

INFORMATION NOTE ON Dried fruits in Luwero area – A project for adding value to fruits mostly for the export market

This project proposal is still in early stages of development. TRACE was asked by the UEPB and ITC to consider presenting to the EIF a proposal to process surplus fruits by drying.

The project is being promoted by UEPB and International Trade Centre (ITC) with the aim of adding value to the pineapple fruits in Uganda through the drying process to reduce the waste and to afford farmers the alternative to selling raw fruit for considerably lower returns.. The drying process will increase the export values as they command higher prices on the domestic, regional and especially on the international market.

The project is still being developed but briefly it envisages working with a group of fruit growers in the Luweero area where a modern small to medium scale fruit drying facility will be established to purchase fruit from peasants/farmers and dry and package them appropriately for export to the EU market especially.

The project is being promoted as a poverty reducing initiative for the growers in the area and aims to reduce the marketing chain that results in the fruit grower receiving only a small fraction of the final market price his fruit fetches when it reaches the European retail outlet. It will include training activities for growers, awareness creation for standards and marketing supports provided by the UEPB and ITC. The project summary follows:

- 1. **The Project:** Dried fruits project for the Luweero area.
- 2. **Implementing Entity:** The Uganda Export Promotion Board and ITC
- 3. **Duration:** 3 Years.
- 4. **Total Cost:** **\$2.313 million**
- 5. **EIF Funding Sought: Total:** **\$2.063 million**
- 6. **Other Sources of Funding:** In kind by GoU.

7. **Objective of the Project:** The project is designed to respond to some of the trade related development priorities of Uganda as identified in its Diagnostic Trade Integration Study (DTIS). The project's developmental objective is **poverty reduction** and **improvement of the livelihoods of fruit farmers in** the Luweero region through value retention or the reduction of waste along the value chain and through the addition of value through processing of fresh fruit. The proposed project will seek to **maximise the commercial value of farmers' output**. Product differentiation through organic production and processing will be a principal means to achieve this goal.

For the duration of the project, sector support institutions will be strengthened to ensure local ownership as well as the sustainability of the envisaged interventions with a particular emphasis on ensuring effective dissemination of good practices to empower fruit producers to be integrated in the supply chain on most favourable terms. This objective is fully in line with the Government of Uganda's priority to increase the benefits that farmers derive from their labour. The proposed project's aim is to serve as a model for the realization of the Government's priority.

The project will achieve long-term sustainable impact through the strengthening of institutional capacities of national partner and particularly the EIF national implementation arrangements throughout the project's implementation. The main implementing entities UEPB and ITC will forge strong working relations with the National Implementation Unit (NIU), other Governmental entities and local support institutions at national and sector level to achieve the project's objectives.

Given the significant developmental challenges that exist in each of the project's areas of intervention, the project further will proactively seek to partner with other development agencies and on-going projects and leverage additional resources to optimize the developmental returns on the interventions and investments made by the project. The very high level of support, that the Government has demonstrated providing material and human resources for the realization of the project, also augers well for the prospects of the project reaching its goals.

8. Brief Description:

The project will **build sustainable local capacities** within the National Implementation Unit (NIU) and the Ugandan Export Promotion Board (UEPB) as well as other support institutions at national and sector level through their active involvement in each step of the project cycle. By building such capacities the project will support Uganda to exert effective ownership of its trade-related development agenda. The approach rests in "learning by doing", with local TSIs, cooperatives and communities taking an active role in delivering project activities which will act as implementing partners.

In order to ensure optimal resource-effectiveness the project will **closely align with previous and ongoing efforts** to strengthen the selected sectors where there are opportunities for advancing towards the project's objectives.

The project's support to the fresh and processed fruit producing communities strives to directly benefit the livelihoods of the farmers, processors and exporters by increasing the sectors' competitiveness through building sustainable local capacities to disseminate information and know-how to **enhance production, post-harvest handling and marketing practices** for organic and conventional fruit farmers as well as by facilitating the development and operations of **fruit processing infrastructure** for dried fruits at the cooperative and community based level in the Luwero region.

TRACE COMMENTS

The proposal is in line with Uganda's policies and strategies like the National Development Plan, National Trade Sector Development Plan, the Marketing and Agro-Processing Strategy etc. and the DTIS. Therefore the fruit drying project will address several constraints when implemented and trade the Luwero region out of poverty through value addition. However, TRACE has recommended that the sponsors consider providing simple drying and packaging technology that can be handled at household level or by small groups. This option has its drawbacks (quality assurance and consistency for example) but it affords farmers a chance to participate higher in the value chain.

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