TEMPLATE FOR APPROVAL OF ODA ACTIVITIES FROM EUR 250.000

SECTION: Key data

Short name	WEADS (Women Entrepreneurs Development Support)
Full name	Women Agri SMEs Development Support
Summary	The activity aims to support women entrepreneurs in several Agro-value chains to build entrepreneurial capacity and manage their agribusinesses sustainably. This activity aims to: (i) support SMEs to achieve sustainable entrepreneurship and an improved local business environment; (ii) enhanced market competitiveness; (iii) increase resilience to shocks such as pandemics and (v) Improve the institutional capacity of women owned SMEs to be investor ready and empowered to deal with negative patriarchal societal imposed gender biases (such as women not being allowed to own assets like land).
Name of contract party	*In case of a new contract party, use the supplier registration form* FEDERATION OF SMALL AND MEDIUM SIZED ENTERPRISES-UGANDA
Number of contract party	30090523
Date of receipt of proposal	Final proposal 14 October 2022 + final budget 13 Oct 2022
Proposal's reference number	
Activity type	Standard
Budget holder	KAM
ODA	Yes
Amount and currency	**2,996,010,300 (UGX) for contract with FSME**
Amount in EUR	TOTAL amount: **772,038** : a) 722,038 for contract with FSME and b) 50,000 for separate contract with other contract party for end evaluation
Start date	1 November 2022
End date	31 December 2026
Anonymise Open data	No
Consultation with embassy / regional department / thematic department	Yes; the Embassy was in close consultation with RVO for the needs assessment of women-led SME's. Activity is financed with delegated funds.
Related activity	SAY-project (Skilling of Youth in agri-businesses); .PCP (enhances access to credit); EMATA (provides small loans to dairy cooperatives and the World Bank Multi-Donor Trust Fund activity (supports enhancement of the quality of the local business climate and private sector development)
SAP application number	4000006166
Funds centre	1701U03020017
Prepayment	Yes

SECTION: Policy data

<table>
<tr><td>Beneficiary's country/region
The beneficiary country is the target group's country of residence or country of origin. It is the country that ultimately benefits from the activity. This is not necessarily the country where the activity is implemented.
When the activity takes place in several countries in the same region, specify the region concerned using the regional classification (see Help). If not (multiple countries in multiple regions), select worldwide.</td><td>Country (state the country concerned below)
UGANDA</td></tr>
<tr><td>Specify countries + distribution of the budget over those countries (if known). Only fill in this section the answer above was 'region' or 'worldwide'. Please state the relevant beneficiary countries and estimate what part (in %) of the total budget over the entire activity duration can be attributed to each country. If the distribution of part of the budget is as yet unknown, it can be recorded as unspecified.</td><td><table>
<tr><td>Country X</td><td>..%</td></tr>
<tr><td>Country Y</td><td>..%</td></tr>
<tr><td>Country Z</td><td>..%</td></tr>
<tr><td>Unspecified</td><td>..%</td></tr>
<tr><td>Etc. (add more rows if necessary)</td><td>..%</td></tr>
<tr><td>Total</td><td>100%</td></tr>
</table></td></tr>
<tr><td rowspan="2">Location within the country/ countries (be as specific as possible)
When the activity targets one or more specific locations, please specify the location(s) here.</td><td>District</td></tr>
<tr><td>Central: Kampala, Wakiso, Mukono and Masaka
Eastern: Mbale, Kapchorwa, Soroti and Busia
Northern: Arua, Gulu, Kitgum and Nebbi
Western: Mbarara, Kasese, FortPortal and Kabale</td></tr>
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<table>
<tr><td>Aid modality</td><td>Project support</td></tr>
<tr><td>Technical assistance</td><td>10<TA<25 Between 10% and 25% of the activity budget</td></tr>
<tr><td>CRS code</td><td>25030 Business Development Services</td></tr>
<tr><td>Policy markers</td><td><table>
<tr><td>Equality between men and women - GIkhMV</td><td>Principal</td></tr>
<tr><td>Climate change/ adaptation - KlmAdp</td><td>Not applicable</td></tr>
<tr><td>Climate change/ mitigation - KlmMit</td><td>Not applicable</td></tr>
<tr><td>Biodiversity</td><td>Not applicable</td></tr>
<tr><td>Desertification</td><td>Not applicable</td></tr>
<tr><td>Etc. (add more policy markers if applicable)</td><td></td></tr>
</table>

Gender equality: Principal goal of the proposed interventions as women owned SMEs are supported to grow Climate Change Adaptation: Supported SMEs are drivers of business and therefore determine income for several
</td></tr>
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	value chain actors. With an income, those actors are able to adapt to climate change induced effects such as droughts, poverty etc.

SECTION: Policy appraisal

Policy relevance

- What policy objectives, as set out in the annual plan, policy notes etc., will this activity contribute to?

The proposed interventions are aligned to the national priorities for both the Netherlands and Uganda. The Dutch aid and trade agenda, as translated in the MACS (2023-2026), fosters local private sector development by promoting a conducive business climate and supporting the local private sector to grow with complementarities with Food and Nutrition Security thematic area. The project aims to make direct contributions to intermediate outcomes of supporting local SMEs to be investor-ready and, possibly, enhance bilateral trade relations. The DDE Result Framework, seeks to support SMEs to increase their market share, create jobs, increase scale of business, utilization of Business Development Services and increase incomes among others. The foreseen results are complimentary to Uganda's national development policy priorities as laid out in the Vision 2030 and the third National Development Plan (NDPIII-2020/21-2024/25). Additionally, the goals of this activity are aligned to the Sustainable Development Goals of achieving gender equality and empower all women and girls; end poverty in all its forms; achieve food security and improved nutrition; promoting sustainable agriculture and promote sustained, inclusive and sustainable economic models with full and productive employment and decent work for all

Rationale

- What issue/problem will be addressed by the activity?

Uganda's Private Sector is comprised of over 90% Micro, Small and Medium Enterprises (MSMEs), majority of which are informal enterprises. These are characterized by weak business management systems and small, unsustainable operations, resulting in a weak private sector. Despite the high MSME start-up rates in Uganda, mortality rates are very high with most the start-ups not lasting more than two years. In addition, very few MSMEs operate with internationally recognized certification, due to low levels of technology uptake and limited innovations, which affects their ability to improve product quality. Furthermore, they are plagued with inadequate entrepreneurial abilities, low skilled labor, inappropriate attitudes to work and limited access to capital. Women in particular, face additional gendered barriers and constraints in setting up sustainable MSMEs. Women face additional gendered barriers and constraints in setting up sustainable MSMEs. The activity addresses both formal and informal barriers faced by women owned agro-MSMEs in Uganda, thereby aims to unlock entrepreneurial potential, grant access to formal credit, lucrative markets and create opportunities that will increase jobs and incomes .

On the informal front, women entrepreneurs are derailed by socio-cultural barriers that determine what, where and how they transact business, in a context that does not empower women economically or socially to own assets such as land, that can enhance their access to

credit capacity. In terms of marketing, their mobility to expand their market networks, is limited by controlling and often insecure male spouses that are uncomfortable with their wives chasing commercial success. Proportionately, more boys than girls are enrolled in secondary (and tertiary) school which results into a high percentage of semi or illiterate women, who out of necessity, engage in entrepreneurship to make ends meet. Proportionately, more boys than girls are enrolled in secondary (and tertiary) school, which results into a higher percentage of semi or illiterate women, who, out of necessity, engage in entrepreneurship to make ends meet. Furthermore, many women lack access to information about and access to reproductive health services, which translates into, not getting proper sexual and reproductive health sensitization with translates into a high number of (unwanted) pregnancies, large family size and dependence burden at household level. Moreover, the majority of women entrepreneurs operate informally which limits their capacity to access support from mainstream business facilitation agencies and lucrative procurement deals.

On the formal side, Women-owned SMEs face various growth and survival constraints which undermine their growth and development impact on the local and broader national economy. An assessment by EKN and RVO, cites many critical problems such as weak policy implementation and enforcement of regulations, barriers in access to assets thereby limiting access to finance which derails scaling up of business operations, limited access to technology, information, and opportunities to enhance business skills, lack of Business Development Services (BDS) and networks to enhance technical, management business skills and mentorship support and limited access to markets and information which distorts prices and overall economic gains by women.

The activity addresses the above problem(s) through an intervention approach that is designed to address all identified bottlenecks such as formalization of women-led SMEs, empower women and their spouses, and immediate communities to appreciate the contribution of women at all levels. Overall, the activity proposes to implement interventions that will reduce weaknesses and constraints within women-owned SMEs and improve the quality of the local business environment to foster resilient, sustainable and investor ready SMEs with capacity to grow and attract financing and, eventually, possible Dutch partners. For the target SMEs, the core problems addressed by this intervention include: (i) the informality of SME and the lack of the right corporate governance structures and systems for proper business functioning; (ii) limited access to quality Business Development Services (BDS); (iii) limited access to credit (loans and equity); (iv) low access to markets on account of low compliance to market standards and Phyto-sanitary regulations and (v) lack of peer-to-peer and mentorship platforms for cross-learning purposes. The activity helps to address the above issues because the interventions are targeted and informed by a comprehensive SME sector needs assessment and stakeholder consultations, implemented by RVO.

- Why does the activity help to address the issue/problem? Please explain the Theory of Change.

The proposed WEADS project is designed as an intervention that aim to address many of the interconnected challenges that affect women-led Agri-SMEs both formally and informally. The interventions are informed by research findings and policy positions highlight that women face diverse challenges that hinder them from scaling-up. Targeting Women-led SMEs

is not only the right thing to do but is also smart economics[1] because any increase in the earnings of women directly addresses household poverty and contributes to more equitable economic growth. It is anticipated that beneficiary women-led businesses will create 20% more jobs, boost their revenues by 50%, among others. Moreover, the project will contribute to the transitioning of women entrepreneurs into SMEs from micro enterprises. According to the National BDS framework, besides limited access to finance, the weak organizational and institutional capacity is a major constraint to survival of enterprises, as well as their growth and competitiveness. The foreseen impact of this activity will benefit men, women, youth and children. Research shows that SMEs run by women tend to perform better at reinvesting profits, investing in their families' health and education and strengthening the local communities2.

The project further aims to address socially-constructed barriers to the advancement of women namely, patriarchy, Gender Based Violence (GBV) and limited control over assets. These socio-cultural barriers and gender norms constrain women entrepreneurship and therefore to achieve its core goals, the activity will support women to attain economic empowerment through mentorship, training and policy advocacy. Additionally, the activity will support women through the networking and dialogue meetings. Women that graduate from the program will act as role models to show other women facing similar challenges how to overcome these challenges and become successful entrepreneurs. Adopting a more gender sensitive approach to training, the activity will empowerment-based trainings that unlock women's skills and strengthen their resilience, motivation and growth-oriented mindset. Uniquely, the project will have an SME Credit Facility that ensures that Women-Led Agri-SMEs that are not ready for commercial bank financing, can access affordable financing to kickstart the transition to growth and scaling-up.

Here-below, a detailed Theory of Change (ToC) for the project provides a stepwise explanation of the envisaged project activities ,outputs, outcomes and impact

Impact Level: the proposed interventions will support the realization of a women owned SME's with growing businesses that are sustainable and resilient and will lead to economic and social resilience and less vulnerable to external economic shocks.

Outcome level: The project has four project outcome areas that include the following: (i) SMES formalization and be compliance to market standards and Phyto-sanitary regulations; (ii) Sustainable growth of supported SMEs; (iii) enhanced local business climate; (iv) realization of resilient and investor ready and bankable SMEs.

Output level: it is envisaged that supported women SMEs will demonstrate the following outputs: (i) improved internal business management governance structures and systems to facilitate a transparent and account culture in business management; (ii) enhanced capacity for strategic business planning, decision making and procurement among others; (iii) improved operationalization of SME supportive policy/regulations by mandated Ministries, Departments and Agencies (MDAs) and; (iv) investor readiness and bankability

Activity level: To realize the envisaged outputs, the project will implement activities that are preceded by diagnostic assessments of the SMEs to determine gaps and develop tailored

[1] World Bank Group, 2021, p. 28
[2] IFC and Goldmach Sachs, 2018, p. 18

support packages. The activities are clustered around intervention pillars namely: (i) business formalization and compliance to standards will be realized using a mix of training, field visits and continuous awareness creation; (ii) building sustainable SMEs will entail business diagnostic analyses, capacity building trainings, field trips/seminars, technical support and mentorship; (iii) contributing to the enhancement of the local business environment by organizing policy lobby and advocacy through stakeholder meetings, organizing seminars, policy dialogues and round table discussions to feed into existing initiatives by other donors, development partners and NGO's; (iv) Resilient and investor ready SMEs will be realized through dialogue with financial actors and facilitating a smooth flow of information between SMEs and financiers, training SME managers in financial literacy, record keeping, strategic business planning, exposure to best practice cases and professionalism, among others.

Contextual analysis

- Who is/are the target group(s) and why?

The project target group are Ugandan women-led SMEs that are engaged in agribusiness. The project is gender specific because, despite facing multiple segregate formal and patriarchal-linked informal barriers on account of their gender, women endeavor to do business as a means of survival-out of necessity rather than capacity. Unfortunately, they operate in a business climate that is plagued by weak policy implementation and enforcement of regulations, limited access and prohibitively expensive finance which scaling up and overall growth, limited access to technology, information, and opportunities to build skills and networks, lack of access to Business Development Services (to enhance technical, management business skills and mentorship support), limited access to markets and information (which distorts prices formation), in addition to the Informality of SMEs which limits SMEs from benefiting from lucrative procurement deals.

Additionally, emerging global events such as the Covid-19 pandemic, the war in Ukraine resulted in price increases of consumable commodities, agricultural inputs (such as fertilizer) and petroleum products (industrial and logistical inputs), have negatively affected women-led businesses much more than their male-counterparts. A study by the Federation of Small and Medium Enterprises confirmed that many women-led SMEs had closed shop or were on the verge of doing so at the end of the second lock-down. A RVO-study showed that in particular, women-led SME's face specific problems, linked to informal barriers (social and cultural), such as limited access to women-specific care, single-women households, risk of more SGBV when women-led SMEs become more empowered. Moreover, the so-called Covid-19 response package for SMEs from the Government of Uganda, never made it to the intended beneficiaries. Women-led SMEs are specifically more vulnerable and need urgent support as women do not own-collateral and are therefore not able to borrow from formal or informal credit providers.

- Who are the other main stakeholders?

In principle, the success of this project depends on leveraging synergies and collaborating with public/private institutions that develop and implement business policy and regulate the local business context. The main stakeholders are Female business owners, Development partners, and public and private institutions and organizations. On the public side, Government Ministries and Agencies (MDAs) such as the Ministry of Trade, Industry and Cooperatives (MTIC), Ministry of Finance, Planning and Economic Development (MoFPED), Uganda

Registrations Services Bureau (URSB), Uganda National Bureau of Standards (UNBS), Uganda Export Promotion Board (UEPB), Uganda Industrial Research Institute (UIRI) and Uganda Revenue Authority (URA), among others. Public sector institutions play a regulatory role that determines the ease of doing business by offering business support services such as business licensing, incubation, and certification, among others. In the private sector spaces, many entities offer business facilitating services in finance, marketing and insurance while Civil Society Organizations (CSOs) offer a range of services from specialized Business Development Services (BDS), SME platforms management to value chain support. Multi-lateral agencies (World Bank and International Labor Organization) and foreign missions which already support the SME sector are potential stakeholders that could use the relevant information and experiences coming from this activity to feed into their own assessment and projects aimed at improving the business climate for female entrepreneurs. Thorough coordination and communications by FSME towards these senior stakeholders is therefore essential.
ILO has been involved training FSME-staff, who will now be participating in the training activities of WEADS.

- To what extent have stakeholders been involved in formulating the proposal?

The proposal was drafted by the Federation of Small and Medium Enterprises (FSME) in close consultations with various stakeholders in the SME space-both the private and public sectors such as women owned Agri-SMEs, farmers, processors, marketeers, financiers and the Ministry of Trade, Industry and Cooperatives among others. They also benefited from the findings of two studies: (i) A post-Covid19 assessment of the effects of the pandemic on SMEs (by FSME) and; (ii) SME Business Needs Survey by the embassy supported by RVO and including policy dialogue discussions organized by FSME across Uganda during the annual SME Week organized by FSME. The proposal also benefited from input from extensive consultations with SMEs within her membership ranks.

- Is the intervention aimed at a specific geographical location, and if so, why?

The intervention aims to support the creation of sustainable investor-ready women-led SMEs. Characteristically, such SMEs should be scalable women-owned SMEs, with the potential to grow, create jobs and generate incomes. Such women-led businesses are present cross the entire country. The project participants will be selected from the four regions of the country. Specifically, the target districts per region include: Central (Masaka, Kampala, Wakiso and Mukono); Eastern (Mbale, Kapchorwa, Soroti and Busia); Northern (Arua, Kitgum, Gulu and Nebbi) and Western (Mbarara, Kasese, Fort portal and Kabale).Additionally, the value-chain a particular SME operates in will determine the inclusion/exclusion of an SME in the project.

Added value

- What is the added value of the Dutch government being involved in relation to other donors, the EU, NGOs and local authorities?

The added value of the Dutch government being involved in this activity is that Uganda SMEs will receive technical support from Dutch consultants (specifically PUM Experts) which allows exchange of Dutch knowledge and best practices with Uganda SMEs. Additionally, the Dutch supported SRHR programs, Rule of law and Food security will be leveraged through sharing of experiences, networks and resources. With the operational Dutch financiers/equities in Uganda (also supported by DGGF), the supported SMEs might eventually become business

partners for Dutch companies. This could help Dutch companies to expand into the Ugandan/EAC market. Moreover, the Netherlands is at the fore front of supporting initiatives that promote gender parity improvements across various sectors. Therefore, this project will benefit from the added value that comes with the Dutch proactive push and support for women empowerment.

- Are the recipients making an own contribution or co-participating in the activity, and if so, to what extent?

The recipient will make an own-contribution of approx. UGX 1,659,750,000 (partly in-kind) alongside other contributors, such as Exim Bank. FSME will offer subsidized space and cover the operating costs. Additionally, they will co-participate in the activity by providing human resources for several project staff.

Lessons learned

- What lessons learned (from previous or comparable activities, published evaluations, relevant publications) will be addressed by the activity?

1. Access to finance remains a binding constraint for SME growth. However, technical support provided to SMEs creates more impact if they are enabled to access affordable capital. This activity has an in-built grant component for participant SMEs to build a profile for future commercial borrowing.

2. Low or lack of compliance to market standards constrains SMEs to access lucrative markets (local, regional or international).The activity supports SMEs to formalize and comply with Phyto-sanitary standards including certification.

3. Responsiveness to capacity building and learning. Businesswomen are more responsive to capacity building support and have a higher likelihood of putting into action what they have learnt compared to their male counterparts.

4. Effect on agricultural value chain development. SMEs act as off takers from farmers and/or agro-dealers (middlemen) and add value to primary produce. By supporting SMEs, this activity will directly promote value chain growth and development with cash earnings for all actors.

5. Formalization of SMEs reduces informality and broadens the local tax base. SMEs participating in this activity will be supported to formalize by registering with the Uganda Registration Services Bureau. Through BDS, they will be supported to set-up proper business records which should reduce the burden of presumptive tax assessments by the Uganda Revenue Authority.

6. Lastly, gender empowerment enables women entrepreneurs to deal with negative social patriarchal pressures and gender-based segregation. The project will support women entrepreneurs to deal with these common gender-linked challenges. Additionally, women tend to re-invest in their families much more than their male counterparts, therefore investments into women owned business ventures creates more positive impacts for households.

Gender

- Does the proposal include a gender analysis?

The proposal is based on a sound gender analysis which informs the gender-specific nature of the proposed interventions for women entrepreneurs in agribusinesses. The problem analysis, the theory of change and proposed interventions were preceded by a gender analysis based on recent research (by both the proposal owner and EKN/RVO) in the post-pandemic setting. This analysis has been further enriched by internal consultations between PSD and the Gender and Sexual Rights and Reproductive Health cluster and between the project owners and policy makers in the SME space.

- Does the proposal justify the target group's gender-specific interests and needs (and why)?

The proposal justifies the target group's gender-specific interests and needs premised on a thorough analysis of the SME operational context that highlighted the needs and interests of women owned SMEs. Beyond the gender-linked problem identification and proposed interventions, the proposal also considers the contextual barriers that affect all businesses in general. An RVO assessment confirms the presence of various interests and needs among women entrepreneurs that justifies this intervention.

- Have women and young people been included in the stakeholder analysis?

The stakeholder consultations that provided basis for the gender analysis, included mainly both women and young people. Uganda has a very young population (median age of 16 years) with a higher proportion of females (51%). Moreover, for this gender specific assessment, it was instructive to include both women and the youth to develop a better understanding of the needs/interests of women entrepreneurs.

Climate change

- Does the proposal include an analysis of the possible effects of climate change on the activity or its results?

Although the proposal itself did not include the possible effects of climate change on the activity or its results, climate change is recognized as a threat to agricultural production systems in general. Especially since the women-led SMEs are actors in various agricultural value chains where dependency on rainfall is high. Irregular rainfall patterns because of changing climate, will have strong negative effects on the yields of these businesses.

- Does the proposal include any interventions to combat these effects (adaptation)?

Although the proposal itself does not address specific interventions to combat these effects of climate change, the activity, by providing more income and technical support, will indirectly provide the means for climate-adaptation measures, if the entrepreneurs would choose so

Cooperation, harmonisation, and alignment

- Does the activity involve cooperation with Dutch organisations, the EU or other donors (including delegated cooperation), local organisations or other parties?

If of added value, the activity will seek collaboration with, among others, the following entities: (i) Dutch organizations (PUM Experts partnership program, Dutch financiers/equity providers, such as PCP Capital, IUNGO, DFCU bank, Dutch funded organizations such as SNV/TIDES and the Youth Agri-skilling project SKY among others); (ii) Government of Uganda Ministries, Departments and Agencies (MDAs) such as Ministry of Trade, Industry and Cooperatives, Uganda Revenue Authority, Uganda National Bureau of Standards among others; (iii) Multi-lateral agencies such as the World Bank and International Labor Organization More specifically, the activity will support women-led SMEs to receive Business Development Services (BDS) from a mix of both Dutch and Ugandan consultants. Netherlands PUM Experts will offer specialized BDS training and mentorship to target SMEs. The project will seek to leverage efforts, knowledge and investment by other donors in the same space. If applicable, within the EKN projects, synergies will be sought with other ongoing activities, like the SAY-project of AVSI, Penal Reform International (project that supports ex-prisoners to start business)and the FATE-project via Avocats Sans Frontiers.

- How does the activity contribute to harmonisation and/or multi-donor financing?

Initially, the bulk of the support for the activity will be provided by EKN with additional contributions from Exim bank, Postbank and FSME. However, when this approach turns out to be successful, more donors might be approached to join this effort.

What is the degree of (policy and financial) alignment?

The extent of policy and financial alignment is significantly high. On the policy front, the activity contributes to the growth of a resilient and better performing private sector by offering gender-specific support to women-led SMEs. On the financial side, the activity is multi-donor supported (local and Dutch) and contributes to the policy ambition of deepening financial literacy and access for SMEs

Digitalisation

- Have proposed digital technologies been developed or chosen in collaboration with end-users?

The foreseen digital technology for uptake by SMEs (for financial and records management) and peer-to-peer learning is already developed and widely used across the globe. End users (the project beneficiaries) will be trained and thereafter assessed to establish ease of understanding and use. The activity will ensure that end-users have the necessary user warranties for an agreed period.

- Does the proposal include an analysis of the local digital ecosystem?

The proposal presupposes that digital solutions will be identified during diagnostic assessment of the target SMEs. In principle, the successful identification and uptake of digital solutions will be informed by what is available on the market and the associated level of efficiency. Therefore, no specific analysis of the local digital ecosystem will be provided by the BDS provider tasked with digitizing the SMEs. Mostly, the foreseen digital aspects will depend on the business software for accounting, record management, e-procurement etc.

- Is data security guaranteed

The business information/data that will generated and handled at an SME level, is no doubt confidential, however trainees will receive training on aspects of cyber security and how to ensure that their systems and data are not compromised or vulnerable to cyber/non-cyber-attacks. Additionally, the trainings will be given by existing BDS-providers and consultants, working along acceptable standards when it comes to data security.

- Are digital solutions locally sustainable/relevant?

Yes, they are, however often setting them up and maintaining them after the project cycle closes tends to be problematic and non-sustainable. The activity proposes to empower the SMEs with skills and provider a small grant to help them de-risk their operations going forward as this can make them more attractive to commercial lenders.

- Is duplication avoided?

Duplication is not possible at the SME level as each SME will install software that is needed. Regarding the peer-to-peer learning, the likelihood of duplication does not arise.

Additional remarks (if applicable)

SECTION: Results

- What are the main OUTPUTS (services and products) that will be delivered through the activity? Describe briefly. What are the main OUTCOMES (changes and effects for the target groups) that will be achieved through the activity? Describe briefly.
- Under the current proposal attention is already given to a number of limitations that restrict MSME's. In the inception phase FSME will be tasked to additionally formulate outcomes that address the gender specific barriers preventing women from growing their business (see RVO-study)

- Under the strengthening the legal and Regulatory Framework for Women-led SMEs the following **Outputs** are envisaged:
    - An annual Agri-SME assessment of the major constraints affecting the cost of doing business for WLASMEs, following from the activity.
    - 1 participating SME Performance survey bi-annually developed to provide an annual overview of the how conducive the business environment is for participating SMEs
    - If applicable, 1 Policy position paper and/or policy brief prepared including recommendations for lowering the cost of doing business in Uganda for MSMEs, following from the information retrieved from the participating companies.
    - At least 1 annual policy dialogue organised with relevant stakeholders, like participating companies, NGO's government institutions, etc.
- **Outcome 1:** At least two gender sensitive women entrepreneurship policies and regulations are defined, proposed and possibly implemented, at national and sub-national level

- Under the improving Business Formalisation, Corporate Governance and Access to Business Development Service, the following outputs are envisaged:

- 100 WLASMEs undergo a comprehensive business diagnostic assessment
- 4 new training module/package adopted or designed for WLASMEs
- 100 WLASMEs undergo capacity building in Psychology-based mindset & gender sensitive entrepreneurial capacity enhancement offered to WLASMEs
- 100 WLASMEs receive capacity building in basic digital literacy and use of various tools
- 100 WLASMEs undergo a training in life skills

- **Outcome 2:** At least 100 formal and growth-oriented Women Led Agri-SMEs that demonstrate best practices in corporate governance

- Under improving Capacity of Women-led SMEs to access finance, the following outputs are envisaged:
  - At least 50 WLASMEs SMEs given grants to operationalise new knowledge and de-risk future operations
  - If necessary, a maximum of 20 Credit Officers trained in engendered financial inclusion
  - 2 Bi-annual session on "Dealing with the banker" organized for the 100 SLASMEs
  - 100 WLASMEs trained and equipped with financial literacy knowledge and skills
- **Outcome 3:** At least 100 beneficiary WLASMEs are bankable and investment ready.

- Under improving compliance with standards and access to market opportunities, the following outputs are envisaged:
  - 100 WLASMEs supported in product certification and Food safety
  - 50 WLASMEs provided with certification support
  - 100 WLASMEs supported to participate in trade fairs
  - 50 WLASMES registered on online marketing platforms
- **Outcome 4:** At least 100 WLASMEs are compliant with product standards and food safety practices and have access to local and regional markets.

- Under increasing access of women-led SMEs to Business Networks, Mentorship and Role Models, the following outputs are envisaged:
  - 100 WLASMES supported to join and actively participate in at least one formal business network or association
  - 100 WLASMEs linked to a mentor with whom they have a monthly virtual or physical meeting
- **Outcome 5:** Each of the 100 beneficiary WLASMEs are active participants of at least one formal business network and are supported by a mentor

  - For each OUTPUT and OUTCOME mentioned above, specify how it will be measured: Specify the indicators if they exist (DDE framework considered).
  - Specify the baseline values and targets if they exist (specified during inception).

(Indicators to be fine-tuned and aligned to DDE framework during inception)

OUTPUT	Indicator(s)	OUTCOME	Indicator (s)
Strengthening the legal and Regulatory Framework for Women-led SMEs			
-A comprehensive annual Agri-SME barometer conducted to assess the key policy constraints affecting the cost of doing business for WLASMEs. -1 SME Performance survey bi-annually developed to provide an annual overview of the how conducive the business environment is for SMEs -1 Policy position paper and/or policy brief prepared including recommendations for lowering the cost of doing business in Uganda for MSMEs -1 annual policy dialogue organised 4 Annual MSME Week organized as a platform for policy makers and MSMES to take stock of the business environment and agree on measures to cut down on the red tape.	-Score of ease of doing business for SMEs - Number of MSMEs that benefit from improved business facilitation services -Number of annual events organised to promote MSMEs -Number of direct SMEs supported to access regional and international markets	-Gender sensitive women entrepreneurship policies and regulations are implemented, at national and sub-national level	-Number of MSME policies -gender mainstreamed -Number of business Regulatory hurdles addressed and resolved - Number of members of supported organizations - Number of legal or policy reforms implemented
improving Business Formalisation, Corporate Governance and Access to Business Development Service			
-WLASMEs undergo a comprehensive business diagnostic assessment -New training module/package designed for WLASMEs -WLASMEs undergo training in Psychology-based mindset & gender sensitive entrepreneurial trainings offered to WLASMEs -WLASMEs undergo a basic digital literacy and tools training -WLASMEs undergo a training in life skills	- Number of diagnostic assessments of SMEs -Number of training module developed for SMEs -Number of SMEs/local organizations strengthened and contributing to a sustainable local business climate -Number of SMEs owners skilled in basic digital literacy and tools training and life skills	-Formal and growth-oriented Women Led Agri-SMEs that demonstrate best practices in corporate governance	- Number of strengthened organizations contributing to a sustainable local business climate -No. of SMEs formalized No of SMEs with streamlined governance structures -Number of MSMEs that utilize business development services
Improving Capacity of Women-led SMEs to access finance			

- WLASMEs given grants to operationalise new knowledge and de-risk future operations -Credit Officers trained in engendered financial inclusion -Bi-annual session on "Dealing with the banker" organized -WLASMEs trained and equipped with financial literacy knowledge and skills - WLASMEs supported and empowered to acquire assets (eg land as collateral)	-Number of individuals/SMEs that obtain financial services - Number of MSMEs that utilise business development services - Number of MSMEs gaining new or improved access to a value chain -Average compound annual revenue growth rate of individually supported MSMEs -Number of women that acquire a business asset	-More SMES are bankable with proper financial records management -More women business owners able to transact with FIs with minimal reference to male partner	-Number of improved or introduced new financial products - Amount of mobilized private finance (in thousands (UGX) - Number of individuals/WLAMSE's that obtain financial services -Number of women acquiring a loan independently
Improving compliance with standards and access to market opportunities			
Policy dialogues Organized	Number of policy dialogues/year	Policy operationalization frameworks engendered to support women SMEs	Number of MSME policy frameworks engendered to support women in business
WLASMEs are active participants of at least one formal business network and are supported by a mentor			
-WLASMES trained in product certification and Food safety -WLASMEs provided with certification support -WLASMEs supported to participate in trade fairs - -WLASMES registered on online marketing platforms	-Number of MSMEs trained in Food Safety and actively use skills learnt Number of MSMEs supported to Certify products Number of MSMEs participating in trade Fairs Number of MSMEs registered with online marketing platforms	WLASMEs are compliant with product standards and food safety practices and have access to local and regional markets and show an increased income.	Number of WLAMSMEs with better access to markets Increase in income, compared to baseline.
-WLASMES supported to join and actively participate in at least one formal business network or association -WLASMEs linked to a mentor with whom they have a monthly virtual or physical meeting -1 digital peer-to-peer mentorship platform developed	-Number of WLASMEs with business network/association Number of WLASMEs receiving mentorship support	WLASMEs are active participants of at least one formal business network and are supported by a mentor	WLAMSMEs are part of formal business networks and receive mentorship support

- What method will be used to gather and monitor the data?

The project will rely on the above specified indicators (based on the DDE framework) to capture baseline, midterm, and end line data. A concise data collection system will be used-(as elaborated in the Results Framework) to measure performance. The project execution will be preceded by a baseline survey to establish a reference point for measurement of performance. EKN and FSME will jointly draft ToRs and recruit a competent consultant to

implement both the baseline, midterm and end term evaluations. EKN will be responsible for the execution of the end-of-project evaluation to allow for independent assessment of project impact. Beyond survey questionnaires and question guides, several complimentary methods will be sued to gather and monitor data. A Results based management approach will be used to assess progress of specific outputs and outcomes. A common rating system for key monitoring and evaluation tools including field visits, outcome harvesting, and evaluations will be used among others. For outcomes, the rating will have three dimensions: Positive change, Negative Change and No Change. These three ratings will reflect the degree to which progress has been made towards or away from achieving the intended outcome.

Positive Change	Positive movement from the baseline to the target, as measured by the outcome indicator
Negative change	Reversal to a level below the baseline, as measured by the outcome indicator
Unchanged	No perceptible change between the baseline and the target, as measured by the outcome indicator

For Outputs, the rating system will have three points, no, partial and yes. The ratings reflect the extent to which the output's targets have been met.

No	Not achieved
Partial	Only if two thirds of a quantitative target are achieved
Yes	Achieved

Day-to-day monitoring and implementation progress will be the responsibility of the Project Coordinator. The implementation of activities should be based on the project's Annual Work Plan and the indicators in the Project Results Framework. The Project Monitoring Unit will inform the EKN of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. Periodic monitoring of implementation progress will be undertaken by the EKN through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

- Record the following in **the results application:**
  - the thematic results frameworks that apply to this activity;
  - the relevant indicators (including baseline values and targets if they exist).

	Indicator	**Target**
A	Number of companies with a supported plan to invest, trade or provide services	100
D	Number of MSMEs that utilize business development services	100
F	Number of direct jobs supported in individually supported MSMEs	100
J	Amount of mobilized private finance (in thousand EUR)	100
N	Number of legal or policy reforms implemented	TBD
Q	Number of MSMEs that obtain financial services	100

- Have these results frameworks been communicated with the implementing organization?

During the inception phase, the results indicators will be aligned to the DDE framework. The implementing organisation has been informed of the DDE results frameworks and requested to ensure that indicators reported on are well aligned.

Do the indicators correspond to one or more of the 17 indicators on which the ministry reports to the Dutch parliament? If not, why?

The indicators are well aligned and correspond to those reported to the Dutch Parliament.

SECTION: Monitoring and evaluation

Monitoring

Specify what reporting information is required for this activity, based on the activity analysis decision tree (see Help). Include the following elements:

- Planning versus realisation: tracking progress against predetermined objectives as laid out in the project proposal.
- Performance and quality: checking relevance and appropriateness of the implementing organization's performance based on key assumptions in the proposal and the outcomes of the risk analysis.

The implementation will start with an Inception phase of 3 months, from November 2022 to 31 January 2023. During this phase, additional stakeholder consultations are scheduled to streamline roles among the various actors and to align on what is to be reported on. Specifically, the DDE indicators will be integrated into the final result framework. A major result of the inception phase includes activities such as determine the selection criteria of project participants and the modalities of implementation. During this phase, key modalities for mainstreaming gender, concretizing the procurement modalities, and operationalizing the SME Grant Facility, will be finalized.

After the three months' period, an inception phase report will be submitted to EKN. It will comprise of the following:

- An adjusted Results Framework including specific indicators on gender-sensitive issues,
- Project implementation modalities (stakeholder engagements/MoUs with service providers and detailed division of labour and deliverables
- More operational and engendered project activities, indicators and work plan.
- Final Budget (with inclusion of sub-awardees budgets as separate tabs)

Progress will be measured during joint (with EKN-staff) monitoring visits 2 x per year, quarterly meetings and annual narrative and financial reports. For information purposes, a 6 months progress and financial report will be submitted, accompanied with a liquidity planning for the next 6-months payment. Based on the activity analysis decision tree, an annual audit report in UGX is sufficient, in which the activity can be identified (see example : MINBUZA-2022. audit report 2021)

Evaluation

Describe whether a final evaluation and/or a mid-term review has been planned. If yes, state:

- who will commission the final evaluation and/or mid-term review (for options, see Help);
- whether the procedure and practical arrangements have been agreed on with the implementing organisation (for details, see Help).

Data collection will be done through a baseline, mid-term and end-term studies, using indicators aligned to the DDE monitoring framework. A final evaluation (end line study) will be commissioned

and paid for by EKN, to be done by an external party. FSME is in the lead for commissioning the baseline study and MTR; ToR will be jointly written, and the Embassy will be consulted in selection process. A light mid-term review is foreseen to get feedback from stakeholders about the implementation, relevance, sustainability, etc. The ToR for the MTR will be jointly written.

SECTION: Finance

Budget breakdown

- Include an overview of the activity budget, including overhead costs.
- Is the budget arithmetically correct?
- Are the amounts/rates in the budget acceptable?
- Briefly explain the structure of the budget.
- Are overheads proportional to outputs? What is included? What is recharged?
- Is implementation conditional on the budget being amended in an inception phase? (Specify the requirements that the budget must satisfy and the date by which the budget must be amended.)
- Is the budget suitable as a management tool (linking outputs to budget)?

Summarized budget (in UGX)			
	EKN + Third Party Budget	EKN	Third Party
Cost Category	TOTAL project duration		
A. Office equipment	22.500.000		22.500.000
A. Admin costs	257.824.000		257.824.000
B. Personnel costs	475.200.000	396.000.000	79.200.000
C. Programme management/M&E	178.800.000	89.400.000	89.400.000
D. Outcome 1	91.680.000	77.928.000	13.752.000
E. Outcome 2	1.097.036.320	934.182.300	162.854.020
F. Outcome 3	1.212.900.000	1.212.900.000	
G. Outcome 4	114.600.000	114.600.000	
H Outcome 5	171.000.000	171.000.000	
TOTAL	3.621.540.320	**2.996.010.300**	625.530.020

The structure of the budget is outcome-based and thus suitable for monitoring outputs linked to budget.
Budget can be linked to the following specific outputs:

1) Number of gender-sensitive women entrepreneurship policies and regulations implemented.
2) Number of formal Women-led Agri-SMEs demonstrate best practices in corporate governance.
3) Number of WLASMEs that are bankable and investment ready
4) Number of WLASMEs that are compliant with product standards and food safety practices and have access to local/regional markets.
5) Number of WLASMEs that are active participants of at least one formal business network and are supported by a mentor/coach

Overheads are proportional and it includes general operating costs. However, EKN does not contribute to overhead costs, but EKN-funds are provided only for specific personnel costs (% of FTE) related to the outcomes of the project.

Implementation can start with the inception phase, during which the final budget needs to be developed including the budget of implementing parties that will be involved as Business Development Service providers. See details on deliverables from Inception phase.

Earmarking

- Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why.

EKN will co-fund this activity, together with other parties, like EXIM bank and Postbank. Earmarked contribution (see budget of 13/10/2022) from EKN is mainly to fund outcome 3, 4 and 5 as these are very specific outcomes on which our Embassy wishes to report results in line with the thematic results framework from DDE. Outcome 1 + 2 are co-funded by both EKN and others.

Prepayments

- Based on the prepayment decision tree (see Help), do the payments need to be entered as prepayments and why? In the case of a lump sum, assess this against the applicable criteria and give the reasons for your choice.
- What is the maximum percentage that can be paid as prepayment, and why?
- Which are the reporting obligations on the basis of which prepayments can be closed?

Prepayments will be made to a maximum of 95% of the total EKN contribution. In accordance with the decision tree, the payments need to be entered as prepayments. Although capacity assessment as part of light ORIA is positive, 6-monthly prepayments will be made, as FSME is a new partner to EKN. Subsequent payments will be done based on payment request and liquidity needs. Prepayments will be adjusted based on approved audit reports.

Available resources

Budget only for WEADS-implementation via FSME	**Foreign currency**	**EUR**
Implementing organisation's own contribution		
Firm commitments by other donors (Exim bank and others)	*625,530,020*	*150,753*
Dutch contribution	*2,996,010,300*	*722,038*
Total available resources	***3,621,540,320***	***872,791***
Budget needed *)	***3,621,540,320***	***872,791***
Still to be financed	***0***	
Soft commitments by other donors (for each donor)	*0*	
Uncovered balance	***0***	

NB: An additional amount of EUR 50,000 has been reserved for the end evaluation, but will not be part of the contract with FSME, but done by another external party via a separate contract at a later stage.

- Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.?
  n/a

- If there is an uncovered balance, how will this affect implementation of the activity (e.g. proportional reduction in outputs, omission of regions) and how will this affect the decision whether to fund this activity?

n/a

Grant with a repayment obligation, loans, equity investment or guarantee

- Does the Dutch contribution take the form of a grant with a repayment obligation, a loan, an equity investment or a guarantee (either in whole or in part)? If yes, briefly set out the consequences for accounting and how correct processing in the financial records will be ensured.
  n/a
- Are there revolving funds? If yes, please explain what will happen to any residual funds, how closure will take place and which agreements should be made.
  n/a

Audit opinion

- Is an audit opinion required for the activity (see Help)? Briefly explain.
  The annual audited statements from FSME, clearly stating all donor income and expenditure, is sufficient.
- Should the audit opinion be accompanied by an additional auditor's report (for example, on the risks set out above, or on monitoring that the organisation carries out on its prepayments to other organisations)?

  No additional auditor's report is requested. The annual audit report is including a clear overview of income and expenditure per project.