



Food and Agriculture Organization  
of the United Nations



# Strengthening linkages between small actors and buyers in the Roots and Tubers sector in Africa

## Project Inception Workshop Report

Kabira Country Club, Kampala, Uganda  
16 January 2015



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The FAO project team is very grateful to all those organizations that were visited by their consultant for all the information that was gathered from them prior to the inception workshop.

Many special thanks go to all the participants for coming to the workshop and for their active involvement in the workshop.

## Executive summary

In the framework of launching the project “Strengthening linkages between small actors and buyers in the Roots and Tubers sector in Africa”, FAO Uganda has organized a one-day inception workshop to which key stakeholders in the Irish potato value chain in Uganda were invited. The participants included senior managers from Government institutions, development partners, research institutes, NGOs, the private sector, financial institutions and farmer organizations.

The objectives of the workshop included the presentation of the current status of Irish potato value chain in Uganda, project objectives and activities and the sharing of views and experiences from key stakeholders for effective project planning. Participants discussed whether proposed activities are relevant for the context of the Ugandan potato sector, and they provided suggestions for their implementation in terms of focus and potential partners and beneficiaries.

Potato is both a subsistence and commercial crop in Uganda. Due to the growing demand for potato and its products, it has been identified by The Ministry of Agriculture, Animal industry and Fisheries (MAAIF) in its Development Strategy and Investment Plan as a priority crop for strategic intervention. There is a general positive trend in production of potato due to slight growth in acreage and yield, but productivity is still lower than potential yields. However, there exist some interventions in the potato sector from which the new FAO project would learn lessons from, forge collaborations and synergies.

Participants unanimously welcomed the project and agreed with its overall outline. There is a potential to increase the competitiveness and viability of potato value chains, through a better organization of the chain and improved linkages between buyers and producers, through higher yields as a result of the use of better quality seeds and other inputs and through better post-harvest handling, especially storage.

There are many past and ongoing interventions in seed and ware potato value chains in Uganda. The participants suggested that the ART project could support the establishment of a multi-stakeholder platform at the national level to coordinate all the interventions by the public and private sector and development partners.

Lack of access to high quality potato seeds remains one of the main limiting production factors. The ART project should work with other initiatives to develop strategy to address this issue and to scale up farmer training through Farmer Field Schools.

SMEs access to market information and financial services are limited and the ART project can accelerate the development of the private sector to provide MIS through Public-Private Partnerships (PPPs).

Climate change impacts are increasingly affecting potato smallholder production. Yet, smallholders have limited access to climate risk management instruments. This calls for more support to research on climate smart agriculture and climate risk management tools.

## Acronyms

ACP	African, Caribbean and Pacific
AMPRIP	Agricultural Marketing Promotion and Regional Integration Project
BugiZARDI	Buginyanya Zonal Agricultural Research and Development Institute
CIP	International Potato Center
COMESA	Common Market in Eastern and Southern Africa
COMRAP	COMESA Regional Agro-inputs Programme
EHC	Excel Hort Consult
EU	European Union
FAO	Food and Agricultural Organization
FFS	Farmer Field School
FOs	Farmer Organisations
IFDC	International Fertilizer Development Center
IFPRI	International Food Policy Research Institute
IIRR	International Institute of Rural Reconstruction (IIRR)
IITA	International Institute of Tropical Agriculture
ISSD	Integrated Seed Sector Development
KaZARDI	Kachwekano Zonal Agricultural Research and Development Institute
KPPIL	Kisoro Potato Processing Industries Ltd
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MIS	Market Information System
MTIC	Ministry of Trade, Industry and Cooperatives
NAADS	National Agricultural Advisory Services
NGOs	Non-Governmental Organizations
PASIC	Policy Action for Sustainable Intensification of Cropping Systems
PPPs	Public-Private Partnerships
R&T	Roots and Tubers
SMEs	Small and Medium Enterprises
UCA	Uganda Cooperative Alliance
UNADA	Uganda National Agro-input Dealers Association
UIA	Uganda Investment Authority
UNBS	Uganda National Bureau of Standards
UNFFE	Uganda National Farmers' Federation

# 1. Introduction

## 1.1 Background/Context

The roots and tubers sector (R&T) is one of the most important food sub-sectors in Africa. For many parts of Sub-Saharan Africa (Africa), roots and tubers account for 20% of calories consumed. Crops such as cassava, yam and potatoes are not only important for food security but also increasingly for income for farmers and small businesses - particularly for women.

Market demand for roots and tubers is expected to continue to grow over the next two decades, due to increases in urban food markets and the increased use of cassava starch by food, feed and carton industries in Africa.

Furthermore, in an effort to support smallholders to transition out of subsistence farming, governments in Africa are placing the commercialization of staple crops at the centre of national agricultural development strategies.

Against this background the project “*Strengthening linkages between small actors and buyers in the Roots and Tubers sector in Africa*” will be implemented.

Its aim is to *improve the livelihoods of small producers engaged in the roots and tubers value chains in selected African, Caribbean, and Pacific (ACP) countries (Cameroon, Benin, Ghana, Ivory Coast, Malawi, Uganda and Rwanda) through the promotion of linkages to domestic and regional markets.*

The project is funded by the European Union (EU) intra-ACP programme. The project will be implemented by the Food and Agriculture Organization of the United Nations (FAO) in close collaboration with the national partners in the concerned countries.

The project is structured around four outputs:

- a) Existing national and regional strategies are aligned with initiatives supporting the development of improved regional market integration for the roots and tubers sector in African ACP regions.
- b) The competitiveness and viability of R&T value chains is strengthened by improving inclusive business models, sustainable intensification of production, SME capacity and Farmer Organizations’ Capacity.
- c) Access to information services and finance is improved for smallholders.
- d) Small producers have access to climatic risk management instruments.

The project will work with a wide range of stakeholders and partners such as producers and their organizations, input suppliers, processors, traders, transporters, store managers, agribusiness and financial services providers, NGOs, research institutes, government staff, chambers of commerce and regional economic communities.

During the project formulation stage, valuable contributions have been received from the concerned countries through the FAO representations in these countries and through the ambassadors in the ACP group in Brussels. Nonetheless it has been foreseen to organise an inception workshop in each beneficiary country to refine the activities indicated in the project document.

Thus, FAO Uganda has organized a one-day inception workshop to launch the project, which took place on 16 January 2015 at the Kabira Country Club in Kampala. A range of stakeholders have been invited and have actively participated in the workshop discussions.

## 1.2 Objectives and activities

The purpose of the 1-day inception workshop was to create awareness about the project, launch the project and also to make a more detailed and country-specific work plan for the implementation of the project activities. More specifically, the objectives of this workshop included the following activities:

- i. Present the general project's objectives and outline to the participants;
- ii. Share and capitalize the achievements to-date and the lessons learnt from the actors/projects/partners in the potato sector which could support the implementation of the project;
- iii. Identify how the project can build on earlier achievements and build synergies with and be complementary to ongoing initiatives
- iv. Present and discuss the proposed activities proposed in the project document; adapt them to the local context and identify more specific activities and potential beneficiaries and project partners (both public and private sector)

For a detailed agenda of the workshop, see Annex 1.

## 1.3 Participants of the Workshop

The participants in the workshop came from international/regional, national and local levels: Government ministries, agencies and parastatals, development partners, agricultural research institutes, farmer organizations, Non-Governmental Organizations (NGOs) and Small and Medium Enterprises (SMEs) and traders.

See attached a list of participants to the workshop (*Annex 2*).



## **2. Opening Session – Chair: Dr. Alex Lwakuba, MAAIF**

### **2.1 Welcome speech by FAO Deputy Representative (Dr. Massimo Castiello)**

On behalf of the FAO Representative, Mr. Castiello warmly welcomed participants to the workshop. He appreciated the trust the EU and ACP had placed in FAO to implement the project. He highlighted the importance of Irish potatoes in Uganda. The objective and mission of the project is to prepare stakeholders in the potato value chain to take advantage of emerging opportunities in the food sector in Uganda. The project aims to improve the livelihoods of small potato producers through the promotion of linkages to domestic and regional markets. In order to contribute to government's objective of modernizing the agricultural sector led by the private sector, the project will strengthen capacities of agro-processors and traders. He was confident that the objectives of the workshop would be achieved and wished participants fruitful deliberations.

The detailed speech of FAOR is in Annex 3.

### **2.2 Keynote speech by the Director, Crop Resources, MAAIF (Mr. Okaasai Opolot)**

The Director emphasized the strategic importance of potato in the Ugandan economy as both a food and income security crop. He noted that production of potato had increased from 147,000 tonnes in 2008 to 175,000 tonnes in 2013. The President of Uganda was opening the Kisoro potato processing plant that very day and had called him the previous day directing MAAIF to strengthen the potato sector in order to increase incomes obtained by producing households. He thanked FAO for coming up with the new project since it will assist efforts aimed at supporting the potato sector. With this remarks, he then declared the FAO project launched.

### **2.3 Project overview, objectives and output areas (Presented by Ms. Shioban Kelly)**

The goal of the project is to improve the livelihoods of small producers of potato in 7 African countries through the promotion of linkages to domestic and regional markets. The project builds on a previous EU funded agricultural commodity programme and in Uganda on an Italian funded agricultural commercialization project.

The project is to be implemented by research institutes, service providers, and agricultural and business colleges with entry points being networks/associations of value chain actors, including farmers, SMEs, traders and other buyers. Four outputs are envisaged from the project: strategic alignment with regional market integration; viable and inclusive business models along the value chain; inclusive value chain finance & investment; and access to climatic risk management tools.

The detailed presentation is in Annex 4.

### **3. Technical Session – Chair: Mr. Martin Ameu, FAO**

#### **3.1 Current policies governing the potato sector and on-going support (Presented by Mr. Alex Lwakuba, MAAIF)**

MAAIF's Development Strategy and Investment Plan (DSIP) is anchored in the Comprehensive African Agriculture Development Programme (CAADP) and the National Development Plan (NDP). DISP covers both production and marketing and follows a commodity approach. Potato is one of the 14 selected priority crops under DISP.

A Potato Framework Implementation Plan has been developed to:

- Support production and distribution of seed potato
- Support production and marketing of ware potato
- Support farmers & SMEs to engage in organized potato production and marketing
- Provide an enabling environment for the competitive and profitable potato industry

MAAIF has been involved in the potato value chain through the following projects:

- ISSD – Integrated Seed Sector Development (ongoing).
- IFDC CATALIST - International Fertilizer Development Center (ongoing).
- PASIC/IITA – Policy Action for Sustainable Intensification of Cropping Systems/ International Institute of Tropical Agriculture (ongoing).
- COMESA/AMPRIP – Common Market for Eastern and Southern Africa/Agricultural Marketing Promotion and Regional Integration Project (just ended).
- COMESA/COMRAP – COMESA Regional Agro-inputs Programme (just ended).

The detailed presentation is in Annex 5.

#### **3.2 Overview of Value Chains of Ware Potatoes, Chips and Crisps: Lessons from Past VC Support and on-going Initiatives (Presented by Dr. Gabriel Elepu, FAO Consultant)**

Although there is a general positive trend in potato production volumes, it is characterized by the use of poor quality seed, low use of chemicals, and low yields. Production constraints include: inadequate supply of quality seed potato, pests and diseases, limited use of improved inputs & postharvest technologies, drought and weather related factors, shortage of land, declining soil fertility, and limited access to credit to procure inputs. It was found that the use of improved potato varieties is only profitable with high use of modern inputs.

At the processing level, there is little value addition taking place as most potato is eaten in fresh form and only little is processed into chips and crisps. Processing constraints include: low quality of ware potato, fluctuating prices of ware potato and inadequate working capital.

In marketing of potatoes, transactions are still dominated by spot markets and participants in the ware potato chains operate individually. Marketing constraints include: lack of standards and premiums, highly seasonal supply, crop perishability, lack of co-operatives, limited market information, unscrupulous traders, limited processing technologies and industries, poor access roads, and inadequate working capital. Profitability varies by type of trader, location, and variety handled.

In wrapping up the presentation, a number of past and current programmes/projects in the potato value chain were listed from which the new FAO project would learn lessons or with which collaboration and synergies could be developed.

The detailed presentation is in Annex 6.

### **3.3 Irish Potato Production and Seed System in Uganda: Lessons from Past Support and Current Initiatives (Presented by Dr. Alex Baryeke, KaZARDI)**

In response to some queries raised during the previous presentation, he began by clarifying that there are some potato varieties which can reach a yield of 19-30 tonnes/ha. For example, Katchpot 5 is a white skinned potato that is high yielding, preferred by processors because of its shape, but not popular with farmers who prefer cream or red skinned potato.

Focusing on the seed potato seed system in Uganda, it was estimated that the demand for seed potatoes stands at 239,328 tonnes, of which only 0.13% can be supplied by the formal seed sector. Therefore, most farmers use home saved potato tubers for seed because either certified seed is not available or they find certified potato seed expensive to buy.

The role of NARO in the seed system is to develop foundation seed and to sell to the private sector. But, there is no strong private sector yet, which should be developed so that NARO can focus on its mandate and not get into seed production and distribution.

Some progress has been made through FAO support to the establishment of the Uganda National Seed Potato Producers Association (UNSPPA) and through the IFDC project which has improved yields through training of farmers in Kabale and Kisoro in basic and positive seed selection. However, the project needs to be expanded to other potato growing areas.

The detailed presentation is in Annex 7.

### **3.4 Presentations by Workshop Participants**

#### **National and local institutions**

Ministry of Trade, Industry and Cooperatives (MTIC): MTIC learned from the COMESA Cassava Cluster project the need for cooperatives and collective marketing. The new project could work with the district commercial officers in the southwest who are already trained in mainstreaming marketing in agriculture. MTIC is working with MAAIF and the Ministry of Health on food standards and safety; and with the private sector and WFP on warehouse receipt system. MTIC also works on a One Village One Product project based on the agro-ecological comparative advantages. However, livelihood diversification is also important.

Uganda National Bureau standards (UNBS): With support from ASARECA and the World Bank standards for ware and seed potato are now harmonized in the East African region. In 2013, a pilot project was launched to create awareness about R&T standards in Uganda, Kenya, Tanzania, and Rwanda. Rwanda did it on Irish potatoes. UNBS has carried out potato value chain analysis and it has brochures that can be used in training potato value chain actors.

Ugandan National Farmers' Federation (UNFFE): UNFFE has 98 district members and 76 commodity associations. It lobbies for favorable policies, trains farmers and promotes agribusiness. UNFFE can contribute to the new project by mobilizing farmers into groups and training them in production, post-harvest handling and accessing markets.

Uganda Cooperative Alliance (UCA): UCA is the apex body for all cooperatives in Uganda. It is involved in advocacy, training of cooperatives, and post-harvest handling. For a cassava value chain project UCA has negotiated a contract for cassava farmers in Northern Uganda to supply East African Breweries with dried cassava chips.

Uganda Investment Authority (UIA): UIA facilitates and promotes investment in the country by supporting SMEs through the cluster development programme. It supports business incubation and provides mentorship in marketing. UIA is the first point of contact for investors and they can use its website for advertising.

National Agricultural Advisory Services (NAADS): NAADS provides agribusiness support services; there is a need to collaborate with the private sector. To procure seed potatoes for distribution to farmers (as grant or on credit), NAADS invites quality seed producers under an open domestic bidding system, inspects them and selects the best bidder. NAADS is currently under reform with the Uganda Peoples Defense Forces (UPDF) becoming key implementers.

### **International/regional institutions**

International Potato Center (CIP): CIP has a research mandate for potato technologies. It supports NARO by providing basic materials, facilities and capacity building. CIP has developed a farmer field school programme on potato and works on improving packaging of seeds. It conducts technical, economic, social feasibility research of pre and post-harvest technologies in the Mount Elgon region. The methodology should be repeated in other agro-ecological zones and the results put to use. CIPs Participatory Market Chain Approach (PMCA) and PPP promotion may be of interest to the new project.

African Highland Initiative (AHI): AHI is an action research programme of ASARECA hosted by ICRAF. It has a National Potato Steering Committee and District committees. The initiative mobilizes smallholder farmers to produce seed and ware potatoes and linking them to other players in the value chain. AHI is working with CIP on ambient on-farm storage and bulk storage for traders in eastern Uganda. In Kabale, it works with IFDC on value addition, farmers' access to quality seed and collaborates with a laboratory (Agro-genetic Technologies Ltd.) for producing quality seed.

Policy Action for Sustainable Intensification of Cropping Systems (PASIC) project: PASIC Uganda is funded by the Embassy of the Netherlands (EKN) and works with the International Food Policy Research Institute (IFPRI). PASIC has already done baseline studies to identify key constraints and opportunities, but still needs to conduct a value chain study. The project encourages investment through zonal investment plans showing where different stakeholders can invest. PASIC also strengthens capacity for evidence-based policy action and the removal of bottlenecks in national policies; e.g. working with MAAIF on the national seed strategy and the fertilizer policy. PASIC also supports local governments to formulate relevant bylaws for potatoes.

Integrated Seed Sector Development (ISSD) – ISSD is a four year project also funded by the EKN and Wageningen University and Research Center for Development Innovation (WUR-CDI) is a partner. It works in Mbarara (in the south-west) with local seed businesses to develop a market-oriented potato seed sector through promoting improved varieties.

International Fertilizer Development Center (IFDC) Catalist Uganda– IFDC works on potatoes in the south-west region. Since soils are degraded and IFDC trains farmers: use of fertilizer and crop protection products, seed production and management through on-farm demonstrations. IFDC has constructed 15 stores in collaboration with UNSSPA. It works with Caritas to link farmers to input and

output markets through use of agribusiness clusters (local platforms) comprising of farmers, traders, processors, distributors, and input service providers.

International Institute for Rural Reconstruction (IIRR): IRR is working with IFDC on Irish potato where they are providing agribusiness coaching and mentoring services to clusters and assisting in development of business linkages among potato VC actors.

## **Private Sector**

TomChris: Located in Kampala and has been processing crisps from potato since 1992. It has worked with CIP and Africa 2000 network under the PMCA project.

Chicken Tonight Ltd: Fast food restaurant that has been in existence for 13 years. It has 9 branches and operates 24 hours in and outside Kampala. Potato demand fluctuates depending on season. It buys on average 140 bags per week. Major supplier is a wholesale trader, Mr. Barnabas Dusabe.

Excel Hort Consult (EHC): EHC's is a consultancy company providing capacity building and agribusiness incubation. In the potato sector its focus is on seed potato production, such as producing foundation seed for the Rwandan Government (2014).

Barnabas Dusabe: Barnabas is a wholesale potato trader based in Kampala. He observed there is lack of reliable market and yet potato is a perishable product.

Kisoro Potato Processing Industries Ltd (KPPIL): Located in southwestern Uganda and officially opened by the President of Uganda on the same day of the workshop (16<sup>th</sup> January, 2015). The major problem faced by KPPIL is the lack of quality seed potato for its suppliers. KPPIL is currently mobilizing farmers in Kisoro to access high quality seed. They would like to collaborate with the FAO project to establish a tissue culture laboratory and screen house.

## 4. Planning Session – Chair: Ms. Siobhan Kelly, FAO

### 4.1 Proposed activities (Presented by Ms. Cora Dankers, FAO)

For each of the four project output areas, proposed activities and implementing organizations were presented as follows:

- Output 1: Strategies are aligned with initiatives supporting regional market integration for the potato sector - Activities will be carried out in collaboration with the Regional economic communities (EAC & COMESA) and the regional farmer federation (EAFF)
- Output 2: The viability of potato value chains is strengthened by improving inclusive business models, sustainable intensification of production, and SME & FO capacity building– Activities will be carried out in collaboration with ministries of agriculture and trade, commodity platforms, chambers of commerce, SME associations, farmer federations; research institutes and agro-dealer networks, and local NGOs.
- Output 3: Access to information services and finance is improved for smallholders – Activities will be implemented in collaboration with commercial banks, micro-finance institutes, public agricultural banks, producer organizations, SME associations and financial regulatory bodies.
- Output 4: Small producers have access to climatic risk management instruments – Activities will be carried out in collaboration with departments or institutes of meteorology and climate change.

The detailed presentation is in Annex 8.

### 4.2 Group Work and Results

Participants were then divided into 4 groups and each group was tasked to refine the proposed project activities. Each group was asked to choose a chair and a reporter, fill in the template they were given, and make a presentation of the three highest priority activities (see Annex 9 for details).

#### **Group 1: Policy and regional market integration**

It was noted that there was already a potato draft policy by ASARECA. But, it needed to be reviewed and revised under auspices of potato value chain actors' associations with inputs from ongoing policy appraisals (e.g. IITA/PASIC on potato) and with processes informing agricultural policy reforms.

For capacity development in policy coordination, it would be useful to establish and support a functional (avail budget, and facilitate) inter-ministerial working group. Before conducting a capacity development workshop, capacity gaps should be identified.

Develop a communication strategy for the potato and fertilizer policies, and the potato strategy. Publicizing and disseminations of the potato standards at the potato associations, clusters, platforms.

Also, it was noted that a lot of activities were going on at different levels of the potato value chain and hence, the need for coordination of all the interventions carried out by the public and private sector and development actors. Ideally, this should be carried out by a commodity platform. There is a loose platform. If the project could over the four year period contribute to strengthening this platform at national level so that it can take over the coordination and that any development intervention comes through this platform, it would be a great success.

**Comments:** Project needs to focus only where gaps in the potato draft policy are identified. The capacity of the private sector is still limited and therefore requires a policy framework in which to

address the capacity of smallholders, e.g. promotion of cooperatives. Group 1 suggestions were also thought to be too ambitious and could take away the project from its focus.

## **Group 2: Production and seed systems and capacity building of Farmer Organizations**

It was observed that the study on the potato production and seed system should be expanded to cover the whole value chain. Regarding the strategy to improve access to inputs, priority should be given to support seed potato production by the private sector. As a farmer field school programme was already developed by CIP, the effort should be focused on upscaling, in collaboration with IFDC and UNFFE.

Furthermore, build capacity of NARO, and identify and build capacity of FOs.

## **Group 3: Value chain development**

There is need to strengthen capacity of potato value chain actors to comply with procurement policies and PDDA standards.

Activities to promote Inclusive business models were considered a priority including establishing and strengthening multi-stakeholder platforms; promoting PPPs, collective action and governance, transparency and accountability.

Strengthening SMEs was also considered to be a high priority, which could use the PMCA approach and/or incubation centers. Guidance to improve business practices and procurement from smallholder should include guidance on the use of standard weights, grading and pricing mechanisms, contract farming and the organization of collection centers.

**Comments:** SNV are using building back from business model and this model could be appropriate in this case. In order to attract private investment in the potato value chain, there was need to establish a matching grant mechanism. It was also observed that the project needs to build on outputs from FAO's previous project as good work was achieved by it.

## **Group 4: Financial services and climate change risk management tools**

Access to financial services by potato value chain actors is still low. District commercial officers of MTIC are training them on how to access finance through formation of SACCOs. IFDC, IIRR and Uganda National Agro-input Dealers Association (UNADA) have tried to link potato farmers to finance institutions, such as Pride Microfinance, Centenary Bank and Post Bank. The formation of Village Savings and Loan Associations (VSLAs) has also been promoted among value chain actors. IIRR is also working with Agricultural Innovations Systems Brokerage Association (AGINSBA) to provide a Market Information System (MIS) to potato value chain actors through SMS and audio messages.

Priorities in this area for project activities should be training on value chain finance for financial service providers is considered and strengthening SMEs and UCA on planning and implementation of contract farming.

IFDC and IIRR have tried to work in partnership with Lion Insurance on crop insurance, whereby the loan received by farmers for agri-inputs comes together with insurance. However, there is still a need to conduct research on effect of drought on potato value chain using both biophysical and econometric modelling. Findings from such studies could be used for training in climate-smart agriculture & value chain and to develop climate risk management tools. FAO can work with CIP, NARO, and Makerere on research and also with farmer organizations like UNFFE and private sector associations like UNSSPA and UNADA on climate related information products.

**Comments:** For FAO, the DCO is a good entry point and will contribute to promote inter-ministerial collaboration at local level.



## 4. Conclusions

Participants unanimously welcomed the project and agreed with its overall outline. There is a potential to increase the competitiveness and viability of potato value chains, through a better organization of the chain and improved linkages between buyers and producers, through higher yields as a result of the use of better quality seeds and other inputs and through better post-harvest handling, especially storage.

There are many past and ongoing interventions in seed and ware potato value chains in Uganda. Current initiatives include PASIC/IITA at the policy level, and UNBS efforts to raise awareness about EAC harmonized standards for seed potato, ware potato and products. IFDC and ISSD projects are working on seed potato value chain, together with NARO, CIP and the private sector, UNSPPA. IFDC and CIP, are also working with farmers' organizations, local potato multi-stakeholder platforms, agribusiness clusters, and SMEs and their associations on the ware potato value chain.

The FAO African Roots and Tubers (ART) project should coordinate with these initiatives and create synergies. The participants suggested that the ART project could support the establishment of a multi-stakeholder platform at the national level to coordinate all the interventions by the public and private sector and development partners.

Lack of access to high quality potato seeds remains one of the main limiting production factors. The ART project should work with other initiatives to develop strategy to address this issue and to scale up farmer training through Farmer Field Schools.

Production, processing and marketing of potato are the responsibility of the private sector, and specifically SMEs function as hubs between the smallholder producers and large buyers. However, SMEs access to market information and financial services are limited. The ART project can accelerate the development of the private sector to provide MIS through Public-Private Partnerships (PPPs). The project should consider working with district commercial officers (DCOs) and to promote inter-ministerial collaboration at the local level.

Climate change impacts are increasingly affecting potato smallholder production. Yet, smallholders have limited access to climate risk management instruments. This calls for more support to research on climate smart agriculture and climate risk management tools in collaboration with research institutes and national private sector and farmer associations.

After exhaustive deliberations by participants, the workshop was then closed by Mr. C.K. Ndorere, Ministry of Trade, Industry, Cooperatives. He pledged the ministry's total support for the project and, emphasized the need for the project implementers to put into action all that was agreed in the workshop and avoid the temptation of doing the same things the same way but expecting different results.

## 5. Annexes

### Annex 1: Agenda of Inception Workshop

Time	Activities	Responsible
<b>08:30</b>	<b>Registration participants</b>	
<b>Session 1: Official launch of the project</b>		
<b>09:00</b>	Welcome remarks	FAOR
<b>09:10</b>	Opening speech and official project launch	Minister of Agriculture, Animal industry and Fisheries (AAIF)
<b>09:30</b>	Introduction of the project objectives and output areas	FAO project team
<b>09:45</b>	<i>Photo moment and Coffee break</i>	
<b>Session 2: Technical session</b>		
<b>10:15</b>	Presentation of current policies and strategies governing R&T sector, regional market integration and ongoing support	Mr A. Lwakuba, MAAIF
<b>10:30</b>	Overview of value chains of ware potatoes, chips and crisps. Lessons from past VC support and ongoing initiatives.	Dr G. Elepu, FAO Consultant
<b>10:45</b>	Presentation of Irish potato production and seed system in Uganda. Lessons from past support and current initiatives	Dr. A. Baryeke, NARO: KAZARDI
<b>11:00</b>	Presentation of financial services for R&T value chain actors and weather risk management tools	tbi
<b>11:15</b>	Plenary discussion: <ul style="list-style-type: none"> <li>- Clarifications on presentations.</li> <li>- Identification of specific priorities and geographical focus</li> <li>- Creating synergies between various initiatives</li> </ul>	
<b>12:00</b>	<i>Lunch</i>	
<b>Session 3: Planning session</b>		
<b>13:15</b>	Presentation of proposed project activities and roles and responsibilities of partner organizations and stakeholders Plenary discussion: <ul style="list-style-type: none"> <li>- Validation of general project outline</li> <li>- Reaching consensus on selection criteria for private sector partners and beneficiaries</li> </ul>	FAO project team
<b>13:45</b>	Group work to refine proposed project activities Group 1: Policies & regional market integration Group 2: Production and seed systems and farmer organizations Group 3: Value chain development and SMEs Group 4: Financial services and climate change risk management tools	
<b>14:45</b>	Coffee break	
<b>15:00</b>	Group presentations (10 minutes each) and plenary discussion	
<b>16:30</b>	Conclusion and recommendation, workshop closure	FAO Project Team
<b>16:45</b>	<b>Workshop closure</b>	Ministry of Trade, Industry and Cooperatives (MTIC)

## Annex 2: List of FAO Workshop Participants

No.	Name of Organization	Name of person	Designation	E-Mail	Telephone Contact
1	IITA -PASIC project	Pamela Pali		<a href="mailto:p.pali@cgiar.org">p.pali@cgiar.org</a>	Tel: 0752787850
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3	International Potato Centre (CIP)	Sam Namanda		<a href="mailto:s.namanda@cgiar.org">s.namanda@cgiar.org</a>	Tel: 0752/419112/ 0772 419112
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7	National Agricultural Advisory Services (NAADS),	Alice Nyanzi		<a href="mailto:nyanzialice2009@yahoo.com">nyanzialice2009@yahoo.com</a>	Tel: 0772579517
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10	Uganda National Standards Board (UNBS)	Stella Apolot		<a href="mailto:stella.apolot@gmail.com">stella.apolot@gmail.com</a>	Tel: 0702884008
11	National Agricultural Research organization NARO: BugiZARDI	Arthur Wasukira		<a href="mailto:awasukira@gmail.com">awasukira@gmail.com</a>	Tel: 0782427527
12	Kachwekano/Kabale Zonal Research Institute (KAZARDI)	Dr. Alex Barekye	Director of Research, KAZARDI	<a href="mailto:kazardi.director@gmail.com">kazardi.director@gmail.com</a>	Tel: 0486426495/ 0781854788
13	Uganda National Farmers Federation (UNFFE)	Ayebare Prudence		<a href="mailto:ayebareprudence@yahoo.com">ayebareprudence@yahoo.com</a>	Tel: 0782252840
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15	Uganda Co-operative Alliance (UCA)	George Ladegi		<a href="mailto:ladegiok@yahoo.co.uk">ladegiok@yahoo.co.uk</a>	Tel: 0772588276
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17	Kisoro Potato Processing Industries	Mr. Tom Mugenga	Proprietor Kisoro Potato Factory		Tel: 0772200061
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24	Ministry of Agriculture, Animal Industry & Fisheries (MAAIF)	Mr. Okaasai Opolot	Director Crop Resources		
25	Delegation of the European Union to Uganda	Patrick Seruyange	Operations Officer/ Livestock & Fisheries, Rural Development Section	<a href="mailto:patrick.seruyange@eeas.europa.eu">patrick.seruyange@eeas.europa.eu</a>	(+256-312)701012/ (+256-312)701000 (+256-414)23.37.08;
26	African Highland Initiative (AHI)				
Other					
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### **Annex 3: Statement by Dr. Massimo Castiello, FAO Representative**

**The Permanent Secretary Ministry of Agriculture, Animal Industry and Fisheries,  
Technical Officers from the MAAIF and Ministry of Trade, Industry and Cooperatives,  
Development partners,  
Stakeholders of the Potato Value chain,  
Ladies and Gentlemen,**

I bring you warm greetings from the Food and Agriculture Organization of the United Nations. On behalf of the FAO Representative in Uganda, and on my own behalf, I thank you all for gracing this occasion as we launch this project in Uganda – that is aimed at *strengthening the linkages between small actors and buyers in the roots and Tubers sector in Africa.*

We are particularly grateful to the European Union and the African, Caribbean and Pacific (ACP) group of states for the trust placed in FAO to implement this project.

For many parts of Sub-Saharan Africa (Africa), where Roots & Tubers is a major source of sustenance, accounting for 20 percent of calories consumed in the region, crops such as cassava, yam and potatoes are not only important for food security but also increasingly for income.

Roots and tubers crops such as potatoes and cassava have traditionally been an important source of food security items in Uganda. These crops have become a sought after food commodity both in urban and rural populations. In some parts of Uganda, particularly South western Uganda where 80% of Irish potatoes is produced, the crop has become a staple food.

The objective and vision for this project therefore is to prepare stakeholders to take advantage of the opportunities that are emerging from the growth of the food sector in Uganda.

This project, ladies and gentlemen, will improve the livelihoods of small producers of potatoes through the promotion of linkages to domestic and regional markets. While the focus is on strengthening the capacity of smallholder farmers, the project will also center on building capacities of other small fragmented private sector actors, such as agro-processors and traders. These actors contribute to the delivery of potatoes, raw and processed, to the end consumer and they play a crucial role in linking smallholders to the broader market.

In this regard, the project will be directly contributing to the government's objective of a modernising agriculture sector led by the private-sector by 2020. This project builds on the results of the previous FAO project on Food Security through Commercialization which supported potato value chain in southwestern Uganda.

With funding from the EU under the EU/ACP programme, this new project will be implemented in Uganda and Rwanda focusing on potatoes, in Malawi, Ghana, Cote d'Ivoire, and Cameroon with focus on support to the Cassava and Yam value chains.

The objective of this workshop is therefore to: Officially launch the project and Consult with key public and private sectors stakeholders that have technical, commodity and context specific insights relevant to the project's objectives; and develop a work plan for Uganda.

With this team of technical officers here present, am certain that the objectives of the workshop will be met by the end of this workshop.

Dear Friends, allow me wish you fruitful deliberations as we look forward to a well-designed project work plan at the end of the day.

Thank you for listening to me.

**Annexed in separate files (ppt.)**

**Annex 4 (Presentation of project objectives)**



Presentation Project  
Objectives.pptx

**Annex 5 (Presentation of current policies and strategies)**

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**Annex 6 (Presentation of value chains of ware potatoes, chips...)**

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**Annex 7 (Presentation of Irish potato production...)**

.....

**Annex 8 (Presentation of proposed activities)**



Presentation of  
Proposed activities.pptx



## Annex 9: Group Work Presentations

### GROUP 1 (Group 1 work presentation.ppt)

***Output 1:*** Existing national and regional strategies are aligned with initiatives supporting the development of improved regional market integration for the roots and tubers sector in African ACP regions.

Activities will be carried out in close collaboration with the Regional Economic Communities (EAC, COMESA) and the regional farmer federations (EAFF). The following sub-outputs and activities to be implemented in each country are:

Proposed project Activities	Target	Is the activity relevant to Uganda? Please eliminate or modify if needed	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<i>1.1 Enabling policy, legislation and institutions strengthened</i>				
(i) Mapping of key <sup>1</sup> policies and institutional arrangements affecting domestic and regional trade in potatoes; analysis of weaknesses and misalignments. Identification of reforms including gender sensitive	1 policy appraisal report	Very relevant to Uganda situation	ASARECA IFDC PASIC MAAIF MTIC	<i>Specific trade policy area that needs attention? Updates of existing appraisals</i>  Review broad commodity policy (NAP) to ensure that it caters for interventions aiming at specific commodities including potato  Review and rationalize the relevant root and tuber commodity policies to understand the conflict, gaps. Potential synergies  Review existing value chain appraisals for gaps, challenges, interventions and whether they worked. Conduct an in depth value chain appraisal of the agricultural commodity value chains for effectiveness and efficiencies  Publicizing and disseminations of the potato standards at the potato associations, clusters, platforms  Review regional protocols and treaties for trade opportunities

<sup>1</sup> Note that this would include both agricultural policies directly affecting the sub-sector and non agricultural (labour, social protection, trade, finance, health etc) policies indirectly affecting the sub-sector

<b>Proposed project Activities</b>	<b>Target</b>	<b>Is the activity relevant to Uganda? Please eliminate or modify if needed</b>	<b>Partners that have already worked on this topic</b>	<b>Provide specific suggestions for project implementation</b>
(ii) National level capacity development in policy formulation, coordination and implementation	1 work-shop	Yes, very relevant	MAAIF MTIC	<i>Specific capacity gap to be addressed?</i> <i>Target institution</i> Establish and support a functional (avail budget, and facilitate), and inter-ministerial working groups to help with co-ordination, policy formulation Identification of capacity gaps Develop a communication strategy for the potato and fertilizer policies, and the potato strategy
<i>1.2 Capacity to formulate and implement agri-food sector strategies improved</i>				
(i) Support to public private partnerships and commodity platforms to develop/update strategies that are aligned with domestic and regional opportunities	1 strategy developed/updated	Yes	Foodnet Info trade Farmers' Voice MTIC/DCoSS IFDC	<i>Target PPPs/platform; type of training</i> Develop private sector led but government sector platforms Build on existing initiatives to form a national level potato platforms Inputs on appraisals under activity 1.1
(ii) Contribute to the sustainability of existing market info systems for increased domestic and intra-regional trade	1 training	Yes	Foodnet, Info trade, Farmers voice, MTIC/DCoSS	Consult with the on-going activities to identify gaps for support
(iii) Support the development of systems for monitoring strategy implementation	1 monitoring system			

## GROUP 2 (Group 2 work presentation.ppt)

### ***Output 2(a): Improved competitiveness and viability of R&T value chains through improved sustainable intensification of production and professionalization of producer organizations***

This output will contribute to enhancing the capacities of market-led productivity with a more diverse portfolio of sustainable and input use-efficient crop varieties. Simultaneously, building on the approach and materials developed under 3ACP and in collaboration with regional and national farmer federations. Ministries of Cooperatives, cooperative colleges and national agricultural training institutes, the capacity and professionalization operating in the Roots and Tubers sector will be strengthened

<b>Proposed project Activities</b>	<b>Target</b>	<b>Is the activity relevant to Uganda? Please eliminate or modify if needed</b>	<b>Partners that have already worked on this topic</b>	<b>Provide specific suggestions for project implementation</b>
<i>2.2 Sustainable market-led production intensification</i>				
(i) Diagnostic studies on the status of existing seed systems, inputs, and agronomic practices within potato cropping systems	1 report	Very relevant  - Baseline and value chain studies	KaZARDI/NARO CIP IIRR ASARECA UNFFE BugiZARDI IFDC	<i>Geographic focus? Specific agronomic issues to study?</i>  -Southwestern Uganda - West Nile (Zombo) - Eastern Uganda - Central Uganda  The studies may need to go across all the value chains not only at production level
(ii) Develop strategies, in collaboration with local research institutes and agro-dealer networks, to access high-yield quality planting materials <sup>2</sup> suited to prevailing agro-ecologies	1 strategy	Yes, need potato seed access strategy in Uganda	KaZARDI/NARO BugiZARDI IFDC ISSD UNESPA	All regions

<sup>2</sup> These will be varieties developed through conventional crop improvement techniques which are most suited to their agro-ecologies and farming systems. As far as known, no genetically modified varieties of any of these crops have been released for cultivation in sub-Saharan Africa.

<b>Proposed project Activities</b>	<b>Target</b>	<b>Is the activity relevant to Uganda? Please eliminate or modify if needed</b>	<b>Partners that have already worked on this topic</b>	<b>Provide specific suggestions for project implementation</b>
Farmer Field School Programme  (iii) Develop or adapt FFS modules covering growing of the most suitable varieties of Irish potatoes	1 FFS programme	Yes, find a way of scaling up	KaZARDI UNFFE FAO UNDP AT (U)	
(iv) Train trainers (FO managers, extension agents, NGOs) in the adoption of environmentally sound agronomic practices, input use-efficiency; natural resource management; control of biotic stress agents	25 trainers	Yes	BugizARDI MAAIF IFDC UNFFE ASARECA	<i>If possible, suggest FOs and extension units/NGOs to be trained as ToT</i>  IFDC ASARECA IFDC UNFFE IIRR
(v) Train farmers on adoption of environmentally sound agronomic practices, input use-efficiency; natural resource management; control of biotic stress agents using FFS approach and on-farm demonstration trials	5 FOs  250 Farmers	Yes	IFDC UNFFE	<i>If possible, suggest geographic focus and farmer organizations</i>  IFDC – Western Uganda  UNFFE – West, central, East
(vi) Train R&D institutes on the management of plant genetic resources; pre-breeding; enhancing conventional breeding techniques; development and dissemination of disease-free planting materials	20 researchers	Yes.  Build critical mass of NARO staff	CIP	Train NARO

<b>Proposed project Activities</b>	<b>Target</b>	<b>Is the activity relevant to Uganda? Please eliminate or modify if needed</b>	<b>Partners that have already worked on this topic</b>	<b>Provide specific suggestions for project implementation</b>
<i>2.3 Producer organizations skills enhanced in agribusiness management practices</i>				
(i) Two year mentoring programme for managers of national and district level FOs on agribusiness management practices (business, finance, marketing & logistics). Customize to local context and potato marketing environments	5 FOs * 4 staff * 4 trainings	Relevant	NAADS Excel Hort Consult IFDC UCA UNFFE UNADA Self Help Africa	<i>If possible identify districts and FOs</i> Kabala Rakai – IFDC Mubende – UNFFE Kamwenge – UCA Mbale Kapchorwa Zombo
(ii) Additional capacity building for potential female farmer group leaders to develop management, literacy, numeracy, and interpersonal skills	5 FOs * 4 female leaders * 4 trainings	Relevant	NAADS IFDC UCA UNFFE	Increase the number of target organizations
(iii) Implement an internship programme between FOs to exchange good practices in FO management	3 FOs * 5 staff	Relevant		Increase their target if funds would allow  Identify organizations with good management practices and others learn from them
(iv) Share lessons on good practices and tools on agribusiness capacity building for farmer organizations with relevant ministry departments, local service providers and agricultural colleges, so that they can incorporate it in their training/ educational curricula	1 national level capacity building programme	Relevant	UCA Makerere Kabale UNFFE	<i>Which institutions? How?</i>

### Group 3 (Group 3 work presentation.ppt)

#### **Output 2 (b): Improved competitiveness and viability of R&T value chains through improved value chain coordination and professionalization of SMEs.**

Inclusive Business Models<sup>3</sup> will be fostered between small producer groups, SMEs, and traders and medium and large businesses in the roots and tubers sector. Activities will be carried out in close collaboration with national commodity platforms, national chambers of commerce, SME association, national farmer federations and agribusiness teams in the Ministries of Agriculture and Trade. Simultaneously, in collaboration with Ministries of Industries and national agricultural training institutes, the capacity and professionalization of SMEs operating in the Roots and Tubers sector will be strengthened.

Proposed project Activities	Target	Is the activity relevant to Uganda? Eliminate or modify if needed	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<i>2.1 Inclusive business models developed for domestic and regional procurement</i>				
(i) Review public procurement policies to identify constraints and opportunities for linking smallholders to institutional buyers.	1 report	Yes	Potato traders associations, District Commercial Officers	- Strengthening capacity of VC actors to comply with PPDA standards
(ii) <i>Inclusive business model approach:</i> a. <i>Appraisal of existing business linkages between smallholder suppliers and domestic and regional buyers<sup>4</sup> of fresh and processed potato products. Preference will be given to support business models with SMEs owned by women and female traders.</i> b. <i>Producer-buyer meetings to identify bottlenecks needed to improve the linkage and increase business transactions</i> c. <i>Activities to address bottlenecks. Examples include: fairer and rapid pricing mechanisms, developing of common transport and logistics strategy; improving product quality, trainings of traders in product handling, training for farmer groups in post-harvest transport and storage.</i>	$\geq 3$ business models appraisals $\geq 3$ forums $\geq 3$ upgraded BM strategies developed & implemented $\geq 6$ contracts signed between FOs or SMEs with buyers	Yes	<i>Several Organizations and include: CIP, IFDC, IRR, Makerere University (Department of Agri business), NRI (UK), Potato Platforms/Agribusiness clusters, MAAIF (NAADS), Excel Hort amongst others</i>	<i>Which specific value chain (washed, chips, crisps)? Geographic focus?</i>  <i>Establishment and strengthening well-functioning multi stakeholder platforms</i>  <i>Linkages and Partnerships (PPPs)</i>  <i>Collective actions</i>  <i>Governance, transparency and accountability</i>  <i>Participatory stakeholder analysis</i>

<sup>3</sup>Inclusive Business Models implies a business case for trade between business of all scales, with mutual benefits for the poor and the business community – based on the objective that people transition out of poverty.

<sup>4</sup>Including institutional buyers and buyers of confectionary, fast food and non food products such as textile, packaging, plywood, animal feed, pharmaceuticals, and beverage industries.

Proposed project Activities	Target	Is the activity relevant to Uganda? Please eliminate or modify if needed	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<i>2.4 Strengthened SMEs in value addition and better business practices</i>				
(i) Training for SMEs on value addition. Eg. (i) environmentally sustainable processing and packaging techniques; (ii) food safety and hygiene standards; (iii) logistics and (iv) good business management practices.	25 staff + 5 female staff * 2 trainings	Yes	Uganda Industrial Research Institute (UIRI), Makerere University (Department of Food Science, Dept of Agribusiness), MTAC (Business management practices), IFDC, MAAIF Certification Department,	Training using Incubation centres based on PMCA approach  Farmer to farmer trainings  Establish SME outgrower schemes
(ii) Support to changes in business practices that can improve procurement from smallholders – e.g. intro of standing orders/payments; more rapid payment systems; organized transport etc.	1 report	Yes	Traders' Associations, IFDC, IIRR, KPPIL, Excel Hort, Uganda National Seed Potato Association	Standard weights  Grading and Pricing  Contract selling, storage/collection centres/bulking centres
(iii) Strengthening the collective bargaining power of SME's in inter-professional bodies and platforms through capacity building support to SME associations.	30 SME reps	Yes	IFDC, IIRR, Excel	Access to finance and credit  Access to markets

## GROUP 4 (Group 4 work presentation.ppt)

### Output 3: Access to information services and finance is improved for smallholders

A value chain finance approach to increase access to finance and investment opportunities for actors operating in the roots and tubers chains will be adopted

Proposed project Activities	Target	Is the activity relevant to Uganda? Please eliminate or modify if needed	Partners that have already worked on this topic	Provide specific suggestions for project implementation
<i>3.1 Inclusive financial instruments for smallholders and rural areas developed</i>				
(i) Identify information gaps on the sub-sectors related to scale of production, volume of trade – fresh and processed. Promote or contribute to the development of monitoring system in each country to collect and follow such data	1 report	Relevant.  Informal cross-border trade not recorded  Production and marketing volumes not disaggregated	UBOS BOU MAAIF NBI FAO DANIDA UCA	Collect and disaggregate statistics  Build capacity of coops to collect information
(ii) Convene producer groups and local financial service providers to exchange information on their business models and ensure better mutual understanding of constraints to make investments, manage risk and shape financial products	≥ 2 forums	Relevant	UCA Financial institutions Financial coops SACCOs	Loan guarantees (tri-partite)  Tailor-made financial products
(iii) Training to financial service providers on value chain finance approaches to develop inclusive financial instruments suitable to stakeholders in potatoes	20 staff	Relevant	UCA MTIC MAAIF Makerere	Continue supporting training institutions
(iv) Training to producer groups and SMEs on addressing constraints that limit access to	20 staff	Relevant	UIA MTAC UCA PSF	Continue supporting training institutions



finance and to develop bankable solutions				
<b>Proposed project Activities</b>	<b>Target</b>	<b>Is the activity relevant to Uganda? Please eliminate or modify if needed</b>	<b>Partners that have already worked on this topic</b>	<b>Provide specific suggestions for project implementation</b>
<i>3.2 Strategies for increasing investments in R&amp;T developed</i>				
(i) Build the capacity of agribusiness service providers to conduct risk assessment and design investment strategies for better financial services for R&T sector	20 staff * 2 trainings	Relevant	UNADA USAID DANIDA UNFFE Makerere	Support continuous training of agribusiness service providers e.g. agro-input dealers
(ii) Guidance to ministries and financial regulatory bodies on legal frameworks and enabling environments that improve access to finance and inclusive investment in food staples value chains	20 staff	Relevant		Participation in the formulation of agricultural/agribusiness financial policies
(iii) Capacity building on the planning and implementing of responsible contract farming operations for potatoes	1 training	Relevant	UCA MTIC	Strengthening the capacity of SMEs & UCA for proper implementation of contract farming
(iv) Workshop to define mutually-accepted principles for responsible agricultural investments	1 workshop	Relevant	UIA MTIC	B2B networks Multi-stakeholder workshops

<b>Proposed project Activities</b>	<b>Target</b>	<b>If already done and by who?</b>	<b>Priority level</b> <b>H, M, L</b>	<b>Specific focus</b>
<i>4.1 Climate information services developed</i>				
(i) Analysis of climate impacts on R&T to identify to what extent climate variables cause inter-annual production variability. The analysis will also look at the decision related to production and marketing from smallholder producers	1 report	Relevant Makerere NARO CIP MWE (Meteorology Dept)	H	Effect of drought on potato value chain Biophysical and econometric modelling
(ii) Development of climate information services and user interface platform to enable better interpretation and application of climate information on the production of R&T	1 platform	Relevant MWE (Meteorology Dept)	H	Better interpretation & dissemination of information services through radio programs
(iii) Analysis of impacts of climate variability on production, price fluctuations and identification of climate related determinants of production and risks associated with price fluctuations, leading to location specific risk management strategies	1 strategy	Relevant NARO Makerere	H	Biophysical and econometric modelling
(iv) Training of agricultural support services on climate risk management tools to reduce production variability	Training of 20 staff	Relevant MAAIF Makerere MWE (Metereology Dept)	H	Climate-smart agriculture & value chain Climate risk management tools