



BUIKWE - ICELAND DEVELOPMENT PARTNERSHIP
ECONOMIC EMPOWERMENT OF FISHING COMMUNITIES, 2022 – 2025
PROJECT NO 15180/16020-2022

PROJECT DOCUMENT



©Buikwe-Iceland Development Partnership for Economic Empowerment of Fishing Communities 2022-2025 (EEFC Project) – Project Document

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Date: (July 2023)²*

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LIST OF ABBREVIATIONS

BDFCDP	Buikwe District Fishing Community Development Programme
BDLG	Buikwe District Local Government
CAO	Chief Administrative Officer
CBO(s)	Community Based Organisation(s)
CBS	Community Based Services (department)
CEOs	Chief Executive Officers
CNDPF	Comprehensive National Development Planning Framework (Policy)
DCCAP	District Climate Change Action Plan
DCDO	District Community Development Officer
DCED	Donor Committee for Enterprise Development
DDP	District Development Plan
EEFC	Economic Empowerment for Fishing Communities (Women and Youth)
ETP	Entrepreneurship Training Programme
ICOLEW	Integrated Community Learning for Wealth
GDP	Gross Domestic Product
GoI	Government of Iceland
GoI	Government of Uganda
KDDP	Kalangala District Development Programme
LDPG	Local Development Partner Group
LG(s)	Local Government(s)
MFA	Ministry for Foreign Affairs (Iceland)
MGLSD	Ministry of Gender, Labour, and Social Development
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
NDP	National Development Plan
NGO(s)	Non-governmental Organisation(s)
NLFS	National Labour Force Survey
O&M	Operation and maintenance
OECD	Organisation of Economic Cooperation and Development
PDM	Parish Development Model
PFM	Public Financial Management
PIMT	Programme Implementation and Monitoring Team
PSC	Programme Steering Committee
PSD	Private Sector Development
QAFMP	Quality Assurance for Fish Marketing Project
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
SPO	Senior Programme Officer (Embassy of Iceland)
SWOT	Strengths, Weaknesses, Opportunities and Threats (Analysis of)
UBOS	Uganda Bureau of Statistics
UCW	Unpaid Care Work
UGX	Uganda Shillings
UN	United Nations
UNHS	Uganda National Household Survey
USD/US\$/	United States Dollars
WASH	Water, Sanitation and Hygiene
WEE	Women Economic Empowerment

PROJECT SUMMARY SHEET

Country	Republic of Uganda
Programme	Buikwe District Fishing Community Development Programme Phase Three (BDFCDP III) 2022-2025
Project Name	Buikwe-Iceland Development Partnership for Economic Empowerment of Fishing Communities 2022-2025 (EEFC Project)
Location:	Buikwe District, Buganda Region, Central Uganda
Partners:	Government of Iceland, Government of Uganda, and Buikwe District Local Government
Implementing Agency	Buikwe District Local Government
Development Objective	To Contribute to BDFCDP Goal: “To Reduce Poverty and Improve Livelihood and Quality of Life of Fishing Communities in Buikwe District”
Project Immediate Objective	To increase household incomes to economically empower women and youth in fishing communities of Buikwe district
<p>Project Output components:</p> <p>100. Institutional and human capacity developed for District Local Government and partner organisations supporting the project.</p> <p>200. Enabling infrastructure developed to support fish-based enterprises benefiting women and youth.</p> <p>300. Community mobilisation and mind-set change supported to transform social-cultural norms that hinder economic empowerment of women and youth.</p> <p>400. Women and youth trained in entrepreneurship skills for management and operation of small and medium enterprises, and Business Services and Market Development Supported.</p> <p>500. Business enterprise development for income generation for women economic empowerment and youth employment supported.</p> <p>600. Enhanced coordination and M&E to guide project strategy, learn from lessons and improve operations.</p>	
<p>Expected Beneficiaries:</p> <p><i>Primary Beneficiaries:</i> The project will directly benefit about 10,000 women and youth (comprised of about 5,000 women and youth involved in fish processing and trade at Kiyindi and Senyi fish markets, and about 5,000 people in 24 groups of women and youth running SMEs) representing 14% of the targeted fishing communities in Najja subcounty, Kiyindi Town and Senyi subcounty with population of 70,000 people. The indirect beneficiaries of the project are all the 70,000 people (sex ratio of 99.9) in the three targeted fishing communities (Najja, Kiyindi and Ssi), representing 26% of the total population of fishing communities in Buikwe district of 265,365 people.</p> <p><i>Secondary Beneficiaries:</i> These include the Buikwe district department and staff, and strategic partner agencies that benefit from the capacity development activities to enhance their skills, infrastructure and facilities that strengthen their functional capacities and performance on their core mandates</p>	
Donor	Government of Iceland, through Embassy of Iceland, Kampala
Type of Aid	Grant Aid for Programme Support (EEFC Component or Project)
Sector/DAC Code	15180/16020
Estimated Budget	\$1,980,000 USD
Government of Iceland Grant	\$1,800,000 USD (91%)
Contribution by GoU/BDLG	\$180,000 USD (9%)
Effective Start Date	October 2022
Expected Completion Date	December 2025

1. INTRODUCTION

1.1. PROJECT OVERVIEW

This project document describes “Buikwe-Iceland Development Partnership for Economic Empowerment for Fishing Communities focusing on Women and Youth, 2022-2025” (EEFC Project), which is further elaborated in chapter three and project logframe (annex 1 and 2). The EEFC project is a component of “Buikwe District Fishing Community Development Programme Phase Three 2022-2025 (BDFCDP III)” supported by Government of Iceland (GoI) under Iceland-Uganda bilateral development Cooperation. The goal of BDFCDP III is “to reduce poverty and improve livelihood and quality of life of fishing communities in Buikwe district”. Under the programme, GoI will continue to support basic education; water, sanitation, and hygiene (WASH), and general capacity development of the district local government, which have been ongoing since 2014. In addition, support will be extended to the EEFC project, gender-based violence prevention and response project, and support to climate change actions based on Buikwe district climate change action plan (DCCAP).

The rest of this chapter covers the mandate for project preparation and links with the partners’ development policy frameworks and UN Agenda for 2030, Iceland’s involvement in economic empowerment activities in Uganda and Buikwe district, and project preparation process. Chapter two covers background and context, problems to be addressed and justification and rationale. Chapter three presents the project strategy comprising of hierarchy of high-level objectives (impact and outcome) and lower-level objectives or processes (outputs, activities, and inputs). Chapter four indicates the programme organisational arrangements as set out in the master programme document which will apply to the EEFC project. It also outlines the project risk analysis and mitigation measures. References and other relevant additional information are included in the annexes.

1.2. MANDATE AND LINKS WITH PARTNERS’ DEVELOPMENT POLICIES

The mandate for preparation of the EEFC project is derived from the Partnership Agreement signed between the Government of Iceland (GoI) and the Government of Uganda (GoU) for support to BDFCDP III (2022-2025), and specifically under the approved Master Programme Document for BDFCDP III 2022-2025 whereby GoI intends to extend support to EEFC project (2022-2025) of up to US\$1.8 million. The Partnership Agreement provides that the partners are required to jointly prepare and approve project documents, giving detailed description and cost implication of the project before any implementation can take place. The project document for EEFC therefore falls under the ambit of that mandate.

The EEFC project has links to the partners’ legal and development policy frameworks, as well as the sustainable development goals for UN Agenda 2030 as elaborated in the Master Programme Document for BDFCDP III.³ These include the General Agreement on Forms and Procedures for Bilateral Development Cooperation signed by GoI and GoU on 27th September 2000, the Iceland Policy on International Development Cooperation (2019-2023); and Uganda’s Comprehensive National Development Planning Framework (CNDPF) Policy adopted in 2007, which is currently operationalized through Uganda Vision 2040; the 5-year Third National Development Plan (NDPIII) 2021-2025, with corresponding Sector Development Plans and Local Government Development Plans, and short-term Annual Budgets and Work Plans. Further elaboration is provided in Iceland’s Bilateral Development Cooperation Strategy 2022 and Iceland’s Country Strategy Paper for Development Cooperation in Uganda 2023-2026.

³ Embassy of Iceland (2022). Master Programme Document for Buikwe District Fishing Community Development Programme Phase Three (BDFCDP III) 2022-2025

1.3. ICELAND'S INVOLVEMENT IN ECONOMIC EMPOWERMENT IN UGANDA AND BUIKWE DISTRICT

Iceland has in the past been involved in supporting gender equality as a cross-cutting issue in its programmes in Uganda, particularly under the multisector Kalangala District Development project (KDDP) 2006-2015 and consolidation phase in Education Sector (2016-2020), and BDFCDP (Education Project and WASH project) since 2014. Iceland's direct support to economic empowerment was provided through Quality Assurance for Fish Marketing Project (QAFMP) 2009-2013 in 12 districts around Lakes Albert and Kyoga, and Entrepreneurship Training Programme (ETP) 2006-2012, which was supported in all regions of Uganda. The lessons learned from past support to economic empowerment initiatives have informed the design and preparation of the EEFC.

The specific lesson from the QAFMP is that the construction of fish handling infrastructure, and water and sanitation facilities at Panyimur fish market in Pakwach district (which was later expanded in the year 2019/2022) has improved the quality of fish marketed, and benefited women involved in marketing processed dry fish to the local market in West Nile sub-region of northern Uganda and in regional markets in DRC and South Sudan. The QAFMP evaluation found that operators at improved fish handling facilities, including the fish market, benefited from significant increase in prices of fish compared to those at non-improved fish handling sites. For example, prices of Tilapia, Nile Perch and Mukene increased by 95%, 131% and 197% respectively in project sites, compared to increase in prices of tilapia (67%), Nile Perch (56%) and Mukene (158%) in control sites. Other lessons include strong O&M for sustainability of benefits of investments in infrastructure development, emphasizing clarity on ownership, management responsibilities, and financial arrangements; supporting interventions for women empowerment through targeting dry fish and mukene value chain development facilities and relevant phyto-sanitary skills training, which cemented women's position within commercial fish value chain that translated into spin-offs to other income ventures like cash-crop production and other mainstream merchandise businesses.

Similarly, the lessons from ETP project have informed the design of the EEFC project. The ETP was implemented from 2006 to 2012 in collaboration with Uganda Investment Authority. The project aimed to contribute towards a sustainable and competitive private sector in Uganda. Its purpose was to improve access of SME entrepreneurs to quality training and appropriate business skills, which would also enable them to make use of existing services (financial and technical) and information. In the project conceptualization, training was conducted by partner institutions namely Makerere University Business School, Management Training and Advisory Centre and Uganda Women Entrepreneurs Association Ltd. The 1st generation trainers received training in Iceland, and 2nd generation trainers received training in Uganda; entrepreneurship and business development courses were developed, marketed, and run in all regions of Uganda; outreach programmes and business health checks were conducted; and business guide for business services for SMEs was reviewed, produced, and disseminated. The lessons from ETP on building strategic partnerships with training institutions on conducting training and conducting business outreach programmes has been incorporated in the design of EEFC project, because it worked well and created impact at scale in all regions of Uganda.

The on-going support by GoI to economic empowerment interventions in Buikwe district commenced in 2019, whereby consultants were engaged to conduct the situation analysis and needs assessment for women economic empowerment (WEE) to inform formulation of WEE strategy in fishing communities of Buikwe district. Similar support was extended to Namayingo district where another consultant was engaged to conduct the situation analysis of fisheries sector in the district and facilitate formulation of the strategy on economic empowerment of fishing communities. The findings from the needs assessment, which are further elaborated in chapter two, have informed the design and preparation of this EEFC project document.

1.4. PROJECT PREPARATION PROCESS

The EEFC was originally conceived as a Women Economic Empowerment (WEE) project for Fishing Communities. However, after consultations between Uganda's Ministry of Finance, Planning and

Economic Development and Buikwe District Local Government, and the Embassy of Iceland in Kampala, the partners agreed that the project was a livelihood improvement project, hence the name should be changed to reflect inclusion of both males and females, though more focus could be on women and youth. This resulted in the change to the EEFC project, which still draws from findings of the situation analysis and needs assessment study and WEE Strategy for fishing communities.⁴

The process of preparation of the project was participatory and involved key stakeholders from central government, Buikwe district local government, Embassy of Iceland, civil society, and private sector, right from situation analysis studies and ultimately during the planning meeting held at Paradise Resort in Jinja City (Eastern Uganda). Finally, EEFC project document is aligned to the Iceland country strategic framework for bilateral development cooperation with Uganda and Uganda's development policy frameworks and incorporates significant local priorities of the district and the targeted fishing communities.

2. BACKGROUND AND JUSTIFICATION

This section presents the review and analysis of global, and national and sub-national contexts for economic empowerment of women and youth. It highlights key challenges and drills down to the core problem and priority issues to be addressed, and the justification and rationale for the support to EEFC project in fishing communities of Buikwe district.

2.1. CONTEXT FOR WOMEN ECONOMIC EMPOWERMENT

Women's economic empowerment includes women's ability to participate equally in existing markets; access to and control over productive resources, access to decent work, control over their own time, lives, and bodies; and increased voice, agency, and meaningful participation in economic decision-making at all levels from the household to international institutions. It is widely recognised that economic empowerment benefits women and society generally.⁵ Women's economic empowerment is central to realizing women's rights and gender equality and is imperative for poverty reduction among poor populations.

Empowering women in the economy and closing gender gaps in the world of work contributes to sustainable development and achievement of all the sustainable development goals (SDGs), particularly SDG1 on ending poverty, SDG2 on food security, SDG5 on gender equality, and SDG8 on decent work for all. Women's economic empowerment is good for business, boosts productivity, and it increases economic diversification and income equality, among other positive development outcomes.

Despite the recognition of the importance of economic empowerment of women, the facts and figures depict a different situation, especially in developing countries.⁶ Women are more vulnerable than men in several aspects: women's employment globally is in agriculture, including forestry and fishing, mainly in low-income and lower-middle-income countries where they earn significantly lower incomes and have less access to, control over, and ownership of land and other productive assets compared to their male counterpart.

⁴ Buikwe DLG (2019). The Situation Analysis and Needs Assessment Study for Women Economic Empowerment in Fishing Communities in Buikwe district; and Buikwe DLG (2020) Buikwe District Strategy for Women Economic Empowerment (WEE) in Fishing Communities.

⁵ UN Secretary General's High-Level Panel on Women's Economic Empowerment, *Leave No One Behind: A Call to Action for Gender Equality and Women's Economic Empowerment*. Available at this link. <https://www.empowerwomen.org/-/media/files/un%20women/empowerwomen/resources/hlp%20briefs/unhlp%20full%20report.pdf?la=en>

⁶ See references for Facts and Figures cited by UN Women: Women Economic Empowerment, Benefits of Economic Empowerment on this link: <https://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>

Women also often bear the brunt of coping with climate-related shocks and stresses as well as the health effects of pollution, which add to their care burden. As land, forests, fisheries, and water resources are increasingly compromised, privatized, or “grabbed” for commercial investment, local communities, particularly women, whose livelihoods depend on them, are marginalized and displaced.

2.1.1. WOMEN EMPOWERMENT AND PARTICIPATION IN ECONOMIC LIFE IN UGANDA

Uganda has passed several laws and policies in a concerted effort to enhance women’s positions in the economy in a bid to realise inclusive growth by prioritizing gender equality and women’s empowerment. Some of these policies have yielded positive results, while others are yet to deliver appreciable results. The review of the state of economy for Ugandan women reveals that though the country has over the years registered growth in GDP (Uganda registered average annual GDP growth of over 5 percent prior to Covid-19 outbreak), this growth is not always reflected at the microeconomic level due to the persistence of inequality between different demographic groups in society. Gender inequality has been identified as the most significant and persistent of all inequalities and women are not reaping the same benefits and returns as men from the country’s strong macroeconomic performance. The results from the recent national labour force survey provide ample evidence for this inequality in employment.⁷

According to the survey, over 23 million Ugandans were recorded to be of working age (14-64 years), comprised of more women (12.1 million) compared to men (11.4 million). However, less women (about 73%) than men (about 84%) were working (excluding other subsistence work) as shown in below (table 1).

Table.1: Activity status of Working Age Population (14-64 years) by selected background characteristics.

Background Characteristics	Working Age Population	Working (INCLUDING subsistence work)	Population other	Working (EXCLUDING subsistence work)	Population other
	Number ('000)	Number ('000)	Proportion (%)	Number ('000)	Proportion (%)
Sex					
Male	11,388	10,219	89.7	9,507	83.7
Female	12,106	10,265	84.8	8,847	73.1
Total (14-64)	23,494	20,484	87.2	18,354	78.1

The distribution of the forms of work indicated that the proportion of males (58%) in employment was higher than that of females (40%). More females (46%) were engaged in subsistence work (both agriculture and other forms) compared to their male counterparts (34%). Considering areas of residence, rural residents were more engaged in subsistence agriculture (48%) compared to their urban counterparts who were more engaged in employment (64%). Regarding education attainment, the proportion in employment increased with increasing levels of education while proportion in subsistence agriculture reduced with increasing levels of education indicating that as the working population attains higher education levels, there is a shift from subsistence work to employment work.

The report further shows that out of the estimated 10 million persons (41% of the working population) that was in employment, the proportion of employed females was 41% (4,090,000) in 2021 compared to males at 59% (5,906,000) as shown in the table below (see table 2). The overall employment-to-population ratio (EPR) in 2021 was 43% indicating that 2 out of 5 persons aged 14-64 years were

⁷ Uganda Bureau of Statistics (UBOS): National Labour Force Survey (NLFS), Main Report 2021

employed, but still women were more disadvantaged. The EPR was higher among males (52%) than females (34%) as has been the case over the recent years (see summary in table 3).

Table 2: Distribution of Population in employment by selected background characteristics

Background Characteristics	UNHS 2019/2020		NLFS 2021	
	Number ('000)	Proportion (%)	Number ('000)	Proportion (%)
Sex				
Male	4,835	58.4	5,906	59.1
Female	3,447	41.6	4,090	40.9
Total (14-64)	8,282	52.1	9,996	48.8

Despite the existence of the Equal Opportunities Commission Act, which promotes gender equality and women's empowerment, women are often restricted to low-skilled and lower paying jobs and continue to earn less than their male counterparts. Persons in paid employment earned a median monthly cash wage of UGX 200,000 in 2021, while males earned UGX 250,000 compared to UGX 140,000 earned by females. The earning by females was just over half (56%) of the median earnings by men. This can be attributed to the large number of women confined to the lower paying jobs and amount of time devoted to unpaid work. The most engaging activities of unpaid care work were washing clothes (44%), followed by cooking (43%), cleaning utensils (40%), subsistence agriculture (41%) and fetching water (39%), caring for children or sick (23.4%), unpaid care work (UCW) 21%, fetching firewood (21%). More females are much more engaged in these most demanding unpaid activities compared to males. The least demanding activities were making handicrafts, construction, or repairs, and milling and food processing each with less than one percent to 2% on average.

On financial inclusion, more women than men are reliant on informal financial services and have less access to formal credit lines, hence they are vulnerable to informal lenders. The NLFS 2021 findings indicate that about one third (40%) of persons in self-employment acquired money from informal saving and credit groups and local money lenders to expand their businesses, followed by 19%, 13% and 12% who got the credit from SACCOs, banks and microfinance institutions respectively. More females (52%) acquired money from informal lenders compared to males (29%).

Globally, the information and communication technology (ICT) sector has been identified as pivotal in raising labour productivity and enhancing a country's competitiveness. There is a gendered digital divide whereby males are significantly more likely to have mobile phones and access to internet compared to females, and this situation persists even though the economy is increasingly digitizing, especially the financial services. The NLFS 2021 shows that 49% of the population aged 10 years and above used own mobile phones while 39% did not use mobile phones. Among those who used their own mobile phones, males (55%) were higher than females (44%) and majority resided in the urban areas (63%) while 43% were in rural areas. The proportion of persons 10 years and above who ever used internet was 12%, and more males (14%) compared to 9.4% females ever used internet. The internet was most used for social networking (96%) followed by information (68%) and entertainment (45%). 10% used it for searching for online jobs.

Increasing women's and girls' educational attainment contributes to women's economic empowerment and more inclusive economic growth. Education, upskilling and re-skilling over the life course – specially to keep pace with rapid technological and digital transformations affecting jobs – are critical for women's and girl's health and wellbeing, as well as their income-generation opportunities and participation in the formal labour market. Increased educational attainment accounts for about 50% of the economic growth in OECD countries over the past 50 years. But, for most women, significant gains in education have not translated into better labour market outcomes. Uganda has promoted gender inclusive policies in education, including girl child education initiatives embedded in both universal primary education and universal secondary education, and the affirmative action of awarding female

students an extra one and a half (1.5) points for public university entrance, which have made significant strides in promoting equal opportunities in the education sector in Uganda. These policies and initiatives have led to an expansion of access to equitable education at all levels and have seen enrolment rates rise with near gender parity in enrolments for both boys and girls. However, upskilling and re-skilling over the life course remains a challenge.

Finally, women political participation has been promoted as another key pillar of women's empowerment, through affirmative action to increase women representation from local councils to the national parliament. This was in recognition that exclusion of women from decision making platforms across all levels of society and governance made it hard for women's concerns to get into the national agenda. The results show that women representation in the 10th Parliament stands at 34.7% women (157 women out of 452 members). Out of the 157 female representatives, 120 (76.4%) are District Women Representatives linked to creation of more districts, while only 19 (12%) are directly elected (competed with men for the seat). There is a fear that affirmative action may have had an adverse effect as several women MPs remain 'stuck' in the affirmative action seats which are consequently rarely freed for newcomers. At local government level, 45.7% of the total representatives at different levels are women. Although this figure is above the constitutionally required affirmative level (33%), there are significant gendered disparities within the local government councils. Around 99% of all chairpersons (who are the political heads of their respective LGs) are men. The municipality level with the largest percentage of female chairpersons (6%) is still far below the constitutionally minimum level of 33%.

2.1.2. WOMEN ECONOMIC EMPOWERMENT SITUATION IN BUIKWE FISHING COMMUNITIES

The poor indicators reflecting low women economic empowerment at national level are more accentuated in rural areas, particularly in the disadvantaged hard to reach fishing communities of Buikwe district, as revealed by the findings of the Buikwe WEE situation analysis/needs assessment study. During stakeholder analysis, women and girls in the fishing communities were identified as the primary stakeholder group whose interests should be prioritised because they are the majority but a disadvantaged group. Women constitute over 50% of the district population and are the majority in all age groups except the age group below 18 years (see table 3 below). The same table shows that there are more women (63%) compared to men (37%) among the district population aged 18+ years without any formal education. The high level of illiteracy among women means that they lack financial literacy, which is disempowering in itself. The lack of critical skills affects or limits the participation of women virtually in all important economic activities, including paid employment in formal sector, starting, and managing business enterprises, and other spaces.

Table 3: Demographic Status of Buikwe District

Parameter	Women	Men	Total
Population of Buikwe (projected to 2020 UBOS)	222,627	214,294	436,941
Age structure (census data - 2014)			
- <i>Population below 18</i>	122,440	126,520	248,960
- <i>Population aged 18 to 39</i>	61,187	52,765	113,952
- <i>Population aged 40 to 59</i>	22,503	20,644	43,147
- <i>Population above 60</i>	9,317	7,395	16,712
Population of fishing community: Najja with Kiyindi, Nyenga, Ssi, Ngogwe (excluded Wakisi Division along River Nile)	79,931	77,782	157,713
Literacy levels (census data- 2014): No formal education > 18 years	25,378	14,645	40,023

Source: Buikwe District WEE Strategic Plan

The WEE needs assessment study in Buikwe found that only 29% of women owned land compared to 71% males. Apart from land, in Buikwe district, like the rest of Uganda, women are excluded by cultural beliefs from direct participation in fresh fish capture fisheries and, at the same time, lack of capital to

invest in the fishing activities in face of high standards imposed by government limits their access to the fisheries resource altogether. Lack of access to land and the fisheries resources, which are main sources of livelihoods in the district matters a lot because many women live and work under diverse socio-economic conditions. A significant number of women live in unstable relationships with absentee husbands/partners, while others are divorced or widowed and live single lives as household heads taking full responsibility for their children and other family members. Majority engage in subsistence farming to eke a living and cater for their household welfare. The lack of control over productive assets is further indicated by the delineated 10 socio-economic categories of women activities reflected in the WEE strategic plan, underlining the fact that women are largely engaged micro and small economic activities at subsistence level, as shown in the table below (see table 4).

Table 4. Socio-economic categorisation of women activities in Buikwe fishing communities

Women socio-economic category	Main activity/livelihood
Subsistence farmers	Grow crops and keep livestock (poultry, piggery, and cattle) primarily for own household consumption and only sell any surplus produce for income.
Drama actors	Stage plays and shows in form of entertainment at events to earn some income.
Food vendors	Buy and sell food within the fishing communities.
Saving and loans category	Vend in finance and then share dividends.
Fish traders and processors	Buy fish at landing sites, process and sell it within and some beyond the fishing communities.
General traders	Deal in buying and retailing or trading general merchandise and consumer goods within the fishing communities.
Boda-boda owners	Buy and deploy motorcycles for boda-boda transportation within and beyond the fishing communities for income generation.
Boat owners	Buy and either deploy or hire boats and fishing gear on the lake for income generation.
Restaurant and hoteliers category	Operate hotels and diverse eating places within the fishing communities.
Vocational service providers	Provide various services such as tailoring, hair salons and hair dressing.

The study also found that women in Buikwe district play a key and vital role in the fisheries value chains as they constitute the greatest percentage of the fish mongers and processors; and buy fresh fish directly from the fishermen. They sell the fish either fresh or after processing it mainly by smoking. The women involved in the fisheries value chains are often grouped into small village savings and loans associations (VSLAs) and/or cooperatives although there exist a few that go it alone. One of the challenges faced is that women's activities in the value chain are characterized by poor infrastructure, low capital investment and limited technology use. Consequently, their roles and activities have neither been optimized nor linked to value chain microfinance facilities. They are thus inaccessible to various financial services that support other agricultural value chains. Such financial limitations exclude the women from upgrading their fisheries activities and businesses in the various nodes of the fisheries value chains, thus limiting the development of sustainable and viable fish trade. This limits women's potential to attain income levels that positively impact their livelihoods.

Finally, the review of analysis of strength, weakness, opportunities and threats (SWOT) for the WEE strategic plan indicates that, despite Buikwe district having improved on its functional capacity for service delivery and having opportunities in terms of fisheries resources and markets for fish, the district still has challenges of low institutional and human capacities, inadequate infrastructure and limited resources to exploit growth opportunities for promotion of women economic empowerment and local economic development. The SWOT analysis also shows that the district faces threats that require marshalling resources and technical assistance to address them. The threats include negative social-cultural mindsets of the community such as beliefs, norms and attitudes that constrain women

participation in development; natural disasters, environment degradation, climate change and disease pandemics; land grabbing conflicts, lake demarcation for large scale cage farming, and restrictive policies and regulations limiting local access rights to fisheries resources; and high cost of electricity affecting SMEs, which may require alternative technologies like solar energy, among others. These negative impacts of these threats affect more women than men in the fishing communities.

2.2. CONTEXT FOR YOUTH ECONOMIC EMPOWERMENT

The youth are defined as the cohort of young people aged between 15 and 24 years of age (United Nations - Definition of Youth).⁸ While this constitutes the generally accepted international standard used to define youth, a young person is often characterized as such based on socioeconomic, cultural, or institutional contexts that vary by country and individual situation. The African Commission and East African Community define the youth as the age group 15-35 years. Uganda defines the youth as young people aged 18-30 years (National Youth Council). Under the project, the youth as a target group will be defined as combining both the UN and Uganda's definitions, hence the age range will be 15 to 30 years. In Uganda, there is disproportionately high number of young people, with 78% of the population aged 0-30 years, and over 50% of the total population aged below 15 years. This high population of young people transiting to the youth, known as the 'youth bulge, creates both an opportunity and a challenge. It creates an opportunity because of the potential demographic dividend from cheap labour and future demand. However, if the youth bulge is not well planned for, it creates a challenge because of insufficient creation of quality and gainful jobs in the economy.

Uganda's youth unemployment rate is estimated at 13.3%, which rises to an average of 38% (if adjusted for non-paid labour). This rate goes high when the quality of available jobs is put into the context that 69% of the households are engaged in subsistence economy.⁹ (Recent reports estimate that youth unemployment to be higher at 17% in 2021¹⁰. The youth population was estimated at 9.3 million (22% of total population) among the youth age group 18 to 30 years in 2021, 37% were in employment only and 41% were in neither in employment, education, and training (NEET). Almost all employed youth (9 in 10) were in informal employment excluding agriculture though 72% were satisfied with their main jobs. The youth labour force participation rate (LFPR) was estimated at 51%. About half of the youth had an education matching with the requirements of the job while about 38% were under-educated. Regarding youth transition to employment, more than half of the youth (48%) were in transition, 24% had transitioned to employment and 22% had not yet started transition. Of the youth that transitioned to employment, more than half (51%) had transitioned to satisfactory self-employment while 47% were in stable jobs (employees).

The challenges facing the youth at national level are more accentuated at local level in the fishing communities of Buikwe district because the levels of education are low and there are limited vocational training institutions. However, there is opportunity to link the youth in Buikwe district to vocational training at Mengo Industrial Training Hub that targets the youth in Buikwe among other nine districts in northern Buganda). There are limited employment opportunities available to the youth because of shortage of land and limitations imposed on access to the fisheries resource because of the stringent regulation and enforcement regime. The problem of youth unemployment is therefore compounded by a mismatch between skills required for labour markets and knowledge produced by training institutions. Equally the limitations of investment capital make it difficult for the youth to tap into the available opportunities. This challenge justifies the urgent need for innovative projects that provide skills as well as meaningful employment and self-employment opportunities for youth.

The NDP III target is to reduce youth unemployment from 17% (2021) to 6.6% by 2025. This requires prioritizing skills and vocational development to address unemployment, especially among the youth. The skilling initiatives should aim at providing youth knowledge, skills and values for

⁸ <https://www.un.org/esa/socdev/documents/youth/fact-sheets/youth-definition.pdf>

⁹ NDP III 2020

¹⁰ Uganda Bureau of Statistics 2021, The National Labour Force Survey 2021 – Main Report, Kampala, Uganda.

employment, job creation and productivity in the NDPIII growth areas. The NDP III also mentions efforts to encourage the youth to develop local products that can be consumed locally and even exported regionally and internationally. Linkages will be explored to link the youth in Buikwe with the established government supported hubs, mainly based in Kampala, as well as the presidential initiative on skilling youth, which are based in all regions.

2.3. PROBLEM TO BE ADDRESSED AND PRIORITY ISSUES

The core problem to be addressed by the EEFC Project is “Low household income arising from lack of profitable employment opportunities and vulnerability of women and youth in fishing communities of Buikwe District”. This core problem was identified and agreed upon by the district stakeholders in a consultative logframe planning meeting held in Jinja city, based on the findings of the WEE needs assessment study. The immediate causes of the core problem are fivefold as outlined below (see further elaboration in section 3.4):

1. Inadequate institutional and human capacity of Buikwe district local government and its partners to support EEFC.
2. Lack of, or inadequate infrastructure for fish markets to support fish-based enterprises benefiting women and youth.
3. Negative social-cultural norms and mindsets that hinder economic empowerment of women and youth in the district.
4. Low levels of women and youth entrepreneurship skills for management and operation of small and medium enterprises (SMEs).
5. Low access to financial and business services to support start up, growth and sustainability of income generating enterprises for women and youth.

Elaboration Note Problem to be addressed at Kiyindi and Senyi Fish Markets

Lack of improved fish handling infrastructure for fish markets at Kiyindi and Senyi is critical as these are major landing sites in the district, which directly benefit women and youth who are the primary target groups for the EEFC project. Kiyindi and Senyi account for about 7.000 tonnes and 8.000 tonnes of Nile perch (*Lates niloticus*) and Silver fisher (locally known as “Mukene”) (*Rastrineobola argentea*), respectively, produced annually in Buikwe with an estimated total value of 29 million USD. About 75% of residents in Kiyindi depend on fishing compared to 65% of Senyi residents. In Kiyindi, Mukene is the dominant commodity among the fish products sold at **local and regional markets**. In Senyi, the local and regional markets are supported by Nile perch (70%) and Mukene (65%). The focus is on local fish value chains because they directly affect the livelihoods and living conditions of people in the fishing communities.

Drawing from lessons learned, the proposed construction of fish markets at Kiyindi and Senyi is modelled on the Panyimur fish market. This will improve fish handling, reduce post-harvest losses, and increase the quality and price of fish marketed leading to increased income and improved livelihood of fishing communities. The fish markets target women and youth who make up the majority of the people involved in fish processing and trade at the two markets.

2.4. JUSTIFICATION AND RATIONALE

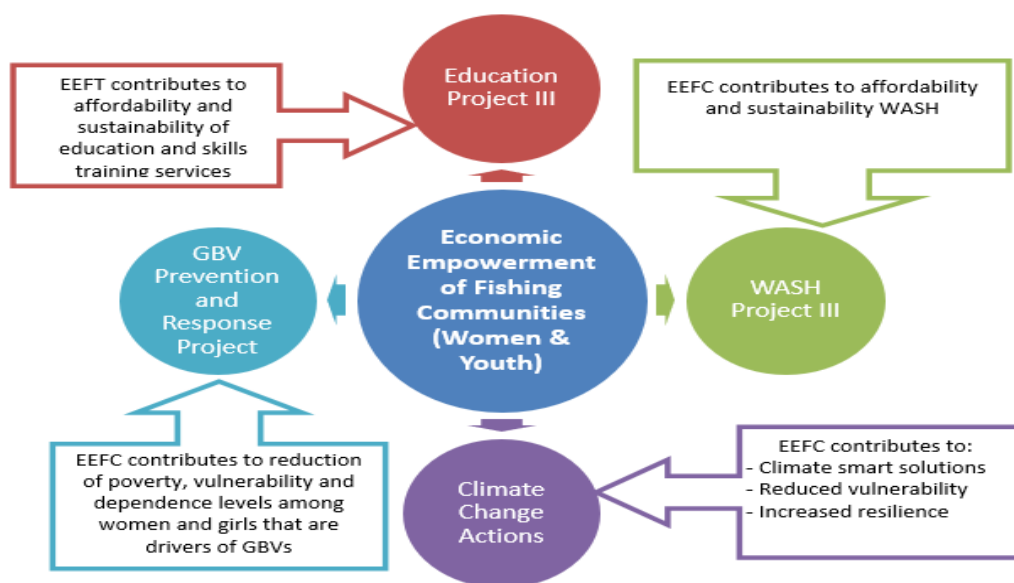
The project is relevant to the partners’ policy development frameworks as well as the SDGs that emphasize gender equality and economic empowerment of women as a pathway to human development and advancement of human rights. Economic empowerment of women and girls is central to economic growth and sustainable development of the country. The project aims/sets out to contribute to ensuring that women and girls in Buikwe district have more control over their economic futures and wellbeing; and they have equal chance to thrive and participate as equals in the economy. A woman in charge of her economic future is a woman with power over her own life, and equality for women and girls creates something greater good for everyone.

The project also addresses the problem of youth employment, especially in face of the youth bulge, that is recognised as global and national problem. The project’s focus on youth is aligned to human capital development and contributes to increased productivity of youth to increase the income and quality of life. It also contributes to harnessing the demographic dividend.

The EEFC is aligned to Uganda’s poverty reduction strategy in the NDP III and the Parish Development Model (PDM), as well the significant local government priorities of Buikwe DLG as set out in the 3rd Local Government District Development Plan (DDP III) and the Buikwe DLG Strategy for WEE for Fishing Communities 2021-2025. It addresses the needs of women and youth in fishing communities that are increasingly vulnerable to the shocks of disease pandemic, climate change impacts like flooding of lake shores, worsening economic slowdown and inflation arising from internal and external shocks, as well as threats to exclude local fishing communities from access rights to fishing and fish related economic activities on Lake Victoria. These can be associated to fisheries regulations and enforcement, which though necessary for fisheries, restrict access rights by the poor people; demarcation of lake for cage farming and cutthroat competition from groups with vested interests to monopolize the fishing industry.

At programme level, the project has linkages and creates synergies with other projects supported under BDFCDP III. It contributes to affordability and support to sustainability of education and WASH services. It also contributes to reduction of poverty, vulnerability and economic dependence that expose women and girls to gender based violence. Furthermore, it links to solutions for increased resilience of fishing communities to livelihoods shock. These programme linkages engendered by EEFC project are illustrated in figure 1 below.

Figure 1: Linkages between EEFC and other projects under BDFCDP III



2.5. STRATEGIC APPROACH

The project will use the private sector development approach to support economic opportunities based on the comparative advantages and resource endowment of the targeted district. According to DCED, Private Sector Development (PSD) is defined as a range of strategies, which establish markets that function vibrantly and fairly, providing economic opportunities of quality to poor people at scale.¹¹ According to the findings of the NLFS 2021, the private sector employs 80% of all employed persons in Uganda. Many people are engaged in markets in various ways as entrepreneurs, workers, suppliers,

¹¹ Donor Committee for Enterprise Development (DCED), **Synthesis Note**, March 2019

and buyers, among others. Hence strengthening markets in ways that secure higher incomes for the poor is a fair and efficient way to fight poverty.

The EEFC project will emphasize a mix of approaches that focus on addressing constraints within markets by developing enabling infrastructure and capacities for value chain development for fish and other selected priority commodities; and creating linkages for business development services, market systems development, financial services, and innovation and digital transformation, among others. Within the framework of PSD approaches, there is consensus that women, youth, and SMEs are of key importance as a target group that require focus.

The project will support development both existing and establishment of new women and youth enterprise groups giving priority to selected fisheries value chains and market systems prioritizing Kiyindi and Senyi fish markets. Linkages will be established between the women and youth groups with more end markets (factories, internal markets, and regional and international exporters). The focus will be on understanding what end customers want, and then working backwards along the value chains to review what is produced in the fish markets in Kiyindi and Senyi and by upstream suppliers of fish and how they can be assisted to improve their production and supplies to meet end customer requirements. This will be done through providing business information, and basic technical, business and supply management skills to upgrade and enhance consistency of supply and quality of the produce sold.

The business enterprises in the non-fisheries value chains, for selected commodities, will also be considered for support by the project to promote diversification of income generating activities and to reduce dependence on fisheries resources (see further elaboration in section 3.4). Strategic partnerships will be established with training institutions drawing from lessons learned from previous projects.

3. THE PROJECT STRATEGY

3.1. PROJECT STRATEGY (INTERVENTION LOGIC)

The EEFC is a new project under BDFCDP III focusing on economic empowerment of women and youth. The vision of the project is the realization of economic empowerment as pathway to gender equality and human right for all, particularly women and girls in vulnerable fishing communities in the district, and job creation for the rapidly growing youth population. This vision aspiration is aligned to the district, national and global efforts to achieve the SDGs. The project also links with other projects supported under BDFCDP III, namely the WASH project III and Education project III, as well as the planned Gender Based Violence Prevention and Response project and Climate Change Actions, which are still under preparation.

3.2. DEVELOPMENT OBJECTIVE

The EEFC project is a component of BDFCDP III and contributes to the programme development objective: “to reduce poverty and improve livelihoods and living conditions of the population, particularly women and youth, in fishing communities of Buikwe district”.

3.3. IMMEDIATE OBJECTIVE

The purpose of EEFC Project is “to increase employment and income to economically empower fishing communities focusing on women and youth in Buikwe district”.

3.4. PROJECT KEY OUTPUTS AND ACTIVITIES

The project will support five main outputs as well as the project coordination and monitoring and evaluation as outlined below (*see details in the project logframe in annex 1, and output-based budget and work plan in annex 2*).

Output 100: Institutional and human capacity developed for District Local Government and partner organisations supporting the project.

This output entails the construction and furnishing of the district gender office to provide office accommodation for the entire district community development department, including a resource centre, library, and counselling room. The department will be provided with one vehicle, four motorcycles, and a set of office equipment and work tools. The output also includes skills training for core technical staff to enable them facilitate community mobilisation and mind set change through mass education and literacy education programmes, with links to actions on preventing and responding to gender-based violence and climate change actions.

Output 200. Enabling infrastructure developed to support fish-based enterprises benefiting women and youth.

This output includes the design and construction of two fish markets with Child Spaces at Kiyindi and Senyi that directly benefit women and youth who are primary target groups for the EEFC project. Kiyindi has an estimated 7,600 males and 8,400 females with 3,800 households of which 27% are female headed. Senyi has 2,600 males and 2,800 females in 1,460 households of which 29% are female headed¹². The two fish markets are expected to directly benefit **5,000** women and youth involved in fish processing and trade, and indirectly benefit the entire population within the two fishing villages and in the hinterland communities in Najja and Kiyindi and in Senyi sub-county of **70,000** people. To ensure sustainability of the fish market infrastructure and facilities, the output incorporates preparation and operationalisation of the operation and maintenance (O&M) plans for the two fish markets based on lessons and best practices learned from previous projects like Panyimur fish market. The lessons on environmental impacts will be included in the designs to mitigate flooding from rising lake water levels.

Output 300. Community mobilisation and mind-set change supported to transform social-cultural norms that hinder economic empowerment of women and youth.

Community mobilisation will focus on mass education to change negative social cultural beliefs and practices that hinder women and youth empowerment. This output also includes education and training of beneficiaries to acquire functional adult literacy skills. This output will strengthen the reach of the Integrated Community Learning for Wealth (ICOLEW) under MGLSD. The training will incorporate small business content to promote not only functional adult literacy but also financial literacy. The activities under this output will be implemented by the community development department in collaboration with trade and marketing department.

Output 400. Women and youth trained in entrepreneurship and technical skills for management and operation of small and medium enterprises.

This output entails training of SME entrepreneurs to acquire appropriate business skills, and to make use of existing financial and technical services and information to enable them to effectively manage, operate, grow, and sustain their business enterprises. Strategic partners from training institutions will be identified and engaged to conduct the training and to provide post-training outreach support services. Priority will be given to institutions that still have a resource network of 1st generation and 2nd generation trainers that were trained during the ETP project. The partner training institution will develop the business course, train trainers at district level, and coordinate the training of SMEs in the project district. It will also provide business support outreach, including conducting business health checks.

Other elements of the output include strengthening existing women and youth groups and/or support formation of new women and youth groups¹³, through provision of business support outreach services

¹² https://www.ubos.org/wp-content/uploads/publications/03_2018Population_by_Parish_Census_2014_Central_Region.pdf

¹³ Reference will be made to the recent FAO mapping of women's small-scale fisheries organisations that assessed 36 such groups (savings groups + other groups) in Buikwe. The mapping exercise identified capacity needs and potential opportunities.

and business health checks by training institutions and linking women and youth SME business enterprises to business and financial services, and end markets through update, production, and dissemination of **business guide(s)**. Studies will also be conducted to research fish market tastes and preferences in the local and regional markets.

Output 500. Business enterprise development for income generation for women economic empowerment and youth employment supported.

Under this output, a *Capacity Development Grant for SMEs* will be established. The grant is intended to support and facilitate existing and new business enterprises to address constraints, mainly in form of capacity development (technical skills, basic inputs, including essential infrastructure), to facilitate growth of existing businesses and start-up of new businesses ventures. The management of the grant will be supported by strategic partners, a bank, or financial institutions. The details of the key elements of the grant are elaborated in the concept note in annex 3.

Output 600. Enhanced coordination and M&E to guide project strategy, learn from lessons and improve operations.

Coordination meetings will be held by the programme steering committee (PSC) to review and approve project plans and reports. The project baseline data will be collected to establish the starting point against which future progress and performance will be compared. Subsequently, field monitoring missions will be conducted and cross-sectional surveys will be conducted at appropriate intervals to update monitoring data. The project will be evaluated at the end 2025.

3.5. PROJECT INPUTS, ESTIMATES AND STAKEHOLDER CONTRIBUTIONS

The project inputs and costs as presented in logframe (annex 1) and project output-based budget and work plan for the period 2022-2025. The main inputs include financial, human and physical resources including land and commodities. The inputs of key stakeholders, both committed and expected as provided for in the Partnership Agreement and the Master Programme Document for BDFCDP III 2022-2025 are as presented in the table below (Table 5).

Table 5: Key stakeholder contributions

Stakeholders	Key Inputs (Committed/Expected)
<p>Buikwe District Local Government</p>	<p>Project ownership: The project is owned by Buikwe district local government, and it will ensure that project activities are integrated into district development plans, and annual budgets and work plans.</p> <ul style="list-style-type: none"> • Human Resources: Provide committed staff to manage, implement, supervise, and monitor project activities throughout the project period. • Land Resources: Secure all the land for projects sites free of encumbrances, as pre-condition for any infrastructure financing under the project. • Financial Resources: Pay all salaries and related costs of district staff involved in the project planning, implementation, supervision, and monitoring except those, which are explicitly budgeted for under the project to achieve specified results. • Operation and Maintenance: Ensure appropriate use and maintenance of assets, property and equipment provided by the project and establish budget line in the annual district budget for an operation and maintenance fund for infrastructure and facilities during and beyond the lifespan of the project.
<p>Government of Iceland (Embassy)</p>	<p>Key Development Partner: Government of Iceland, through the Embassy of Iceland in Kampala will provide financial and technical assistance and appropriate decision support in accordance with the</p>

Stakeholders	Key Inputs (Committed/Expected)
of Iceland, Kampala)	<p>provisions of the Partnership Agreement and Master Programme Document for BDFCDP III or as specified in this project document.</p> <ul style="list-style-type: none"> • Financial resources: To finance capital expenditure costs, commodities (equipment and materials) and capacity building interventions planned under the project, including eligible allowances and transport costs to attend scheduled project events or activities (<i>Eligible allowances will be in conformity with rates approved by Local Development Partner Group (LDPG) adopted by the Embassy of Iceland.</i> • Technical support: The Embassy will provide technical assistance, either through its technical teams or outsourced consultants/experts, to support planning, monitoring studies and assessments, information management, evaluations.
Government of Uganda	<p>Ministry of Finance, Planning and Economic Development (MoFPED): The MoFPED will have overall responsibility for coordination of development cooperation matters of EEFC project under the programme on behalf of Government of Uganda as spelt out in the Partnership Agreement, and will exercise its role directly for aspects of responsibilities under its line mandate or through delegation of some responsibilities to the responsible line Ministry.</p> <p>Ministry of Local Government (MoLG): In line with the roles and responsibilities delegated to it as the responsible ministry for local governments, the MoLG will be responsible for overall monitoring and implementation of the project through the programme steering committee as spelt out in the Partnership Agreement, and will play the following functions, in line with its mandate:</p> <ul style="list-style-type: none"> - Guidance on policy framework for local governance and overall supervision and monitoring of the programme/project. - Provide administrative and institutional support to the project. - Coordinate MDAs in monitoring and supervision of the project. - Liaise with Embassy of Iceland as appropriate. <p>Ministry of Gender, Labour, and Social Development (MGLSD) will in line with its mandate play these roles:</p> <ul style="list-style-type: none"> - Appraise project design and proposed technical solutions and provide guidance on national policies, standards, and priorities for Women and Youth Empowerment. - Provide technical support, monitor, and evaluate local government programmes to keep track of their performance, and to ensure quality assurance, efficiency, and effectiveness in service delivery. - Through its agencies, support on-going assessments of progress in EEFC and ensure that they are cascaded to the project area.
Women and Women Groups, Community, Civil Society, Private Sector and other Partners	<p>Women and Women Groups/Youth & Youth Groups: Participation in EEFC development interventions. Mobilise women and women groups to engage and support EEFC activities by contributing own resources to implement aspects of the project plans. Monitor implementation of contracts for construction works. Mobilisation of community support and promotion of EEFC in fishing communities. Participation in governance structures for EEFC at appropriate levels Manage and utilize all inputs provided to support Business Enterprise Development for EEFC.</p>

Stakeholders	Key Inputs (Committed/Expected)
	<p>Community and Civil Society, Private Sector:</p> <ul style="list-style-type: none"> - Engage and support WEE activities at community level - Sensitization and training of community on gender and women empowerment issues. - Provide technical support, in areas where they have expertise or comparative advantage. <p>Strategic Partners:</p> <p>Other development partners active in supporting in EEFC BDLG may be engaged in training of primary beneficiaries, work as financial intermediaries in delivery of financial services, and test and scale-up innovations in project implementation.</p>

3.6. EXPECTED BENEFITS, INDICATORS AND SUSTAINABILITY OF BENEFITS

Primary Beneficiaries: The project will directly benefit about 10,000 women and youth (comprised of about 5,000 women and youth involved in fish processing and trade at Kiyindi and Senyi fish markets, and the rest of about 5,000 are in 24 groups of women and youth running SMEs) representing 14% of the targeted fishing communities of Najja subcounty, Kiyindi town council and Senyi subcounty with population of 70,000 people. The indirect beneficiaries of the project are all the 70,000 people (sex ratio of 99.9) in the three targeted fishing communities (Najja, Kiyindi and Ssi), representing 26% of the total population of fishing communities in Buikwe district of 265,365 people.

Secondary Beneficiaries: These include the Buikwe district department and staff, and strategic partner agencies that benefit from the capacity development activities to enhance their skills, infrastructure and facilities that strengthen their functional capacities and performance on their core mandates.

The project outcome and impact will be indicated by improved well-being of women and youth through increased employment and income. The project aims to contribute to closing the gender gap in earnings, productivity, assets and economic resources, and agency, and ultimately achieving equal benefits and returns for their economic contribution. The figure 2 below illustrates the simplified theory of change showing how three outcome results lead to economic empowerment¹⁴. Though the figure illustrates the aspect of women economic empowerment, it should be noted that women include a significant number of female youths as well. By extension the male youth will get similar benefits like the female youth.

Figure 2. Link between outcome and economic empowerment

✚ Increased labour participation for women	INCOME AND ASSETS	WOMEN ECONOMIC EMPOWERMENT
✚ Improved diversity of work opportunities available to women		
✚ Women have greater access to productive assets		
✚ Women receive a higher return on their labour		
✚ Women own and control a greater proportion of productive assets	CONTROL OF AND BENEFIT FROM ECONOMIC GAINS	
✚ Women use their own bank accounts to save money and make payments		
✚ Women have greater bargaining power over household resources		
✚ Women have more agency over life choices	POWER TO MAKE DECISIONS	
✚ Women have expanded access to information on health and livelihoods		
✚ Women have more social capital and greater self-confidence		

¹⁴ Adopted from *BILL & Melinda Gates Foundation's Global Framework for Advancing Women's Economic Empowerment* available at this link. [Women's Economic Empowerment \(gatesfoundation.org\)](https://www.gatesfoundation.org/Women's-Economic-Empowerment)

4. PROJECT ORGANISATIONAL ARRANGEMENTS

This chapter provides that the organisational arrangements spelt out in the master programme document for BDFCDP III shall apply to the EEFC project with some modifications in section 4.1. The rest of the chapter covers the risk analysis and mitigation in section 4.2.

4.1. COORDINATION, MANAGEMENT, AND MONITORING AND EVALUATION

The programme coordination, management, and implementation, monitoring and evaluation, and reporting and communication mechanisms as outlined in the master programme document for BDFCDP III will apply to the project. However, the modification on the lead sector department and strategic partnerships have been elaborated as below:

Lead Line Departments: The project will have two main pillars anchored under two departments. District Community Development department will be the lead department for the implementation of the component on community mobilisation and mindset change. The Production Department in collaboration with Trade and Marketing Department will provide the lead for the pillars on Production and Marketing and Business Enterprise development.

The lead departments will collaborate with the other local government technical departments and units, which provide technical and management support services in accordance with their mandates under the district structure, either directly or through the District Technical Planning Committee chaired by the CAO.

Building Strategic Partnerships: The District Local Government will engage with and build strategic partnerships with relevant national and local financial institutions, training institutions like universities and business colleges, Civil Society Organisations (CSOs) and Private Sector Organisations (PSOs) and established registered firms with proven capacity to support economic empowerment interventions. Engagement with Government Ministries, departments and agencies is already covered within the framework of the partnership agreement. The strategic partners will be approved by programme steering committee (PSC) based on recommendation of the Buikwe district local government, upon expression of interest and meeting eligibility and qualification requirements. After approval, the memorandum of understanding will be signed with the CAO and the strategic partners on terms of the partnerships.

4.2. RISK ANALYSIS AND MANAGEMENT

In addition to the contextual risks, programmatic risks and risks from natural disasters and disease pandemics analysed in the programme master document, the following risks specific to the EEFC have been identified and analysed, their mitigation measures incorporated in the project plans as summarised below (Table 6).

Table 6. Risk analysis and mitigation measures

Risks	Probability	Impact	Mitigation Measures
1. Rights of access to fisheries resource from Lake Victoria by the fishing communities are overly restricted or stopped.	Moderate	High	Capacity of the fishing communities will be strengthened to meet the required standards, and support to diversification of activities beyond fishing activities have been incorporated into the project
2. Regional markets for processed fish are constrained by conflicts (DRC and South Sudan) or other regional trade barriers	Moderate	Moderate	Diversification of markets will be promoted, including strengthening of internal markets, and diversification of activities outside fisheries sector.

Risks	Probability	Impact	Mitigation Measures
3. Operation and maintenance of fish market infrastructure is not effective to sustain the benefits from these facilities over their design life	Moderate	Moderate	Provision for O&M plans have been incorporated into the project and will draw from lessons learned from previous projects
4. Capacity developed in the district is not sustained owing to high turn-over of staff	Low	Low	Multisector approach is used including strategic partnerships with non-state actors to mitigate this weakness
5. Structural barriers, including social cultural mindsets undermine empowerment of women	Moderate	Moderate	The rights-based approach applied by the programme and the integrated approach will address the issue of women rights
6. There is slow economic recovery arising from impacts of disease pandemics, natural disasters and climate change	Moderate	High	Measure to address impacts of climate change are integrated in programme.

5. REFERENCES

In addition to references indicated in the footnotes, the following documents were references among others cited in the master programme document.

1. Buikwe District Local Government – Third District Development Plan (DDP III) 2021-2025
2. Buikwe District Local Government - WEE Strategic Development Plan 2021-2025
3. National Planning Authority. (2013). Uganda Vision 2040.
4. National Planning Authority. (2020). Third National Development Plan (NDP III) 2020/21-2024/25.
5. Republic of Uganda. (1995). The Constitution of the Republic of Uganda.
6. Republic of Uganda. (1997). The Local Government Act.
7. The African Union Commission. (2015). Agenda 2063.
8. United Nations. (2014). Transforming our World. The 2030 Agenda for Sustainable Development.

ANNEXES

ANNEX 1 : EEFC PROJECT LOGFRAME MATRIX

HIERARCHY OF OBJECTIVES (NARRATIVE SUMMARY)	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION & DATA SOURCES	KEY ASSUMPTIONS (RISKS)
DEVELOPMENT OBJECTIVE			
To reduce poverty and facilitate improvements in livelihood and living conditions of the population, especially women and youth, in fishing communities in Buikwe district			
IMMEDIATE OBJECTIVE To increase employment and income to economically empower women and youth in fishing communities in Buikwe district.	1. Average annual incomes of targeted beneficiary women and youth from baseline and against project target	Project baseline survey Project monitoring survey Project Progress reports and monitoring reports	The population access to fishing rights will not be restricted or stopped completely. Regional markets for processing fish will not be disrupted by conflicts and wars. The economy will fully recover from Covid-19 and external shocks to guarantee a growing domestic market. There will be commitment by key stakeholders (district and private sector groups) to sustain business enterprises and enabling infrastructure
	2. Percentage (number) of long-term jobs created for women and youth in target communities from baseline and against project target		
	3. Number of women and youth businesses enterprises established/promoted in the selected fisheries value chain (fish production, processing, and marketing) and non-fisheries selected value chains from baseline and against the project target.		
	4. Percentage (targeted women and youth) benefiting from financial and business services from strategic partners from baseline and against project target.		
	5. Percentage (number of men and women) that have positive attitudes to and support gender equality and economic empowerment of women and girls		
	6. Number of innovative business ideas or processes tested and scaled-up for impact		

HIERARCHY OF OBJECTIVES (NARRATIVE SUMMARY)		OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION AND DATA SOURCES	KEY ASSUMPTIONS (RISKS)
100	INSTITUTIONAL AND HUMAN CAPACITY OF DISTRICT LG AND PARTNERS DEVELOPED TO SUPPORT EEFC PROJECT			
110	One Gender Office with Resource Centre Constructed and furnished	Number of office blocks built	Project monitoring reports Completion certificates	There is on-going operation and maintenance to ensure functionality
120	One Package of office equipment and working tools provided (<i>one computer desktop and printer, seven computer laptops, one camera, one project/screens</i>)	Number of packages of equipment and working tools	Project monitoring reports Deliveries and Goods received note (GRN)	
130	One Vehicles provided for community mobilisation	Number of Vehicles procured	Project monitoring reports Deliveries and Goods received note (GRN)	
140	Four Motorcycles provided for mobilisation and supervision	Number of Motorcycles procured	Project monitoring reports Deliveries and Goods received note (GRN)	
150	35 Local leaders, and partners oriented and trained to facilitate community mobilization and mind set change	Number of officials trained	Monitoring reports Training Certificated	Trained staff are retained for at least three years
160	20 Core technical staff team trained in economic empowerment project management skills	Number of officials trained	Monitoring reports Training Certificated	
200	ENABLING INFRASTRUCTURE DEVELOPED TO IMPROVE FISH BUSINESS ENTERPRISES BENEFITING WOMEN & YOUTH			
210	One Fish Market Developed at Kiyindi Landing Site	Number of Fish Markets completed	Project monitoring reports Completion certificates	There is on-going operation and maintenance to ensure functionality
220	One Fish Market Developed at Senyi Landing Site	Number of Fish Markets completed	Project monitoring reports Completion certificates	
230	Two Fish Market Operation and Maintenance Plans operationalized	Number of Markets functional	Project monitoring reports Completion certificates	
300	COMMUNITY MOBILISATION AND MINDSET CHANGE SUPPORTED TO TRANSFORM NEGATIVE SOCIAL-CULTURAL NORMS			
310	12 Awareness campaigns conducted in all parishes and communities on existing economic empowerment programmes and call for participation.	Number of targeted Parishes mobilized	Project monitoring reports Training Reports	Structural barriers, including social cultural mindsets are quickly transformed to drive empowerment of women
320	24 Awareness campaigns and trainings conducted in all parish communities on women rights to participate in economic empowerment programmes	Number of campaigns conducted in targeted Parishes	Project monitoring reports Training Reports	
330	24 Radio and television talk shows aired on the district programme for promoting women economic empowerment.	Number of radio and television talk shows aired	Project monitoring reports Radio talk show reports	
340	12 Billboards developed and installed in targeted parishes in fishing communities	Number of billboards installed	Project monitoring reports Completion reports	
350	15,000 Information, Education and Communication materials (IEC) developed and disseminated in fishing communities	Number of IEC Materials produced	Project monitoring reports Activity Reports	

HIERARCHY OF OBJECTIVES (NARRATIVE SUMMARY)		OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION AND DATA SOURCES	KEY ASSUMPTIONS (RISKS)
360	12 Learning/Training centres established aligned to Parish Development Model. ¹⁵	Number of parish learning centres established and functional	Reports Project monitoring reports Reports	
370	1000 Women, Youth and Men Enrolled for Adult learning in parishes	Number of eligible women, youth and men enrolled	Project monitoring reports Training Reports	
400	WOMEN AND YOUTH TRAINED IN ENTREPRENEURSHIP SKILLS FOR MANAGEMENT OF SMALL AND MEDIUM ENTERPRISES, AND BUSINESS SERVICES AND MARKET DEVELOPMENT SUPPORTED			
410	Women and Youth SMEs Trained in Entrepreneurship and Technical Skills			Capacity developed in the district is retained and sustained
411	24 Women and youth groups/VSLAs in targeted parishes formed and strengthened and linked to business and financial services.	Number of organisations engaged	Project monitoring reports Progress Reports	
412	Three Strategic partner organisations engaged to support training needs assessment conduct training of women and youth in business skills	Number of organizations engaged	Monitoring Reports Progress Reports	
413	One Capacity needs assessment for women and youth business skills conducted, with specific assessment of skills along fish value chains.	Number of assessments conducted	Project monitoring reports Assessment Reports	
414	15 trainers of trainers conducted at district level	Number of officials trained	Project monitoring reports Assessment Reports	
415	24 Women Groups 12 trained in parishes	Number of women groups trained	Project monitoring reports Training Reports	
416	24 Youth Groups trained in 12 targeted parishes	Number of youth groups trained	Project monitoring reports Training Reports	
420	Business Services and Market Development for Women and Youth SMEs Promoted			As above
421	24 women and youth groups engaged in fisheries business have linkages established with factories, markets, and exporters	Number of organisations engaged	Project monitoring reports Progress Reports	
422	Fish Marketing Anthropological study undertaken to guide training in fish processing and marketing ¹⁶	Number of studies conducted	Project monitoring reports Study report	
423	Study on efficiency and effectiveness of processing, marketing, and saving groups in fishing communities focusing on income trickle down effects to the lowest beneficiary. Information to guide assessment of potential beneficiary groups for project.	Number of studied conducted	Project monitoring reports Study report	
424	Three annual SME business checks conducted periodically to update monitoring data on key outcome indicators to assess progress and performance	Number of business checks conducted and reports reviewed	Project Monitoring reports	
500	BUSINESS ENTERPRISE DEVELOPMENT FOR INCOME GENERATION FOR WOMEN ECONOMIC EMPOWERMENT AND YOUTH EMPLOYMENT SUPPORTED			

¹⁵ The centres are existing facilities like schools, churches or sub-county halls where trainings, meeting, and common services are conducted.

¹⁶ Title of study: Culture, Fish markets and Fish marketing in in local market (Buikwe), National Market (Uganda) and the Regional Market (East Africa, and DRC)

HIERARCHY OF OBJECTIVES (NARRATIVE SUMMARY)		OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION AND DATA SOURCES	KEY ASSUMPTIONS (RISKS)
510	Capacity Development Grant established for supporting SME Established	Amount of grant absorbed /beneficiaries	Project monitoring reports Financial Reports	Capacity developed in the district is not sustained
520	Strategic partner organisations engaged to support management of the grant to SMEs (Memoranda of understanding - MOUs signed)	Number of organisations engaged	Project monitoring reports Progress Reports	
600 PROJECT COORDINATION, AND MONITORING AND EVALUATION				
610	Coordination and Management			
611	Six Biannual Programme Steering Committee held	Number of PSC meetings held	PSC minutes	
612	Six biannual project work plans produced and reviewed by PSC	Number of plans approved	PSC minutes	
613	Six cumulative biannual project report produced and reviewed by PSC	Number of biannual reports produced	PSC minutes	
614	12 Project quarterly plans produced and reviewed by district/PIMT	Number of quarterly reports produced	PIMT minutes	
620	Monitoring and Evaluation			
621	One project baseline data on key outcome and indicators established for baseline year	Number of baseline data established	Project monitoring reports Baseline data reports	
622	Quarterly Field monitoring missions for tracking progress and assessing project performance conducted.	Number of monitoring visits conducted	Project monitoring reports	
623	Mid-term and final evaluation conducted	Number o evaluations conducted	Evaluation report	

ANNEX 2: EEFC PROJECT OUTPUT-BASED BUDGET AND WORK PLAN 2022-2025

CODE	OUTPUTS	TARGET	UNIT COST	BUDGET UGX	BUDGET USD	PERCENTAGE
	EXCHANGE RATE USED			3,650	1	
100	INSTITUTIONAL AND HUMAN CAPACITY OF DISTRICT LG AND PARTNERS DEVELOPED TO SUPPORT EEFC PROJECT			1,048,250,000	287,192	15.9%
110	Gender Office with Resource Centre Constructed and furnished	1	730,000,000	730,000,000	200,000	11.1%
120	Package of office equipment and working tools provided (<i>one computer desktop and printer, seven computer laptops, one camera, one projector/screens</i>)	1	24,000,000	24,000,000	6,575	0.4%
130	Vehicles provided for community mobilisation	1	180,000,000	180,000,000	49,315	2.7%
140	Motorcycles provided for mobilisation and supervision	4	12,000,000	48,000,000	13,151	0.7%
150	Local leaders, and partners oriented and trained to facilitate community mobilization for mindset change	35	750,000	26,250,000	7,192	0.4%
160	Technical staff team trained in economic empowerment project management and monitoring skills	20	2,000,000	40,000,000	10,959	0.6%
200	ENABLING INFRASTRUCTURE DEVELOPED TO IMPROVE FISH BUSINESS ENTERPRISES BENEFITING WOMEN & YOUTH			2,600,000,000	712,329	39.6%

CODE	OUTPUTS	TARGET	UNIT COST	BUDGET UGX	BUDGET USD	PERCENTAGE
210	Fish Market Developed at Kiyindi Landing Site	1	1,300,000,000	1,300,000,000	356,164	19.8%
220	Fish Market Developed at Senyi Landing Site	1	1,200,000,000	1,200,000,000	328,767	18.3%
230	Fish Market Operation and Maintenance (O&M) Plan operationalized	2	50,000,000	100,000,000	27,397	1.5%
300	COMMUNITY MOBILISATION FOR MINDSET CHANGE SUPPORTED TO TRANSFORM NEGATIVE SOCIAL-CULTURAL NORMS			607,000,000	166,301	9.2%
310	Awareness campaigns conducted in all parishes and communities on existing economic empowerment programs and call for participation.	12	3,000,000	36,000,000	9,863	0.5%
320	Awareness campaigns and trainings conducted in all parish communities on women rights to participate in economic empowerment programs	24	2,000,000	48,000,000	13,151	0.7%
330	Radio and television talk shows aired on the district programme for promoting women economic empowerment.	24	2,000,000	48,000,000	13,151	0.7%
340	Billboard developed and installed in targeted parishes in fishing communities	12	5,000,000	60,000,000	16,438	0.9%
350	Information, Education and Communication materials (IEC) developed and disseminated in fishing communities	15000	3,000	45,000,000	12,329	0.7%
360	Learning/Training centres established aligned to Parish Development Model.	12	10,000,000	120,000,000	32,877	1.8%
370	Women, Youth and Men Enrolled for Adult learning in parishes	1,000	250,000	250,000,000	68,493	3.8%
400	WOMEN AND YOUTH TRAINED IN ENTREPRENUERSHIP AND TECHNICAL SKILLS FOR MANAGEMENT OF SMEs AND SUPPORTED WITH BUSINESS SERVICES			1,118,000,000	306,301	17.0%
410	Women and Youth SMEs Trained in Entrepreneurship and Technical Skills			736,000,000	201,644	11.2%
411	Women and youth groups and VSLAs in targeted parishes formed and/or strengthened and linked to business and financial services.	24	8,000,000	192,000,000	52,603	2.9%
412	Strategic partner organisations engaged to support training needs assessment and conduct training of women and youth SMEs in business skills	3	75,000,000	225,000,000	61,644	3.4%
413	Capacity needs assessment for women and youth business skills conducted, with specific studies in conducted in fisheries value chains.	1	100,000,000	100,000,000	27,397	1.5%
415	Training of trainers conducted for for the district core team combining district staff, partner NGOs and Private Sector Organisations	15	5,000,000	75,000,000	20,548	1.1%
416	Training of Women Groups Conducted in targeted parishes	24	3,000,000	72,000,000	19,726	1.1%
417	Training of Youth Groups conducted in targeted parishes	24	3,000,000	72,000,000	19,726	1.1%

CODE	OUTPUTS	TARGET	UNIT COST	BUDGET UGX	BUDGET USD	PERCENTAGE
420	Business Services and Market Development for Women and Youth SMEs Promoted			382,000,000	104,658	5.8%
421	Market linkages established between women and youth groups engaged in fisheries business and the factories, markets and exporters (through Business Guides, Study Tours and Mentorship)	24	8,000,000	192,000,000	52,603	2.9%
422	Fish Marketing Anthropological study undertaken to guide training in fish processing and marketing ¹⁷	1	50,000,000	50,000,000	13,699	0.8%
423	Study on efficiency and effectiveness of processing, marketing and saving groups in fishing communities focusing on income trickle down effects to the lowest beneficiary. Information to guide assessment of potential beneficiary groups for project.	1	50,000,000	50,000,000	13,699	0.8%
424	SME business checks conducted periodically to update monitoring data on key outcome indicators and assess progress annually	3	30,000,000	90,000,000	24,658	1.4%
500	BUSINESS ENTERPRISE DEVELOPMENT FOR INCOME GENERATION FOR WOMEN AND YOUTH SUPPORTED			1,050,000,000	287,671	16.0%
510	Capacity Development Grant Established to support Growth and Start-up of Women and Youth SMEs			1,050,000,000	287,671	16.0%
511	Direct Capacity Development Grant to SMEs (>85% of total grant)	1	900,000,000	900,000,000	246,575	13.7%
512	Grant to Strategic Partner (Bank or financial institution) engaged to support management of the Capacity Development Grant for SMEs through memoranda of understanding (MOU) - Indirect Grant (<15% of total grant)	2	75,000,000	150,000,000	41,096	2.3%
600	PROJECT COORDINATION, AND MONITORING AND EVALUATION			150,000,200	41,096	2.3%
610	Coordination and Management					
611	Biannual Programme Steering Committee held	6	1,000,000	6,000,000	1,644	0.1%
612	Biannual project work plan produced and reviewed by PSC	6	1,000,000	6,000,000	1,644	0.1%
613	Cumulative biannual project report produced and reviewed by PSC	6	1,000,000	6,000,000	1,644	0.1%
614	Project quarterly plans produced and reviewed by district/PIMT	12	2,000,000	24,000,000	6,575	0.4%
620	Monitoring and Evaluation				-	0.0%
621	Project baseline data on key outcome indicators established	1	60,000,000	60,000,000	16,438	0.9%

¹⁷ Title of study: Culture, Fish markets and Fish marketing in local market (Buikwe), National Market (Uganda) and Regional Market (East Africa including Democratic Republic of Congo (DRC).

CODE	OUTPUTS	TARGET	UNIT COST	BUDGET UGX	BUDGET USD	PERCENTAGE
622	Field monitoring missions for tracking progress and assessing project performance conducted quarterly	12	4,000,000	48,000,000	13,151	0.7%
623	Mid-term and final evaluation conducted	2	100	200	0	0.0%
Total Direct Support to Project Activities by Government of Iceland				6,573,250,200	1,800,890	100.0%
Government of Uganda/Buikwe DLG Contribution (Land and Personnel)		10%	6,750,000,000	675,000,000	180,000	
GRAND TOTAL				7,248,250,200	1,980,890	

ANNEX 3. THE CONCEPT NOTE ON CAPACITY DEVELOPMENT GRANT TO SMES

1. Introduction

The Buikwe-Iceland Development Partnership for *Economic Empowerment of Fishing Communities Focusing on Women and Youth 2023-2025 (EEFC Project)* is a component of the BDFCDP III and contributes to the programme goal. The immediate objective of the project is *increased household incomes to economically empower women and youth in fishing communities of Buikwe district*. This will be achieved through delivery of six main outputs as outlined in the project document, chapter three (section 3.4) and project logframe (annex I). Under *Output 500. Business Enterprise Development for Income Generation for Women Economic Empowerment and Youth Employment Supported*, it is planned to establish capacity development grant to support SMEs. This concept note gives more elaboration on the **Capacity Development Grant to SMEs** covering background and justification, purpose and objectives, lessons learned from similar or related grants, management and operation of the grant, beneficiaries and selection criteria, and fiduciary safeguards.

2. Background and Justification

The SMEs form the backbone of the private sector, which is the engine of development in Uganda. It is estimated that SMEs make up approximately 90 per cent of Uganda's private sector. The SMEs provide jobs through which people can acquire skills and generate income. In fact, SMEs contribute two thirds of national income and have proved to be a powerful force for poverty reduction and the foundation for a middle class. The Ministry of Finance, Planning and Economic Development defines micro and small enterprises as follows:

Micro enterprises in Uganda are defined as enterprises having:

- Fewer than five employees, including family members.
- Asset value not exceeding 10 million UGX.

Small enterprises are defined as having:

- Between 5-49 employees
- Asset value between 10–100 million UGX

The Medium Enterprises defined as having:

- Between 50-100 employees
- Asset value between 100–360 million UGX.

Majority of SMEs in the fishing communities of Buikwe district are operated by women and youth and these constitute about 92% of the total business operators. Their incomes are from production and business enterprises mainly in fish and agricultural produce. The fish products are either sold fresh or processed and they include Nile perch, Tilapia and Silver fish (mukene). Some of the women and youth also own fishing gears which include boats, fishing nets, as well as small processing units (kilns and racks) which they use to add value to the fish products which cannot be sold in fresh form. The products are sold directly to the consumers within the landing sites or to purchasers who then transport them to markets (local and regional).

The core problem to be addressed: The SMEs in fishing communities, and generally in Uganda, have the most difficulty in accessing finance and the problem is worse for Women and Youth SMEs. Micro businesses are increasingly being catered for by the plethora of microfinance institutions, which charge very high rates of interest. The loans tend to be relatively short-term, yet SMEs require longer-term funding to grow and sustain their businesses. Banks and other financial institutions, because of real and perceived inherent risks, do not lend to SMEs or they lend them at high cost. The financing suitable for SMEs is still insufficient, and this results in their limited growth and survival. *The challenge then is how to assist the "missing middle" (SMEs) in accessing finance for their growth and sustainability.* Generally, banks give the following main reasons for the difficulty they face in financing SMEs:

- start-ups with limited credit history and debt repayment culture, and lack of suitable collateral required by banks.
- inadequately compiled financial records and accounts, especially audited accounts coupled with low level of technical and management skills and lack of professionalism.
- inadequate technologies, no economies of scale, low rate of return on capital, and low chance of survival due to small size.
- lack of market outlets due to poor product quality and non-standardized products, and poor linkage with large-scale enterprises.
- risky business activities such as agriculture and limited knowledge of business opportunities

These problems are more accentuated in fishing communities of Buikwe district. Women and youth SMEs are faced with limited capital to start-up enterprises or to grow existing micro and small enterprises to bigger businesses and to use the recommended value addition technologies whose products can fetch more income. Most of their business enterprises are far from the credit financial institutions and are not easily accessible, which affects them from acquiring loans to run their businesses. There is also limited access to business and technical skills for running their enterprises.

Provision of credit and capital to support the business enterprises for women and the youth is a prerequisite for improving their businesses and production of quality products using the recommended value addition technologies. They also need to be supported to acquire the required skills to run their businesses. The capacity development grant to SMEs has been designed to respond to the core problem as elaborated above.

3. Purpose and Objectives of Capacity Development Grant

Capacity development grant is established to support women and youth SMEs in fishing communities to access financing to grow existing and start-up new business and production enterprises to the level whereby they achieve minimum capacity to attract funding from banks and other financial institutions for sustained growth. The specific objectives of the grant are outlined below:

1. To provide grants for funding growth of existing or start-up of new income generating enterprises for women and youth.
2. To provide grants for funding entrepreneurship and technical skills development to enhance capacity to manage and operate women and youth SMEs.
3. To provide grants to fund women and youth SMEs for value addition technologies and innovations and associated technical support services to implement them.

4. Scope of Activities Covered by Grant

The grant will be divided into two parts: the direct grant to SMEs of up to 90% and indirect grant for institutional support of up to 10% as further elaborated below (subsections 4.1 and 4.2).

4.1 Direct grant to SMEs

Individuals or groups of Women and youth SMEs that meet the criteria will be funded to implement their project proposal with the financial thresholds for the individual SMEs or groups of SMEs. The funding under the direct grant to beneficiaries will only be applied to projects aligned to the specific objectives of the grant (in section 3 of this concept note above) and will be used for approved eligible projects.

The projects that are recommended as viable shall include, but are not necessarily limited to the following:

- A. **Fish Production and Business Value Chain:** Artisanal fishing, cage/fish farming, fish processing, trading in fish commodities (**Priority Area**).
- B. **Possible Areas for Diversification to Non-Fishing Value Chains**
 - **Agro-processing Value Chains:** Crop farming (horticulture and food production) and animal husbandry (poultry, piggery, goat keeping and apiary).
 - **Small Scale Industries:** Bakery and cookery, welding and metal works, carpentry, boat building and repairs, fishnet making and repairs, and fashion designs and tailoring, among others.
 - **Services Industry:** Hotel and catering, childcare centres, saloon, and cosmetology, among others.
 - **Trade and Commercial Services:** Wholesale trade, and retail trade, mobile money business, mobile banking agency, and transport services (vehicles and boats) among others.

4.2 Indirect Grant for Institutional Support

The institutional grant will be given to the strategic partner to cover the cost of support services in management and implementation of the grant. The strategic partner will be engaged by the programme steering committee (PSC) based on recommendation of the district that the strategic partner expressed interest and meets eligibility and qualification requirements. The Institutional grant will be up to 10 percent of the total grant to SMEs as approved in the annual budget.

5. Institutional arrangements

The institutional arrangements for coordination, management and M&E of the ground shall be comprised of the PSC, Grants Committee, and Grant Management by strategic partner from a selected financial institution.

5.1 Partners represented at PSC (Embassy, MoLG and Buikwe DLG)

- Oversee operation of the grant
- Approve annual budgets for the grant.
- Approve strategic partners.
- Review and approve reports on grant implementation.
- Monitor and evaluate performance of the grant.

5.2 Grants Committee: The grants committee will be comprised of six members and two observers:

- One subject matter specialist from Buikwe DLG Community Based Services department.
- One subject matter specialist from Buikwe DLG Production Department (Fisheries Office).
- One subject matter from Buikwe DLG Commercial Services Department.
- One subject matter specialist from Buikwe DLG Natural Resources Department.
- One representative of Strategic Partner – Selected Financial Institution.
- One representative of Strategic Partner – Selected Training Institution.
- Two members of PIMT (Embassy and Buikwe DLG) to attend as observers.

The roles of the grants committee will be as follows:

- Prepare simplified application documents, advertise, and invite applications for grants from groups already prepared through prior group formation and training.
- Receive and evaluate the applications for the grants received from applicants.
- Approve grants to successful beneficiaries based on the selection criteria.
- Submit successful applicants to Chief Administrative Office (CAO) to seek a no objection from the Embassy of Iceland.
- Based on the no objection received from the Embassy, the CAO will make submission to strategic partner to disburse funding in accordance with the stipulated modalities in the MoU.

5.3 Grant Management

The capacity development grant to the SMEs will be managed by the strategic partner selected from the financial institutions in the district approved by the PSC on recommendation of the district. The district will sign a memorandum of understanding (MOU) with the strategic partner (bank or financial institution) to manage the grant in accordance with disbursement modalities contained therein. The bank will disburse grants to beneficiaries in form of direct payments to suppliers and service providers for commodities and services provided as project inputs, which are duly ordered by the approved beneficiaries as evidenced by invoices and deliveries.

The key roles of the strategic partner in managing the grant shall include the following:

- Participate on grants committee as technical advisor.
- Keep records of all approved beneficiaries
- Process disbursements to beneficiaries in accordance with agreed payment modalities.
- Conduct business checks.
- Mentor SMEs to develop capacity to access financing from banks.
- Prepare periodic reports on progress and performance of the grant.
- Give technical advice on how to improve performance of the grant.

6. Criteria for Selecting Beneficiary SMEs

The design of the capacity development grant was informed by lessons learned from implementation of Uganda Women Entrepreneurship Project (UWEP) and the Youth livelihood project (YLP), especially the following:

First, youth and women were supported as groups of not less than five people. The project for the group like rearing of a cow(s) was usually shouldered by one group member that had adequate space to host the cow. This had the tendency of putting the burden on the host member. Other members put relatively less effort, yet they would share the returns equally. The projects failed because the design of the grant lacked private incentives to the members.

Second, the beneficiaries were not given adequate training prior to implementation of the projects, yet some had never implemented such projects. The projects failed because the women and youth owners lacked both entrepreneurship and technical skill to manage and operate the SMEs.

Third, the funds were given to group members in cash, and they shared a portion and utilized the remaining portion on project implementation. The projects failed because of less capitalization as some of the funds were diverted.

The above lessons learned from implementation of UWEP and YLP were incorporated in the design of the capacity development grant, specifically the following:

- The grant beneficiaries shall still be required to be members of functional women and youth groups, but they will have the option to apply and implement projects either as individuals or jointly as a group.
- Grants will not be disbursed to beneficiaries in cash form; it will be given in form of direct payments to suppliers and service providers for commodities and services (project inputs), which are duly ordered by the approved beneficiaries and evidenced by invoices and deliveries.
- Thorough training of potential eligible beneficiaries in the project area will be conducted in groups before applications are invited and post qualification training will be conducted for successful applicants.

The criteria for evaluation of successful beneficiaries will be based on the following:

Eligibility criteria

- One must be a member in one of the functional groups of women or youth in the project area and have been trained in general entrepreneurship skills for SMEs.
- One must be within the target group of women, and youth (girls and boys aged 15-30yrs)
- One must be permanent resident of the project area as evidenced by national identification card or local council introduction document.
- When the applicant is a group, it should be registered at least at the district level, and members of the group must sign joint venture agreement.

Qualification criteria

- The application must be submitted and endorsed by the owner of the SME or for groups by the authorised representative(s).
- The grant request application should be within the range not exceeding thresholds in table I.
- The project must fall within the priority projects specified in 4.1 above.
- The project should have employment benefits to households and community.
- The application is financially viable and meets environmental and social safeguards.
- Post qualification: All selected individuals/groups complete post-qualification training depending on the enterprise chosen.

7. Expected Outcome of Grant

The expected outcome of the grant will be at three levels: immediate results, intermediate results, and long-term results:

Immediate Results

- One billion and fifty million Uganda shillings (290,000 USD) will be provided to support women and youth SMEs in fishing communities, with more that 85% in direct grants (see details in table 1).
- Between 180 - 900 SMEs are estimated to benefit from the grant directly over three years depending on the mix of beneficiary enterprises from small, micro and start-up enterprises.
- Between 3,600 - 4,500 people estimated to be employed by the beneficiary SMEs depending on the mix of beneficiary enterprises from small, micro and start-up enterprises.
- Between 14,400-18,000 household members will benefit from SMEs based on the number of employees and household (HH) size of 4 people.
- All beneficiary SMEs will open bank accounts and will be trained to use available banking agents or mobile money services to access banking services.
- Beneficiary SMEs develop capacity and linkages to access financing from banks:
 - SMEs grow and develop credit history and acquire suitable collateral required by banks to access finance for further growth and sustainability.
 - SMEs have adequately compiled financial records and accounts, especially audited accounts.
 - SMEs improve of level of technical and management skills and professionalism.
 - SMEs acquire technologies, expand, and gain from economies of scale, high rate of return on capital, and have high chance of survival due to increased size.

- SMEs are able to penetrate market outlets due to better product quality and standardized products, and linkage with large-scale enterprises.
- SMEs are able to mitigate risky business activities through diversification from agriculture to business opportunities.

Long-term results

- 1) Business growth. This growth can be indicated by increased revenue, profits, and job creation.
- 2) Survival rate: This will be indicated by percentage and number of businesses that were supported surviving and are still in operation after the first year and subsequent years.

Table 1. Estimate of Expected Beneficiaries of Grant¹⁸

Description of Grants	Amount (UGX)	Number of SMEs	Employees per SME	Total Employees	HH Size	Household Beneficiaries
Total Grant Available	1,050,000,000					
Grant for Institutional Support	150,000,000					
Available Direct Grant to SMEs	900,000,000	180-900	5-20	3600-4500	4	14400-18000
Maximum Grant for Small Enterprises	5,000,000	180	20	3,600	4	14,400
Maximum Grant for Micro Enterprises	2,500,000	360	10	3,600	4	14,400
Maximum Grant for Start-up Enterprises	1,000,000	900	5	4,500	4	18,000

8. FIDUCIARY SAFEGUARD

The following fiduciary safeguards have been incorporated to protect the interests of the partners and the beneficiaries.

1. **Separation of Duties:** There is a clear separation of duties and responsibilities with PSC exercising oversight roles, the grants committee evaluating the applications and the strategic partner managing the grant disbursements. The Embassy of Iceland and Buikwe DLG will exercise their roles in accordance with the Partnership Agreement.
2. **Oversight:** The oversight roles of the partners are exercised by approving the strategic partner, review of the recommendations of the Grants Committee and giving a no objection and observing of the process of selection of beneficiaries by the PIMT with the representative of the Embassy and the District.
3. **Monitoring:** The Embassy and Buikwe district local government will exercise their monitoring roles in line with the provisions in the partnership agreement and as elaborated in the master programme documents. The monitoring role will be enhanced by support from strategic partners.
4. **Transparency:** This involves providing regular reports and updates to the beneficiaries to ensure that they are aware of the fiduciary's actions and can hold them accountable if necessary.
5. **Complaints and Feedback Mechanism:** The selection process shall provide for a complaints and feedback mechanism in line with the district procedures.

¹⁸ The when the applicant is a group, the threshold of accessible grant will be increased depending on the number in the group and the expected benefits in terms of job creation.