



UGANDA HANDICRAFTS EXPORT STRATEGY



By

THE SECTOR CORE TEAM (SCT)

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FOREWORD

Since 2004, Uganda Export Promotion Board and the Handicraft sector stakeholders have been developing an export strategy for handicrafts for Uganda. The process of formulating the strategy was supported under the Joint Integrated Technical Assistance Programmes through International Trade Centre (ITC), Geneva. The strategy aims at developing Uganda's handicraft sector for rapid export growth.

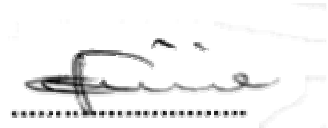
In Uganda the sector has been recognized as important in the drive for expansion and diversification of the national export base particularly the non traditional exports. Both in the rural and peri-urban economy of Uganda, the sector is a vital source of livelihood for the women, youth, people with disabilities and the refugees. It has been acknowledged that having this sector developed for export can mainstream these groups into the economy, contribute towards generation of employment, enhance rural entrepreneurship and above all impact positively on rural poverty reduction.

Until recently, this sector has been given little attention within national export development Programmes. However a sub-sector analysis in 2004 revealed that significant potential for export exists. The trends in international markets are positive for handicraft products and several countries have been able to increase their foreign exchange earnings from these exports. This strategy document should therefore guide the sector to develop into a vibrant export sector by exploiting the rich cultural heritage and a wide range of unique crafts Uganda produces. These can undoubtedly make a 'Mark' on the international Market.

To achieve the goals and objectives of this strategy requires coordinated efforts and enthusiasm from all stakeholders. Uganda Export Promotion Board has taken the necessary steps to ensure that the strategy is owned by the stakeholders themselves. They were fully involved and participated into developing it. The strategy is aligned with the National Poverty Eradication Plan (PEAP- Pillar 2) and the Medium Term Competitiveness Strategy (MTCS) of the Ministry of Finance, Planning and Economic Development (MFPED).

UEPB will continue to coordinate efforts to increase the participation of Ugandans in marketing programmes such as trade fairs and exhibitions and Contact Promotion programmes. We have initiated partnerships with the Ministry of Foreign Affairs to support export promotion programmes through Uganda Missions abroad.

Lastly, I would like to express my deep appreciation to ITC for its support towards the formulation of this strategy, the Sector Core Team that worked with dedication to develop this document and the various sector stakeholders who provided assistance and inputs to the strategy development process. I would also like to extend sincere appreciation to the Commonwealth Secretariat for its support through the services of the Senior or Trade Advisor who was attached to UEPB and who immensely contributed to the formulation of this export strategy.



Florence Kata (Mrs)
Executive Director

“Artisanal products are those produced by artisans, either completely by hand, or with the help of hand tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. Using raw materials from sustainable resources the special nature of artisanal products derives from their distinctive features, which can be utilitarian, aesthetic, creative, culturally attached, decorative, functional, religiously and socially symbolic and significant”

UNESCO/ITC Symposium on “Crafts and the International market: Trade and Customs Codification.” Manila 1997

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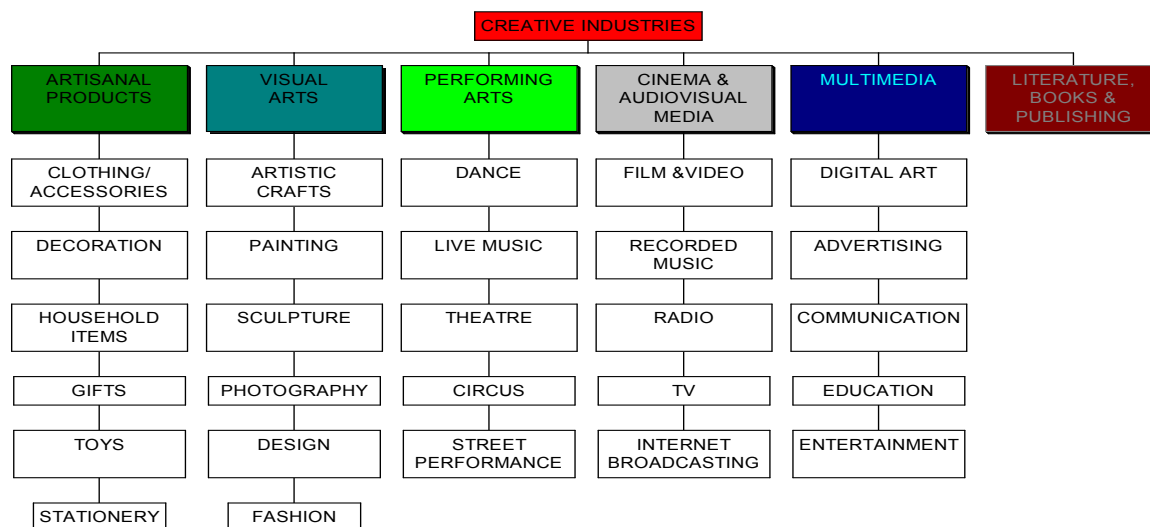
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CHAPTER 1: INTRODUCTION

1.0 Overview

Handicrafts, crafts or craft products are synonyms for Artisanal Products, which is a component of Creative Industries. Creative Industries derive their origins from individual creativity, skill and talent that have a potential for job and wealth creation through the generation and exploitation of the individual’s intellectual property. Creative Industries encompass the following segments i) Artisanal Products, ii) Visual Arts, iii) Performing Arts, iv) Cinema and Audiovisual Media, v) Multimedia, and vi) Literature, Books and Publishing. (See Fig 1 below)¹

Fig 1: CREATIVE INDUSTRIES SEGMENTATION



The Uganda Export Promotion Board (UEPB), driven by gender concerns, under its export promotion and development mandate, recognises the potential of the Handicraft sector in generating employment and income for the rural population especially women, youth and people with disabilities in addition to earning foreign exchange for Uganda.

Consequently, UEPB seeks to enhance export development and growth of Uganda’s handicrafts in the overall framework of the National Export Strategy by synchronising its plans with the Policy on Cultural industries, developed by the Ministry of Gender, Labour and Social Development (MGLSD), in the context of a National Cultural Policy and Action Plan. UEPB has also identified the need to syndicate and coordinate the disjointed interventions in the sector by the various NGO’s and public organisations concerned with rural entrepreneurship development and poverty eradication.

Through a consultative, participatory and collaborative approach, the sector stakeholders under the overall guidance of UEPB have developed this **Handicraft Sector Export Development Strategy (HANDSEDS)** to provide a systematic and action oriented

¹ International Trade Centre, UNCTAD/WTO: www.intracen.org/creativeindustries

framework for the purposeful development of the sector with particular emphasis on product and export market development. A medium term, 3-year profile (2005/6-2007/8) has been designed for the first phase of the programme. The Strategic Plan is intended to be a 3-year rolling programme.

HANDSEDS is conceived in the framework of the National Poverty Eradication Action Plan (PEAP) and the Medium Term Competitiveness Strategy (MTCS) as a pro-poor trade related policy strategy. Specifically HANDSEDS is premised on the basis that the sector has a high potential to engender a multi-pronged, gender focused, high rural production and high rural gender entrepreneurship enhancement. It offers increasing opportunities for income generation and consequently poverty reduction, through market-oriented production of good quality, adequate and value added handicrafts for the local, tourist and export markets.

The Strategic Plan addresses issues such as global market trends for Cultural industries, export opportunities for Uganda, analysis of the sector in terms of structure, organization, networks, support organisations and mechanisms for producers and exporters. Based on a sector value chain analysis, the strategy focuses on the need for product development and capacity building in the sector. Tailor measured export market development strategies are proposed to address potential markets and possible market constraints.

HANDSEDS seeks to operationalise various action plans intended to ground and strengthen the handicraft industry as a viable export sector for Uganda. It identifies the framework for implementing the strategic actions, the stakeholders' coordination and support mechanisms, resource analysis and performance indicators.

Uganda Export Promotion Board, as the national focal point for export promotion and development, is committed to drive the process by coordinating the core sector programmes, stakeholder involvement, resource mobilisation and application.

1.1 The Handicraft Sector in Uganda

It is noted that Uganda has a wide array of handicraft products ranging from basketry, mats, ceramics, beads, pottery, hand textiles and woven products, toys, jewellery, bags, ornaments, leather products, batiks and wood craft among others. These items are produced in almost all the Districts and Regions of Uganda using locally available raw materials, with limited products differentiation based on culture, history and traditions.

Handicrafts production in Uganda is cultural, traditional and predominantly a cottage industry, engaged in by rural youth of both gender but largely by women folk, to supplement household incomes. The tradition has been to hand over craftsmanship and skills from generation to generation. This tradition has waned considerably over time. Even though master craftsmen can still be found, their numbers have diminished considerably. Of late, however handicraft production has seen an upswing as the industry is perceived as a potential business opportunity for sustainable income generation, thus attracting more and more artisans, traders and exporters.

The village producers sell their products in either the neighbourhoods or to domestic craft traders, or direct to tourists. The domestic craft traders serve as intermediaries, who sell on the local markets and to exporters or export the items themselves.

However, in their zeal to earn quick money for a living, the artisans produce in fragmented environment, with no appreciation of market requirements, quality, design, standards and systematic organization of markets². Innovations, design and product adaptations are limited, given the low skills and capacity of Uganda's artisanal producers. Handicrafts export in Uganda is consequently insignificant.

Various studies have established that Uganda's handicraft sector development is severely inhibited by supply side (production) and marketing constraints summed up as follows: -

Production

- Limited access to, and inadequate supply system of, raw materials
- Fragmented, unstructured and individualized production systems
- Low level equipment application
- Low production levels
- Nil or minimal access to capital
- Lack of specialization
- Inconsistent product standardization
- Low design and quality
- Inadequate design skills
- Inadequate production, vocational and business development training
- Inadequate model incubator projects along organised production systems

Organization and Marketing

- Lack of vibrant National Exporters Association
- Insufficient market information and dissemination
- Lack of appreciation of market preferences and requirements
- Inadequate support for marketing and promotion
- Absence of a National Handicraft Sector Development strategy
- Poor transportation infrastructure
- Poor or no packaging
- High freight charges compared to other regional sources
- Nil or Inadequate export financing
- Lack of organised District, Regional and National Handicrafts exhibitions to facilitate District or Regional specialisation
- Lack of sector supportive and adaptive policy
- Lack of cooperation and programme coordination among handicraft business support organisations

There are many organizations engaged in handicraft promotion activities albeit in a very fragmented and disjointed manner. Such organisations include, Uganda Export Promotion Board, Uganda Women Entrepreneurs Limited (UWEAL), AGOA Office, Uganda Small Scale

² UEPB: *Handicraft Supply Survey 2004*

Industries Association (USSIA), National Organisation of Women Associations in Uganda (NOWAU), National Arts and Crafts Association of Uganda (NACAU), Private Sector Foundation Uganda (PSFU), UNIDO and many others. UEPB has sought to bring these institutions on board during the formulation of the strategy and it is hoped that this kind of partnership and coordination will prevail in the mobilization of efforts and resources for its implementation.

The Handicraft Development Strategy is a timely response to the need to leverage the sector's export potential and its ability to contribute toward income generation for poverty reduction and wealth creation in both rural and urban areas of Uganda. Over the years, cultural industries have been marginalized in national export development programmes. HANDSEDS seeks to mainstream this sector in the national export framework

1.2 Global Markets and Trends for Handicrafts

The Global statistics for handicraft trade is hard to come by. However, the huge economic and social importance of the sector, be it at the national or the global level, is based on estimations and compilations of scattered, insufficient, often unreliable and unsystematic data or on data that are not even comparable among countries. In the world market, handicrafts are only a part of the range of artefacts. Thus, handcrafted, semi-hand-crafted, machine-crafted goods vie with each other for customer attention in a broad market described as “gifts & decoratives”.

Nonetheless, the Indian EXIM Bank³ estimated the size of world trade in handicrafts in 1999 to be in the region of US\$75 billion.

According to the U.S. Department of Commerce, the United States market for handicrafts is about \$10 billion. This includes all types of handicrafts. That market has a strong desire for the unique, the interesting, and the product with a history. However, the US market is price-sensitive, and hence price per unit realised in this market tends to be lower than in other countries. However, this is traditionally a strong market, and continues to grow, mainly on the back of multi-ethnic immigration.

On the other hand, Japan is the world's most sophisticated market with consumers willing to pay for quality and workmanship. Hence, this market fetches per unit values that are far higher than the western markets.

German consumers used to be quality conscious, with emphasis on natural, authentic and high value handicrafts. However, continued recession in the economy has depressed consumer aspirations and spending, forcing the market to source for cheap products. The size of UK and French markets are relatively smaller. However, they figure as prominent destinations especially for their former colonies.

Germany is the largest market in Europe for Giftware with a value of US\$16 billion. Giftware imports in 2005 by the UK are estimated to be UK£6,480 million -a growth of 2.2 % over the

³ EXIM Bank of India: Occasional paper 2000

previous years estimates⁴. USA, Germany, UK, France, Italy, Netherlands, Japan, Switzerland and Canada are the principal importers in the world, estimated to account for 80% or more of the trade values in “gifts & decoratives.” On the supply, exporting countries include China, S. Korea, Taiwan, Philippines, Malaysia, Indonesia, India, Sri Lanka, Pakistan, Iran, Turkey, Mexico, Bangladesh, Vietnam. Kenya, Ghana and South Africa.

China is the major producer and exporter of baskets and mats supplying over 54% of world trade of baskets and 73% of mats. USA is the major importer of baskets followed by Japan. European Union imports 25% of the world trade of baskets. Japan leads in importing mats followed by USA.

From the perspective of developing countries’ exporters, revenues from handicrafts can be significant. For example, India earned US\$1.9 billion, US\$1.6 billion and US\$2.3 billion in handicraft exports in 2000/1, 2001/2, and 2002/3 respectively⁵. Ghana’s handicraft exports earned US\$11.3 million in 2002, a drop from US\$14.9 million in 2001.

Markets for handicrafts are reported to be highly impressive with limited market access requirements. The general view of crafts and giftware is therefore that the markets are increasing at a relatively steady rate and hold reasonable prospects for growth in the future.

The handicraft market is segmented into the following: -

- Clothing and accessories
- Decoration-interior and exterior
- Household items
- Gifts
- Toys
- Stationery

Consumer behaviour to these segments is largely influenced by their distinctive features, which can be utilitarian, aesthetic, creative, cultural attachments, decorative, functional, religiously and socially symbolic and significant.

Environmental concerns and trends tend to influence colour lines just as special occasions such as Christmas, dictate volume demands for giftware and special packaging containers like baskets.

Globalisation and Tourism have resulted in increasing interest for a broad variety of handicrafts. At the same time concern for environmental preservation and protection has forced developed countries to set legislations/voluntary agreements between governments and producers. Benchmarks have been introduced to indicate whether the products conform to environmental soundness criteria. Fair trade labels are increasingly being used as marketing tools. Fair trade organizations have been found to protect small producers from being forced to accept low prices to ensure minimum prices for their products and to create markets.

⁴ Giftware 2001 Market Report, Keynote Ltd. UK

⁵ Indian Data: www.indiandata.com/india-trade/handicrafts-india-trade.html

1.3 Government Policy on Handicraft Sector Development

The Government has over the last decade created a macro economic framework with the aim of stimulating and sustaining growth in the economy. Inflation has reduced to a single digit; the external sector has been liberalized with price deregulations and free transactions in foreign exchange. Government has also divested itself from economic activities thus ending State monopolies.

However, the country still lacks a comprehensive trade policy, which specifies sector-specific export strategies. While some economic policies have been designed specifically to suit promotion needs of the export sector, they largely address the needs of large business and industries and ignore the needs of small scale and medium business units in rural and urban areas. Various government policies, programmes and interventions in the export sector have largely disregarded the importance of handicrafts in rural livelihood especially of women.

While the Poverty Eradication Action Plan (PEAP) and the Medium Term Competitiveness Strategy (MTCS), attempt to integrate export trade in their frameworks through macro level and infrastructure policy redress, the reality on the ground is that these measures have not impacted sufficiently at the enterprise level. The poverty eradication policy has paid little attention to the promotion of the culture and handicrafts sector as a way of improving rural incomes and diversifying the export sector in Uganda.

The assumption that once the macro level fundamentals are fixed all other things shall fit into place has not worked. There is absolute need for micro level management and interventions. The producer units who are to make the difference in terms of export earnings have to be involved in the policy formulation process. They need to be supported with clear-cut interventions to address supply and market entry and sustainability constraints.

Fiscal Policies: Government provides depreciation and investment allowances for investors and import duty exemptions for capital goods meant for production for exports. Uganda's fiscal incentives do not clearly specify support for small-scale producers. Investor license in Uganda is limited to capital investment of US\$50,000 for Ugandans and US\$ 100,000 for foreigners. Such figures automatically exclude handicraft producers who are mostly micro and small operatives and who are unable to raise such investment capital to benefit from any related incentive packages

Export Financing: Capital markets are still fragmented and above all access to credit by most producers and traders is still cumbersome and expensive. Banks tend to favour large business with collateral security and isolate small businesses such as handicrafts in the provision of credit facilities. Although Bank of Uganda runs an Export Credit Guarantee and other financing schemes, many exporters such as handicraft exporters are not capable of meeting the conditionalities needed to access the schemes

The pressing need for the handicraft sector export development is micro level policy redress to support investment in the sector, capacity building, trade promotion, market research and entry and trade facilitation.

Export Markets: Uganda's handicraft products have preferential treatment in the USA under AGOA, in the European Union under the EBA, and in other markets established through bilateral trade agreements. Unfortunately, efforts have not been made to promote this trade. Successful penetration of export and other markets will depend on the ability of producers to form strong groups, develop capacity to produce critical masses, upgrade the quality to market standards as well as overcome the constraints enumerated in Para 1.1. Government's investment, trade and industrial policies should seek to integrate handicrafts in the areas of investments, Micro, Small & Medium Enterprises (MSME) capacity development, product development, adaptation and innovations, and promotional support. There is need for an orientation in attitude towards looking at Cultural industries for exports.

1.4 National Culture Policy and Handicrafts Development

The Art and Handicraft sector in Uganda is perceived in the context of preservation of the national cultural heritage. Uganda is a multi-ethnic, multi-tribal and multi-lingual country with a rich culture, history and tradition. Culture is the core fabric in the integral development of Uganda. This rich cultural heritage is demonstrated through Uganda's art, dance, music, and artefacts among others, which depict the way of life, socially, economically and politically of the diverse Ugandan communities.

In realisation of the fortitude and crosscutting role of culture in the economy, the Government created a line Ministry responsible for cultural promotion, preservation and development. The Ministry has over the years been responsible for developing policies and the framework that enhance culture in the development agenda of the country. In pursuit of this Government, also embedded culture in its decentralization and community development programme with the view to further enhance culture preservation, development and the promotion of cultural industries at the grassroots level, particularly for exports. Unfortunately, the focus of the oversight Ministry for culture has fluctuated over the years because of the frequent changes in its functional definition and structural location. Currently from the situation where Culture had a dedicated and fully-fledged Ministry, it has now been reduced to a Section within the Ministry of Gender, Labour and Social Development (MGLSD).

Indeed, in the area of Culture, which encompasses the handicraft sector, there is to date, neither a definite Government Policy nor a discernible, deliberate action initiative to promote the sector. It is against this background that the export potential of the entire Cultural industries including the handicraft sector loses focus

It is important to note that MGLSD has since 2004, been in the process of developing the National Culture Policy and Action Plan (2005-08), which incorporates export development of Cultural industries. Though the policy is long overdue, once it is in place in 2005 as planned and integrated in government policy development framework and in the budgetary priorities, it will impact on the development of the industry and significantly contribute to raising the level of foreign exchange, employment, rural entrepreneurship and above all reduce rural-gender based poverty.

1.5 Tourism Development in Uganda and Handicrafts

Uganda's tourism potential is phenomenal and attested on the World Tourism scene. The country has avoided the trap of courting mass tourism and instead is effectively marketing its Eco-Tourism and adventure-tourism. To this can be added the undeveloped cultural-tourism, religious-tourism and conference-tourism all of which ensure that any growth in the visitor numbers is sustainable and that development is not detrimental to natural environment and local culture

Uganda's Integrated Tourism Master Plan (ITMP) was developed through a partnership of the Government of Uganda (GOU), the United Nations Development Program (UNDP) and the World Tourism Organization (WTO) for the period 1992 to 2002. Subsequent to that the Tourism Policy for Uganda was approved and adopted by the government following countrywide, World Bank supported workshops and seminars. The Policy direction is for Uganda's tourism development to be socially, culturally and environmentally acceptable and become a vehicle for poverty alleviation.

Over the last decade, Uganda has witnessed an increasing number of tourist arrivals. This has been greatly attributed to the privatisation strategies being pursued by government together with the prevailing national security especially in the national parks. According to the Uganda Bureau of Statistics, the country in 2002 realized a total number of 192,754 tourists with a corresponding expenditure of \$151 million. In 2003, the number increased to 304,656. In 2004, registered tourists were 350,000 with a corresponding expenditure of \$271 million⁶. Very few tourists leave Uganda without a memento, a handicraft souvenir or two purchased from the wayside vendors, local craft shops or market yards such as the National Theatre and Exposure Africa. Craft villages/centres attract many tourists. Most Hotels and Restaurants, in providing one-stop shop service to their clientele, have openings in their premises for Art and Craft exhibitions or sales. The Airports with their duty-free-shops provide avenues for mopping up left over tourist's foreign currency on handicraft sales. Local tourism is similarly growing as peace and security engulf hitherto turbulent areas, thus creating more demand for the handicraft industry.

Herein lies the potential, as tourism and handicraft trade go hand in hand. Handicraft sector development in Uganda should thus be seen as complementary to the Tourism industry especially where community tourism promotion is linked up with crafts and creativity of communities⁷.

However, the major limitation to these developments is the security risks generated by the rebel activities in northern Uganda by the Lord's Resistance Army.

1.6 The Vision for the Handicraft Industry in Uganda

The Handicrafts Sector Export Development Strategy (HANDSEDS) has been developed as a response to the need to enhance the development and readiness of the sector for rapid export growth. Uganda Export Promotion Board (UEPB) in collaboration with sector stakeholders developed the strategy to orient the sector commercially with the vision: -

⁶ Uganda Tourist Board: <http://www.visituganda.com>

⁷ Uganda Community Tourism Association: <http://www.ucota.or.ug>

“To develop the handicraft sector in Uganda as a substantial foreign exchange earners”

1.7 The Overall Objective Of The Sector Strategy

The development of the handicraft sector export strategy is driven by the overall strategic objective: -

“To build the capacity of handicraft producers and exporters in order to meet international standards and to penetrate international markets”

1.7.1 The Specific Objective Of The Strategy

- 1 To enhance the capacity of producers to increase the diversity, volumes and improve the quality of crafts to respond to market opportunities*
- 2 To build capacity of sector operatives at all levels for skills and competence enhancement*
- 3 To promote trade facilitation with particular emphasis on export financing in the sector*
- 4 To pursue aggressive market development programmes*
- 5 To establish effective stakeholder coordination mechanism for sector activities support*

1.7.2 Scope and Priority Implementation Pillars

HANSEDS seeks to provide an over-arching framework for guiding action to promote the growth of exports in the handicraft sector as a pro-poor trade related strategy to enhance poverty reduction and contribution to foreign exchange earning. Priority in the development strategy is to be placed on the following ten (10) point initiatives and actions to address medium and long term development needs of the sector that will bring momentum in enhancing the capacity of the sector in terms of: -

- i. Organization of producers into identifiable village groups to enable outreach services and input supplies.
- ii. Reorganisation and strengthening of umbrella organisation(s) for the sector
- iii. Producing required export quantities in terms of quality, design and standards for international markets based on regional/district specialisation determined by raw material availability and other competitive and enabling factors.
- iv. Integrated enterprise development support through local centres for skill training, product adaptation, vocational training, entrepreneurship development
- v. Provision of micro-credit facilities for producers and export financing for exporters.
- vi. Support for exporters in promotion and market identification, entry and sustainability, through participation in marketing programmes such as trade fairs, exhibitions, contact promotion programmes among others.
- vii. Organisation of District, Regional and National Handicrafts exhibitions to facilitate District or Regional specialisation and establishment of production centres

- viii. Upgrade infrastructure in production centres to facilitate timely production and deliveries
- ix. Facilitate cooperation and programme coordination among handicraft business support organisations
- x. Disseminate and ensure implementation of government policy on Cultural industries

1.8 The Strategy Formulation Approach

The formulation and development of the Handicraft Sector Export Development Strategy was commissioned through a National stakeholders sensitisation workshop organized by UEPB in 2004. The strategy was subsequently developed through a participatory and consultative process with the key sector stakeholders across the private and public sector divide. A Sector Core Team (SCT) was created as an Apex Committee to drive the strategy formulation process. An expanded Sector Strategy Stakeholder Group (SSSG), comprising representatives of private sector, service firms, business support organisations, civil society etc, supported the SCT. These stakeholders provided inputs for the strategy design and formulation through consultations, data gathering and validation of issues. The strategy formulation process was also complemented by guidance from the Senior Trade Promotion Adviser from the CFTC/Commonwealth Secretariat. The International Trade Centre, UNCTAD/WTO provided the seed capital for the strategy development while its sector website and other related publications served as veritable references.

The Handicraft Sector Export Development Strategy (HANDSEDS) is thus a representation of the opinion, views and aspirations of the entire players in the sector.

The consultative process highlighted key sector issues for action, including integrating the strategy in the overall national development framework and export development priorities. It also identified the sector stakeholders and the critical players for resource mobilization and plan implementation.

Government in partnership with the private sector and the identified stakeholders would need to commit resources for the implementation of this strategy to increase the ability of the rural poor households to participate in economic growth through non-agricultural self-employment

1.9 The Sector Strategy Justification

The challenge of diversifying Uganda's export base can better be addressed when grassroots communities are actively involved in wealth creation through exports. Thus, "handicrafts for exports" offer a big opportunity in broadening the export base and achieving sustainable and integrated economic development.

The sector's potential, as a source of foreign exchange earning has been articulated above. The experiences of the impact of handicrafts in the rural economies of China, India, Sri-Lanka, Vietnam, Kenya, Ghana and South Africa to mention but a few exporting developing countries attest, from the development angle, to the multi-pronged, gender-focused, poverty-reduction capacity of the sector.

HANSEDS is built on Pillar 1 of the PEAP, which articulates the objective of: - *Enhancing production, competitiveness and income*

This pillar identifies the need for encouraging women empowerment, expansion of non-agriculture activities and enhancement of rural employment for income generation

In this regard, HANSEDS strategic actions focus on rural Uganda, organising women groups, the youth and the physically challenged and empowering them economically by ensuring their participation in the handicraft export business programmes. As stated earlier the Handicraft sector has the potential to stimulate rural gender entrepreneurship, create rural employment, add value to the abundant local raw materials and indigenous knowledge and skills and conclusively to accelerate poverty reduction in rural households. The added gain to the national economy is the sector's contribution to export diversification.

Research has revealed that, income poverty in Uganda which fell considerably during the 1990s has since 2000 risen, with the proportion of people living below the poverty line rising from 34 % in 2000 to 38% in 2003⁸. This has been accompanied by a marked increase in inequality, which has been rising since 1997. The GINI coefficient, which measures inequality, rose from 0.35 in 1997/8 to 0.43 in 2003. Majority of Uganda's poor are women, youth and people with disabilities.

Mainstreaming these vulnerable groups in the economy and in particular through the export sector will contribute to income poverty reduction and satisfy key aspirations of the Poverty Reduction Action Programme (PEAP).

CHAPTER 2: UGANDA'S EXPORT SECTOR

2.0 The Overall Export Sector in Uganda

Fiscal year 2001 saw the reversal of the persistent decline of Uganda's export earnings, which hit its lowest ebb of US\$401 million in 2000. In the last five years Uganda's export earnings have witnessed growth, averaging 13.2 % per annum. Uganda's exports are largely agricultural products (See Table 1 below) with coffee, tea, cotton and tobacco making up Uganda's Traditional Exports (TE) which used to be the mainstay of the export basket, contributing as high as 71% in 1999. Non Traditional Exports (NTE) composed of the remaining items in the basket made up 29% in that year. In 2004, TE made up 37% with NTE contributing 63%.

⁸ Uganda: Poverty Eradication Action Plan. 2004

TABLE 1: UGANDA: TOP 15 EXPORTS BY PRODUCT, VOLUME (TONNES) AND VALUE (US\$ '000) - 2004

Product	1999			2000			2001			2002			2003			2004		
	Volume	Value	Rank	Volume	Value	Rank	Volume	Value	Rank	Volume	Value	Rank	Volume	Value	Rank	Volume	Value	Rank
Coffee	230,466	287,958	1	150,891	125,316	1	183,277	97,652	1	201,591	96,626	1	146,299	100,233	1	159,964	124,238	1
Gold & compounds	4,231	33,485	2	5,927	43,285	2	6,161	49,293	3	n.a	60,342	3	3,478	38,446	6	5,465	61,233	3
Fish & fish products	9,628	24,837	3	14,894	30,818	4	28,119	78,150	2	25,525	87,945	2	26,301	87,477	3	31,808	103,278	2
Tea	22,102	21,425	4	26,388	37,050	3	30,447	30,031	5	30,400	31,293	5	39,406	40,367	5	36,874	37,258	6
Cotton	14,482	17,408	5	21,290	22,088	6	12,479	13,434	9	12,322	9,519	11	16,762	17,754	8	29,293	42,758	4
Tobacco	4,714	14,673	6	14,128	26,889	5	14,589	32,096	4	23,266	45,262	4	24,669	43,043	4	27,843	40,702	5
Electricity('000 Kwh)	174,331	13,209	7	250,993	18,634	7	142,507	10,554	12	264,685	15,645	7	217,486	13,580	12	192,297	12,075	10
Beans/other Legumes	15,829	8,754	8	25,013	4,454	12	6,756	2,354	15	10,753	3,284	15	18,070	5,235	n.a	26,215	8,968	11
Roses & Cut flowers	1,563	7,328	9	2,207	9,912	10	3,687	14,750	8	4,504	17,828	6	5,636	22,080	7	6,092	26,424	8
Maize	23,163	5,291	10	25,013	2,437	13	61,603	18,339	7	59,642	10,609	9	60,298	13,724	11	90,576	17,896	9
Cattle hides	4,666	2,967	11	12,246	12,893	8	20,386	25,532	6	20,049	9,810	10	18,565	4,926	n.a	18,502	5,409	15
Soap	3,193	1,960	12	3,777	12	15	5,656	2,700	13	7,594	3,434	14	11,402	5,554	15	16,281	7,708	12
Cocoa Beans	1,542	1,474	13	1,662	1,191		2,466	1,921		n.a	n.a	n.a	4,328	7,001	14	5,155	6,801	13
Sesame seeds	2,325	1,420	14	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	4,108	2,183	n.a	4,283	2,788	n.a
Pepper	692	987	15	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	103	176	n.a	394	368	n.a
Petroleum products	n.a	n.a	n.a	n.a	8,684	11	n.a	12,252	11	n.a	10,749	8	37,419	16,527	10	65,273	27,903	7
Cobalt	n.a	n.a	n.a	416	10,963	9	636	12,656	10	8,748	7,032	12	na	na	n.a	n.a	n.a	n.a
Vanilla	n.a	n.a	n.a	10	781	14	49	2,417	14	63	6,898	13	108,766	11,948	13	71,404	6,120	14

Source: Uganda Bureau of Statistics November - 2004 Statistical Abstract
n.a= not in top 15

Despite being the lead export earner, coffee has witnessed persistent decline in its value and percentage contribution to total national exports. From a high of US\$287 million or 60% of total export earnings, coffee dipped to US\$96 million in 2002 and raked in US\$124 million or 19% in 2004. Uganda lost \$700m in coffee earnings between 1998/99 and 2002/03 because of decline in coffee export prices, which fell by more than 60% over the period. Coffee depicts the vulnerability of Uganda's economy.

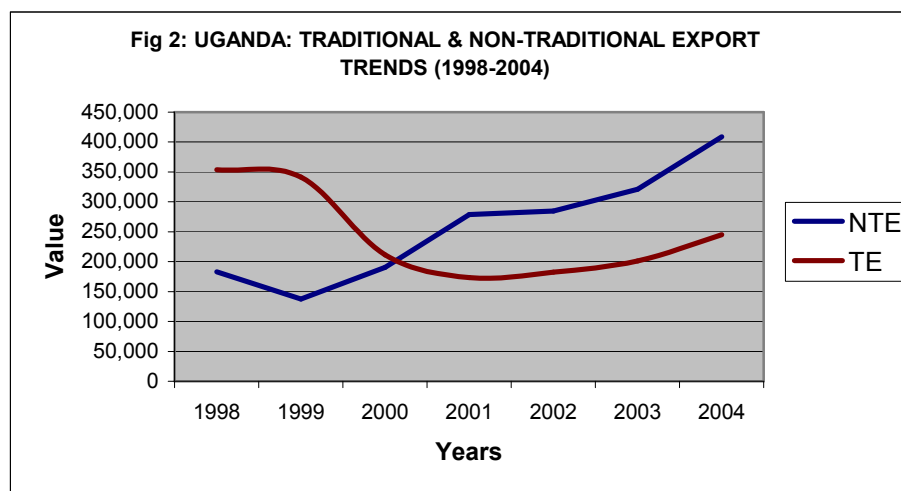
The over-reliance on a single primary agricultural commodity or a small band of commodities with limited value addition cannot sustain national developmental aspirations. Uganda's situation is compounded further by the tariff and non-tariff barriers faced by its exports abroad, which inhibit their growth, particularly in the value-added end of the market. For example, the country's exports face tariff escalation from its trading partners (increase in the level of tariffs with the level of processing), which discourages value-addition to our products

Uganda's strategy of export diversification and value addition is primarily intended to boost non-agricultural output and productivity for sustainable economic growth and poverty reduction. It is also in part designed to mitigate the effects of fluctuations in global commodity prices on export performance. Reducing the economy's dependency on any single commodity, and shifting production to the value-added end of the market is designed to reduce this vulnerability.

Since 2001 NTE have responded positively to the Government’s diversification strategy by exceeding TE with indications of a continuing trend (See Table 2 and Fig 2 below). From 2001 to 2004 TE grew on average 12.4% per annum while NTE grew 14.2% per annum. Total export earnings in 2004 grew by 25% over the previous year.

	1998	1999	2000	2001	2002	2003	2004
NTE	182,877	137,286	190,302	278,552	284,905	321,141	408,560
TE	353,870	341,464	211,343	173,213	182,700	201,397	244,956
Total	536,747	478,750	401,645	451,765	467,605	522,538	655,520

Source: Uganda Bureau of Statistics.



The leading Non Traditional Export products include fish, contributing 5.2% (1999) and 16% (2004) to total exports, gold 7% (1999) and 9% (2004), flowers 1.5% (1999) and 4% (2004), maize 1.1% (1999) and 3% (2004), hides 0.6 (1999) and 1% (2004), vanilla 0% (1999) and 1% (2004). Manufactures, excluding tobacco yielded 7% (2002), 14% (2003) and 23% in 2004. With tobacco, the contribution increased to 17%, 22% and 29% for 2002, 2003, and 2004 respectively. The manufactures include metal products 2% (2003), paper products 2% (2003), Soap 1% (2003), Vegetable oil 1% (2003), confectioneries, beer, cement, garments, nets and twines, plastics, personal care products among others. The contribution of handicrafts to Uganda’s exports is insignificant despite good market opportunities for the products.

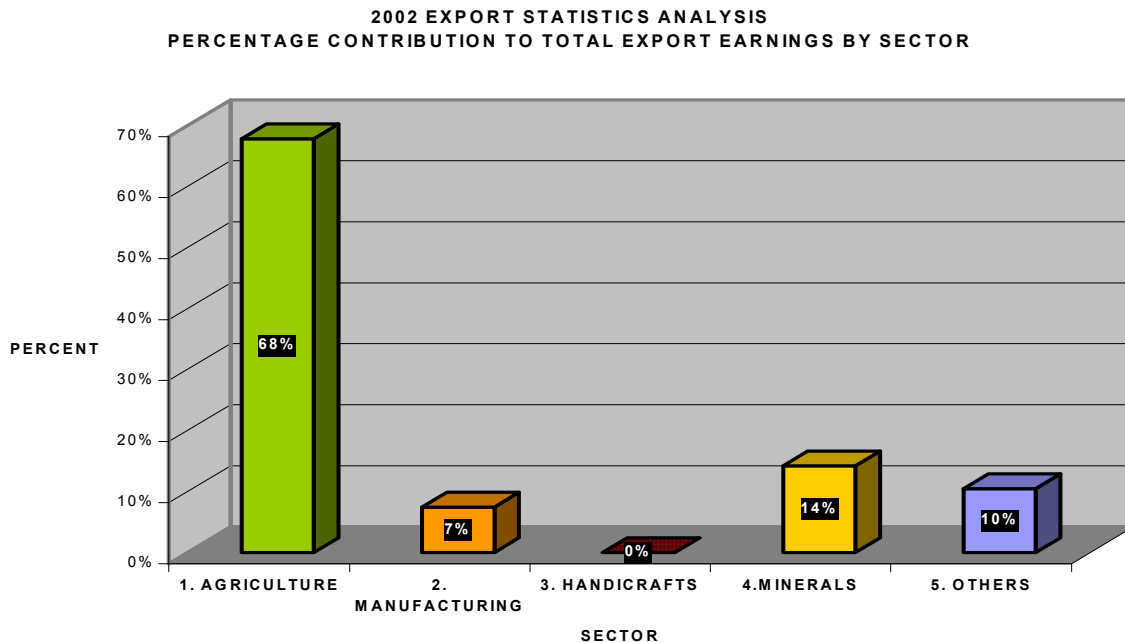
In 2003, the COMESA region emerged as the lead destination for Uganda’s exports exceeding the European Union, which has hitherto been the lead market. It is moot to note that Uganda’s agricultural exports are destined for the EU market while the sub regional markets take the manufactures, with Rwanda, Congo Brazzaville, Kenya, Democratic Republic of Congo, Tanzania and Sudan featuring prominently.

However, Uganda will not be able to benefit in full from its strategy of diversification and value-addition unless Government works to reduce the tariff and non-tariff barriers imposed on Ugandan exports. The Government needs to strengthen its capacity to

engage in multilateral, regional and bilateral trade negotiations to reduce market access constraints to trade in goods and services. There is the need for export infrastructure improvement, institutional strengthening and resourcing of the export promotion and support agencies, as well as export competence development and financing of the private operatives to enable them confront the export challenges in the sector.

2.1 Uganda’s Handicraft Sector Export Performance

Uganda targets both domestic and international markets for its handicrafts. Domestic buyers are either Tourists or local buyers who serve as market intermediaries and sell on the local markets in urban areas or export directly to the export market. Uganda’s handicrafts trade is largely informal marked with inconsistent and adhoc market access, entry and penetration approaches, and inadequate market distribution networks. Official handicraft export statistics for 2002 and 2003 reveal total export values of a paltry US\$49,841 and US\$ 63,535 respectively.



The vast majority of Uganda’s handicrafts are not adequately captured by product classification and/or trade codes (Harmonized System). Even when data on production and trade are recorded by UBOS, in national accounting systems and/or in international trade statistics, the majority of handicrafts is often grouped together with other products or included in the category "others" for lack of country specific HS classification. Sector policy analysis and strategy formulation is thus undermined considerably by the very scanty official capture of handicraft export trade statistics.

2.2 Export market opportunities for Uganda’s Handicrafts

As stated earlier, the USA under AGOA, the European Union under EBA offer preferential treatment for Uganda’s handicraft products. There are opportunities in other markets established through bilateral trade agreements. Currently most of the handicrafts in Uganda are sold domestically to local buyers and tourists with a few being exported to

USA, Canada, Australia, Germany, UK and Japan. Other existing markets for Uganda's crafts are Ugandans in the diaspora and Kenyan traders who buy and blend Ugandan craft pieces and re-export them to Europe and the USA. It has been difficult for Uganda to increase export of handicrafts due to failure to adapt to consumer needs in international markets in terms of quality, designs, dimension, standards, sizes and above all ability to muscle a critical supply capacity in the sector. Low product development and limited knowledge on market access and low market development efforts are still inhibiting export growth in the sector

CHAPTER 3: STRATEGY CONCEPTUALISATION

3.0 Handicraft Export Strategy Template

The strategy has been conceptualised along the basis of the needs identified in the Sector Value Chain Analysis (See Appendix 1), from production level deficiencies to the need to strengthen sector organization and engage in strategic marketing. It is also construed in a framework in which existing national policies for economic development provide a discernable strategy for micro and macro level policy redress to impact on cultural industries particularly the handicraft exports sector.

The strategy takes a holistic view of the sector's strengths and opportunities to exploit for export growth while recognizing weaknesses and attendant threats (SWOT) that need to be addressed for rapid export growth. It recognizes that rapid export growth depends heavily on understanding the potentials and inadequacies of the sector and effectively providing alternative solutions. It induces a framework for addressing the issues identified through the SWOT analysis in the context of the sector strategy template covering **border-in, border, border-out** and **development issues**. Border-in issues are internal (in-country and enterprise level) and cross cutting issues that need redress. Border issues cover international transaction costs e.g. customs documentation, handling and transport. Border-out issues relate to the export market parameters and competitiveness. Development issues primarily focus on the need to, and the implications of mainstreaming exports in the development agenda of the country.

The strategy envisions positioning Uganda's handicrafts in the global market under a brand name of **Uniquely Uganda** established through enhancing Uganda's comparative and competitive advantage in producing particular selected products for exports.

3.1 A SWOT Analysis of Uganda's Handicraft Sector

Strengths	Weaknesses
<ul style="list-style-type: none">• Availability of abundant and unique local raw materials e.g. raffia, backcloth, banana fibre, animal skin etc• Cultural practice and tradition• Rich and diversified culture producing wide array of handicrafts• Wide range of traditional production skills derived from indigenous knowledge• Rural produceability and use of mainly local resources• High potential for empowerment of Women, Youth and people with disabilities• Current and potential Internal market based on tourism• Improved macro economic management	<ul style="list-style-type: none">• Fragmented production groups• Unstructured and individualized production systems• Lack of strong umbrella sector organisation• Lack of national policy on cultural industries• Limited capitalization and low investment• Insufficient market information on export trends, opportunities and prices• Limited technical skills, capacity, technology integration and innovations• Limited access to credit• Inadequate marketing programmes• Limited resources for production, distribution and marketing• Limited e-commerce competence among exporters• Infrastructure inadequacies

Opportunities	Threats
<ul style="list-style-type: none"> • High and positive market trends • Preferential trade with USA (AGOA) and the EU (EBA), other bilateral markets • Several initiatives to support sector capacity building • Duty draw back for all exporters • Fair Trade Agreements • Increasing flow of Tourists provide market for products • Policy on culture in final stage • Existing unexploited handicraft markets North America and Europe 	<ul style="list-style-type: none"> • Handicraft sector not mainstreamed in national planning priorities • Disjointed and duplication of, efforts by stakeholders in capacity building, research and training. • Lack of competitiveness in the sector • Absence of institutional support • High freight costs associated with air cargo and shipment • High costs of handling affecting profitability • High costs of production rendering Uganda crafts less competitive in the markets. • Competitor countries like China, India, Vietnam, Kenya produce cheap and good quality crafts

3.2 Endogenous issues (Border-In)

3.2.1 The Domestic Capacity of the Handicraft Sector In Uganda

Uganda’s artisans are constrained by their limited, non-market determined technical, and artistic product design, product standardization, development and marketing. Capacity building programs are minimal for the sector while market entry approaches are inconsistent and ad hoc, and market distribution networks are inadequate. Costing and pricing is a nightmare for most producers. Scanty official handicraft exports statistics hinder the determination of the production capacity of the sector as well as sector policy analysis and formulation.

Majority of rural Ugandans undertake a variety of sub-activities along side their main subsistence agriculture calling, in order to earn income for themselves and their families. For many grass-root communities, handicraft production offers an avenue for spreading their income risk. However, earnings from handicrafts depend on the regional location and distances to major trading areas/tourist destinations. The shorter the distance the more advantageous it is for the dealer. Many women in the suburbs of Kampala and nearby districts depend on handicraft making for their livelihood. Wakiso District alone for example, which envelopes Kampala, supplies over 50% of Uganda made handicrafts to the crafts shops/handicraft exporters in Kampala⁹.

3.2.2 Lack Of Adequate Infrastructure:

The biggest internal constraint to this sector is infrastructure inadequacy, which is aggravated by the rural location of production bases. Delivery schedules are hampered by poor and often times inaccessible road networks, transport bottlenecks, lack of or unreliable power supply and lack of proper workshops and storage facilities.

⁹ Kubira Enterprises Ltd. Handicraft supply survey in Uganda. 2002

3.2.3 Enterprise Level Constraints

A number of constraints confront operatives at the enterprise level, critical among which are the following:

- **Lack of formal producer groupings:** Artisans are scattered and work individually in unstructured production systems, rather than in organised groups. This makes it difficult to reach out to them with support programmes and inputs.
- **Limited commercialisation of craft production activity:** Many craft makers in rural locations far away from Kampala make handicrafts as a past-time activity and not a specialized commercial activity for income generation. They engage in time conflicting activities, which render their supply volumes low, inconsistent and very sporadic.
- **Lack of market sensitivity:** Most producers are ignorant of the seasonality and trendiness of handicrafts, as well as the socio-environmental requirements of the markets.
- **Middle persons in the distribution channel:** There are a lot of middlemen in the marketing chain whose activities affect the profitability of producers.
- **Lack of technical know-how:** Results in poor design skills, specialisation, inconsistent product standardisation, poor finishing which among others detract from product quality upgrade.
- **Poor packaging:** Inadequate attention is paid to the need for appropriate packaging to the detriment of product preservation, durability and quality.
- **Lack of micro finance:** Unavailability of credit for this sector prevent bulk and voluminous production by the artisans

3.3 Exogenous issues: (Border out)

3.3.1 Market Access and Entry Issues

Most persistent market access barriers are in the form of non-tariff barriers, mainly in the form of technical barriers to trade that set standards during the production process itself. Such barriers relate in the main to: -

- **Health and Environmental Regulations:** There is a rising concern on environment protection with consumers demanding environmentally sound products. EU and USA have banned the use of toxic substances such as cadmium and azo dyes in the production processes due to health reasons. These markets require exporters to satisfy the Sanitary and Phyto-Sanitary standards of their products as well as traceability requirements. Exporters are required to be aware of compliance and conformity regulations.
- **Labelling:** Eco-labelling schemes are being introduced in the EU for specific products to satisfy environmental soundness requirements.
- **Social Accountability: Fair Trade:** The issue of child labour is being pursued aggressively by importing countries. There is concern also about the living conditions of workers who produce export products.
- **Fair trade practices:** is intended to offer protection for small-scale developing country producers against unfair pricing and market practices. A Fair Trade label tag opens specific markets. Some of the important Fair Trade labels are Max

Havelaar and TransFair International. Women organization can easily export through Fair Trade.

3.4 Key Cross-Cutting (Development) Issues

The strategy focuses on the following key cross cutting issues: -

- **Absence of a National Sector Development Strategy:**
The absence of this has led to the marginalisation of the sector in the national development agenda.
- **Lack of vibrant Product and National Exporters Associations:**
Product associations, either at the production, marketing or joint levels facilitate outreach programmes to address sector inadequacies. These associations also perform focal point functions including serving as umbrella organisations or pressure groups for lobbying and articulating sector issues. Such groups are conspicuously absent in the sector or whichever ones exist are woefully ineffective. There is need to reorganise the existing ones or barring that to establish functional and effective sector representative associations.
- **Inadequate market information and dissemination:** Market information is recognized as an important ingredient for all business decisions. Despite its plentiful availability especially made possible by ICT advances, it has not readily and sufficiently percolated down to the producers and marketers in the handicraft sector. Trade Promotion Organisations especially UEPB, are insufficiently resourced for market intelligence, information sourcing, dissemination and outreach activities. There is high prevalence of poor Internet connectivity and limited e-commerce competencies at the enterprise level in the sector thus frustrating the limited attempts by UEPB to make market related information available to the sector operatives. Trade Promotion Organisations such as Uganda Export Promotion Board (UEPB) and sector associations, should be supported to conduct timely and informative market research, subscribe to market information sources and disseminate such market intelligence to the export community on the opportunities, production and market trends as well as market access requirements
- **Inadequate support for marketing and promotion:** By and large much of the promotion in this sector is done at the firm level with little or no coordinated support from the Government's trade promotion organisations. Promotional costs for brochure development, website and other advertisements, participation in local, regional and international fairs, are prohibitive for the small-scale operatives in the handicraft sector. There is a critical need to enhance direct government support and promotion of handicrafts in the identified areas. The support of export development partners such as ITC, Commonwealth Secretariat and CBI among others would need to be marshalled in this regard.
- **Inadequate infrastructure**
Inadequate and poor infrastructure such as inaccessible road networks, transport bottlenecks, lack of or unreliable power supply, lack of proper workshops, storage facilities and exports warehouses hamper delivery schedules. These are critical deficiencies, which need to be identified for supportive action in this strategy

- **High freight charges:** Compared to other regional sources Uganda's freight rates are uncompetitive. Consolidated bulk shipments and guaranteed volumes and frequency of exports should lead to negotiated competitive rates.
- **Low capacity building programmes:** Capacity enhancement is critical to sustain markets. This can be achieved by supply chain development through training of handicraft producers and exporters in their respective skills requirements in production and export marketing.
- **Technology Transfer and Innovations:**
Transfer of Technology and innovation should be prioritised with the aim of sustaining and accelerating efforts currently underway in Uganda to strengthen, promote, and develop export competitiveness and productivity in Ugandan. There is need to pay attention to the coordination and strengthening of an effective sector specific industrial support system of services for the Handicraft Industry. Efforts should be made to append the sector to the current initiatives being championed by the Faculty of Technology, Makerere University with the support of SIDA/SAREC. The Handicraft sector should qualify for the Innovation Funds provided by Government to encourage innovation and commercialisation.
- **Value Addition:**
The emphasis on technology is aimed at enhancing value addition in the crafts sector in the areas of quality management, product design and standardisation and improved packing standards. Quality assurance systems and environmental conformity and soundness are key for the sector value chain and export market sustainability.
- **Trade facilitation and trade finance:**
To strengthen and sustain the sector, there is need to attract financial support for both production and marketing components of the trade. The Export finance schemes run by Bank of Uganda should be made easily accessible, affordable and timely for the small- and medium-scale operatives in the handicraft export business. The operatives should be made aware of existing export incentives and tax exemptions provided by Government to exporters. A direct linkage of the sector with a target bank or financial institution should enable targeted export finance to the sector while goading the sector operatives to do business with the bank(s).
- **Scanty capturing of official handicraft exports:**
As stated earlier the vast majority of Uganda's handicrafts are not adequately captured by product classification and/or trade codes (Harmonized System). Even when data on production and trade are recorded by UBOS, in national accounting systems and/or in international trade statistics, the majority of handicrafts is often grouped together with other products or included in the category "others" for lack of country specific HS classification. Sector policy analysis and strategy formulation is thus undermined considerably by the very scanty official capture of handicraft export trade statistics

CHAPTER 4: PRIORITY PRODUCT ANALYSIS

4.0 Overview of product categories

The different regions and districts of the country produce a large array of handicrafts, depending on the type of available raw material and the indigenous skills of the producers. In this regard, specific products have become largely associated with specific districts. Each production locality has its specific strengths and other attributes, which developed and capitalised on could lead to district or product specialisation, easy sourcing and marketing. Generally, the quality of Ugandan handicrafts is poor with little or no differentiation and innovation in terms of designs, styles and dimensions. Prices are high due to casual and low volume production, poor management and costing skills.

This chapter identifies the major products, analyses their potential and recommends implementation activities for export development.

4.1 Basketry and Mats

Basketry and mats are the most popular craft products in Uganda. The type, design and price of these depend on type and source of materials used. Colours used are diverse (vegetable dyes, mineral dyes, combination of the two, natural colour of the materials themselves, among others) but the most preferred colour by the markets is the natural colours. Locally, these products are demanded for traditional functions like marriages and externally in markets like USA, Germany, Italy, Netherlands, Canada, Japan, etc for table-top accessories such as table and plate mats, fruit bowls, bread baskets, coasters, beach mats, and floor mats etc. Each of these markets has its own colour combination preferences, sizes and offer different price ranges even for similar products. The most popular basket is the coiled basket, which is available in different colour-ways, shapes and sizes.



In order to enrich this sub-group, introduce new styles, and innovative products, there is need to develop ‘cross-overs’ through materials combination and techniques of crafting. This calls for artisans with wider skills or those that could cluster with artisans in other sub-groups.

4.2 Embroidery and Woven products

Embroidery (both by hand or with the use of sewing machines), as a soft furnishing adornment on clothing, has been in use for a long time. The technique has largely remained under exploited - left only to casual dressing, table cloth, cushion covers and more recently on bags and purses.

The bulk of embroidered and woven products with varying quality are consumed locally. Europe is by far the major market for these items - that are mainly sold through Alternative Trading Organizations. Wider application of embroidery methods could be introduced in minimal levels to hand loomed products and leather to create new looks.

4.3 Hand Textiles and Hand-loomed Products

Under this category, Uganda is producing a range from bed spreads, towels, cushion covers, wrappers, shawls, rugs, tie and dye materials, casual wear (dresses, shirts and children wear). The warping/construction, surface design and thread types/texture vary widely across the sub-groups. Tourist and foreign residents in Uganda form part of the local market with Europe (Italy, Germany) as the main export markets for this range of products.



4.4 Ceramics and Pottery

It is believed that the first pottery was pressed/formed in a basket to give them the shape, which after drying were fired in an open kiln. By and large, Ugandan pottery is unglazed which could give us an advantage in the market where glazed pottery (ceramics) attracts higher tariffs and health consciousness in addition to high competition from suppliers from the Far East.



4.5 Leather and Leather Products

Green leather alone or in combination with other woven or plaited materials is increasingly employed by Ugandan artisans to make bags, purses, belts, and sandals, among others. Recent interventions in this sub-sector have seen new Uganda-made leather products replacing the previously sourced products from neighbouring countries.



4.6 Wood products

Wood as a raw material for making handicrafts in Uganda has not been at same levels with that of Tanzania or Kenya. Products in this category have remained very tradition with rationalised skills for example milk containers (Ebyanzi) from Western Uganda, and Karamajong headrest from North Eastern Uganda.

The introduction of taxes on handicraft imports from neighbouring countries has created room for Uganda to develop her own style and range of wooden product. Notable products are top table accessories, animal and human figurines and the two-piece type chairs adopted from neighbouring DR Congo.

Much potential in this category lies in developing better top table accessories such as bowls, napkin holders, chests of varying sizes and utilizing some of our better woods like ebony that could be sourced from *Nebbi* as opposed to the light *Jacaranda* which is commonly used. The weight of wood and natural streaks are some of the factors influencing quality and value of finished items. The *Neem* tree is also another wood that could offer qualities almost similar to Olive wood for which Kenya has become Internationally Known



4.7 Jewellery and Jewellery Products

Humans have adorned themselves with jewellery as far back as history can tell. In Uganda, people have used Jewellery derived from animal parts such as bone, horns, feathers, teeth, to stone, seeds, wood, clay and precious metals, etc to adorn themselves.



However, in the commercial crafts sector jewellery is relatively new with imported beads as necklaces, bangles, waist beads, etc dominating the local market. Earrings and finger rings are the other items in the sub-group. Tribal inter-marriages afford Uganda the opportunity to introduce new products to the market.

4.8 Others

As more and more ‘cross-over’ combination of materials, techniques and functionality is employed, new product groups are likely to emerge. This development should be encouraged. will not be a mistake at all apart from the difficulties in categorizing the product - in which case describing them is the solution.



The “cross-overs” with their new looks, will not only extend the lifespan of products but will also enable compliance with trend changes. It could also lead to unique Ugandan styles and brands as established in other exporting countries e.g. the sisal bag (Kyondo/Kikuyu bag) from Kenya, ebony carvings from Tanzania, raffia bags from Madagascar, kente cloth from Ghana, etc.

CHAPTER 5: LESSONS FROM SUCCESSFUL COUNTRIES

5.1 Ghana's Handicraft Development Programme:

In May 2005, as part of the learning process for handicraft export development, Uganda Export Promotion Board coordinated a study tour of a cross section of Uganda's handicraft practitioners to Ghana to understudy and gain a first-hand, hands-on experience of Ghana's strategy for its handicraft sector export development. This was in line with a recommendation made in the "*Uganda: Handicraft Sector Supply Survey*" conducted by a handicraft development expert in November 2004. The idea was to adopt, adapt and replicate production and marketing models, systems, techniques and networks for Uganda's handicraft sector development¹⁰.

Ghana's handicraft exports, which started from the US\$1000 dollars levels in early 1990's registered impressive performances from US\$2m export earnings in 1995 to US \$15million in 2001 and US\$11million in 2002. This performance trend was the result of targeted sector interventions that successfully addressed: -

- Sector policy and organisational frameworks and mechanisms
- Supply side constraints
- Production and marketing infrastructure
- Capacity building and skills training and value addition
- Financial resource mobilization for the sector
- Effective trade promotion and market development

Lesson learnt from Ghana include but not limited to: -

- A purposeful policy framework administered by the National Commission for Culture which reports to the Presidency and implemented in a coordinated fashion by public private promotional agencies under the aegis of the Ghana Export Promotion Council (GEPC), working in sync with Sector Associations, NGO's and development partners.
- The crucial role played by the National Association of Handicraft Exporters (NAHE) -**the National Sector Umbrella Association**- as a strong and single voice for sector advocacy to Government and Development Partners.
- **Export Production Village (EPV) Schemes:** These are strong vehicles for addressing supply side constraints. The growth of product specialisation, quality consciousness, critical export quantities and timely deliveries rely entirely on these schemes in Ghana. Artisanal members of the EPV's are supported for skills training, value addition, micro credit financing, trade promotion and market development through the EPV mechanisms. Just as the EPV scheme has been adopted by *Uganda's Zonal Agricultural Production, Agro-Processing and export Marketing Programme*, similarly should it be adopted by this *Handicraft Sector Export Development Strategy* as the strategy rolls down for implementation¹¹

¹⁰ UEPB Report of the Study Trip to Ghana: Handicraft Export Development Programme. May 2005

¹¹ Guidelines for Establishment of Export Production Villages (EPV). Kwesi Ahwoi. May 2002 UEPB Trade and Documentation Centre.

EPVs are registered producers-owned village companies, which engage in organised rural based, export demand-driven or market-linked production systems for targeted export products. The concept is premised on the grounds that in rural areas, export production villages can substantially improve the standard of living of the rural poor by helping them gain access to production credit, requisite inputs and services and assisting them to produce quality products purposely for export markets. EPVs are driven by prior market contractual arrangements made with exporters/buyers that assure them of uninterrupted supplies, which meet prescribed requirements. In return, the producers are assured of markets and predictable economic returns for their produce. In between, all related inputs and services are availed the producers in a holistically coordinated fashion by the EPV promoter.

Ghana's handicraft sector thrives largely on the EPV scheme

- **The Desired Linkage between Financial Institutions and Export sector.** In Ghana, the Prudential Bank plays a focal and lead role in providing production, pre- and post-shipment, short and medium term export finance to the handicraft sector. The National Association of Handicraft Exporters was responsible for developing this linkage, which has eased access to export financing for the sector.
- A dedicated **Export Development and Investment Fund** fed by a cess on imports to finance export development in Ghana, is accessed by participating banks and channelled to qualified applicants including Handicraft sector operatives.
- **The Role of NGOs and Civil Society Organizations:** NGOs and CSOs in Ghana aggressively support the sector development Initiatives. AID-To-Artisan Ghana (ATAG), an American NGO for example has constructed workstations with warehousing and show room facilities for Artisan Groups, mostly women in the basketry industry in Northern Ghana. ATAG also provides a warehouse and showroom for product display in its headquarters building at the Accra International Trade Fair Centre. These programmes have brought together women weavers, allowing exporters to source their products through the Associations that manage these workshops. At the workshops, there is an Exhibition store for craft products where women store export items. Such infrastructure has made basket weaving a core business among the rural women in Northern Ghana
- The impact of Crafts in **Rural employment and poverty reduction** was manifestly observed by the delegation who learnt that the rural women in Northern Ghana could earn over US\$3 per person, per day from weaving baskets.
- **Market infrastructure and networks** are very crucial in enhancing business development among producers and the export community. Ghana has District market yards for baskets, ceramics, beads, woodcarvings and Kent cloth textiles among others. Exporters have constructed warehouses for storage and packaging export consignments. These markets have enhanced contact between export agents, exporters, importers and the producers. All stakeholders benefit from this arrangement, which has succeeded in minimising if not removing the role of exploitative middlemen and enhancing profitability right from producer to exporters. Export Agents facilitate contacts between importers and producers for

business negotiations and shipments. They are paid commissions for their roles by both parties.

In all Ghana offers an instructive model for Uganda's handicraft development programme.

5.2 The Experiences of Indian Handicraft sector

India is one country that demonstrates the strong role of handicrafts sector in social and economic development. Handicraft exports (excluding carpets) registered US\$1.4 billion and US\$1.7 billion in 2001/2 and 2002/3 respectively¹² an increase of 21%. The country has integrated culture and artisanship in the educational curriculum.

There is a National Export Board for almost every export sector including handicrafts. Majority of small-scale businesses in India are engaged in handicrafts. The Government has instituted a whole ministry of Textiles and Handicrafts. There is strong emphasis on value addition, capacity building and skills development and effective market development programmes at all levels.

States like Rajasthan (Jaipur) Maharashtra, Gujarat, Kerala and North Eastern India in Assam, Manipur, Tripura and Arunach Pradesh produce wonderful objects from cane, bamboo, wood, palm leaf and shettal patti. The Handicraft Export Promotion Council has continued to launch comprehensive marketing projects to expose these crafts to global markets.

India's handicraft export performance is attributed but not limited to: -

- The existence of a full Ministry dedicated to textiles and handicrafts and fully-fledged Export Promotion Council for Handicrafts (EPCH). The Council is fully funded under the Export Development Funds of the Ministry of Commerce
- Aggressive, comprehensive and effective marketing projects and programmes
- A wide range of capacity building programmes
- Production and marketing infrastructure
- Marketing of a national brand or image
- Clusters innovations for handicrafts are key in technology transfer, value addition, support for micro credit and skills development. These initiatives have made an impact on the India handicraft sector in improving the quality of exports
- The role of the State-owned Export-Import Bank of India in the provision of Export Finance. The handicrafts sector has benefited much from this bank.

The Government of India puts a lot of emphasis on its handicraft sector for its proven capacity for enhancing entrepreneurship among the rural poor, empowering rural women, generating income and reducing poverty. It is one of the largest employment sectors in rural and semi-urban areas in the country, according to the Ministry of Textile and Handicrafts in India

¹² CRAFTCIL, In house Journal of Export Promotion Council of India issue. No. 64

CHAPTER 6: PROGRAMME IMPLEMENTATION STRATEGY

6.1 Incorporation of the HANDSEDS in National Development Plans

The Poverty Eradication Action Plan (PEAP) and the Medium Term Competitiveness Strategy (MTCS) provide for the integration of export trade in their frameworks through macro level policy redress. The reality on the ground unfortunately is that these measures have not impacted sufficiently at the enterprise level. There is absolute need for micro level policy interventions and management. The producers and exporters who are to make the difference in terms of export earnings have to be involved in the policy formulation process. They need to be supported with clear-cut interventions to address supply constraints and market entry and sustainability challenges through the PEAP.

The omission or marginalisation of the Art and Handicrafts Sector in the PEAP derive from the absence of a policy framework, which clearly articulates the sector as a potential export earner and puts functionality and value on its products and out of which such sector strategies as the HANDSEDS can emanate on a sustainable basis.

Fortunately, the Ministry of Gender, Labour and Social Development has finally developed the National Culture Policy (yet to be approved by Government) and a 3-year 2005-2008 Action Plan has been drawn to operationalise the policy objectives. Deriving from the National Cultural Policy, within which handicrafts feature as a cultural industry, The Uganda Export Promotion Board in partnership with sector stakeholders has developed this Medium-Term (2005/6-2007/8), Handicraft Sector Export Development Strategy (HANDSEDS). These two developments should pave the way for a concerted attention to be paid to the sector. It is expected that HANDSEDS and the implementation agencies for the programme would be adequately resourced to ensure programme execution.

6.2 The Priority Strategic Areas and action plan

The overall objective of HANDSEDS is to *develop the handicraft sector in Uganda as a substantial foreign exchange earner by building the capacity of handicraft producers and exporters to meet international standards and to penetrate international markets*

Pursuant to this HANDSEDS focuses on 5 priority strategic areas as follows: -

- 1 To enhance the capacity of producers to increase the diversity, volumes and improve the quality of crafts to respond to market opportunities
- 2 To build capacity of sector operatives at all levels for skills and competence enhancement
- 3 To promote trade facilitation with particular emphasis on export financing in the sector
- 4 To pursue aggressive market development programmes
- 5 To establish effective stakeholder coordination mechanism for sector activities support

The objectives and activities for each strategic area are set out below, with measurable performance indicators, time frame, responsible agencies and resource requirement captured in Appendix 2-Action Plan and Implementation matrix.

6.3 Priority Strategic Area 1: Enhancement of Production Capacity

6.3.1 Objective 1: To organise supply side structures to enhance capacity of producers to increase diversity, volumes and improve quality of products to respond to market opportunities

6.3.2 Activity 1: Undertake a study tour of Ghana's handicraft sector development strategy

Activity 2: Identify, mobilise and organise producers into identifiable groups Under Export Production Village (EPV) schemes

Activity 3: Link the EPVs up with serious and established Exporters, Agents or Buyers

Activity 4: Provide logistics support to EPVs

Activity 5: Organize raw material supply systems for EPVs

Activity 6: Provide market information, trade brochures and samples

Activity 7: Assist in price negotiations with exporter (s) or market agents

Activity 8: Organise internal and external study tours for group leaders and master craftsmen

Activity 9: Reorganise sector umbrella association

Activity 10: Equip association with office equipment, Internet and email Connectivity and a 4x4 vehicle

Activity 11: Provide technical assistance support to EPVs, exporters and association

6.4 Priority Strategic Area 2: Capacity building

6.4.1 Objective 2: To build capacity of sector operatives at all levels for skills and competence enhancement

6.4.2 Activity 1: Carry out training needs assessment for EPV members, exporters and service providers

Activity 2: Organise continuous training of operatives through UEPB's Uganda Export Training School (UGETS) and other training programmes

6.5 Priority Strategic Area 3: Trade Facilitation and export Financing

6.5.2 Objective 3: To provide trade facilitation with particular emphasis on export Financing for the sector

6.5.2 Activity 1: Sensitise a lead financial institution(s) to provide sector-specific production, pre- and post shipment, and medium-term finance

Activity 2: Link sector operatives and umbrella association to the identified financial institution(s), micro finance institutions and business development finance schemes e.g. BUDS

Activity 3: Familiarise operatives with existing sector-related investment incentives, tax exemptions and concessions

Activity 4: Negotiate freight rates for group shipments

6.6 Priority Strategic Area 4: Export Market Development

6.6.1 Objective 4: To pursue aggressive export marketing programmes

6.6.2 Activity 1: Organise annual District/Regional/National Art and Craft Exhibitions

Activity 2: Facilitate and support exporters to participate in target trade fairs and exhibitions

Activity 3: Conduct market research and organise Contact Promotional Programmes to target markets beginning with USA and Canada, (last quarter 2005) and subsequently to EU, Japan and the Middle East

Activity 4: Enhance marketing through sector websites and branding

Activity 5: Affiliation sector association and operatives and build networks with international sector organisations such as Fair Trade organisation such as Max Havelaar Foundation and Transfair organization and other federations such an International Federation of Women Entrepreneurs, CBI-Netherlands, World Craft Council-Japan, and PROTRADE (GTZ) etc.

Activity 6: Support sector and enterprise level brochures and promotional Materials development

Activity 7: Subscribe to market information sources and disseminate market intelligence to sector operatives

6.7 Priority Strategic Area 5: Programme and stakeholder support coordination

6.7.1 Objective 5: Establish effective stakeholder coordination mechanism for sector activities support

6.7.2 Activity 1: Communicate UEPB's implementing agency and coordination role to all stakeholders

Activity 2 Communicate the monitoring and evaluation role of identified stakeholders

Activity 3: Sensitise stakeholders on need for collaboration to avoid overlaps and duplication

CHAPTER 7: ORGANISATIONAL FRAMEWORK FOR THE SECTOR

7.0 Recommended Sector Working Structures

The Implementation Plan is flexible and designed to accommodate new initiatives in response to changing enabling environment. Sector stakeholders are free to identify and execute activities that are in sync with their interests. The administration of **HANSEDS** would involve collaborative support from various stakeholders, identified and assigned initial respective roles as follows: -

7.1 Enterprise Level

7.1.1 Micro, Small and Medium-Scale Producers

These comprise the unorganised micro or small-scale producers who are generally not market oriented and engage in craft production as a part time activity. They comprise mainly women, youth and the disabled producers of crafts in various districts of Uganda.

Recommended Action:

- Identify such producers, mobilise and organise them under Export Production Village (EPV) Schemes like their counterparts in Sri Lanka and Ghana.
- Link them up with serious and established Exporters, Agents or Buyers
- Resource and facilitate them by providing central or common working sheds with facilities for raw material storage, work in progress, finished products storage and equipped with basic infrastructure (electricity or generator where necessary), benches, tools of trade, etc.
- Organize raw material supply systems for them
- Provide skills training/enhancement through technical assistance from business support organisations
- Provide market information, trade brochures and samples
- Consistently sensitise group on product standards to meet market requirements.
- Assist in price negotiations with exporter (s) or market agents
- Organise annual District/Regional/National Art and Craft Exhibitions to unearth craftsmen, determine District/Regional product specialisation and identify exportable products
- Organise internal or external study tours for group leaders and master craftsmen
- Enable potential artisans to become self-standing merchant producers.

7.1.2 Merchant Producer/(Producer/exporter) or Crafts Shop Operator

These comprise

- i) Medium to Large-scale producers engaged directly in exports, who may have a sizeable number of small producers working under them
- ii) Crafts shop operators who sell locally to tourist and prospective buyers. (e.g. the dealers at the National Theatre or Exposure Africa in Kampala.)

Recommended Actions

- Reorganise and strengthen the National Art and Handicraft Association. (Either as producers or exporters or both)
- Legislate for or administratively require, the registration of all handicraft exporters with the Association and with UEPB
- Stream line marketing chain of the Exporters/Agents
- Enhance supervision of the production process.
- Establishment linkage of Association with sector-supportive trade finance institution(s)
- Facilitate/encourage traders/exporters to access trade finance/export credit
- Organise sector-specific export management training programmes for target group
- Facilitate participation of Association Members in specialised/general international trade fairs and exhibitions
- Support Association members to undertake market research, entry and development programmes
- Lobby for sector-specific corporate tax and other investment incentives

7.1.3 Agent/Exporter

The Agent/Exporter ideally works on commission basis for the handicraft buyer or the producer as a facilitator. These are mainly urban-based agents who may be largely in Kampala.

Recommended Action

- Recognise and accredit role of Agents in the market chain for handicrafts.
- Enhance agent /exporter interface with the buyer and the producer.
- Support agents to attend trade shows with the merchant producers.
- Organise export management training programmes for Agents

7.2 Institutional Framework

The Central Government, Ministry of Gender, Labour and Social development (MGLSD), Ministry of Tourism, Trade and Industry (MTTI), Ministry of Education and Sports (MOES), Uganda Export Promotion Board (UEPB), business support organisations (BSO), development partners, local governments, non-governmental organisations (NGO) and civil society organisations (CSO) Sector Umbrella Association, individually and collectively have critical roles to play in the successful implementation of the sector strategy as follows: -

7.2.1 Central Government

- Sector policy formulation
- Moral and political support
- Provision of enabling environment
- Programming and budgeting

- Performance monitoring and evaluation

7.2.2 Ministry of Gender, Labour and Social Development (MGLSD)

- Cultural policy and programmes recommendation
- Resource mobilisation and budgetary provision for programme implementation
- Review, initiation and harmonisation of laws related to culture
- Coordination of institutional framework for promotion of culture
- Development and enforcement of regulations, standards and guidelines
- Protection of intellectual property rights of cultural practitioners
- Domestication of International and regional Conventions relating to culture

7.2.3 Ministry of Tourism, Trade and Industry (MTTI)

- Promotion and development of tourism
- Development and commercialisation of cultural industries and products
- Interlinkage of tourism with handicraft sector development
- Handicraft sector programme and budget support

7.2.4 Ministry of Education and Sports (MOES)

- Integration of Art and craft issues, concerns and programmes into the educational curriculum at relevant levels
- Entrenchment of art and crafts skill training for sector manpower development

7.2.6 Uganda Export promotion Board (UEPB)

- Sensitisation and awareness generation
- Sector advocacy
- Development of sector export strategy and annual work programme
- Provision of budgetary cover for annual sector work programme
- Planning and coordination of the establishment of Handicraft EPVs
- Re-organisation of Handicrafts Umbrella Association (either as Exporters or Producers or both)
- Sector export database development in collaboration with Uganda Bureau Of Statistics (UBOS) and Sector Umbrella Association
- Provision of market information to sector operatives
- Production-related skills development for producers in collaboration with technical partners (Development Partners/BSOs/NGOs)
- Export management competence development for exporters
- Market development through: -
 - Market research and buyer contact development in collaboration with Uganda's missions abroad and development partners
 - Organisation of annual District/Regional/National Art and Handicraft exhibitions in partnership with local governments, NGOs and BSOs
 - Facilitation of exporters' participation in international specialised and target trade fairs/exhibitions in collaboration with development partners
 - Contact promotion programmes in collaboration with development partners

- Sector and enterprise brochure development
- Resource mobilisation

7.2.6 Business Support Organisations

- Production
- Marketing skills development support
- Logistics provision for EPVs (workstations, tools of trade, marketing infrastructure)
- Support for study tours

7.2.7 Development Partners (DP)

- Technical Assistant support for sector
- Production and marketing skills development support
- Market development and penetration support for trade fairs, contact promotion programmes, sector brochure development etc
- Support for study tours
- Logistics support for Sector Umbrella Association (cross-country vehicle, office equipment, digital camera, email and internet connectivity, website development)

7.2.8 Local Governments

- Sensitisation and awareness generation
- Sector advocacy
- Identification of current and potential handicraft producers in Districts and Municipalities
- Organisation of producers into EPVs in collaboration with UEPB
- Provision of logistics support to EPVs
- Organisation of Annual District/Regional Art and Handicraft Exhibitions

7.2.9 NGOs

- Support handicraft development, creativity and innovation
- Identify talented craftsmen
- Provide logistics and technical support to organised handicraft producer groups

7.2.10 CSOs

- Support handicraft development, creativity and innovation
- Identify talented craftsmen
- Provide logistics and technical support to organised handicraft producer groups

7.2.11 Sector Umbrella Association

- Sensitisation and awareness generation
- Sector advocacy
- Re-organisation of Handicrafts Umbrella Association (either as Exporters or Producers or both)
- Sector export database development in collaboration with UEPB and UBOS

- Provision of administrative and marketing support for sector operatives
- Establishment of credit support relationship with a financial institution(s)
- Management of Sector Umbrella Association Website

CHAPTER 8: FUNDING OF HANDSEDS

The 3-year 2005/6-2007/8 strategic programme is estimated to cost the Ugandan Shillings equivalent of US\$ 551,500. This budget is expected to be secured primarily through the annual budget appropriations of Uganda Export Promotion Board, based on an annualised sector programme activity. Supplementary funding is expected from the supervisory Ministries of MTTI and MGLSD. Additional funding will however be needed for the reorganisation of the Handicraft Sector Umbrella Organisation and for technical assistance support for the implementation of the programme. Development Partners, BSOs and other identified stakeholders would be relied upon to provide the complementary funding.

CHAPTER 9: IMPLEMENTATION, MONITORING AND EVALUATION

An Action Plan and Implementation Matrix (Appendix 2) has been developed to guide programme execution. For a coordinated and focused programme execution and to ensure that the programme pursues its objectives, satisfies the needs and aspirations of the primary beneficiaries and stakeholders as well as promote the developmental goals of Government, there shall be a two-tier programme administrative structure as set out below: -

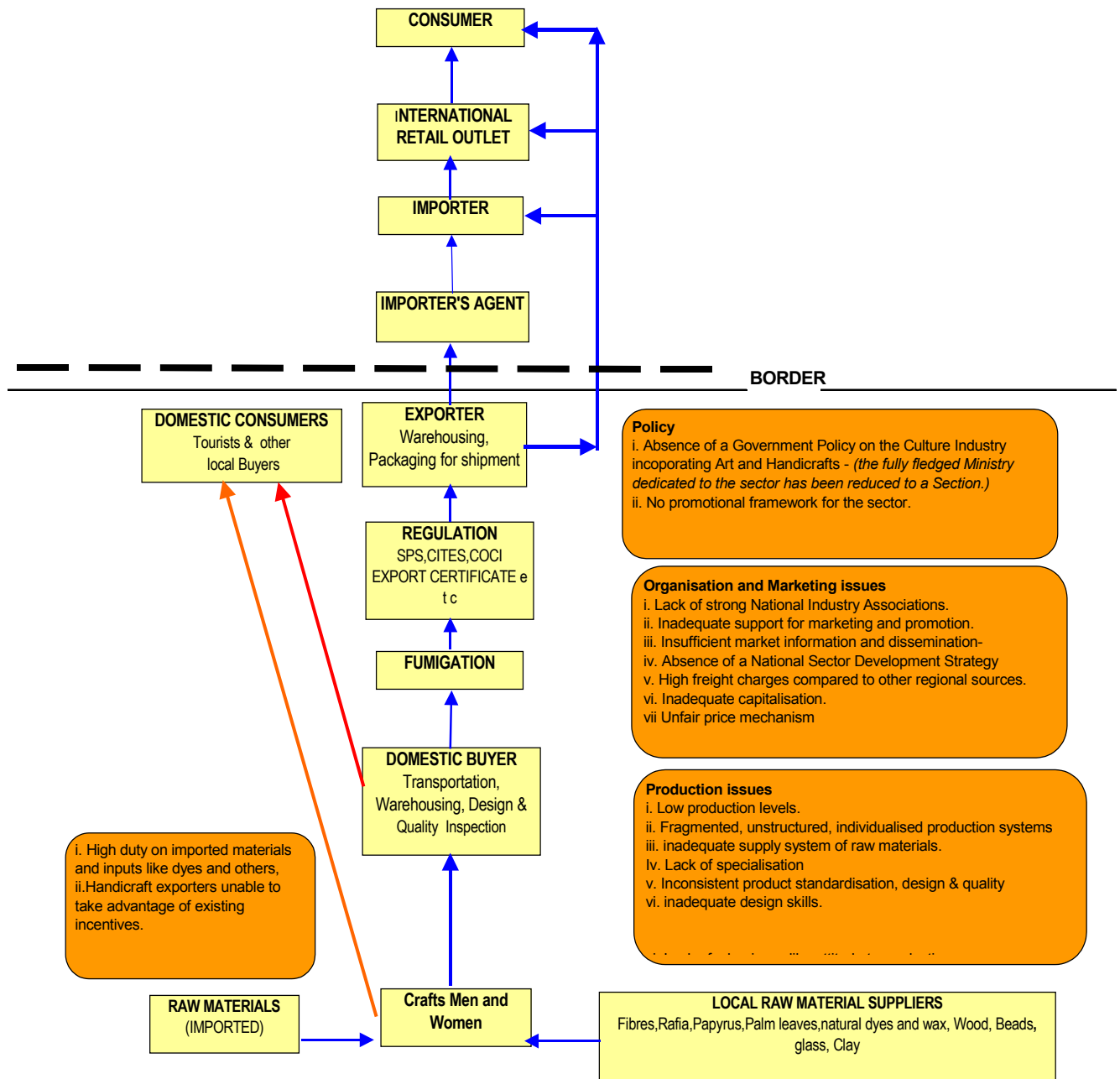
9.1 Implementation Agency

The Uganda Export Promotion Board (UEPB), working in close collaboration with the Handicraft Sector Umbrella Organisation shall be the implementing and coordination agency for HANDSEDS

9.2 Monitoring and Evaluation

Under the auspices of the Ministry of Tourism, Trade and Industry and in collaboration with the sector stakeholders identified under the Institutional Framework, the strategy will be subjected to quarterly monitoring, mid-term and annual review based on the realities of the national economy and the changing global economic circumstances.

Appendix 1: Handicraft Value Chain Analysis



Appendix 2: Action/implementation Matrix for the Strategy- FY: 2005/06-2007/08

PRIORITY STRATEGIC AREA 1: ENHANCEMENT OF PRODUCTION CAPACITY						
STRATEGIC ISSUE	ACTIVITIES	PERFORMANCE INDICATORS	RESOURCE ASSESSMENT		RESPONSIBILITY	TIME FRAME
			Budget US\$	Source		
Objective 1: To organise supply-side structures for sustainable production and capacity enhancement Organizational Restructuring	<ul style="list-style-type: none"> Undertake a study tour of Ghana's handicraft sector development 	<ul style="list-style-type: none"> Study tour undertaken. (9 persons) Lessons applied. 	20,000	BSOs/ UEPB	UEPB/UWEAL	2005
	<ul style="list-style-type: none"> Identify, mobilise and organise producers into identifiable groups under Export Production Village (EPV) schemes Link the EPVs up with serious and established Exporters, Agents or Buyers 	<ul style="list-style-type: none"> 4 EPVs established, resourced and functioning per year at US\$10,000 per EPV No. of networks established, contracts secured or increasing sales registered 	120,000	UEPB/NGOs DP ¹³	UEPB/MGLSD/NGOs/BSOs PSFU	Yearly
	<ul style="list-style-type: none"> Provide logistics support to EPVs 	<ul style="list-style-type: none"> Workstations and tools of trade provided 	-			
	<ul style="list-style-type: none"> Organize raw material supply systems for EPVs 	<ul style="list-style-type: none"> Regular raw material supplies arranged 	-			
	<ul style="list-style-type: none"> Provide market information, trade brochures and samples Assist in price negotiations with exporter (s) or agents 	<ul style="list-style-type: none"> Regular market info provided. 	-			
	<ul style="list-style-type: none"> Organise local and external study tours for group leaders and master craftsmen 	<ul style="list-style-type: none"> Fair prices secured 	-			
	<ul style="list-style-type: none"> Organise local and external study tours for group leaders and master craftsmen 	<ul style="list-style-type: none"> No of local tours organised No of external tours organised 	5,000	UEPB/BSOs/ DP	UEPB/BSOs/ Development Partners	Yearly
<ul style="list-style-type: none"> Reorganise sector umbrella association Equip association with office equipment and logistics 	<ul style="list-style-type: none"> An effective, vibrant and resourced Umbrella Association with strong governance structures and paid up membership established 	25,000	UEPB/PSFU/ BSOs/DP NGOs	UEPB/PSFU/ BSOs Development Partners	2005	
<ul style="list-style-type: none"> Provide technical assistance support to EPVs, exporters and the association 	<ul style="list-style-type: none"> Technical Assistance support provided by BSOs and Development Partners 	20,000	UEPB/PSFU/ BSOs/DP	UEPB/PSFU/ BSOs Development Partners	2005	
			-	DP	UEPB/UWEAL	2005-8

PRIORITY STRATEGIC AREA 2: CAPACITY BUILDING

¹³ Development Partners

STRATEGIC ISSUE	ACTIVITIES	PERFORMANCE INDICATORS	RESOURCE ASSESSMENT		RESPONSIBILITY	TIME FRAME
			Budget US\$	Source		
Objective 2: To develop and enhance production and marketing skills of producers and exporters respectively	<ul style="list-style-type: none"> Carry out training needs assessment for EPV members, exporters and service providers Develop a capacity building (training) plan Organise continuous skills training of handicraft producers through UEPB's Uganda Export Training School (UGETS) and other training programmes Organise continuous export marketing and development training of handicraft exporters through UEPB's Uganda Export Training School (UGETS) and other training programmes 	<ul style="list-style-type: none"> Needs assessment undertaken Training plan developed No. of training courses offered No of operatives trained Improved product artistic designs Improved product quality Availability of value added products No. of Exporters integrating technology in production No. of training courses offered No of operatives trained Competence developed in export marketing 	10,000	UEPB/BSOs / UEPB/DP	UEPB/PSFU/BSOs	2005
			-	UEPB	UEPB	2005
			60,000	UEPB/BSOs/ NGO UNIDO	UEPB/UNIDO Enterprise Uganda/BSOs	Yearly
			35,000	UEPB/ DP	UEPB/BSOs /DP	Yearly

PRIORITY STRATEGIC AREA 3: TRADE FACILITATION AND EXPORT FINANCING

STRATEGIC ISSUE	ACTIVITIES	PERFORMANCE INDICATORS	RESOURCE ASSESSMENT		RESPONSIBILITY	TIME FRAME
			Budget US\$	Source		
Objective 3: To provide trade facilitation and export financing for sector	<ul style="list-style-type: none"> Sensitise a lead financial institution(s) to provide sector-specific production, pre- and post shipment, and medium-term finance Link sector operatives and umbrella association to the identified financial institution(s), micro finance institutions and business development finance schemes Familiarise operatives with existing sector-related investment incentives, tax exemptions and concessions Negotiate freight rates for group shipments Encourage sector operatives to access trade info at UEPB 	<ul style="list-style-type: none"> Lead finance institution(s) secured Value of credit given to sector No of beneficiaries No. of operatives educated/ informed on incentives Competitive rates secured No of operatives visiting UEPB for trade advice and information 	-	UEPB/ Umbrella Association/ PSFU	UEPB/MTTI MGLSD/PSFU	2005
			-	-do-	-do-	Yearly
			-	UEPB/UIA	UIA/UEPB	Continuous
			-	UEPB/Cargo operators/ Umbrella Asso. UEPB/ Umbrella Asso.	MTTI/UEPB/ Umbrella Association UEPB/ Umbrella Asso.	Yearly
						Continuous

PRIORITY STRATEGIC AREA 4: EXPORT MARKET DEVELOPMENT						
STRATEGIC ISSUE	ACTIVITIES	PERFORMANCE INDICATORS	RESOURCE ASSESSMENT		RESPONSIBILITY	TIME FRAME
			Budget US\$	Source		
Objective 4: To pursue aggressive export market development	<ul style="list-style-type: none"> Organise annual District/Regional/National Art and Craft Exhibitions Facilitate and support exporters to participate in target international trade fairs and exhibitions Conduct market research and organise Contact Promotional Programmes to target markets beginning with USA and Canada, (last quarter 2005) and subsequently to EU, Japan and the Middle East Develop sector website Develop sector brochures and promotional materials Affiliate UEPB/Umbrella Asso. with international sector support organisations e.g. Fair Trade organisations Subscribe to market information sources and disseminate market intelligence 	<ul style="list-style-type: none"> No. of exhibitions organised No. of craftsmen & new products identified No. of trade fair participants Increased exports No. of markets developed Export sales registered Sector website developed Website updated regularly No. of brochures and promotional materials developed No of affiliations No. of subscriptions No. of recipients of market info. 	30,000	MGLSD/UEPB/UWEAL/PSFU/Local Govt	UEPB/MTTI AGOA Office UWEAL/MGLSD	2005/06
			60,000	UEPB/PSFU Development Partners		UEPB
			150,000	UEPB/Development Partners	UEPB	2005-8
			5,000	UEPB/Umbrella Asso Development Partners	UEPB	2005
			-	UEPB/Umbrella Asso Development Partners	UEPB	2005
			1,000	-do-	Umbrella Asso UEPB/ Umbrella Asso	2005-6
			500	UEPB/ Umbrella Asso	UEPB	2005-6
PRIORITY STRATEGIC AREA 5: PROGRAMME COORDINATION						
STRATEGIC ISSUE	ACTIVITIES	PERFORMANCE INDICATORS	RESOURCE ASSESSMENT		RESPONSIBILITY	TIME FRAME
			Budget US\$	Source		
Objective 5: To coordinate Stakeholder support and interventions	<ul style="list-style-type: none"> Communicate UEPB's implementing agency and coordination role to all stakeholders Disseminate the monitoring and evaluation role of identified stakeholders Sensitise stakeholders on need for collaboration to avoid overlaps and duplication Hold regular stakeholders review meeting 	<ul style="list-style-type: none"> Info disseminated Info disseminated Sensitisation organised Improvement in coordination No. of meetings held 	-	MTTI/UEPB MGLSD	MTTI/MGLSD/UEPB	2005
			-	MTTI/MGLSD/UEPB		2005
			-	MTTI/MGLSD/UEPB	2005	
			-		No. of meetings held	
			551,500			

