu Youth Tukore Bull Fattening	12,153,000	12,153,000	100	88	NEBBI	Jukia	Jub Buyi
58	KIRUHURA	Kanoni	Kanoni Boda Boda Riders Assoc.	10,800,000	10,800,000	100	89	NTOROKO	Nombe	Kito Bod
59	KIRUHURA	Nkungu	Kataraza Youth Bull Fattening Group	10,614,000	10,614,000	100	90 91	NWOYA	Koch Goma	Ger Wa
60	KISORO	Nyarusiza	Nyagihenge Youth Produce Marketing	5,000,000	5,000,000	100	91	NWOYA NWOYA	Purongo Koch Goma	Grai
61			Project Nyakabande Youth				93			Pigg Nye
	KISORO	Nyakabande	Food producers and Marketing project	5,630,000	5,630,000	100	94	NWOYA	Purongo	Grou Pav
62	KISORO	Kisoro T/C	Nyagashingye Brick Making Youth Project	4,500,000	4,500,000	100		NWOYA	Purongo	Lakv Tailo
63	KISORO	Nyambuye	Gapfurizo United Piggery Project	4,000,000	4,000,000	100	95	NWOYA	Purongo	Rib Corr
64	KISORO	Chahi	Buhinga Youth Irish potato Growers Project	4,450,000	4,450,000	100	96			buyi Alel
65	KISORO	Busanza	Gikoro Produce Buying & Selling Youth Project	3,500,000	3,500,000	100	97	OYAM	Aleka	Proc Selli
66	KISORO	Nyarusiza	Nzongera Produce Youth Project	5,000,000	5,000,000	100	97	RUBIRIZI	Kyabakara	Nya Proc Selli
67	KITGUM	Labongo	Pajimo East Youth Livestock Buying &	7,235,000	7,235,000	100	98	RUKUNGIRI	Buhunga	Kig
68		Akwang	Selling Group Kagalama Bull	0.000.000	0.000.000	100	99	SHEEMA	Bugongi T/C	Kya You
69	KYANKWAZI KYEGEGWA	Butemba TC	Fattening Project Iringa Youth Agro	8,600,000	8,600,000	100	100	SHEEMA	Bugongi T/C	Bug
70		Mpara	Inputs Project Nyaburungi Youth		7,000,000	100	101	SSEMBABULE	Rugushuuru	Kita You
71	KYEGEGWA KYEGEGWA	Kyegegwa Rwontuba	Goats Rearing Project Ruhangire Youth Bull	7,150,000	7,150,000	100	102			Proj Chi
72	KYEGEGWA	Rwentuha	Fattening Project Mirembe Youth	6,900,000	10,000,000	100	103	YUMBE	Yumbe T/C	worl Log
73		Ruyonza	Tailoring Project Kajumbura Youth	8,000,000		100		ZOMBO	Kango	Buyi Proj
74	KYEGEGWA KYENJOJO	Ruyonza	Diary Project Kyongo Youth Boda	3,500,000	8,000,000	100	104	ZOMBO	Paidha T/C	Cor Bric
75		Katooke	boda Youth Project Kakindo Youth Boda		3,500,000		105	ZOMBO	Paidha T/C	Aru Proj
	KYENJOJO	Nyankwanzi	boda Project	3,700,000	3,700,000	100				1. 10]

SN	DISTRICT	SUBCOUNTY	PROJECT NAME	AMOUNT DISBURSED	AMOUNT RECOVERED	% RECOVERY
75	KYENJOJO	Kigaraale	Kigaraale Youth Boda Boda Project	6,800,000	6,800,000	100
76	LUWERO	Makulubita	Kanyanda Youth Motorcycle Project	11,010,000	11,720,000	106
77	Lyantonde	Lyakajjura	Rwera bull fattening youth Project	4,000,000	4,100,000	103
78	LYANTONDE	Kinuuka	Rweera Youth Bull Fattening Project	5,125,000	5,125,000	100
79	LYANTONDE	Mpumudde	Bikokora A Youth Produce Buying & Selling Project.	5,000,000	5,000,000	100
80	LYANTONDE	Kinuuka	Kinuuka Youth Boda boda Project	5,000,000	5,000,000	100
81	LYANTONDE	Lyantonde T/C	Kalilo A Youth Brick laying Project	3,491,000	3,491,000	100
82	MARACHA	Oleba	Ombokoro Malaba Youth Produce Buying & Selling Project	6,982,000	7,189,000	103
83	MASINDI	Pakanyi	Kihaguzi Maize Growing Youth Project	8,000,000	8,000,000	100
84	MITOOMA	Rurehe	Rwanha Youth Transporters Project	7,250,000	7,250,000	100
85	MOROTO	Nadunget	Lopur Traders Cereal Banker sYouth Group	10,000,000	10,000,000	100
86	NAKAPIRIPIRIT	Chekwii	Namalu Trading Centre East Youth Grinding Mill Project	11,000,000	11,000,000	100
87	NAPAK	Ngoleriet	Loburi Apaese Tomorete Youth Cereal Banking	7,370,000	7,370,000	100
88	NEBBI	Jukia	Juba Youth Produce Buying & Selling	3,650,000	3,650,000	100
89	NTOROKO	Nombe	Kitoma II Youth Boda Boda Project	7,400,000	7,400,000	100
90	NWOYA	Koch Goma	Gen Tici Youth Group	5,360,000	5,360,000	100
91	NWOYA	Purongo	Waribu Cinga Youth Grain Milling Project	7,946,000	7,946,000	100
92	NWOYA	Koch Goma	Dii Cwinyi Youth Piggery Project	5,690,000	5,690,000	100
93	NWOYA	Purongo	Nyeko Pekonyi Youth Group	8,916,000	8,916,000	100
94	NWOYA	Purongo	Pawatomero Central Lakwat Maber Youth Tailoring Project	7,850,000	7,850,000	100
95	NWOYA	Purongo	Ribbe Aye Teko Youth Community Produce buying& selling	7,946,000	7,946,000	100
96	OYAM	Aleka	Aleka Trading Centre Produce Buying and Selling	6,760,000	6,760,000	100
97	RUBIRIZI	Kyabakara	Nyabubare Youth Produce Buying and Selling Project	3,600,000	3,600,000	100
98	RUKUNGIRI	Buhunga	Kigango youth General Produce Stores	7,350,000	7,350,000	100
99	SHEEMA	Bugongi T/C	Kyamurari Boda Boda Youth Project	7,176,000	7,176,000	100
100	SHEEMA	Bugongi T/C	Bugongi Youth Boda Boda Project	7,148,000	7,148,000	100
101	SSEMBABULE	Rugushuuru	Kitahira Kyirumu Youth Bull Fattening Project	7,500,000	7,500,000	100
102	YUMBE	Yumbe T/C	Chinia Youth Metal world Project	8,280,000	8,280,000	100
103	ZOMBO	Kango	Logo Youth Produce Buying and Selling Project	7,670,000	7,670,000	100
104	ZOMBO	Paidha T/C	Coramara Youth Brick-laying Project	4,000,000	4,000,000	100
105	ZOMBO	Paidha T/C	Arutha Youth Piggery Project	6,600,000	6,600,000	100

#### **SUCCESS STORIES**



Members of Ayito Ox-traction youth project with the bull procured with support from YLP

#### Ayito Ox-traction youth project, Dokolo District

At Ayito Ox-traction youth project in Dokolo district in the Northern part of Uganda, one cannot help but feel an atmosphere of renewed hope among the 12 beneficiaries [8 male and 4 female] of this project that has been funded under YLP.

Just two years ago, all these 12 young men and women were jobless. Most of them had dropped out of school due to several reasons. With the establishment of the Youth Livelihood programme theirs is now a story of transformed lives.

According to Oluk, the group chairperson, they were able to obtain a loan of UGX. 12 Million from YLP which they used to buy 6 pairs of oxen. These Oxen are now being used to plough their own gardens on a larger scale compared to when they were not under YLP.

In addition, they also plough other people's gardens within the community for a fee

of between UGX. 25,000 and 30,000 per acre. This has enabled them to move from earning no income to up to 700,000 per month.

According to the group members, they intend to use part of the income earned to purchase land and expand production. To others, they intend to diversify into other businesses such as produce buying and selling so as to increase on their incomes.

This story is just one of the many of how YLP is transforming hitherto unemployed youth, who used to roam around the town and villages of Dokolo into gainfully employed, empowered and self-sustaining youth.

#### Nyakakoni Youth Tea shamba hiring project

Located in the beautiful hills and valleys of Bushenyi is Nyakakoni Youth Tea shamba hiring project. The group comprises of 10 members of whom are 4 female and 6 male and received UGX. 10,000,000 under YLP.

Before they benefitted from the programme, members of this group used to work on other people's plantations earning pea nuts but now, they hire plantations and pick their own tea which they sell to earn members an income. The group used UGX. 8,000,000 to hire 5 acres of the plantation and UGX. 2,000,000 to buy fertilizers and herbicides.

From their plantation, they pick about 2000kg per harvest which they at UGX.470 per kilogram. The group harvests twice in a month thus earning an average income of UGX. 700,000 per Month.

To ensure equal distribution of resources, each member earns a salary from the project.

The balance is paid back as a revolving fund or ploughed back in the business.

The group also employs other members of the community whom they pay allowances of Shillings 120 per Kg they pick so that they are able to pick more.

To ensure sustainability of the project, the members have started a savings scheme where they give each other soft loans; they also gave each member at least 2 pigs, which they hope will increase to 6 pigs per member by end of May. One of the members is into bricklaying as a side business with proceeds from the projects and he is employing 3 more people who are not part of the groups.

The group is hopes to earn over UGX. 18,000,000 from this business which they hope will enable them buy their own plantations and stop hiring.

#### Buseta 1 Youth Carpentry and Joinery project

Buseta 1 Youth Carpentry and Joinery project is one of the many projects that have benefited under the Skills Development component of YLP. The Chairperson for this project Mr. Kapule says that when they applied for the loan, they did not have any experience in carpentry but through YLP, they have been trained in carpentry and joinery and now are experts at their work. From this experience, 3 of their members have set up their own workshops which has provided them employment and to other members of the community.

Buseta 1 Youth Carpentry and Joinery project is composed of 10 members [7 Male and 3 Female]. These received funding in May 2015



which they used to acquire a welding machine for metal fabrication, a rice hauler and a maize milling machine to diversify their incomes. In addition, they also procured 3 carpentry machines including Plainer, reaping machine and molding machine, a Tool Box for Joinery and made connection for a phase 1 power supply.

From the proceeds of the project, the group has been able grow their capital base to about UGX. 30,000,000. In addition, they have provided employment opportunities for other members of the community.

According to the group, they earn about UGX. 150,000 per day from the supply of their materials. The group has future plans for their project such as Build Better structures to accommodate their machines and also buy Land and stop renting for their project.

They also want to ensure that each member has his own workshop from their mother workshop. They also want to buy a car to transport their inputs so as to cut costs.

#### **IMPLEMENTATION CHALLENGES**

Despite the successes, YLP has encountered a number of challenges over the years. The Ministry has also developed a number of mitigation measures to address these challenges as highlighted in the table below;

CHALLENGES	MITIGATION Measures
<ol> <li>Overwhelming demand for support across all districts amidst budgetary constraints.</li> </ol>	<ul> <li>Continuous sensitization of the</li> <li>Timely communication of the annual indicative planning figures to the Districts and municipalities.</li> </ul>
2. Low technical capacity in some Local Governments (understaffing, slow action)	<ul> <li>Rationalization of deployment of the existing staff at the Local Gov'ts</li> <li>Regular implementation support to the Local Governments by YLP-Technical Support Team in the MGLSD</li> <li>Recruitment of critical staff in the LGS (ongoing)</li> </ul>

CH	ALLENGES	MITIGATION MEASURES
3.	Deliberate violation of Guidelines by some stakeholders	<ul> <li>Involvement of Accountability Agencies and Enforcement Agencies</li> <li>Invoking sanction</li> <li>Administrative and legal action</li> </ul>
4.	Misinformation/ Negative campaign by saboteurs (including some political leaders at the district and the national level)	<ul> <li>Continuous advocacy/ sensitization campaigns</li> </ul>
5.	Inadequate funds to strengthen support systems at the LG level (for timely follow-up, trainings, mentoring, coaching etc)	<ul> <li>Collaboration with relevant programmes</li> <li>Strengthening coordination at national/LG levels to ensure efficient in resource utilization</li> </ul>
6.	Internal conflicts in some groups	<ul> <li>Continuous sensitization/ training in group dynamics</li> <li>Supporting the development of group bye-laws</li> </ul>
7.	Natural Calamities (droughts, disease outbreaks, floods). <i>Over 40%</i> of the enterprises are in primary production in the Agriculture Sector which is very prone to natural hazards.	<ul> <li>Rescheduling of repayments</li> <li>Refinancing affected projects</li> </ul>
8.	Poor attitude of some youth: Some youth lack positive work ethics, leading to abandonment of some good projects mid-way the implementation period.	<ul> <li>Continuous sensitization and advocacy campaigns in collaboration wit relevant agencie</li> </ul>

- The implementation of YLP has rolled out to all corners of the Country and the level of public awareness and scrutiny of the Programme is growing by the day leading to improved compliance to Programme guidelines and benchmarks.
- ii) The focus of the Programme is now on strengthening technical support and supervision of implementers/beneficiaries at the community level. as well as documenting the achievements, challenges, lessons and good practices to inform future actions.
- iii) With the increasing commitment and deeper understanding among the key stakeholders, the Programme is surely building in significant progress made so far towards meeting its intended objectives.



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**BUY UGANDA BUILD UGANDA** 



Red





Star



### K-Roma Bella wines', a brick on Uganda's economy

or encouraging creativity in value addition to local products, Buy Uganda Build Uganda will be assistive to the Ugandan manufacturer. Some local manufacturers have invested much effort and now deliver competitive products to the local and international markets. "With wine the importation of foreign-made brands is unnecessary since the Ugandan Bella brands are competitive in Europe, on the Italian and French markets," Ukkonika Prudence asserts.

Ukkonika is the founder-proprietor of K-Roma Ltd, Ugandan manufacturers of organic wines, juices and hibiscus tea. As her production increases, she gets her inputs from organic fruits farmers / producers in Mityana, Mbale, Kanungu and Kasese.

Earlier in the business, she would procure the ingredients from Nogamu Organic Shop in Kabalagala, a one-stop selling centre for fruits, vegetables and processed products like honey and shea butter.

The demand-responsive K-Roma produces white wine from pineapples and has taken advantage of the medicinal

properties abounding in the 'marakwang' plant flower/hibiscus, to produce a therapeutic wine that is assistive in controlling hypertension and diabetes.

At one time when she pitched a tent to display her products, at a Catholic mass wedding function, she offered a bottle of wine to each couple. In gratitude, the Bishop challenged K-Roma to produce an altar wine, and now K-Roma produces an ideal dry wine from a combination of mango and tangerine. The other dry wine variety is derived from 'tree-tomato', called 'binyaanya' by in Luganda.

Besides creating direct employment for 35 individuals, fruits farmers are direct beneficiaries as the purchases are by the ton, "I am not doing this for myself, i am building Uganda's economy. There is nothing to sway me from nation building given the passion I started with," Ukkonika stresses.

The K-Roma investment multiplier effect involves enhanced income for farm labourers, casual workers, business promoters and the Rwandan nationals' employment in Rwanda where the Company has an operation; Rwandan employment policy does not allow labour importation.

The proprietor is the only woman to be recognized with the 'best woman manufacturer' award, considering that only in the year 2000; she started wine production with a kitchen budget in a kitchen using basic household utensils and plastic containers.

#### **Regional market**

Uganda Export Promotion Board and a Dutch organization have assisted K-Roma Ltd to spread its wings into the eastern African market. They recognized its capacity to export wine and introduced it to Tanzania, Kenya, Rwanda and Burundi markets. In Rwanda, the laws and regulations are challenging, "Bella products attract tax to the tune of 70 per cent," Ukkonika says and notwithstanding her representations with the Ministry of Trade and Revenue Authority, the authorities have stuck to the letter of the law. Even the wine meant for expos in Rwanda are heavily taxed, notwithstanding that it is for sampling rather than selling.



Ms. Ukkonika Prudence receives a certificate of recognition, for her exemplary investment in processing Ugandan fruits, from Hon Amelia Kyambadde, minister for trade.



President Yoweri Museveni admires a variety of Bella Wines.

#### Industrialization

"I hear a lot of the ideal to industrialise Uganda by the year 2040. I started manufacturing from my kitchen and now K-Roma products are something of household name in East Africa and are available even in Italy. Notwithstanding the ongoing 'industrialization' talk, the manufacturer needs to be assisted to grow their ideas," Ukkonika observes.

She says K-Roma would have increased production, hence more employment and better means of building Uganda. However, had it not been with the insight of Uganda Export Promotion Board, the penetration of the Eastern African market would have been difficult; the Ministry for Trade, Industry and Cooperatives needs to be more visible as an enabler to an enterprising private sector in building the nation.

Further illustrating her point, the K-Roma proprietor says even after applying for a plot of land in the Namanve industrial park, and having been certified as a deserving applicant and given an allocation, it was given away to a moneyed individual.

Prudence laments that the land market price would cripple the Company that needs upwards of UShs2bn to procure the equipment necessary for expanding the business, "While some individuals benefit from the various government grants facilitating the setting up of various plants, all I have got are promises."

#### **Regional agreements**

Taking issue with the Common Market for Eastern and Southern Africa (COMESA), Ukkonika says the trade regulations are insensitive and unappreciative of the innovation efforts like K-Roma's organic Bella wine production that is for the good of people's health.

It is high time Uganda went the Rwanda way with high taxation to keep other countries products from the market.

#### **How K-Roma started**

Ukkonika started making wine in the year 2000 and registered K-Roma in2004. Before her, her father like other real village household heads of the 1950s brewed a local wine for free communal consumption.

But being a shrewd man, he started a bar and would buy from others, transporting the brew in guards on a bicycle to sell from his bar. By the time Ukkonika was born, the dad was an established bar operator. He gradually built his business, acquired a motorcycle, and then a Land Rover to carry his wares in drums and by the mid 1960s, had a license to distill 'enguuli' that East Africa Distilleries processed into Uganda

#### Waragi.

To Ukkonika who was working with the Ministry for Finance, Planning and Economic Development, the idea of making wine stemmed from a graduation party at a minister's home in Kampala. Her son, a first - year university student, had served Kigezi traditional wine alongside the Italian and French brands and noted that the guests enjoyed the local one better.

After a discussion with his mother, connections were made with people in Kigezi and shortly the young man was vending wine after lectures assisted by the mother with the market at the ministry and elsewhere through her friends.

During one holiday, as he lined for a visa to Britain, he collapsed and died. Ukkonika was devastated. A devout Christian, she prayed, trusted God and recalling that the deceased had said he saw 'a future in the wine business,' she composed herself, figured out the way forward and moved on.

She then decided making wine on her own, but to protect the consumers' health, she formally got instruction in wine-making, took a course in Business Management and started production with five litres, three of which she gave away. Two months later, she tasted the product and discovered it was good, a realization that she was on course. Continuing with the production, trusted people tasted and criticised the wine, hence constant improvement. Selling in jerrycans and eventually plastic bottles with labels were made on Nasser Road in Kampala and stuck to the bottles with ordinary glue; the orders for the wine continued coming.

She did more research, invested more cash and with expert advice, she decided on a bottle to adopt and started bottling, delivering the test supermarket three-bottle batch to Millennium Supermarket that was sold in three months.

However, she soon realized that the bottles were popping and took the supermarket Manager's advice that she improves on her methods; the organic wine was taking rather long to mature. After six months and then after one year, the bottles still popped from the shelves; it only stabilized at two years and hence it is bottled after two years.

#### Wine tasting

K-Roma, alongside the other wine producers has an association that organizes a wine tasting event once every December. And whereas some competitors have poached a few of her employees, the time, study and monetary investment Ukkonika has dedicated to K-Roma has ensured she remains on top of the competition.





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Following the opening of the retailer's first store in Uganda in 2000, Shoprite has over the years worked tirelessly to grow its offering of local products and has kept to its promise of lower prices always. Today 87% of the goods sold in its two supermarkets are locally sourced, highlighting Shoprite's commitment to the growth of the Ugandan economy.

Local suppliers are subjected to the same stringent quality standards and demanding targets expected of Shoprite's international suppliers.

Entrepreneurs and small businesses are encouraged to work with Shoprite in its bid to bring proudly Ugandan products to households across the country.



### Re-defining a Coffee culture in Uganda; Star Café Ltd.

S tar Cafe Ltd was incorporated in Uganda to create a solution to the 1990s coffee crisis, under Kampala Domestic Stores. The company added value to the green coffee business through Roasting, blending and packaging of Ugandan coffee. The brand has grown with constant innovation and transforming the coffee experience to local and international consumers.

With their vision; Being the leader in roasting and blending of Ugandan Coffee worldwide, Star Cafe Ltd has developed a brand range that aligns to International Coffee standards. In effort to delivering the coffee experience locally, the company prides its services in several partnerships, delivering both the processed product as well as final beverage in the streets, companies, offices as well as events. Star Cafe Ltd is currently the only national coffee brand producing Ugandan Instant Coffee, as well as other innovative roasted and ground brands for both local and international consumption. The brand prides itself on immense services that have greatly shaped the coffee experience locally;

**Events servicing;** Fellowships, Launches, Weddings, Corporate & Government event, School events, National celebrations, etc. At an affordable customised rate, Star ensures your guests enjoy every sip of over 10 hot beverage solutions.

**Vending Services solution;** A complete Office solution that has redefined traditional methods. The vending machine speaks affordability, cost effectiveness and employee

satisfaction.

**Barista Training;** Star conducts an annual barista training programme as a way of giving back to the community and recreating a coffee culture.

**Farmers Partnership program (CSR);** Partnership with downstream farmers by empowering alternate local income generation projects, the largest farmer organization partner being Kabeywa Cooperative Society in Kapchorwa.





#### KAKIRA SUGAR LIMITED

Growing with Uganda

Kakira stays ahead with sustainable development and greener production



Addra Sugar Limited (KSL) is the oldest. and largest sugar milling factory in Uganda and the flagship concern of the Madhvani Group. The company was first established in 1930 but suffered during the 1972 Ugandan political upheaval until 1985, when a new government enabled the Madhvani family to repossess a dilapidated factory.

The new company established a new factory and rehabilitated the sugar cane plantation and support infrastructure. KSL has been expanded in phases from production of 20,000 tonnes in 1994 to the present capacity of 180,000 tonnes that includes an electricity generation plant and ethanol production. Sugarcane is supplied from a 13,000 hectare nucleus and satellite estates and from over 8,000 outgrower farmers who grow care on 35,000 hectares of their own and.

KELh sustainable development initiatives holusie an effective organisational structure; of over 7,000 enciorment Deople development of 9,000 outgrower terment; Implementation of Internetional alandardic; velue additor; educating 4,200 employee children on 18 estate owned echools; energy corearvebon; protections providing a 100-bed hospital with embulance service and require donations to dvil accepts. The Mediment Foundation offers echoleratipe In eacese of Liganda shiftings 700 million emusity to over 150 needy but bright university situtienta.

Kakira Outgrowers Rural Development Fund (KORD) is a joint venture between outgrower farmers and KSL dedicated to improving the quality of life in a 35 km radius through sustainable activities of physical infrastructure development; economic, educational and psycho-social support to over 1,000 orphaned and vulnerable children; improving education and health facilities; environmental protection initiatives, etc. KORD has won several awards from DFID, NEPAD and various national agencies as the best community development initiative in Africa.

At Kakira we pride ourselves on our sustainable development initiatives and our care for our people and our environment. The jewel in our environment crown is definitely our "green" electricity cogeneration facility, which runs purely on bagasse, the cane fibre residue from the sugar production process. It is the largest cogeneration facility in Africa.

The bagasse is burnt in large high pressure bollers and the heat is used to boil water and make high pressure steam. The high pressure steam is then used to drive turbines in order to make electricity. The steam losse come of its pressure, but in reclected into the augur factory thereafter and reused as a heat acuroin the sugar making process. Kakits has an installed outpactly of 51 MW of electricity to the neitonal grid.

Electricity produced from begneee le oiem. energy. aren i The is because bagasee 4 mnesable. 00000 prociupi. because is burnt. the product can be safely returned into the environment. In this case, we use the ash as fertiliser in our cane fields.

This year Kakira commissioned a disiliery with a capacity of 2.000 cubic metres of bio-fuel ethanol or extra neutral alcohol. The distillery uses the 74,000 tonnes of molasses generated by the sugar factory and through its operations also produces electricity, biogas and fertiliser. The Kakira Ethanol Plant is one of the largest in the region and carries on our tradition of environmental conservation through renewable energies.

Kakira Sugar Limited is ISO 9001, ISO 14001 and OHSAS 18001 certified, as a guarantee of quality management, environmental management and occupational health and safety excellence.

is Nothing 0

URA

# URA offers customised taxpayer education



Doris Akol URA Commissioner General

Il Buy Uganda Build Uganda (BUBU) policy stakeholders; the government ministries, departments and agencies are duty-bound to support this policy's implementation, especially through their policies.

Among the frontline agencies is Uganda Revenue Authority (URA). According to lan Rumanyika, the manager for public and corporate affairs at the Authority, BUBU has been fully catered for in the new policy changes for Financial Year 2017/2018 to enable the local businesses thrive.

Locally manufactured furniture and sugar confectionaries such as sweets, chocolates and chewing gum have been exempted from excise duty starting July 1, this year. "The policy changes are intended to support local industries. BUBU policy is one of the initiatives that informed the policy changes," Rumanyika says.

This is URA's way of supporting local businesses' participation in the BUBU initiative whilst some Ugandans attribute their inability to make decent money to the 'taxman'; Gerald Mugasho, a local trader, says it is hard to pay URA taxes and make profits, while Ms Anna Nabirye, says she is reluctant to take her bakery business out of her home for the same reason whereas Francis Kugonza is content with running his construction enterprise informally on account of the same fears.

"The money you spend opening up the company, the taxes you have to pay in turn are very discouraging; so, I have been enjoying my clean money, no bank accounts, no business records," Kugonza blurts.

However, individuals like Kugonza need to tap into and exploit the BUBU policy. The Ministry of Trade expects Micro, Small and Medium Enterprises (SMEs) to meet the minimum requirements, including a tax identification number if their products are to be approved for public consumption. Numerous businesspeople, the producers and suppliers of goods and services fall short of such requirements and are trapped in the informal sector.

In an ideal world, individuals whose income is derived from business, employment or property must pay tax to government to finance the national social and economic plans inclusive of the development and maintenance of infrastructure in the territories from which they operate.

One experts notes that tax compliance is low because enterprises, especially the budding ones, are fearful of the 'taxman,' while others are simply ignorant of their tax obligations.

He says whereas Uganda Revenue Authority has accelerated its services delivery, the talk on taxation has largely been in the formal sector yet it needs to include the universities and business incubators that help new companies to develop.

Further, URA has to wrestle with unethical staffs who exploit the SMEs proprietors' weaknesses including financial illiteracy and poor book keeping, to solicit bribes.

In relation to the allegations of unfavourable tax payments for businesses, Ms Milly Nalukwago, URA assistant commissioner for research, planning and development, says startups rarely pay tax unless above the threshold. It is rare that they have profit but we advise them on declaring their profit." URA has hence devised a grading system that allows businesses to pay tax on the basis of their turnover.

#### Interventions

In light of policy changes, URA is carrying out customised and sectorbased taxpayer education specifically for SMEs in the language and tone they understand. According to the feedback from SMEs, URA needs to operate more from their office desks hence Tax Katale and Block management door - to - door sensitisation.

URA is also aware of the need for management change, which should

help it to move along with the tax payer through consultations and awareness to reduce resistance to payment of taxes.

#### **Opportunities in BUBU**

For experts, the policy offers various opportunities, for instance, in the technology sector to build solutions for small businesses and local financial institutions.

"I believe that to realise these opportunities, one needs to think like the market, and get out of the shell to talk to the people beyond the selling of products to them," one expert argues while Nalukwago advises SMEs against resisting their tax obligations so that they can conduct transactions freely and expand their market and avoid shrewd tax brokers.

Uganda Revenue Authority, through the Ministry of Finance, has in place several mechanisms to support BUBU and URA continues to sensitise SMEs on the policy changes that favour them. Mr Rumanyika advises that businesses need to be alert for some of these changes and have the opportunities exploited.



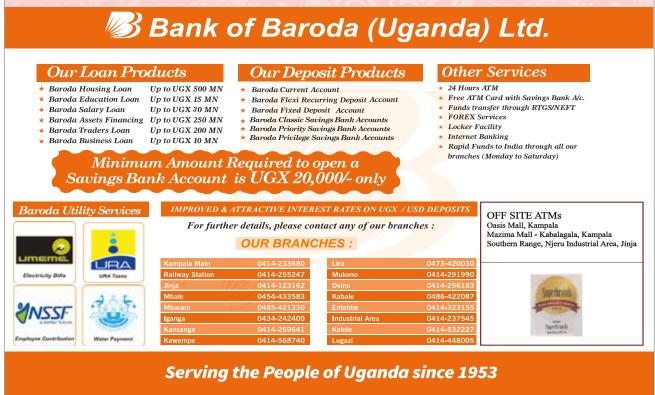
Most small enterprises do not register their businesses, evade their tax obligations.

"If they favour a certain sector, a shrewd businessperson should probably change and refocus their sights to avoid undertakings that have fewer incentives," he says.

Nalukwago says as the potential businesspeople plan for their enterprises, they need to enlighten themselves about their tax obligations so as to plan for those taxes too.

Failure to comply with tax obligations attracts punitive measures with interest rates of two per cent per month for income tax and compound interest of two per cent for Value Added Tax, whereas compliance gives SMEs opportunities to compete favourably with any business.

This widens opportunities to trade and do business with government and big businesses that demand a tax clearance certificate which you only get when tax compliant, more so as the government has introduced many incentives for SMEs through exemptions which can only be exploited if one is tax compliant.



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**USSIA** 

## Uganda Small Scale Industries Association



NAMWANJE VERONICA Ag. Executive Director USSIA

Normally referred to by the acronym MSMEs, the Micro, Small and Medium entreprises are organized under the aegis of Uganda Small Scale Industries Association (USSIA), a business organisation that has been in service since 1979. USSIA is an avenue for facilitating its members' access to entrepreneurial development services from all the relevant government agencies at the lowest cost possible, considering that much of Uganda's manufacturing is only fledgling.

Ms Veronica Namwanje, USSIA Ag. Executive Director, explains that 'Micro' enterprises are usually family businesses employing one to four people and account for 50 per cent of the USSIA membership. The 'Small' category are those employing four to ten individuals and tend to grow into 'Medium' enterprises, and when these upgrade their capacity, they are eligible for Uganda Manufacturers Association (UMA) membership application.

The association has an active membership of 4,500 enterprises across the country and operates through seven regional offices; Arua, Gulu, Masindi and Hoima, Fort Portal, Mbarara. In eastern Uganda, it is established in Jinja and Mbale; and is in the process of taking services to Karamoja under an existing expansion programme.

#### **USSIA** mandate

USSIA's roles start with assisting the informal entreprises to formalize and hence register their services through the relevant government registration agencies. The major stakeholders are the Uganda Services Registration Bureau, Uganda Revenue Authority, Uganda Investment Authority, and Uganda National Bureau of Standards.

It also educates the members on the types of taxes they would be required to pay. Operating under the Ministry of Trade, Industry and Cooperatives, USSIA also undertakes a lot of advocacy with the government.

Namwanje elaborates that USSIA has, "A lot to do with products certification and standardization in collaboration with Uganda National Bureau of Standards (UNBS). It also assists its members to build their capacity and we do a lot of advocacy with government."

USSIA members' enterprises are in a number of sectors: the handicrafts, food and beverages processing inclusive of dairy; honey production, cereals processing and bakeries and then wood works and carpentry, leather works, chemicals and pharmaceuticals/the herbals. Others are metal fabrications, electrical and electronics, ceramics and pottery, textiles and garments, mechanics and technical works, printing and graphics, and information and communications technology—an evolving innovative sector.

Enterprises pay a membership fee of USh 120,000 to 300,000 annually, depending on their category. Their association facilitates training through an enterprise-based technical skills development, vocational qualifications programme, cottage industry

training and business management administration training.

Those members that need upgrading and adopting new ideas benefit from upgrade training and with USSIA's collaboration with the Directorate of Industrial Training, those that need certification get it; like the individuals endowed with a productive skill that have informally performed without formal education.

The association offers consultancy and advice; tax and accountancy consultancy weekly on Tuesdays, legal services aid on Wednesdays and human resource management on Thursdays. Much product standardization is undertaken, leading to the members' products certification while the annual trade fair is an event for capacity building for products and market development.

USSIA members, the electricians or plumbers' specializing in machines servicing and repairs are engaged by UMA members to put right their electricity or plumbing malfunctions, which is what UMA and USSIA collaboration is all about. Both institutions subscribe to the Private Sector Foundation Uganda.

#### BUBU

Welcoming the Buy Uganda Build Uganda (BUBU) drive, Namwanje says because USSIA is largely composed of manufacturers, and they need to sell their products, "BUBU is interesting to many manufacturers on account of the prospects for accessing their respective markets; it would at the same time expand the employment opportunities."

However, the entrepreneurs are impacted by the COMESA agreements in respect of the imports of processed goods that Ugandans also produce, whereas the competition is better packaged, they have better established brands and in most cases their products are cheaper.

Namwanje opines: "BUBU should prompt a standards shift in many enterprises, possibly starting with capacity building to ensure the production of quality, competitive, properly packaged and branded products. Whereas much needs to be done to attain quality competitiveness at the MSMEs' level, hence the enlisting of



Makerere Food and Science Technology support."

USSIA needs to ensure that its manufacturer membership gets the best training to appreciate the value of quality production, and properly packaged standard products that will have a decent shelf life.

USSIA has hence enlisted Uganda Industrial Research Institute and Makerere Food and Science Technology to take care of quality issues along with UNBS. Further, its different sectors interact with UNBS personnel for advice on the kind of quality they should have and by which means it should be attained and maintained.

Packaging and branding is an issue as most of the packaging is imported from Kenya, attracting a choking excise duty that is higher than the overall cost of production, ridiculously raising the cost of the products.

Namwanje thus urges the authorities to, "Intervene and give a waiver on packaging materials or facilitate by motivating packaging materials' firms to set up shop in Uganda; glass vessels are critically important in foodstuff packaging, without which the Ugandan products displayed on supermarkets shelves become contaminated."

#### Supermarkets shelf space

Whereas BUBU policy provides for a reservation of 50 per cent supermarkets shelf space for local products, they tend to overstay and when they are bought, the managements retain the proceeds for unreasonably long time to the detriment of

sustained production.

"We have interfaced with the supermarkets managers on this matter that is discouraging the producers to work with them, while the manufacturers have increasingly turned to grocery outlets where the stocks move faster and so does the payments," Namwanje explains.

#### **Regional trade**

"I believe that every government should look after the welfare of their own people; this calls for limits to the products allowed into the country in the case of the imports of goods that Ugandans also produce. We have had USSIA members exporting pineapples and eggs to Kenya where the Kenyan produce is not as palatable, but the Ugandan pineapples were banned because the Kenyan farmers protested against our produce. Our farmers need to have incentives like rewarding the excelling MSMEs and enabling them to compete with the imports whilst the imports in those sectors are restricted," she argues.

#### **Quality maintenance**

To maintain the USSIA members' products standards, products certification is necessary, either with the S or Q mark through UNBS, hence the network meetings through which the standards body gives relevant advice to the new entrants into the manufacturing.

Arguing that UNBS has follow-up limitations due to a shortage of manpower and resources, Namwanje stresses that the onus of keeping the quality is on the manufacturer, the ultimate beneficiary, and the reason USSIA keeps reminding them of their obligation and ensuring that they are complying.

Every time a foods and beverages convention is held, product certification is discussed and stressed although due to a backlog at UNBS, it could take a month or two before a product is certified. Other labs like the Uganda Industrial Research Lab and the private ones can be used by those that can afford their charges and cannot wait for UNBS.

The supermarkets too, have also insisted that they will not handle products that do not bear a quality mark, compelling the producers to take heed.

#### Infrastructure

Manufacturing is beset by power outages, intermittent water supply and poor roads, to mention just a few impediments, yet Uganda's sights are set at industrialization whilst a host of the membership of the MSMEs live and operate in the challenging circumstances.

Namwanje's optimism lies in the innovation trend enabling Ugandan innovators to generate solutions to the challenges like the power outages. Some individuals have started to address the power issue by using the solar power and bio-energy alternatives in their production processes. Indeed there is a member who has fabricated a device that stores and converts Umeme-supplied hydro electricity into solar power for use when the grid power is not available.

#### KCCA

# **KCCA** is into **BUBU**

ike other government agencies, Kampala Capital City Authority (KCCA) is committed to ensuring that the objectives of the Buy Uganda Build Uganda (BUBU) policy are achieved to create jobs and spur the country to a middle - income status.

The KCCA spokesman, Mr Peter Kaujju, says to help city traders benefit from the BUBU policy, KCCA is working to ensure there is order in doing business among the city traders. He says they guarantee that traders are given licenses to operate on an annual basis to supply government and benefit from the policy.

"To supply to government, one must be licensed, the reason we make sure our traders have licences so that they can win government contracts," Mr Kaujju says. The policy also aims at giving prominence to locally produced goods and will be beneficial to the economy, illustrating the income that can accumulate to different sectors.

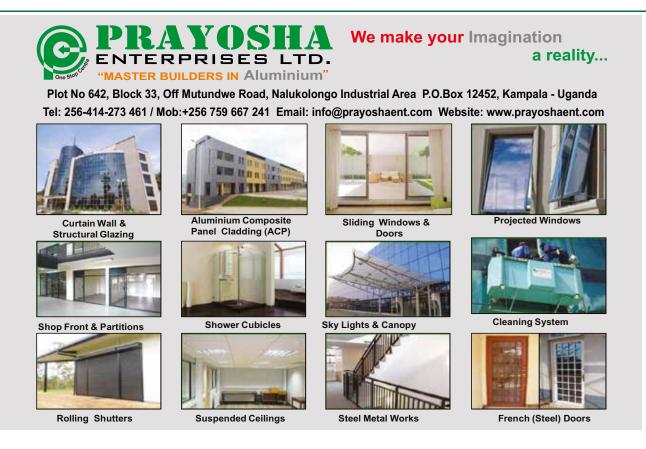
KCCA is also facilitating a programme where the Uganda Registration Services Bureau, (URSB), Ministry of Local Government, Uganda Revenue Authority (URA) and Kampala Capital City Authority (KCCA) are in partnership to support the citizens involved in generating income, formalise their business ventures as required by the laws. This is under a collaboration called the Taxpayer Expansion Register Programme, (TREP).

Kaujju, city traders are spared from the hustle of moving from place to place paying for licence and registration as all processes are carried out at City Hall, Georgian House, URA offices and Kampala city divisions headquarters.

He advises traders to have their businesses registered and licensed because of the attendant benefits, such as facilitation with more business expansion opportunities. Once formal business registration is completed, taxpayers are entitled to tax benefits like claim of tax credits, payment of the right taxes, and obtaining a legal status among others.

The main objectives of the programme are to bring all business registration services nearer to the clients, reduce cost of doing business for the

With this programme, according to Mr





#### KCCA

### "Preference schemes assist city traders to compete in procurement processes."

#### **KCCA Executive Director Jenifer Musisi**

business community by breaking the silos these government institutions originally operated in, reduce time for formal business registration to less than eight hours and ensure cost savings for business owners by eliminating intermediaries who overcharge for usually free services.

"During our procurement processes like other government entities, KCCA ensures that priority is given to the local suppliers. There is a reservation and preference schemes to help the City traders to be competitive on the market," he explains.

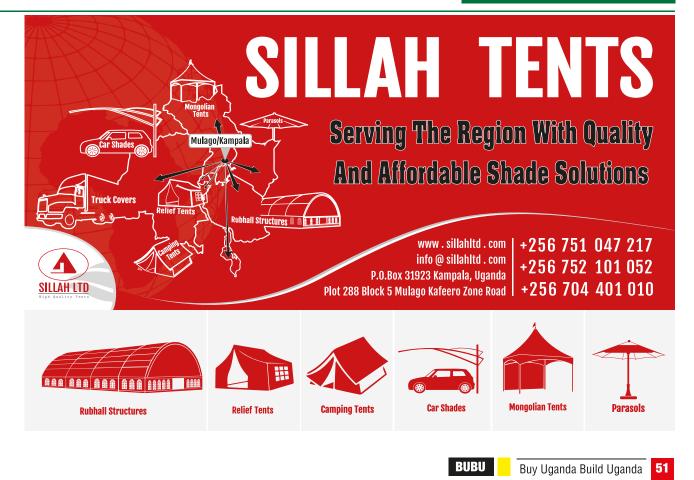
Mr Kaujju, however adds that KCCA is challenged when traders evade trade licence payment although through increased sensitisation, many of them are beginning to appreciate the importance of licensing and paying taxes. However, Mr Everest Kayondo, the chairman, Kampala City Traders Association, says despite the law asking government entities to procure what is produced locally, KCCA sometimes goes against the policy. He says government entities need to ensure they purchase local goods to help the city traders to grow and benefit from the policy.

"There should be more sensitisation rather than concentration on licensing so that people are aware of what they need to do to remain competitive. There is also a challenge of politicians who politicise everything and end up destabilising the relationship between KCCA and traders," he added.

Mr Kayondo calls for the construction of more markets to accommodate all traders and vendors operations from gazetted places and hence avoid conflict with KCCA.



JENNIFER MUSISI KCCA Executive Director



URSB

# • Start-up businesses need to REGISTER

Generation of the set of the set

A start-up company is an entrepreneurial venture which is typically a newly emerged, fastgrowing business aiming to meet a marketplace need by developing a viable business model around an innovative product, service, process or a platform. It is usually a company such as a small business, a partnership or an organization designed to effectively develop and validate a scalable business model.

A software engineer and co-founder of Akiba, a start-up that provides tools to savings groups to collect their finances and transparently manage them, Mworozi has had a share of experiences trying to set up shop with various start-ups over the years. He shares the plight of many Ugandans trying to start up enterprises.

Downtown Kampala, Ms Emma sits at Eagle Plaza, a mall on Luwum Street in Kampala, clad in a white blouse and black trousers, an easily noticeable good sense of fashion. But it is not just a sense, designing clothes for other people, that is her business, an enterprise she runs informally, "My business is not registered; why should I have it registered?" she wonders.

As I ponder her seemingly innocent statements, she says she sub-rents with another person at the mall and that maybe one day when she has a personal address, she will think of formalising her business, yet business registration has nothing to do with physical addresses.

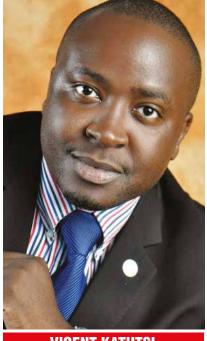
She also says she cannot handle the

financial costs that come along with business formalisation. It is the weight of these challenges that appears to be frustrating budding entrepreneurs like her.

Unlike Emma, Mworozi says he has done a number of start-ups long enough to know that he needs to delay the process of going into formal business for as long as possible because many changes can happen between the ideation and actual creation of a business.

"In my last start-ups, I reached a point where we needed a business entity if we were to operate to the next level, so then we created one. Getting a small investment from a foreign person required an entity," he says.

For young people who do not have



VICENT KATUTSI Director Business Registration

much professional success and are into start-ups, the opportunities are very limited because of the way formal business works in Uganda.

"In other parts of the world, businesses are more willing to take a chance on start-ups while in Uganda accessing because the Ugandan market is very sceptical of new business, making it difficult for them to gain attraction," Mworozi explains.

Mr Richard Zulu is a lead worker at Outbox Uganda, an incubation hub in Kampala. He says start-ups are facing internal and external challenges. He says limited research has an impact on how well start-ups build solutions for the market, an issue that has a bearing on how a start up commences and sustains business. Some start up owners cannot get the research or fail to collect the research because of their background, a problem he associates with an education structure that does not emphasise research, thus creating entrepreneurs who do not understand who should constitute their market.

He says Uganda's markets are "pretty tight" on the way they operate and this is costing start-ups.

"There are people who are well known and so without the right partnerships which are also hard to form, there is a very big challenge breaking in and selling to a given market," he says.

However, according to Mr Vincent Katutsi, a director of Business at Uganda Registration Services Bureau (URSB), start-ups struggle with market because, they neither know their competition, nor who needs their services.

"URSB is a repository of all business information. If you use my business register, you will get information that will help you enter the market, so you will get to know your competitors, where they are coming from and the



Unregistered businesses miss out on the advantages of formalised operations and may not grow.



There is need for policies that support start-up busineses to thrive, hence grow the economy.

areas they are dealing in," he says.

On the outside, getting a business up and running it is still hard because of compliance requirements which call for fees payment yet it is difficult for startups without revenue in flow.

Mr Katutsi agrees, saying the fees are high, "Depending on the economy, certain things appear expensive like the registration fees yet the company is only trying to grow and has not made any money yet."

But to Mr Katutsi, start-ups are challenged largely because they insist on operating informally, "Ugandans have one key worry, the taxes. Every time you talk about formalization, they see themselves being exposed and so they shun the idea of registration."

Some entrepreneurs are also affected by the knowledge gap, "When you are sensitising them, you realise there is no information in the market but we keep on sensitising."

According to Uganda Registration Services Bureau (URSB), awareness creation has become the norm of the agency on radio, newspapers, television and the regional offices as an outreach. Until 2014, URSB was only found in Kampala. Today, it has two branch offices and four regional offices and even then, small and medium enterprises have to be sensitised over and over again to buy the idea of formalisation.

On the other hand, some entrepreneurs have seen the light because of the

nature of their businesses so they cannot afford to run informally as they have to do business with people who only work with registered companies.

The law requires every business to be registered but for those that remain informal, this means they miss out on the opportunities that would instead grow their start-ups.

"We have seen many companies spring up in preparation of the oil business and some driven by the requirement by the banks that the clients' activities need to be registered, somehow they do," Mr Katutsi says.

#### **Government intervention**

There have been a number of programmes to improve the ease of starting business. Under the Tax Registration Expansion Programme (TREP), entrepreneurs get licensed because they have a registered entity and when their entities are registered, they also get a tax identification number. Where agencies like URSB have had enforcement, SMEs have gone out of their way to close shop, while others register because they are forced to.

URSB maintains that getting formalising business is as easy as walking in and reports show that the agency has reengineered the processes to make it easy for entrepreneurs. A procedure that would take a month now takes three hours through the electronic system.

#### **Going forward**

URSB says start-ups need to appreciate the relevance of the business registry. Overtime, these services help one to create the client relationship over a product and create a statement in the market that distinguishes a start-up from others in the market.

"Branding yourself and creating an identity that distinguishes you from others in the market is critical, yet SMEs are not taking advantage of these mechanisms," he says, stressing that start-ups have to come out of their shells and get registered without worrying about taxes because then they get more benefits.

How do you get a tax holiday when you are not registered; how would companies receive a bail-out if they are not registered--come out and formalise so that you are understood better.

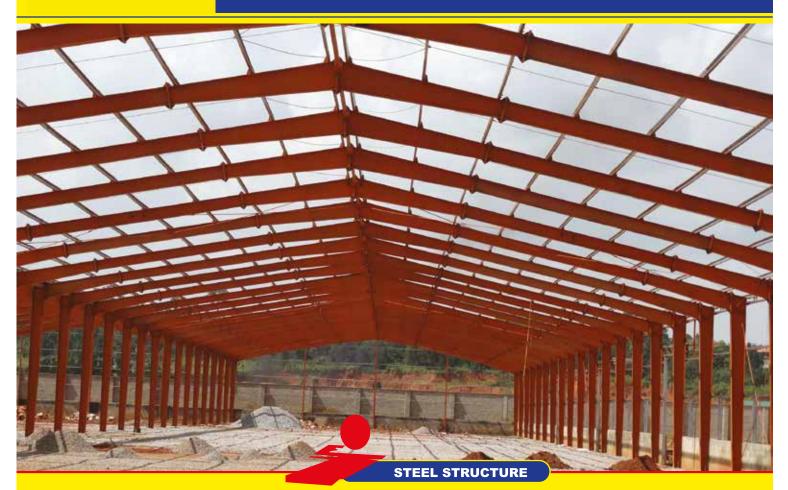
Experts say of the government that policies have not been built to support start-ups and therefore want policies that work to sustain young companies because once they are successful, this grows the country's economy.

For Mr Mworozi, the hope for a seamless business is in the creation of what does not exist, "I stand the best chance if i am doing something totally new because there is no alternative as am offering a lot of convenience that has never existed before."



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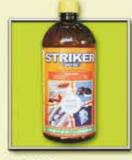


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### LONDON DISTILLERS (U) LIMITED COMPANY PROFILE

#### NATURE OF BUSINESS

The company or the factory is engaged in manufacturing and bottling of Quality Alcoholic Beverages of National & International standards. Here we manufacture and market the entire range of Alcoholic products viz. GIN, Vodka, Rum, Whisky & Brandy keeping in view all the standard as determined by Uganda National Bureau of Standards (UNBS) from time to time.

#### VISION

To provide quality products of International Standards at an affordable price country wide and become choice of masses.

#### **OUR GOALS AND VALUES**

- Quality is our strength
- To avail full range, i.e. Gin, Vodka, Rum, Whisky & Brandy under one roof
- To emphasize research and development of brands as per UNBS Standards
- Customer care and satisfaction by providing quality products and timely delivery countrywide

#### INVESTMENT

The company has invested USD 12.5 Million in plant and machinery, factory buildings and allied facilities.

become choice of masses.

#### BRANDS OR PRODUCTS MANUFACTURED ALONG WITH PACKED SIZES

Sr⊾ No	Name of Brand and type	SIZES AVAILABLE	Total No. of sizes
1	London No. Gin	Glass-750ml, 350ml, 200ml, 100ml&PET-200ml, 100ml	7
2	Meakins Dry Gin	Glass-750ml, 350ml, 200ml	3
3	Meakins Tripple Distilled Vodka	Glass-750ml, 350ml, 200ml &PET-200, 100ml	6
4	Meakins Lemon Punch 2 in 1	Glass-750ml, 350ml, 200ml &PET-200ml, 100ml	6
5	Meakins XXX Rum	Glass -750ml, 350ml, 200ml, 100ml&PET-200ml, 100ml	6
6	Coffee Rum	Glass-750ml, 350ml, 200ml, 100ml&PET-200, 100ml	7
7	Tripple Coin Brandy	Glass-750ml, 350ml, 200ml	3
8	Honey Dew Brandy	Glass-750ml, 350ml, 200ml, 100&PET-200ml, 100ml	6
9	Top Secret Whisky	Glass-750ml, 350ml, 200ml, 100ml &PET-200ml, 100ml	6

A total number of 10 brands and 51 numbers of their packaging size are manufactured by the company. This is the only company in Uganda with a vast and full range of Spirit products and its availability in various sizes and variants of glass & PET to provide the consumer with a big choice depending on their economic conditions.

#### **MANUFACTURING MACHINES**

State of the art technology used in putting the Automatic and Semi automatic bottling lines to give finished products of International Quality standards. The machines are imported from India, UK and South Africa for better production rate and pollution free working.

#### **RAW MATERIAL USAGE**

The main raw material used in the manufacturing of spirit is being supplied by our parent company called London Distillers (K) Limited by making it triple distilled to produce the finest quality products. London Distillers (K) Limited has got an experience of more than 30 years in the distillation and marketing of their products in EAC countries.

#### **MARKETING STRATEGY**

The company intends to open five numbers of sales depots at Jinja, Kampala, Mbale, Mbarara and Gulu for distribution of their products to entire markets countrywide.

#### **FUTURE EXPANSION**

The company intends to expand its current venture to an ultramodern distillery in the nearby future. The land for this purpose is already purchased and occupies 10 kilometers away from Jinja.

London Distillers (U) Ltd. (referred as LDU) is a manufacturer of alcoholic beverages with a presence in the whole of Uganda.

The LDU was founded by Mr. Mohan Galot, the Group chairman who has an experience of more than four decades in the field of manufacturing alcoholic beverage including distillation.

M/s. London Distillers (U) Limited (LDU) was incorporated May 1999. The factory is physically located at Plot No. 2-5, Kimaka Close and P. O. Box 1846 Jinja on the right hand side of the bank of River Nile in an area covering approximately 13 acres of land. The LDU is sister concern of London Distillers (K) Limited, P.O. Box 57387 Nairobi, Kenya

#### **CONTACTS:**

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Tel: 0434 123020/21

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**PPDA** 

# **PPDA promotes domestic firms**

In promoting Uganda government's policy of Buy Uganda Build Uganda (BUBU), the Public Procurement and Disposal of Public Assets Authority (PPDA) has directed all government ministries, departments and agencies to have Ugandan companies contracted under a reservation scheme.

This assurance/assertion has been made by the PPDA acting Executive Director, Mr Benson Turamye, at the second annual procurement summit themed, "Promoting Local Content in Public Procurement" held in Kampala recently.

The PPDA provides for the implementation of the preference and reservation schemes according to Section 50 of the PPDA Act 2003. The implementation of preference schemes is intended to increase the participation of local providers in public procurement.

Mr. Turamye said in the Financial Year

2015/16, about 58 per cent (in terms of value) contracts were awarded to local firms, compared to 42 per cent that benefitted the expatriate firms. PPDA has issued the guidelines to all accounting officers responsible for distributing copies to the contracts committee and members of the procurement and disposal unit of the procuring and disposing entity.

The objective is to institute the mechanisms for increasing local



#### **PPDA**

labour, goods and services input in the procurement of public sector projects within the county. The reservation scheme guidelines issued by PPDA on March 10, 2017 provide that at least 30 per cent of the value of works through subcontracting to local providers shall apply to procurements of works above USh 45 billion where the bidder is not a local provider. A local provider is defined as a provider or firm registered in Uganda with majority shareholding owned by Ugandans.

The target group for the reservation are: Ministry of Works and Transport, Ministry of Water and Environment, Ministry of Local Government, Ministry of Health, Ministry of Defence, Uganda National Roads Authority, and Kampala Capital City Authority. The reservations apply to procurements funded by the government and the development partners except where the conditions of funding limit the application of reservations.

However, procurement officers want PPDA to ensure that the reservation applies to all donor-funded projects which are the bulk of the procurement works in government. "Accounting officers in all the procuring and disposing entities are required to indicate in their monthly/ guarterly reports to PPDA the number of contracts awarded under the reservation scheme. The PPDA shall monitor the implementation of the reservation schemes by entities on a quarterly basis and undertake an annual assessment based on predetermined indicators," Turamye said.

"When we issued a reservation guideline, there was a small gap in the definition of local providers, which we have discussed with the Ministry of Finance and the PPDA Board and agreed that the definition be enhanced to include and add citizen providers who have manufacturing facilities in Uganda," he clarified. Citizen providers need not necessarily be a Ugandan national. They could be foreign / expatriates registered in Uganda with a non-Ugandan majority shares. "In that direction, if one has a facility in Uganda, employing Ugandans, using local materials and paying taxes, they are contributing to the development of the national economy," he elaborated.

The PPDA reservation guidelines include а provision for subcontracting. under which a foreign company has to subcontract local suppliers by a minimum of 30 per cent. "A foreign contractor has to demonstrate that 30 per cent of the contract value is committed to local supplies inclusive of labour, small works and raw materials and indeed materials manufactured in Uganda like cement and steel," he stressed. Further, medical supplies, uniforms and related clothes are exclusive reserves for local manufacturers.

Turamye reasons that for BUBU policy to succeed, a holistic approach is necessarv to facilitate the accommodation of all stakeholders, like the many local contractors whose financial capacity is weak and have to borrow from moneylenders as they do not meet the conditions for funding access from the commercial banks. "We need to create a situation where local contractors can use the contract as collateral for loans."

However, many local manufacturers face quality challenges and hence meeting the required standards, the reason for the Uganda National Bureau of Standards (UNBS) to promote quality through interventions such as systems and product certification.

In addition, many of the local manufacturers lack a skilled human resource, which affects the quality of their work. Thus incentives are necessary to help them attract the required skilled manpower to drive productivity and facilitate such firms, competitiveness even when dealing with huge projects.

Foreign companies will be educated on the types of jobs to be reserved for local people, so that they do not import expatriates to execute even



**BENSON TURAMYE** Ag. Executive Director PPDA

the simplest of the tasks. Further, the PPDA will have a keen interest in the implementation of the reserve scheme and thus ensure that local manufacturers are supported, well guided and protected for the success of the scheme in the country.

#### **Contracts**

Building works inclusive of renovations and water system in the range of UShs10bn will be contracted to local providers, which also applies to supplies like computers, foodstuffs and consultancy services with a value below USh 1bn. Nevertheless, local providers can compete for large contracts as long as they have the necessary capacity.

"Institutions such as the police, army and prisons services who buy in bulk can only buy Ugandan, until Ugandan manufactures fail to meet their needs. We shall study our environment and consumption trends relating to areas like the electrical appliances manufacturing, before inviting expatriate entrepreneurs to come and investment," Mr Turamye said.

He is optimistic, "The policy will without doubt help our economy keep the money within; our producers will need to supply more because the purchasing power will improve."

### Tororo Cement Ltd: Dedicated to providing dependable quality products

ororo Cement Limited, one of the largest companies in the mining sector, is the largest manufacturer of cement in Uganda, has capacity of 1.8 million tones and stateof- art technology like the cement grinding mill, rotary packers and storage silo's. The Company had undertaken an expansion project to increase the cement production capacity to 3 million tonnes.

It has mining activities in Tororo, Kapchorwa and Moroto districts for various mineral resources. All its mining operations are ecofriendly and fully compliant to the rules, regulations and guidelines of National Environment Management Authority (NEMA), the mining laws and compliant to occupational health and safety requirements.

It is the most eco-friendly in the sector, with ISO accreditation 9001 -2015 and 14001 for quality and clean environment respectively. NEMA has recognized the company for its best emission and clean environment operations.

#### Background

In 1995, the Government of Uganda, divested from UCI, and the company was acquired by the present owners who re-branded it as Tororo Cement Limited, giving anew look to Uganda's cement industry.

The company is administered

and operated by an experienced and qualified professional team of managers, staff and a skilled working force.

#### **Production & Working**

In addition to the different types of cement produced to satisfy the needs of all customers, Tororo cement manufactures and distributes various construction steel-corrugated roofing sheets, nails, chain-links, and barbed wire, under the reputed brand NYUMBA.

All Tororo Cement Limited products are UNBS approved and also conform to international standards.

#### Quality control & quality assurance activities

Tororo Cement Limited (TCL) quality policy is to manufacture and market building materials, namely cement and construction steel wire products and galvanized iron sheets.

According to the management, the company will continue to satisfy its customers with a consistent timely supply of quality products, through an effective quality management system and effective after-sales services. It also ensures that the personnel and stakeholders in the organization are committed to the quality management system aims with ongoing training and education.

The company carries out quality

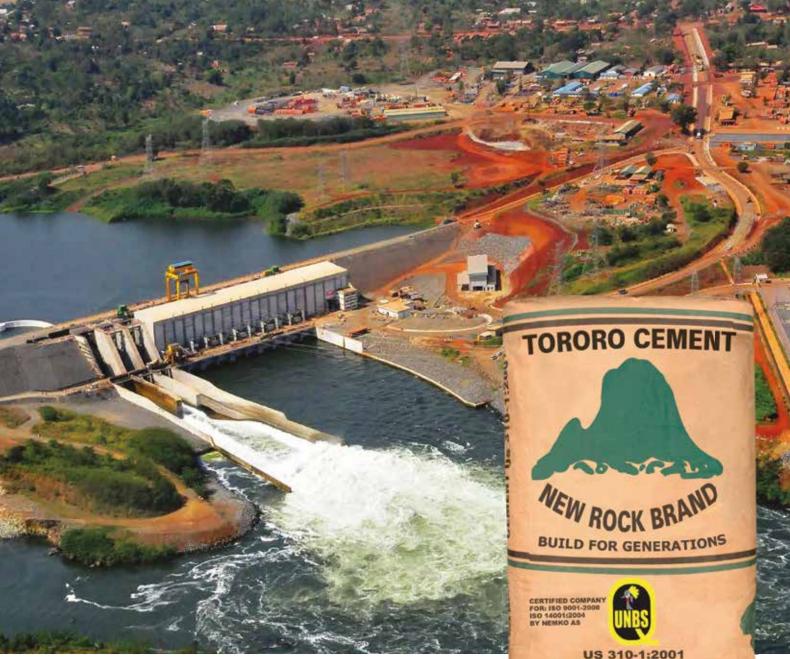
checks at every manufacturing stage to obtain the best possible product quality and the laboratory follows the QCXS system for quality control, which comprises of 10 channel simultaneous XRF/XRD analyzer and software and utilizes a PXP expert operation system.

#### **Investment and contribution**

The management has undertaken the production expansion and modernization programs in phases. The present management has since 1995 invested more than USD 150 millions in phases, to upgrade the clinkerzation plant of 3500 tonnes per day, and expand (with updated technology) the cement – grinding, storage and electronic packing system.

The first phase is under construction with an investment of USD 20 million. It will increase the grinding capacity to three million tonnes, from 1.8 million per annum with packing, storage and feeding system. The expansion is likely to be completed by March 2017.

The company is carrying out detailed prospecting in Moroto, Ram hill mining leases and has requested the government to assist in carrying out detailed prospecting in Bududa area. The availability of quality lime stone for next 50 years will determine the location and investment decisions.



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### Global Paints pushes campaign for BUBU

UBU makes a lot of sense to the manufacturers, according to Kayiwa Steven, the director and proprietor of Global Paints Ltd established at Kireka-Banda, the owner of the Global Paints brand. The Company was registered in 2000 and started operations at Kireka in 2004.

"It is satisfying when I buy Jessa Dairy Farm milk and its products from supermarket shelves, never mind that the proprietors may not even know me. It is this kind of solidarity that i urge all of us to cultivate, which is natural to the Asians and Chinese; they tend to buy from their compatriots and if they do not have the item one wants, they will refer the customer to another of their compatriots," he says.

Of his own Global Paints brands, he says the market's appreciation of their quality is very encouraging and whenever the market share increases, "I get a lot of satisfaction because Ugandans understand that they have to buy Ugandan products, which is assistive in growing the manufacturing. My conviction is that Global Paints Ltd is dynamic, it is growing and will continue to expand, having acquired space for the purpose, and increase its competitiveness."

On the other hand, Ugandans, buying of products from abroad which we make is a disservice to Uganda, the reason for BUBU's more publicity, the building block to the national economy.

#### Uganda's industrialization

He remarks that the country's plan to evolve into an industrial economy is possible but fraught with difficulties. Like other developing countries' manufacturing, Uganda's industrialization is problematic because the already industrialized countries have set the production systems to manufacture bits and pieces of an item, rather than the entire unit.



**STEVEN KAYIWA - Managing Director** 

For the Japanese vehicles' manufacturers, it is the numerous independent companies that produce the parts and then the 'manufacturer' assembles the parts into vehicle units, the industrial principle of production.

As for the paint industry, some of the production technology for some of the inputs is strictly protected by the owner/suppliers, hence it is inaccessible to foreigners; so is some of the machinery, besides the real difficulty in raising the necessary capital. He however, argues, "We have the capability to manufacture a few things from Uganda and BUBU is an opportunity that lends us an extra drive to do so."

Whereas with detached observation one can critique the progress of the development of any one given company, it is not beyond imagination that the proprietors could have had a step - by - step beginning given the complexities and uncertainties in raising the working capital.

He argues that credit institutions are tricky, calculative, and enticing; "They sweet-talked me into a huge loan for the factory's expansion but I declined, having set up the facility piece meal." He instead acquired the machinery for the manufacture of packing material / jerrycans and after a while bought a neighbouring plot for the expansion that will start in the near future, "I entered the industry by taking up painting jobs, from whose earnings I opened a hardware shop," Kayiwa explains.

He reasons that bank credit is not altogether bad though; the money for sorting out a few needs and materials suppliers, but the debtor will need to be conscientious and pay off whilst generating the capital necessary for running the operations. There is also the need to insure the business, among others, against fire or burglary much as



A water filtering process.

65

BUBU

they may not be experienced for years.

He is grateful to the clientele that have welcomed their new products, "Much as there are age-old paints brands on the market, they have determined to buy our brands, hence support us."

Kayiwa has associated with the paint industry right from his schools days, "My older siblings were painters in the 1990s and I would follow suit during the holidays. After school, I ventured into importing paint from Kenya for my hardware shop. On one of the business trips, I witnessed the paint manufacturing process and determined to take a shot at it using the raw material I would import from Kenya and United Arab Emirates.

In 2002, he moved from a site along Rubaga Road to Kireka and in 2004, erected the structures from which Global Paints brands have since been produced. "My ambition from the outset was to have my products marketed around the world/globally at one time, and hence the company's name, Global Paints. Starting from the most humble of beginnings, the Global Paints brand market share is only the second in the industry notwithstanding the industry pioneers' stiff competition," he recalls.

The brands are on the market in South Sudan, eastern Congo, Rwanda and within Uganda.

#### **Global Paints is successful**

Kayiwa advises that while marketing is not a cup of tea, "The consumers have started appreciating the Global Paints brand, even when some individuals' loyalty is with the paints brands they grew up seeing. The company has combined advertising and a one-to-one marketing, the consistently good quality, and the products' standing of the test of time wherever it has been applied." Global Paint's paint brands are a product of the combination of inputs imported from Germany, France, Canada and Egypt, a perfected art of paint making and the application of technology from some of the suppliers of the inputs and the employees' expertise and continuous education, relevant to the industry.

He says notwithstanding the BUBU ideology to which he comprehensively subscribes, the inputs are bought from abroad only because they are not available in Uganda, unlike the Ugandan calcium carbonate. Global Paints' brands satisfy Uganda National Bureau of Standards' (UNBS) requirements and has applied for the quality certification.

The company is a member of Uganda Manufacturers Association, from which it has benefitted because of the advice, encouragement and assistance in the marketing of the products.



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# **Cosmetics industry to support local agriculture**



**TUMWESIGYE FRED** Managing Director Desire Beauty Products Ltd.

The need for institutions that will cultivate Ugandans into the caliber of technologists the manufacturers need to build Uganda, has never been as urgent. The lack of modern and efficient equipment, coupled with that of financing other than the commercial loans whose interest is exorbitant and bears no relation to the turnaround duration are some of the factors stumbling Uganda's industrialization process.

"Uganda government urgently needs

to look into and address the need for institutions that can support the manufacturer, and those than can skill the Ugandan to cope with the industrialization needs," Fred Tumwesigye says without fear of contradiction.

Mr. Tumwesigye is the Managing Director of Desire Beauty Products Ltd, a manufacturer of personal care and beauty products that is driven by a conviction to harness God - given nature to facilitate production.

"To operate the production machinery in safety and with efficiency, the production personnel need to be technically retooledthe ones available on the employment market are only full of theory; this is my view of taking Uganda to a new level," he asserts.

The company's vision is to have expanded the production lines, and introduced new products by the year 2018, which calls for extra machinery and more resource input.

The existing production capacity is in the region of a metric tonne/day, it should be 10 tonnes/day in ten years and with the improvement of the factory machinery, re-refined products and their packaging, Desire Beauty Products will be much more competitive than ever.

He asserts that as much as possible, the ingredients his company uses are locally procured and with the acquisition of improved technology, the major raw material, the bases will be home - grown. Mineral oils are also used and in some cases and a variety of combinations inclusive of waxes.

Desire Beauty Products is driven by an ambition to be a leading manufacturer and distributor of skin, hair and personal quality care products in Uganda and Africa at large, at affordable prices. The ambition took shape in the year 2000 and two years later, the company, Desire Beauty Products Ltd was registered in Uganda. Tumwesigye explains that with the benefit of a long look at and consideration of the existing need for the skin and hair products and the viability of their production, the founding directors of the company named it 'Desire', a reflection of, "a need for a want that Ugandans had." This was when similar products could only be imported, hence unaffordable to the majority of the would-be users.

He explains that skin care products basically help to nourish the skin. They protect it from elements including dust and the rays of the sun, "Desire beauty products are 100 per cent friendly to the skin-they are only applied on its outer layer and they are water-based moisturerisers unlike the types laced with active skin penetrating elements."

The company has also been doing well; producing hair care products since the year 2005, evidenced by its 10 per cent share of the products vis-à-vis the entire hair care products range in the cosmetics industry. "We are making progress," Tumwesigye remarks with satisfaction that the products are circulated around the country through its regional bases.

He says of BUBU, "The idea has been current for some time, and needs to be intensively promoted, pursued and encouraged. It could be a starting point for supporting the manufacturers and other stakeholders involved with production in a variety of ways."

As we implement it, the local awareness of the need to consume the Ugandan manufactured products needs to be increased to the point of instant recognition. In the near future, BUBU will be appreciated as one of the best ideas ever generated. By using local raw materials, blending them and turning them into finished products, the economy should in a few years sustain the many Ugandans that otherwise are without a livelihood.

He believes that when everybody



embraces the BUBU ideology, Desire Beauty Products production capacity will increase and with it, the stock turn-over, enhanced profitability and employment opportunities.

The Company has recently imported some equipment for facilitating its production expansion, hence more presence on the market; we need penetration into the areas where we have not had a presence to date; Rwanda, Burundi and parts of western Congo Democratic Republic say Goma through the auspices of Uganda Export Promotion Board" Tumwesigye says.

Of the investment climate, inclusive of the regulations governing manufacturing, regional trade, taxation, the minimum wage and labor regulations, Tumwesigye says they are meant to assist the expansion and industrial growth.

However, he cites the regional agreements, like the Common Market for Eastern and Southern Africa (COMESA) as an avenue for increasing Uganda's market share; it is one way of penetrating the regional market. He wants the authorities to realize that while the manufactures are not opposed to paying taxes, depending on the type of cosmetics they produce, the extra taxes imposed on their products make them more pricy than the imported competition.

He further argues: "When the USh 470,000 minimum wage is factored into the production costs, the wage bill could outstrip our ability to pay whilst expanding the business." He calls for a reduction in the taxation rates to enhance

the industry's competitiveness against the imports, and suggests a reduction to five percent of the local excise duty, thus assist the local manufacturer to grow their businesses.

Looking forward to Uganda's attainment of a middle - income economy, Tumwesigye says equipping the factory to process the Ugandan ingredients is one of the means of promoting agricultural production.

He cites the intemperate climatic changes and hence the natural calamities evidenced in the extremes of severe droughts and rainstorms, coupled with an inadequately skilled human resource that gets in the way of advanced technological applications, as some of the factors inhibiting Uganda's

industrial march-forward to 2040.

He further argues for, as much as possible, the procurement of Ugandan raw material, the agricultural produce that can be turned into the inputs necessary for cosmetics' production processes; Uganda has much palm oil and will soon be producing petroleum, from which some of their ingredients are derived.

Other industrial inputs are the sun flower seed, aloe-vera, avocado and cabbage and others, that can be locally grown and processed, and hence the need for competent scientists/ technologists and industrial chemists to turn them into the substances necessary for healthy skin and hair care products.



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## Meet Katwe's Eng. Lwanga Charles

Lwanga Charles, "LEEM products are of better qaulity than most of the competition imports."

# Inferior thinking frustrates local manufacturing

EEM has for nearly 20years, manufactured electricity stabilizers, inverters, UPS automating equipment-all electronics for industrial and domestic application, mainly on order. LEEM manufactures many items that have not been produced anywhere else in the world.

It also designs and fabricates solar systems and some solar power accessory systems, regulators, inverters and other equipment. LEEM has pioneered the manufacture of solar - powered electric irons; using imported housings, locally made solar power compliant electronics to replace the grid power electricity powered components.

LEEM Electronics Ltd proprietor, the Managing Director, Eng. Lwanga Charles, explains that whereas in modern day conventional manufacturing, components are made by different manufacturers for assembling by the trademark owner, at Katwe where he operates manufacturing entails the production of all the components and the assembling, "Thus worldwide, we are the first to make a solar electricity powered iron."

LEEM's other first is the 'Maximum Load Limiter Meter,' "An appliance that functions like a circuit breaker but is super-sensitive to detect the slightest extra load and turn off the power; it switches on promptly it senses stability."

#### Innovations

Frustrated, Eng. Lwanga exclaims, "It seems though that there are no competencies to determine and appreciate our exclusive innovations, and hence recognition as the initiators and innovators, hence no support funding to develop our ideas, procure material and no facilitation to manufacture on an industrial scale as a bona fide source."

The Company has recently ventured into metal sheet furniture fabrication, unlike the type made of pipes, angle lines, z-angle lines and hollow sections frames. LEEM's furniture is made of metal sheets, a consideration against the slaying of trees for timber that impact on the environment yet comparatively, metal sheets are less costly, they weigh less and the finished products are beautified with baked powder coating.

Lwanga is keen to note, "This is an entirely new innovation and novel to Uganda and LEEM. Copy-cat may come up with similar furniture as there will certainly be no recognition of the pioneer manufacturer." This type of furniture is ideal for institutions where the attrition rate is high especially the public institutions. Government needs to buy the furniture to move the stock; we can then be encouraged to invest more in the project.

He says whereas the company has considered patenting its innovations, "The registrar rather insists on the registration of the trademark, that the trade mark is instead patented or the brand is registered, yet the innovation is nevertheless copied. I am not sure a copy cat can be stopped from manufacturing an item that resembles an original innovation."

LEEM Electronics has over the years manufactured goods that have credibility within the country and are sold outside Uganda. Those familiar with our appliances are a satisfied lot, "Ask for electricity stabilizers from wherever in Kampala and you are sure to be directed to LEEM Electronics at Katwe," Lwanga quips. The innovations include Universal Grid and Solar Hybrid (USH), a highly technological appliance that switches and balances power between solar electricity and grid electricity. It senses excessive loads and switches to Umeme, leaving the not so demanding applications to solar power. "It has the sensitivity and intelligence to determine the electricity stability," explains Lwanga with the pride of an accomplished innovator.

He explains further, "If the grid and solar power is off, USH turns on the solar power. For a refrigerator that requires much power to start, and little to run, USH will determine the refrigerator's needs accordingly. Immediately the running stabilizes, it is switched back to solar. This machine assists to save on power costs."

#### **Mindset deficiency**

Once more sounding frustrated, Lwanga observes that while USH usefulness is acknowledged, many would-be users may not priorities its acquisition because of its cost, which perception also applies to the circuit-breaker and the maximum load limiter that sensor of power overloads and power flow controller.

Whereas the LEEM circuit-breaker may cost about USh100,000, the mass produced imports are cheap, and whereas the local manufacturer's innovation is very useful, they cannot sell at a realistic price, which is higher than the imports, it is a little difficult to market. Further, some individuals do not appreciate the savings from the solar inverter use, even after its reduction of the Umeme bill compared to when they did without the inverter.

Lwanga says popularization of the LEEM like products is an absolute necessity,



An automatic voltage stabiliser entirely made by LEEM in Katwe-Kampala.

although it is beyond the means of the Company; "The authorities in charge of sectors like ours, who would be promoting us are invisible. They would have been to our factories to critique our innovations and manufacturing. It is rather the licensing

KCCA that are surely visible." The impression from the critiques at exhibitions is that developing the innovations LEEM does should rather come from Europe because highly technical machines only need to be imported, and besides the government does not buy locally made items, but rather imports inferior ones, a practice that is current for para-state organisations, institutions and public offices.

people, the revenue collectors and the

Even if the products had been substandard, it is the same individuals and institutions that should guide the manufacturer on the appropriate standards. Despite engaging Uganda National Bureau of Standards (UNBS), it seems the level of appraising stabilizers and inverters is not their priority, hence much as we are building capacity to handle all the products produced in the country.

#### BUBU preferential clause

Appreciating the ideals of Buy Uganda Build Uganda (BUBU), Lwanga says it would have encouraged manufacturing, had the innovators been certain about disposing of their products hence much investment. As it is, small time but innovative manufacturers are weary of borrowing to invest in the expansion of their business for fear of failure to pay the loans.

"I first heard of the BUBU theory in 1994 when UMA opened its show grounds, where I had my first exhibition and my request is that the idea is implemented. Even with the provision of the preferential clause, particular (non-Ugandan) brands are specified in bidding documents to the detriment of Ugandan made goods despite their exquisite quality," Lwanga asserts.

LEEM employs 12 people, is taxed on the imported inputs, and pays income tax, but appreciates that taxes need to be paid. The company attracts interns from Makerere University, Buganda Royal Institute, Nakawa Vocational Training Institute, and Kyambogo University, "Although 'nobody' either appreciates or cares about its contribution to the nation," he stresses.

Lwanga Charles is a physicist-scientist Technologist with a bias to electronics



LEEM's solar energy management hybrid.

trained at Uganda Technical College of Technology at Kyambogo from which he graduated in 1985. He has also trained in solar power applications from Denmark and solar power systems quality control in Johannesburg, sponsored by the World Bank.

He has been in innovation and manufacturing since 1985, during which time he redesigned the electricity power stabilizers to compress the voltages to the ideal levels.

He argues on, "It is LEEM that first ventured into convincing the population that local products too are quality products and hence the beneficiaries of our products are certain to recommend them to other people for their quality and efficiency. We make stabilizers up to 300kVa. We have supplied some prominent companies like AGR based in Entebbe to run the entire factory."

Creativity has driven Lwanga into furniture. Seizing on the opportunity in the preservation of the environment, he has diversified his manufacturing to producing metal sheet furniture. The furniture is not only attractive but will have a 20-year guarantee; it is easy to clean, scratch-proof and repulsive to the bugs that otherwise inhabit the crevices in the wooden furniture.

It is also a contribution to keeping the environment safe for the people by discouraging the use of plastic chairs.



LEEM cupboards made from metal sheets.



Lwanga Charles appreciates his LEEM made metal sheet furniture

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- per unit)

### **RWIZI VIEW APARTMENTS-MBARARA**

**House Specifics:** 

- Road
- Price-Ushs 299M for the 3 bed roomed flats Ushs 199M for the 2 bed roomed flats
- Master bedroom self contained Built-up area-125sqm

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Nam IV Birds eye view





- **Customer Dedication**



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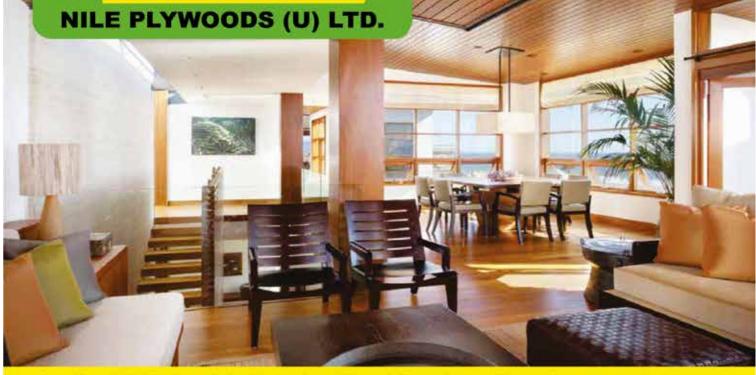




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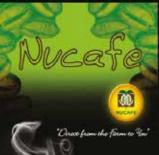
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