



Ministry of Trade, Industry and Cooperatives

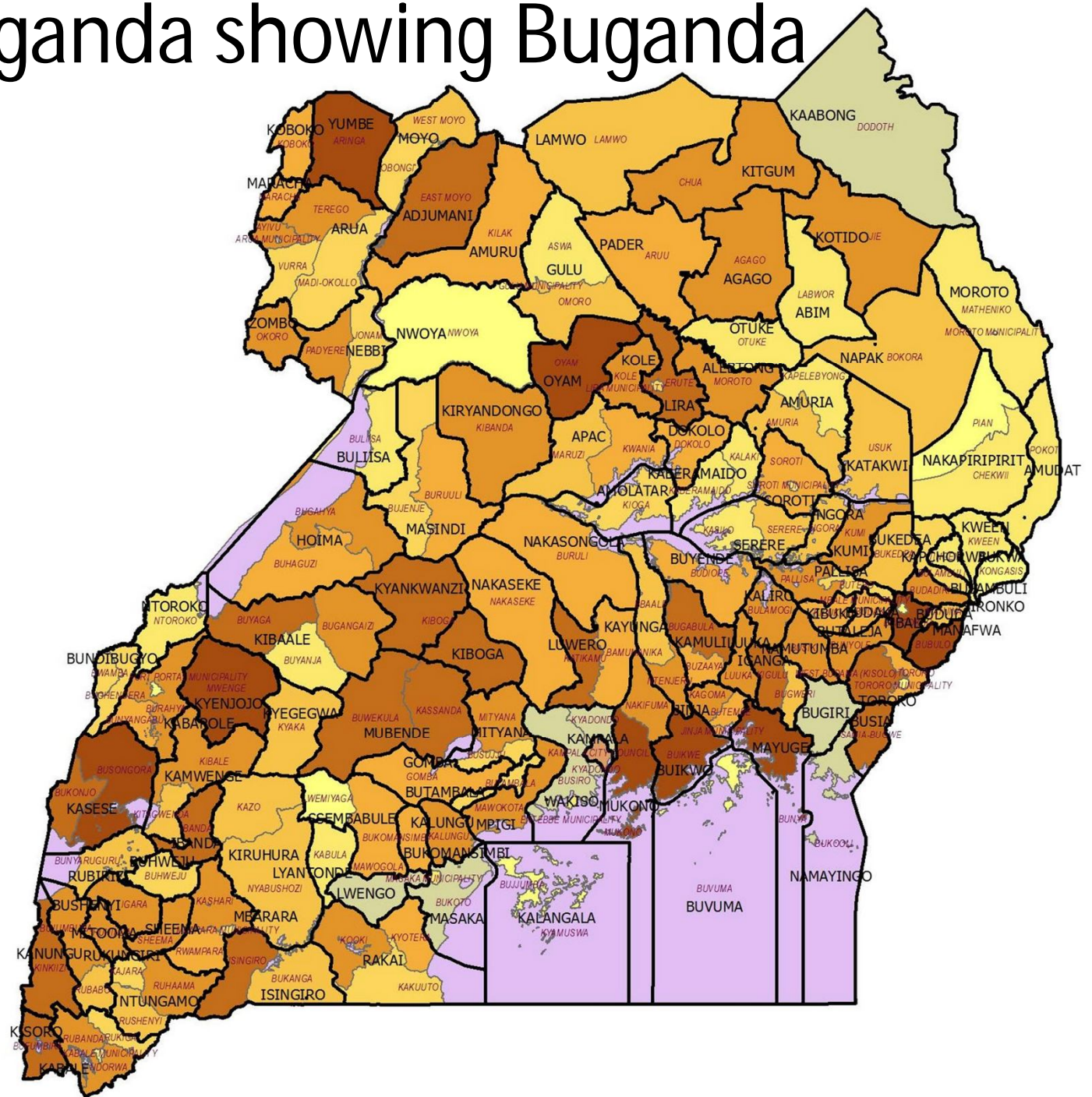
# Proposed Interventions for Communities in the Buganda Region

By

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# Map of Uganda showing Buganda



# Political Map of Uganda



# Statistics on Buganda Region

- Location: Central region of Uganda
- Population: 13 million people
- No. of Districts: 22
- Buikwe, Bukomansimbi, Butambala, Buvuma, Gomba, Kalangala, Kalungu, Kiboga, Kyankwanzi, Luweero, Lwengo, Lyantonde, Masaka, Mpigi, Mityana, Mubende, Mukono, Nakaseke, Nakasongola, Rakai, Sembabule and Wakiso

# Statistics on Buganda Region (Cont'd)

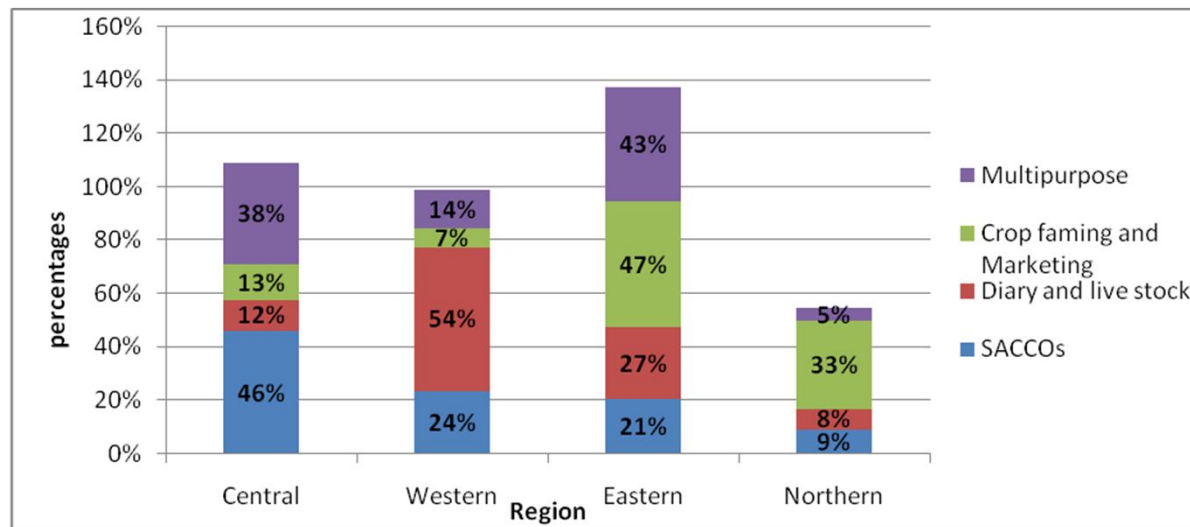
- Business Statistics on Buganda Region from UBOS Census of Business Establishments (COBE) 2010/11 report

Sector	No. of Businesses	Percentage Region-wise
Overall Sectors	271,000	59.2%
Trade Sector	163,207	58.4%
Manufacturing Sector	18,762	59.1%

- The Trade sector covers activities such as: Sale, Maintenance and Repair of Motor Vehicles, Motor Cycles and Household Goods; Wholesale Trade, and Retail Trade. These activities are carried out in general and specialized shops, departmental stores, stalls, mail order houses, petrol stations among others.
- The Manufacturing sector covers activities in Food and Non-Food Manufacturing. Food manufacturing involves Processing of Meat and fish, Manufacture of Grain milling products, Bakery products, Animal feeds and other food, Beer and Spirits, Soft drinks and Mineral Water, and coffee and tea processing. Non-Food Manufacturing involves manufacture of Textiles & Wearing Apparel, Leather & Related Products, Paper Products & Printing, Bricks, Cement & Concrete, Metal Products and Furniture, Saw milling, Repair of Machinery and Equipment and other Manufacturing.

# Statistics on Buganda Region (Cont'd)

- **Figure: Societies by Region, Economic Activity and Percentage, 2010**



- The figure above shows that, across all regions, 46% of the SACCOs were located in the central region, followed by western, eastern and northern. The Western dominated in area of dairy and livestock (54%), while the Eastern region dominated in the area of crop farming and marking (47%).
- Generally, majority of the SACCOs are located in the Central region, Dairy and Livestock societies in the Western region and Crop Farming and Marketing societies in the Eastern region. It can also be observed that there was a fair distribution of active cooperatives by type in the Eastern region.

# Possible Interventions by MoTIC

## Cooperative Development:

- Promotion of high value commodity based cooperatives using an integrated approach model
- The figure depicts 3 community based and owned form of cooperative institutions-RPOs, ACEs and SACCOs to be mutually dependent, self-reinforcing in the way gear levers in a vehicle work.

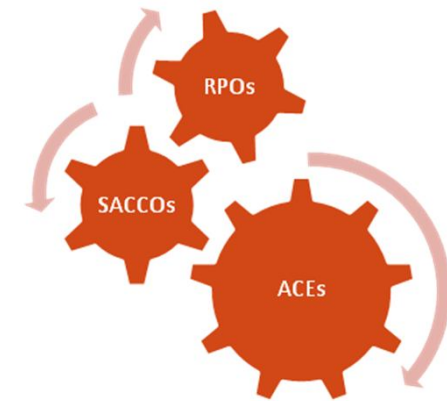


Figure: Integrated approach to local economic development

# Possible Interventions by MoTIC (Cont'd)

- Each of the above 3 entities will be supported to perform a specific function that will augment and reinforce the function of the other for holistic development of local communities.
- Forms of cooperatives that can be promoted include:
  1. RPOS-Rural Producer Organisations
  2. SACCOs – (Savings and Credit Cooperatives)
  3. ACEs-Area Cooperative Enterprises
  4. Energy cooperatives
  5. Consumer cooperatives
  6. Transport cooperatives
  7. Service cooperatives
  8. Workers cooperatives
  9. Hand crafts cooperatives



## Possible Interventions by MoTIC (Cont'd)

### Cooperative Development (Contd)

- Successful RPOs include: Lukyabwa Fishing Cooperative society, Lujaggwa Multipurpose cooperative society in Kalangala district.
- Successful SACCOs include: Mukono-Kayunga Teachers' SACCO, Masaka teachers' SACCO, Lwengo SACCO, Kyotera Tusimbudde, Lukaya SACCO, Masaka Microfinance Cooperative Development Trust, Masaka Elders' SACCO, Lwabenge Amazima Bwebugagga and Bagezza SACCO in Mubende to mention a few.
- Successful ACEs include: Kangulumira ACE, Kayunga ACE and Bagezza ACE in Mubende.

# Possible Interventions by MoTIC (Contd)

## Major Challenges faced by Cooperatives

- Poor leadership and governance generally
- Inadequate capitalisation
- Insufficient economic patronisation by the members
- Lack of access to reliable markets that pay competitive prices
- Inadequate storage, post harvest handling and agro processing infrastructure
- Massive frauds by management staff and committees
- High level of dishonesty and lack of transparency on the part of committees
- Lack of cooperative member education
- Some level of political interference from the local politicians

# Possible Interventions by MoTIC (Contd)

## Reasons for Successful Cooperatives

- Visionary leadership
- Good governance
- Business plans
- Continuous member education
- Market access
- Accountable, honest and transparent leadership
- Good management information system
- Separation of roles between committees and staff
- Adherence to laws, policies and procedures by all the members of the cooperative including leaders.

# Possible Interventions by MoTIC (Contd)

## Industry and Technology

- Through the implementation of the One Village One Product (OVOP) Program, challenges and skills gaps within the identified commodity based cooperatives will be identified and guidance on the specific interventions
- Capacity development through training in business management: business identification, business plan development, records keeping, product costing and marketing and value addition skills: post harvest handling, sorting and grading of raw materials, production process documentation, hygienic requirements in a manufacturing process and quality assurance requirements.
- The Ministry can facilitate these groups/cooperatives to develop Bankable Business Plans for them to access loans from financial institutions like Microfinance Support Centre Limited (MSCL).

# Possible Interventions by MoTIC (Contd)

## Industry and Technology

- MoTIC is developing a catalogue of value addition equipment for each product and it will have a list of processing equipment, equipment price and potential suppliers of processing machinery.
- Collection of data to establish a database of Micro, Small and Medium enterprises
- Development of a country cooperatives distribution map that will be a reference point for selection of potential cooperatives for technical support.

# Possible Interventions by MoTIC (Contd)

## Industry and Technology

- The other relevant development programs being implemented by the Ministry include:
  1. Quality Infrastructure and Standards Program (QUISP)
  2. Economic Partnership Agreement Related Trade and Private Sector Support (EPA TAPSS):
  3. District Commercial Services Support Project (DICOSS)
  4. Micro Small and Medium Enterprises Directorate (MSMEs):
  5. Jua-Kali development

## Possible Interventions by MoTIC (Contd)

### **Management Training and Advisory Centre (MTAC)**

Management training and advisory services provides arrange of services that includes:

- Promoting Entrepreneurship in SME;
- Awareness creation on job creation
- Entrepreneurship training
- Providing advice on business startup services
- Providing business health checks
- Business counseling services

## Possible Interventions by MoTIC (Contd)

### **Uganda National Bureau of Standards (UNBS)**

Uganda National Bureau of Standards offers the following services:

- Provides standards on different products
- Training in product standardization and quality assurance
- Provision of both the standard and the quality marks
- Checking of the accuracy of the measuring equipment
- Provision of testing services
- Cooperative groups and other manufacturers within Buganda region can be assisted by the Ministry's QUISP and EPATAPSS projects in accessing support from UNBS in the certification of their products for the domestic, regional and international markets.



## Possible Interventions by MoTIC (Contd)

### **Textile Development Agency (TEXDA)**

Textile Development Agency provides training under Basic Design and Business Management that includes the specific areas:

- Garment Construction
- Weaving
- Development of new products and
- Surface design

When the cooperative groups in rural areas have been trained in this, the Uganda Export Promotion Board can follow up through the District Commercial Offices on the products they have made for export to outside markets.

## Possible Interventions by MoTIC (Contd)

### **Uganda Export Promotion Board**

The Agency offers the following services:

- Provision of information on potential local and foreign markets for local products
- Providing promotion services,
- Market and product development and
- Human Resource Development.

# Collaboration with Parliament

1. The Ministry acknowledges that cooperatives are the entry point for rural development
2. Need to create a good legal framework, good public policy on co-operatives, mobilize people to form or join co-operatives without promising any financial or material incentives, and provide support for capacity-building purposes.
3. The MPs should champion revival of dormant cooperatives in their respective constituencies
4. Linking cooperatives to development partners for capacity and logistical support
5. The MPs should assist the Ministry in clearing some of the Non-Tariff Barriers to trade through the District Commercial Offices.

# Collaboration with Parliament (Cont'd)

6. MPs should promote Micro Small and Medium sized enterprises
7. MPs should encourage and promote internship in industries in their communities
8. MPs should take advantage of benefits accruing from the East African Community and COMESA.
9. MPs should focus on service sector trade as it requires little investment.