

BUDS ANNUAL PROGRESS REPORT 2008-2009

Business Uganda Development Scheme (BUDS) is a sub component under the Private Sector Competitiveness Project Two (PSCPII). The Scheme is in its fourth year of implementation and focuses on supporting the acquisition of business development services (BDS) as a strategy to boost private sector performance and competitiveness. Reimbursable grants of up to a cumulative of US\$ 100,000 are available and can be accessed by qualifying firms to undertake performance enhancement activities.

In a situation where a number of MSMEs are unable to break even, the use of expertise in their businesses becomes more necessary for survival. BUDS supports MSMEs to apply Business Development Services (BDS) as a way of resolving business constraints in order for them to become profitable and achieve sustainable growth.

The Scheme has to-date supported over 700 companies across the country to appreciate and access professional proficiency as leverage to business performance. Consequently over 1,048 BDS related activities valued at double the allocated cumulative grant of US\$ 4.5 million dollars have been undertaken by qualifying firms and organizations.

By using grants to facilitate skills and knowledge acquisition by private firms, BUDS hopes that the latter can as a result of the processes undertaken:

- i) Improve company sales performance
- ii) Appreciate the value of using business development services even in the absence of donor funding
- iii) Increase employment opportunities and enrollment
- iv) Improve production and efficiency

Despite the set backs attributed to the global economic melt down, the Scheme has continued to see a demand for its services and products by the business community. The targeted allocations have been met and surpassed with new prospects coming on board throughout 2009. A good number of repeat clients have also expressed satisfaction with the Scheme and followed up with new applications for other eligible activities.

Highlights on Scheme Performance

- Cumulative allocations worth US\$ 4,495,050 made by December 15, 2009
- Reimbursements totaling US\$ 2,603,734 paid out to the Scheme beneficiaries to-date
- 200 activities valued at US\$ 978,453 in the pipeline
- Average value of reimbursement per activity is at US\$ 3,542 (19% above threshold)
- 4,363 beneficiaries of which 2,441 (56%) are women
- 43.2 percent of reimbursed activities belong to firms out-side Kampala
- The service sector remains the dominant beneficiary with 480 allocated activities worth US\$ 2,013,559 followed by manufacturing (221 activities) at US\$ 1,305,978
- The trend is repeated with the reimbursements where the service sector has 317 activities worth US\$ 1,025,601 refunded followed by manufacturing with 166 activities valued at US\$ 819,558 paid out
- Training is the most undertaken activity at US\$ 1,225,544 or 27 percent of the total allocated value
- Allocations have been made to over 55 districts around the country
- The geographical dispersion of reimbursements to-date is spread over 47 districts country wide

The sector-based approach has ensured that all sectors including services, manufacturing, commerce, commercial agriculture, consultants and business support, business associations and farming & cooperative groups are embraced to promote the private sector.

The Scheme has supported a range of activities including company diagnostics & planning, trainings, management systems, production related, domestic and international marketing and sales production, feasibility and market research. As a result companies have registered benefits from undertaking BUDS supported activities.

Over US\$ 120,000 of grants has gone to Companies that have sought International Standards Certification. The ISO process greatly enhances performance by streamlining processes including production efficiency and quality. As a result the companies have become more competitive and some are able to put their products on to the international market.