



Evaluation of *Traidlinks*

Final Report



October 2008

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LIST OF ABBREVIATIONS

ADF	Africa Development Fund
CSP	Country Strategy Paper
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Assistance
EABF	East Africa Basic Foods Ltd.
HOA	“Heart of Africa” Brand
IA	Irish Aid
JFFG	JacobFruitfield Group
MDG	Millennium Development Goals
NFP	Not-for-Profit
NGO	Non-Government Organisation
NZAID	New Zealand’s International Aid and Development Agency
PAEG	Project Appraisal and Evaluation Group
PSD	Private Sector Development
PSF	Private Sector Forum
PSFU	Private Sector Fund for Uganda
SME	Small and Medium Enterprise
ToR	Terms of Reference
TP	Transparency Policy

Executive Summary

1. Background

Traidlinks is a new entity established with Irish Aid support in 2006. Its overall aim is to support private sector development, initially in Uganda and subsequently in other African countries, by facilitating links between private sector companies in those countries and the Irish private sector. The concept originated with the earlier Private Sector Forum established by Irish Aid, and involving a number of high-level Irish business executives in examining how the Irish private sector could support IA's mission of supporting private sector development as a poverty-reduction tool. The Forum examined the concept and concluded it was meritorious and advised that *Traidlinks* be established.

Irish Aid has committed up to €4 mn in funding to *Traidlinks* over the three-year period 2006-08. This commitment was based on a PAEG proposal of May 2006, which constitutes the details of the formal Irish Aid/*Traidlinks* agreement.

2. The Current Review

A review of *Traidlinks*' experience was envisaged from the outset, and was included in the IA-*Traidlinks* funding agreement. To this end, in early 2008 Irish Aid invited tenders for an independent evaluation of *Traidlinks*. The overall purpose was stated as being: **“to evaluate the performance of *Traidlinks* to date; the extent to which its objectives are being met; and to assess the strengths and weaknesses of the approach and the implementation process”**.

The evaluation was asked to address a number of specific issues:

- the project's relevance, efficiency levels and effectiveness;
- the innovative nature of the project;
- the quality of work undertaken in 2007 (the first year of operational activities);
- progress against the indicators agreed for the project when it was first set up.

Following on the requirements of the Terms of Reference, the review methodology has involved examination of relevant documentation; consultations with key informants in Ireland, and a field visit to Uganda including meetings with stakeholders and current *Traidlinks*' client companies¹.

¹A list of all consultees is contained in the main report, Annex 2.

The principal challenge faced by the evaluation was that *Traidlinks* had only one full year of operation (2007) at the time of the review. Hence, heavy reliance had to be placed on initial evidence, views of *Traidlinks*' progress, and the potential impact of the model as it is developing. This early stage dimension, coupled with the pilot nature of the *Traidlinks*' concept, must be borne in mind in reading the review.

3. *Traidlinks*' Aims, Objectives and Targets

Overall Mission and Rationale

The *Traidlinks*' PAEG Submission, presented in April 2006 and approved in May 2006, provides the basic description of *Traidlinks*' aims and objectives as seen at the outset and agreed with Irish Aid. The submission summarised the overall *Traidlinks*' mission as follows:

“*Traidlinks* will work to engage the Irish business community in promoting private enterprise to reduce poverty in the developing world.”

***Traidlinks*' Objectives**

Traidlinks' "Strategic Objectives" were stated as:

- To contribute to poverty reduction through economic growth in developing countries.
- To build capacity in the private sector in developing countries.

Traidlinks' "Specific Objectives" were stated as:

- To improve competitive capacity of private sector businesses in developing countries in Africa to access local, regional and international markets.
- To develop partnership prospects between Irish companies and the private sector in developing countries in Africa.
- To increase awareness in Ireland of the potential contribution of the Irish private sector to the acceleration of economic development and the reduction of poverty in developing countries.

Target Groups

The PAEG proposal described the principal target groups as African and Irish businesses.

The primary target group for this initiative is the private sector in developing countries. The main focus will be on those companies with the potential to increase output and employment opportunities. The 'private sector' is broadly defined as any business engaging in legitimate trading activity, regardless of sector.

It was expected that the initial focus would be predominantly through the development of business relationships with SMEs including manufacturing and processing companies, logistics providers, packaging suppliers and distributors.

The initiative would “also target the Irish private sector, with the aim of involving them in the development process”.

4. Operational Strategy and Activities

Overall Strategy

The PAEG proposal also set out how *Traidlinks*’ objectives (see Section 3 above) would be delivered in practice. It stated the strategy as being to: (our italics)

- Promote awareness within Ireland (private sector, NGOs, public, government) of the potential contribution of the private sector to the development agenda through economic development and ***engagement of the Irish private sector*** in providing financial and practical assistance to businesses in developing countries.
- Improve the skills and capabilities of businesses in developing countries ***through managerial and academic skills exchange***. This will be achieved through partnering with businesses in developing countries involving mentoring, exchange visits and skills development.
- Facilitate trade and investment in developing countries by identifying ***opportunities for the Irish private sector to engage on a meaningful, market-driven basis***. This aims to develop sustainable export levels and modern capacity, and to ***establish long-term commercial relationships with businesses in developing countries***.

This is an important indication of intended *Traidlinks*’ focus. In particular, it identifies links between Irish and Ugandan companies as a key element in the *Traidlinks* model including the aim of achieving eventually sustainable commercial relationships.

As discussed in later Chapters, there has been a stated shift away from this business-to-business model in practice. This shift is not necessarily in itself undesirable, especially in the context of an innovative and learning period. However, we think it important that any such shift be well based on the experience to date, and well understood by all the key stakeholders, and that any replacement core concept also be very clear and tested in advance.

Traidlinks’ Operational Activities

The PAEG proposal also specified operational activities under the three themes:

i) Develop the “Heart of Africa” brand

The objective here is to strengthen capabilities of the supplier base; increase the number of suppliers; broaden the product range; and deepen market penetration.

ii) Increase awareness and publicise the initiative

The objective is to increase domestic awareness and build relationships with other bodies.

iii) Encourage and facilitate skills exchange programmes through private sector and educational institute initiatives in priority countries

Initiatives were to include identification and development of appropriate skills/academic exchange programmes including industrial placements, and feasibility level investigation of a pilot business development programme for partner companies for delivery in Uganda.

These three headings became the basis of operational activities for *Traidlinks*' subsequent core programmes:

1. Heart of Africa;
2. Skill Exchange;
3. Promotion and Awareness-Raising.

Activities under these Programmes have been subsequently reported in *Traidlinks*' Annual and other reports.

Planned Activities and Indicators

A set of targets and indicators – defined against the three “Strategic Objectives” in Section 3 above – were also set out in the PAEG proposal. They are shown in accompanying Figure. These included a list of “planned activities” and a list of “indicators”. The latter include both quantitative targets and specific actions. The level of achievement of this is summarised broadly below, and described in detail in the Main Report.

5 *Traidlinks*' Performance to Date

Performance and Effectiveness

It is clear from earlier chapters that *Traidlinks* has achieved a large amount already. It has set up and initiated a new innovative type of organisation, it has explored models for how it might operate, it has developed specific instruments including skills exchange, and it has attracted a new, and in many cases younger, interest group in Ireland at Board and staff level. It has achieved most of the specific tasks set out for it in the original PAEG proposal, and it has attracted substantive pro-bono input from

the Irish private sector. It also reveals a high level of innovation, enthusiasm, motivation, hard work and determination.

Against that, a number of significant issues arise in relation to the performance and effectiveness to date. A number of important original objectives have not been realised or fully realised, including systematic research regarding the level of interest in the model in both Ireland and Uganda and its ability in attracting non-IA financial support. Secondly, there are questionmarks about both the financial feasibility and the upscalability of the current labour-intensive skills transfer model. Thirdly, some of the learning that has been undertaken might have been unnecessary if more existing PSD experience had been brought to bear from the outset, e.g. the highly resource-intensive nature of providing direct on-the-ground technical assistance to SMEs in Africa. Fourthly, *Traidlinks* has supported no B2B link between Irish and Ugandan companies beyond that inherited from the PSF (Amfri Farm/JFFG). There are also question marks about the effectiveness of the Heart of Africa model – which *Traidlinks* inherited from the Private Sector Forum.

Implementation Processes

The *Traidlinks* implementation processes display a series of strengths. The necessary corporate structures have been established in terms of a company limited by guarantee, and the achievement of charitable status. *Traidlinks* has a particularly high-level Board, willing to give of their scarce time to this initiative (including lengthy meetings with ourselves during this review). It has also invested heavily in the development of procedures and practices in the pioneering areas in which it finds itself.

Weaknesses in the implementation system to date include absence of external validation of some of the lessons being drawn from the experience so far, absence of relevant specialist experience in both company development and company-to-company partnering at any level in the organisation. There is also a tendency to “go it alone” without taking full account of experience already gained by others, other relevant initiatives which Irish Aid funds, and other donors and agencies working in PSD in Uganda. The model also places a high level of reliance on the Board member networks of Irish private sector contacts, and there has not been much systematic attempt to interest the wider Irish private sector in the concept.

Relevance

The *Traidlinks* model is clearly highly relevant in many respects. There is increased emphasis internationally on the role of private sector development in developing countries, and on the need for innovative ways to support this. Irish Aid itself is committed to supporting private sector development, and already funds a wide variety of initiatives, via both country programmes and multi-lateral assistance. Thirdly, the *Traidlinks* concept of involving the Irish private sector and encouraging its engagement with the private sector in Uganda is an innovative and potentially relevant one. This latter is generally welcomed as an important initiative by stakeholders, both in Ireland and in the field.

However, there is an absence of any systematic needs assessments in Uganda and analysis of the potential Irish private sector supply-base, and there is an exclusive focus on SMEs in Uganda without clear justification for this focus. There is also generally a danger that *Traidlinks* is moving away from its original unique selling point of facilitating active engagement by Irish private sector companies who might ultimately form commercially sustainable relationships with Ugandan partners, and towards a model where *Traidlinks* provides technical assistance to Ugandan SMEs with some of this drawn from individuals working in the Irish private sector. Any originally envisaged link between *Traidlinks'* technical assistance and the Heart of Africa brands has been dropped, with only one active client now also a HOA supplier.

Efficiency

The level of resources being expended on *Traidlinks* is relatively modest in the overall Irish Aid context. *Traidlinks* has also succeeded in attracting significant levels of pro-bono contribution to both its own core overheads and its Skills Exchange Programme in Uganda.

Weaknesses on the efficiency front are that the level of pro-bono contributions are relatively small in the context of *Traidlinks'* input to companies, the majority being provided by either *Traidlinks'* staff or consultants. When total direct and indirect costs are taken into account, the costs of fielding its own personnel in Uganda may not be significantly lower than alternatives such as direct use of consultants. This, combined with the level of (free) inputs potentially required by individual Ugandan partner companies (to date mostly Amfri Farms) makes the financial implications of upscaling the model a matter for priority attention.

Quality of the Work Undertaken

The quality of *Traidlinks'* work being undertaken to date is generally high. This is reflected in the nature of the personnel involved, including the mentors, in examples of the kind of inputs that have been made to date (e.g. high-level specialist inputs by mentors and pro-bono partners) and in the satisfaction levels expressed by the Ugandan partner companies.

There are also some weaknesses. Firstly, quite a lot of the inputs to date involve basic management accounting systems in the client firms. These are important, but whether they require an Irish-based organisation and Irish personnel to provide them in Uganda is at least open to debate. There is also an issue whether this work is being done in order to prepare local partners for interaction with Irish partners, or for its own sake. However, in the former circumstances it should arguably be the role of the Irish partner to help the company, rather than for *Traidlinks* to have to do it out of its own resources. Also, this is moving *Traidlinks* in the direction of being a provider of technical assistance, and relatively low-level technical assistance at that. It also raises issues about displacement of service providers in Uganda, and of creating dependency among the partners on *Traidlinks'* support.

Degree of Innovation

Traidlinks is innovative in a number of respects. Firstly, it is innovative in its involvement of leading Irish business figures on its Board. Secondly, its ability to persuade individuals in these and other Irish businesses to become involved as mentors is innovative. Thirdly, the concept of linking the Irish private sector with the private sector in Uganda (and possibly elsewhere later) is innovative.

However, other aspects of *Traidlinks* are less innovative. Its legal model of a company limited by guarantee is the standard one used by private non-profit organisations in Ireland. Provision of technical assistance to SMEs in African countries is also not new, albeit that these are typically consultants rather than corporate experts.

One of *Traidlinks*' original unique selling points was its potential – through the companies on the Board and eventually others – to establish ultimately commercial business links between Irish and Ugandan companies. However, the draft *Traidlinks*' Strategy Plan 2009-11 describes “the most unique element of *Traidlinks*' interventions” more narrowly as the support of the Irish private sector in consultancy and specialist programmes as a method of skills delivery. There is thus a danger that the distinct and innovative element of potentially linking Irish and Ugandan business partners across a range of commercial interactions being lost, as *Traidlinks* moves towards greater emphasis on the provision of relatively basic technical assistance-type services in Uganda and by *Traidlinks*' organisation itself.

6. Conclusions

Our assessment is that at the core of *Traidlinks* is an important and innovative concept which needs to be fully tested. This is the concept of linking the Irish and Ugandan private sectors generally, and specifically Irish companies and Ugandan companies in mutually beneficial and ultimately sustainable commercial relationships.

This necessitates the bilateral creation of company-to-company links, not merely the persuasion of the Irish private sector to make philanthropic contributions to Ugandan companies, nor general accessing of Irish private expertise, including consultancy expertise, and placing this at the (free) disposal of Ugandan companies.

In our interpretation of this potential unique selling point, we therefore think that the issue is not so much that it has been tried and failed, but rather that it has not been quite tried yet. We are concerned therefore that the organisation may be moving too readily and rapidly away from this original challenging objective, towards a lesser one of providing technical assistance to Ugandan SMEs. This constitutes a potential drift in objectives away from the very distinctness that made *Traidlinks* interesting and meriting of Irish Aid support in the first place.

The logic of the present trend is that *Traidlinks* may end up as a non-profit technical assistance organisation, with a Board made up of senior Irish business figures, and with some element of its technical assistance being provided pro-bono by various individuals from the Irish private sector. This, it seems to us, is less than the original model in both its ambition and its content.

This is also leading to a much greater focus on *Traidlinks* as an organisation rather than an initiative or programme, as it tools up to provide or be a conduit for Irish technical assistance rather than being a broker or facilitator of B2B links.

7. Recommendations to Irish Aid

Our recommendations to Irish Aid are as follows:

- (1) Irish Aid should express a willingness in principle to consider further co-financing of *Traidlinks* on a multi-annual basis. However, this multi-annual period should only commence in 2010, with transition funding provided for 2009 (during which lessons learned should be systematically established and a new *Traidlinks*' Strategic Plan should be drawn up);
- (2) a new multi-annual agreement 2010-12 would be conditional on submission and approval of a detailed and costed Strategic Plan acceptable to Irish Aid;
- (3) Irish Aid should respond positively to any *Traidlinks* request to extend funding for an additional interim year (2009);
- (4) Irish Aid should monitor the performance of *Traidlinks* more actively, including involving Embassy Kampala in this process and regular substantive meetings with *Traidlinks*;
- (5) through Embassy Kampala it should help *Traidlinks* establish better links with other relevant donors and technical assistance providers in Uganda, e.g. by hosting a local/regional conference on *Traidlinks*' activities, experience, lessons and future;
- (6) it should consider examining the Danish and New Zealand experience of funding creation of business-to-business;
- (7) it should help *Traidlinks* draw from the experience of other relevant organisations which Irish Aid is currently funding in other countries, or multi-laterally, e.g. via the holding of a conference. Examples here include the ITC Geneva, UNIDO, Private Sector Development Facility in Vietnam, Technoserve (Mozambique) as well as the other Irish NGOs facilitating B2B links in Africa;
- (8) it should proceed with developing a wider PSD Strategy both overall and for Uganda, and in particular clarify its attitude to direct technical assistance for enterprise development. This would provide a helpful framework for eventual decisions about further multi-annual funding for *Traidlinks*.

We have also made a set of proposals to *Traidlinks*, which could form the basis for activities and focus during the interim year of 2009. These are set out in Chapter 5 (Section 5.3.2).

Chapter 1 Background, Terms of Reference and Method

1.1 Introduction

This Chapter sets out the background to the report, the Terms of Reference, and the methodology used in it. Section 1.2 below contains a brief overview of *Traidlinks*, which is elaborated upon in subsequent sections. Section 1.3 presents the Terms of Reference issued by Irish Aid, and to which the report as a whole responds. Section 1.4 describes the methodology used to carry out the evaluation.

1.2 Overview of *Traidlinks*

The role of the private sector in development, including achievement of the Millennium Development Goals, is now widely accepted. This policy trend was recognised in the 2006 Irish Aid White Paper, which emphasises the role of private sector development (PSD) as a poverty reduction tool in the Irish Aid Programme. The Programme, both multi-lateral and bilateral, therefore contains a variety of measures designed to provide support to PSD.

Alongside international policy thinking regarding PSD, there has also been increasing interest in the potential role that Ireland's own private sector might play in development. This interest is motivated by requests from partner countries for access to Ireland's "Celtic Tiger" experience, and interest within the Irish private sector on potential for an increased role. This latter is also consistent with a wider interest in Irish Aid in greater engagement by domestic Irish civil society generally in its activities.

Established in 2006, *Traidlinks* is an initiative designed to respond to a number of these trends, and specifically to act as a focal point for engagement of the Irish private sector in development. It aimed to address three specific areas: increasing awareness in Ireland of the potential contribution of the Irish private sector to acceleration of economic development and reduction of poverty in developing countries, improving competitive capacity of private sector businesses in developing countries in Africa to access local regional and international markets, and developing partnership prospects between Irish companies and the private sector in developing countries in Africa. Its initial geographic focus is on Uganda.

Irish Aid pledged financial support of €4 mn to *Traidlinks* over the three years 2006-08.

1.3 Evaluation Terms of Reference

1.3.1 Overall Objectives

A review of *Traidlinks* experience was envisaged from the outset, and included in the IA-*Traidlinks* funding agreement.

To this end, in early 2008 Irish Aid invited tenders for an independent evaluation of *Traidlinks*. The overall purpose was stated as being:

“to evaluate the performance of *Traidlinks* to date; the extent to which its objectives are being met; and to assess the strengths and weaknesses of the approach and the implementation process.”

The evaluation was also asked to take account of a number of specific issues:

- the project’s relevance, efficiency levels and effectiveness;
- the innovative nature of the project;
- the quality of work undertaken in 2007 – being the first year of operational activities;
- progress against the indicators agreed for the project when it was first set up.

The ToR also asked that the final report

- assess the performance of *Traidlinks* to date and the extent to which its objectives are being met;
- assess the strengths and weaknesses of the approach and the implementation processes;
- make recommendations on this element of the overall Irish Aid approach to private sector development.

1.4 Methodology

1.4.1 ToR Requirements

The evaluation was carried out during the period July-September 2008.

The ToR also set out IA’s expectation for the evaluation methodology. It envisaged three elements:

- (a) documentation review and
- (b) consultations in Ireland;
- (c) a field visit to Uganda.

These elements were adopted in practice.

1.4.2 Documentation Review

Documentation reviewed includes: formal Irish Aid approval document; *Traidlinks'* formation, registration and governance documentation; annual financial and operational reports; business plans and annual progress reports; background information on *Traidlinks'* clients; information on the *Traidlinks* website *www.traidlinks.ie*.

A list of the main material consulted is attached as Annex 1.

We supplemented the documentation review with an attempt, with the assistance of *Traidlinks*, to quantify levels of *Traidlinks'* time-input to companies, including *Traidlinks'* staff and other personnel.

1.4.3 Consultations in Ireland

Consultations in Ireland included: personnel of IA; *Traidlinks'* Board members and staff; private sector representative bodies; and selected other relevant organisations.

A list of consultees in Ireland is attached in Annex 2.

1.4.4 Field Visit to Uganda

The evaluation involved a field trip to Uganda, during the period July 26-August 5 inclusive. Meetings were held with Irish Embassy officials; client companies of *Traidlinks*; Ugandan Government officials; NGOs and other donors relevant to PSD.

A list of consultees in Uganda is also included in Annex 2.

1.4.5 Evaluation Challenges

In practice, the evaluation has faced a number of challenges as follows:

- (1) the relatively short life of *Traidlinks* to date, particularly its operational life. It has had only one full year of operation (2007), and even during that much of the work was developmental;
- (2) *Traidlinks* is of a pilot, experimental, and learning nature. Consequently its aims and objectives have to some extent been evolving during the period since its establishment. Hence it is to an extent a "moving target" from an evaluation perspective;
- (3) while the overall role and intent of *Traidlinks* was set out clearly in the original PAEG proposal as approved by Irish Aid, and subsequent documents and reports, considerable flexibility was left with regard to its precise modus operandi. Consequently, there is scope for interpretation as to what was mutually understood by the stakeholders in this regard, e.g. the intended emphasis or otherwise on one-on-one business-to-business links;

(4) while a great deal has been written about *Traidlinks*' progress to date, this is sometimes written in rather general terms and with an understandable objective of "talking up" what has been happening. Consequently, from an evaluation perspective establishing precise levels of activity and relative prioritisation of different aspects of the work has been important.

In all elements of the evaluation we received full co-operation and openness from *Traidlinks*' Board Members. All were very generous with their availability to us and open in their wish to provide available information to us.

1.5 Report Structure

The report is divided into five Chapters as follows:

- the present Chapter sets out the background, Terms of Reference and evaluation methodology;
- Chapter 2 describes the key features of *Traidlinks* as an organisation, describing its origins, its structures and its operation;
- Chapter 3 sets out *Traidlinks*' progress and activities to date, and compares these with the original expectations in this regard;
- Chapter 4 examines *Traidlinks*' relevance, effectiveness and efficiency from a variety of perspectives;
- finally, Chapter 5 presents the conclusions and recommendations of the evaluation.

2. *Traidlinks'* Origins, Structure and Operations

2.1 Introduction

This Chapter describes the main basic parameters of *Traidlinks*, which are important from an evaluation perspective. It sets out its origins and history, its agreed strategy and operations, its organisation and management structures, its staffing and HRD, its Ugandan and Irish partner organisations, and its financial status.

2.2 *Traidlinks'* Origins

2.2.1 Overall Context

As noted in Section 1.1, there has been a growing acceptance over the last decade and more of the role economic growth generally, and of private sector growth and development in particular, as key preconditions for widespread poverty alleviation in developing countries. Irish Aid has responded to this through a variety of interventions, including contributions to multi-lateral PSD initiatives (old and new), and having PSD elements in its Country Strategy in priority countries.

In parallel with this, there has been increasing interest in both Priority Countries and elsewhere regarding Ireland's own recent economic and social transformation. This results in frequent requests for a sharing of this experience with partners in the developing world.

There have also been important trends domestically in Ireland, themselves in part related to Ireland's own growth. These include increased importance and role of Corporate Social Responsibility (CSR), with leading companies increasingly aware of the need for overt activity both domestically and internationally. Also evident is a trend towards increased private philanthropy in Ireland among high net worth individuals, including direct involvement in projects and activities in developing countries.

2.2.2 Immediate Origins

Traidlinks has its immediate origins in the Private Sector Forum. Established by Irish Aid in 2004, the Forum involved a group of leading Irish business people in exploring how Irish industry might increasingly engage with the development agenda. The Forum received financial and technical assistance from IA in Dublin and Uganda.

Following a series of discussions in Ireland, the Forum made a preliminary visit to Uganda in September 2004. The choice of country reflected its status as IA Priority, embassy interest, receptive policy attitude, its being English speaking and its long-standing Irish links. The visit considered the

potential for Irish companies to form links with Ugandan partners. Participants in the visit represented the food, telecoms, and healthcare product sectors. This visit identified the food sector as the one with greatest immediate potential for links.

A second Forum visit was made in January 2005, involving food companies only. This visit led to the conclusion that a new marketing initiative to bring Ugandan food products to the Irish market was a useful way forward. The assistance of the Smurfit Business School was obtained in researching this concept, and two MBA students were recruited to carry out this research. After a further visit to Uganda, both the “Heart of Africa” Brand and the *Traidlinks* concept emerged. This in turn led to the creation of *Traidlinks* and to application to IA for financial support to it. The PSF ceased activity.

The legacy of the PSF period is thus very evident in *Traidlinks* as it currently exists, including:

- the choice of Uganda as focus country;
- the main Ugandan HOA supplier and *Traidlinks*’ client (Amfri Farms) was identified;
- the focus on the food sector was established;
- some PSF members became members of the *Traidlinks* Board (inc. the Chair);
- the Heart of Africa brand emerged;
- the Smurfit MBA graduates subsequently also became the core management team (General Manager and Assistant General Manager) of *Traidlinks*.

The origins in the PSF are also important regarding the nature and status of *Traidlinks*. While now frequently described as a “private-sector initiative”, it is private-sector led but was actually an Irish Aid initiative. Certainly, many *Traidlinks*’ Board members would see their role as one of helping Irish Aid as much as vice versa.

2.3 *Traidlinks* Establishment, Aims and Objectives

2.3.1 PAEG Submission

The *Traidlinks* PAEG Submission, submitted in April 2006 and approved in May 2006, provides an important basic description of *Traidlinks* aims and objectives as seen at the outset and as agreed with Irish Aid. This is thus a useful benchmark as descriptions of *Traidlinks* have subsequently evolved over time, understandably in an innovative and learning-oriented programme.

The submission summarised the overall *Traidlinks*’ mission as follows:

“*Traidlinks* will work to engage the Irish business community in promoting private enterprise to reduce poverty in the developing world.”

FIGURE 1: <i>TRAILINKS</i> – KEY ORGANISATIONAL MILESTONES	
November 2003	Minister Kitt initiates concept of Private Sector Forum
April 2004	Conference held for interested Irish businesses
September 2004	First PSF visit to Uganda, identifies food sector as priority
January 2005	Second PSF visit to Uganda, leads to HOA concept
July 2005	Smurfit Business School MBA given research contract
September 2005	Decision to launch HOA brand and to formalise PSF as <i>Traidlinks</i>
April/May 2006	Submission/approval of proposal for IA support to <i>Traidlinks</i>
July 2006	HOA brand launched
September 2006	<i>Traidlinks</i> formally incorporated
October 2006	First <i>Traidlinks</i> Board Meeting. Board expanded
November 2006	Smurfit MBA, recruited as <i>Traidlinks</i> ' General Manager/Assistant General Manager
April 2007	<i>Traidlinks</i> Mission to Uganda
November 2007	<i>Traidlinks</i> brings business mission to Uganda – basis of Mentoring Model
February 2008	<i>Traidlinks</i> conference for NGOs
April 2008	<i>Traidlinks</i> Uganda office registered
June 2008	<i>Traidlinks</i> Board agrees outline Strategic Plan 2009-11*
* included as Annex 11 of this Report	

Key aspects of the overall rationale for support to *Traidlinks* as presented in the Proposal introduction were:

- the initial practical success of the PSF in terms of Irish-Ugandan business links (between Amfri Farm and JacobFruitfield) via the HOA brand and associated supports;
- the perception that additional Irish firms would also become involved, e.g. JFF sub-suppliers in this instance;
- the need for a formal structure to take the early success forward;
- consistency with wider IA PSD aims;
- the need for a period to allow the concept to develop, and during which there would be “little or no commercial justification for engagement with African companies”;
- *Traidlinks*' status as a NFP organisation “owned and driven by the private sector”;

- the fact that the companies involved to date had provided considerable time and expertise, and had committed to lower margins and reinvestment of profits from the HOA;
- *Traidlinks'* innovative nature, and its potential as a model for similar interventions by other companies;
- that over the three years the IA contribution would fall to less than 50% of the *Traidlinks* budget, with *Traidlinks* "working to identify potential additional revenue sources from the private sector".

2.3.2 *Traidlinks'* Objectives

Traidlinks' "Strategic Objectives" were stated as:

- To contribute to poverty reduction through economic growth in developing countries;
- To build capacity in the private sector in developing countries.

Traidlinks' "Specific Objectives" were stated as:

- To improve competitive capacity of private sector businesses in developing countries in Africa to access local, regional and international markets;
- To develop partnership prospects between Irish companies and the private sector in developing countries in Africa;
- To increase awareness in Ireland of the potential contribution of the Irish private sector to the acceleration of economic development and the reduction of poverty in developing countries.

These constitute an important hierarchy of objectives. In particular, the specific objectives state *Traidlinks'* more immediate concrete objectives as being to improve the competitiveness of African (i.e. Ugandan for now) companies in local, regional and international markets, to develop partnership prospects between the Irish companies and the Ugandan private sector, and to increase awareness of the potential role of the Irish private sector in development.

2.3.3 *Target Groups*

The PAEG proposal described the principal target groups as African and Irish businesses:

"The primary target group for this initiative is the private sector in developing countries. The main focus will be on those companies with the potential to increase output and employment opportunities. The 'private sector' is broadly defined as any business engaging in legitimate trading activity, regardless of sector."

It was expected that the initial focus will be predominantly through the development of business relationships with SMEs including manufacturing and processing companies, logistics providers, packaging suppliers and distributors.

The initiative would “also target the Irish private sector, with the aim of involving them in the development process”.

2.4 Strategy and Operational Activities

2.4.1 Overall Strategy

The PAEG proposal also set out how the objectives would be broadly delivered. It stated the strategy as being to: (our italics):

- Promote awareness within Ireland (private sector, NGOs, public, government) of the potential contribution of the private sector to the development agenda through economic development and ***engagement of the Irish private sector*** in providing financial and practical assistance to businesses in developing countries;
- Improve the skills and capabilities of businesses in developing countries ***through managerial and academic skills exchange***. This will be achieved through partnering with businesses in developing countries involving mentoring, exchange visits and skills development;
- Facilitate trade and investment in developing countries by identifying ***opportunities for the Irish private sector to engage on a meaningful, market-driven basis***. This aims to develop sustainable export levels and modern capacity, and to ***establish long-term commercial relationships with businesses in developing countries***.

Again, this is an important indication of intended *Traidlinks*' focus. In particular, it identifies links between Irish and Ugandan companies as a key element in the *Traidlinks* model.

As discussed in later Chapters, there has been an element of shift away from this business-to-business model in practice. This shift is not necessarily in itself undesirable, especially in the context of an innovative and learning period. However, we think it important that any such shift be well based, be well understood by the key stakeholders, and that its implications be clear, and that any replacement concept be very overt.

2.4.2 Operational Activities

The PAEG proposal also specified operational activities under the three themes. These were summarised as follows:

i) Develop the “Heart of Africa” brand

The objective here is to strengthen capabilities of the supplier base; increase the number of suppliers; broaden the product range; and deepen market penetration.

Initiatives will include:

- Quality improvement and certification initiatives;
- Market research in Ireland to identify other potential product opportunities;
- Research and surveys in African programme countries to identify additional potential suppliers.

ii) Increase awareness and publicise the initiative

The objective is to increase domestic awareness and build relationships with other bodies.

Initiatives will include:

- Publicise the launch of Heart of Africa brand;
- Secure feedback on potential market opportunities/possible areas of co-operation to Irish companies;
- Highlight business development potential and identify potential partner companies in Africa;
- Support and facilitate visits by Irish companies to assess prospects for partnership and development of business to business relationships;
- Development of a sound CSR business proposition for Irish companies to accentuate benefits of participation;
- Development of partnership and co-operation with Fair Trade and other NGOs;
- Development of a database covering the key economic factors in the programme countries impacting on private sector investment and export development – including key competitive advantages, enabling economic environment, logistics, shipping costs.

iii) Encourage and facilitate skills exchange programmes through private sector and educational institute initiatives in priority countries

Initiatives will include:

- Identification and development of appropriate skills/academic exchange programmes including industrial placements;
- Feasibility level investigation of a pilot business development programme for partner companies for delivery in Uganda.

Planned activities under these headings were described in more detail in the Proposal.

These three groups became the basis of operational activities for *Traidlinks'* subsequent core programmes:

4. Heart of Africa;
5. Skill Exchange;
6. Promotion and Awareness-Raising.

Activities under these Programmes have been subsequently reported in *Traidlinks'* Annual and other reports. This progress is summarised in Chapter 3.

2.4.3 Planned Activities and Indicators

A set of targets and indicators – defined against the three “Strategic Objectives” in Section 2.3.2 above – were also set out in the PAEG proposal. They are shown in Figure 2. These included a list of “planned activities” and a list of “indicators” (columns 2 and 3 respectively in Figure 2). The latter include both quantitative targets and specific actions. We comment on progress against these in Chapter 3 (planned activities) and against indicators (Chapter 4).

Traidlinks also set itself additional targets in some areas in the intervening period.

2.4.4 Risk Analysis

The PAEG proposal as approved also set out a risk analysis, the likelihood of occurrence of named strategic, operational and reputational risks rated as “high”, “medium” and “low”.

The only “high” risk identified was that of potential market confusion with the Fairtrade brand (which relates specifically to Heart of Africa).

Four “medium” risks were identified, including *Traidlinks'* involvement with companies engaged in discriminatory practices, *Traidlinks* being unable to attract companies in developing countries to engage in skills exchange programmes, difficulty in attracting additional Irish companies to engage with *Traidlinks*, and *Traidlinks* being unable to identify African partner companies with interest, capacity and capability to work with *Traidlinks*. (Two of these risks are very similar). As will be set out in later sections, two of these risks anticipated have tended to occur in practice, namely the level of engagement that interests companies on both sides. This has proven challenging, especially in terms of potential commercial links. It has in practice tended to be replaced by a forum on skills exchange involving *Traidlinks'* own staff and consultants, and some individual private sector members. We discuss this further later.

With the benefit of hindsight, a weakness of the PAEG proposal was that, while risks were well identified, there was no guidance on how their occurrence would be addressed, especially in the context of an experimental model.

FIGURE 2: *TRAIDLINKS*' ORIGINAL PROGRESS INDICATORS

Objectives	Planned activities	Indicators
a) To improve capacity and increase export activity	<ul style="list-style-type: none"> • Successful launch of Heart of Africa initiative • Brand support and market research in Ireland • Promotion of trade in development 	<ul style="list-style-type: none"> • Increase in export trade • Minimum of 2 new products added to range • New markets achieved by African companies • Increased co-operation with other interest groups
b) To develop partnerships and improve competitiveness through training, investment and focus on key market needs	<ul style="list-style-type: none"> • Promotion of strategic partnerships • Provision of management, technical and marketing supports 	<ul style="list-style-type: none"> • 5-10 new companies involved through • Increase in range of activities • Number of visits each way • New industrial placements with minimum of 5 companies • Increased number of improvement processes underway • Skills/Education Programme developed • Minimum of 4 research reports on supplier capability completed
c) To increase awareness	<ul style="list-style-type: none"> • Membership base and website development • Country research to highlight key trade and investment issues 	<ul style="list-style-type: none"> • website developed • Seminar held • CSR presentation prepared and circulated • Level of media activity • Minimum of 4 country research reports prepared

SOURCE: *TRAIDLINKS*' PAEG PROPOSAL, APRIL 2006, APPENDIX

2.5 Organisation and Management

2.5.1 Overall Structure

Traidlinks is a company limited by guarantee. The members are the Board members acting as individuals. It is also a registered charity and therefore designed to operate as a non-profit organisation. Therefore, as structured, *Traidlinks* itself has no commercial ambitions. However, its aims and objectives do envisage it facilitating establishment of commercial links between Irish and Ugandan (or other) partners.

The Board consists of nine members. It is made up of senior mostly business figures, primarily Managing Directors, Chairs and/or investors in leading Irish-based businesses, together with two NGO representatives.

The Board meets quarterly, while the Chair meets monthly with the management team. The business representatives on the Board include people who were originally involved with the Private Sector Forum and some additional members who have subsequently joined.

Some companies represented also tend to be ones which are active in partnering Ugandan companies and/or providing other in-kind supports (Bewleys, Tullow Oil, JFFG).

2.5.2 Financial Governance

The company's activities are governed by both the Companies Acts and the Charities Legislation. Its external auditor is PWC. At time of writing, the company had published audited accounts to end-2007, while additional financial projections were available for 2008.

The accounts format accords with best practice for charities. It also facilitates identification of full costs (i.e. staff and other) by Programme area.

2.6 Staffing and Other Human Resources

2.6.1 *Traidlinks*' Staff

During early 2008 the company had seven full-time staff, six Dublin-based and one based in Uganda. Dublin-based staff consisted of a General Manager, Deputy General Manager, an Office Administrator, Project Manager (general), Project Manager (promotion and awareness-raising) and a Programme Manager for Heart of Africa.

Staff in Uganda consisted of a Country Manager. At the time of writing, *Traidlinks* has advertised for additional staff for Uganda (see Annex 10).

Traidlinks has offices in Dublin and in Kampala, provided in both cases as in-kind benefit by different donors.

2.6.2 Consultants

Traidlinks augments its in-house expertise with the use of contract staff and consultants on an ongoing basis or a one-off basis. As set out in later stages, much of the input to companies in Uganda has been provided by a combination of its own staff and consultants on contracts.

2.6.3 Mentors

Another potentially important element of the *Traidlinks* human resource/skills mix is that of Mentors. These are senior individuals from Irish business who are willing to make themselves available to mentor companies in Uganda or *Traidlinks* staff. This mentoring can either be done on-site or in Ireland (e.g. if the company is selling on the Irish market).

The intention is that the Mentors will provide mentoring at a strategic level to a *Traidlinks* partner company in Uganda, and may also sit on an advisory group to provide guidance on development in relation to specialist project areas.

An exploratory meeting involving an initial group of Mentors took place in November 2007, and seven Business Mentors have now signed on. A list of the current Mentors is attached as Annex 8.

The Mentors also played an important role in selecting the current group of six partner/client companies with whom *Traidlinks* is working in Uganda (see Section 2.7.2 below).

2.6.4 Values and Governance

Traidlinks has also developed a series of statements regarding its values, and its governance approach. This includes:

- a *Traidlinks* Charter based on the United Nations Global Compact (Annex 6);
- a draft *Traidlinks* transparency policy (see Annex 9).

Published *Traidlinks* documents can be obtained at www.traidlinks.ie.

2.7 *Traidlinks*' Partners

2.7.1 *Irish Partners*

The *Traidlinks* model envisaged it building links between the Irish private sector and partners in developing countries.

In relation to the Irish private sector, the partners to date include the companies on the Board, and other companies and individuals who provide pro-bono in-kind benefits, including office premises in Dublin and Kampala, and in-kind supports to companies. The Irish corporate partners to date include Tullow Oil, Bewleys (represented on Board), and Amárach Consulting, Glenisk, HR Dynamics and Bachelors.

2.7.2 *Ugandan Partners*

Traidlinks currently has six active corporate partners in Uganda. These are listed in Table 1.1. A more detailed description, including *Traidlinks* interaction with them, is provided in Annex 4. Subsequent sections of this report will also discuss this interaction.

As can be seen, the companies range in employment size from 350 (Amfri Farms) to 39 employees (EABF). In terms of turnover, this ranges from €2.4 mn (Amfri) to €88,000 (Jakana).

Turnover per employee, based on *Traidlinks*' turnover and employment numbers, varies very widely – from €21,818 in Amfri Farm to €2,200 in Jakana. This shows that the business models involved vary widely, while the quality and consistency of numbers may also be mixed.

One client, namely Amfri Farms, was “inherited” from the Private Sector Forum, the other five have become partners during the *Traidlinks* operational period, having been selected during the November 2007 Mentor mission. Up to end-2007, therefore, actual company-level partnering really only involved Amfri Farms.

Criteria for the selection of companies, and a structured three-phase set of engagement procedures, have been prepared by *Traidlinks*, see Annexes 5 and 7. As part of this, partner companies are required to meet and adhere to a set of criteria based on UN standards, and with Irish Aid's cross-cutting issues – gender, environment, HIV/AIDS and governance. In our interviews with partner companies in Uganda these requirements, and compliance with them, were not raised as an issue in their relationship with *Traidlinks*.

Company	Sector/ Product	Employees	Outgrowers	Turnover (€)	Turnover per Employee	Market
EABF ²	Soya products	39	3,800	502,000	12,871	Small local supermarkets
JESA Farms	Mini-dairy	99	25	990,000	100,000	Major local supermarkets
Jakana	Fruit processing	40	90	88,000	2,200	Local/regional supermarkets, institutions
Maganjo	Consumer packed maize flour	350	5,500	850,000	2,428	Local supermarkets
Sesaco	Snack-foods	80	110	242,000	3,025	Local wholesalers/supermarkets
Amfri Farms ³	Organic fruit/veg	110	120	2.4 mn	21,818	Exports

¹ See Annexes for a more detailed profile
² East African Basic Foods
³ Two other Ugandan companies which have interaction with *Traidlinks* (Bank of Africa and Rwenzori) but these are not classified by it as partners/clients.

SOURCE: *TRAILINKS*

An important feature of the evolving situation is that, as already alluded to, the “partnership” concept has moved somewhat away from bilateral business-to-business partnering. The term “partnering” is now being used to refer to those companies which are partners of the *Traidlinks* organisation, but which may have interactions with *Traidlinks* staff and consultants or with multiple Irish companies. This is an important development and one needing a conscious decision among the *Traidlinks* stakeholders as to whether this is ultimately the desired model, or whether a more bilateral business-to-business partnership model would be preferable.

2.8 Financial Status of *Traidlinks*

2.8.1 Income and Expenditure

The IA commitment to *Traidlinks* is €4 mn, equivalent to an average of €1.3 mn per annum. Table 1.2 summarises *Traidlinks* actual income and expenditure during the period 2006-2007. For the purpose of the present review, the important year is 2007, the first full year of operation. During that year *Traidlinks*' expenditure was €756,000.

Income in 2007 was €453,800, of which Irish Aid accounted for €400,000, with in-kind contributions of €53,800. The relatively low Irish Aid 2007 draw-down reflected the fact that monies were carried forward from the previous year when *Traidlinks* expenditure was relatively low (PSF monies were available for the lead-in activities during 2006).

TABLE 1.2: SUMMARY OF INCOME AND EXPENDITURE 2006/07		
	2006 actual	2007 actual
Income:	900,000	453,805
of which IA	900,000	400,000
other	-	53,805
Expenditure	126,384	756,555
Net income/expenditure	+773,616	-302,750
SOURCE: <i>TRAILINKS</i> FINANCIAL STATEMENTS 31 DECEMBER 2007, AND <i>TRAILINKS</i> BUSINESS PLAN 2008		

2.8.2 Expenditure

Table 1.3 gives a breakdown of *Traidlinks* expenditure in 2007. In accordance with the status as an NGO, this is divided principally between “charitable activities” and “governance”, the latter being broadly equivalent to the head office function.

As shown, charitable activities constituted 83% of expenditure, governance 15.5%, and with smaller amounts for other costs.

Within charitable activities, the main items were salaries (25% of expenditure), exchange visits (22% of expenditure), and communications and promotion (principally HOA, 20% of expenditure). Across the organisation as a whole, salaries constituted approximately 30% of expenditure.²

² Exc. consultants

Cost category	Cost (€)	%
Charitable Activities	628,349	83.1
of which:		
salaries	187,895	24.8
skills exchange visits	166,970	22.0
communication/promotion	151,441	20.0
consultancy fees	30,683	4.0
Governance	117,214	15.5
of which:		
salaries	47,688	6.3
audit/accounting	21,953	2.9
consultancy fees	14,138	1.9
Cost of General Funds	7,262	0.9
Other resources expended	3,730	0.5
Total	756,555	100.0

SOURCE: TRAILINKS FINANCIAL STATEMENTS 31 DECEMBER 2007, AND TRAILINKS BUSINESS PLAN 2008

As shown in Table 1.4, expenditure in 2008 is projected to be much higher in 2007 – nearly €2 mn as against €756 mn, or growth of 156%. However, figures may not be directly comparable. Also, at end June actual expenditure was €527 so a large surge of activity in the latter half of 2008 would be needed to meet the full-year expenditure projection.

Table 1.4 shows expenditure by the main *Traidlinks* programmatic activity in 2007 (and corresponding projected expenditure in 2008). As shown, in 2007 skills exchange predominates with nearly 40% of expenditure in 2007, followed by Heart of Africa with 32%. Promotion and awareness is smaller at 15%. The three Programmes thus accounted for 84% of expenditure, and HOA and Skills Exchange for 69%.

Activity	2007		2008	
	Actual € mn	%	(projected € mn	%
Funds Generation	7,262	0.8	(45,671)	(2.3)
Heart of Africa	238,788	31.5	(406,781)	(20.1)
Skills Exchange	277,432	37.7	(929,945)	(48.0)
Promotion/Awareness	112,129	14.8	(120,854)	(6.2)
Governance	117,214	15.4	(136,292)	(7.0)
Other	3,730	0.5	(297,659)	(15.4)
	756,555	100	(1,937,202)	(100)

SOURCE: TRAILINKS FINANCIAL STATEMENTS 31 DECEMBER 2007, AND TRAILINKS BUSINESS PLAN 2008

Projected expenditure by activity in 2008 is taken from projections which are not fully consistent with the 2007 audited accounts. In particular, an unallocated “support costs” category is added. However,

they do indicate that the large levels of absolute growth in expenditure projected in 2008 is associated with the costs of Skills Exchange – projected to grow three-fold in 2008.

2.9 *Traidlinks'* Distinctness and Pilot Nature

As part of the desk research we examined briefly the practice of other donors in supporting business-to-business links. Other donor support to PSD generally, including technical assistance to PSD, is of course very extensive. Multilateral and bilateral entities such as UNIDO, the International Trade Centre, Technoserve, and GTZ all provide technical assistance in one form or other to PSD and PSD-support institutions, including in Uganda.

However, examples of donor support in the specific area of business-to-business links is much more limited. Hence the potential distinctness and pilot nature of this dimension of the *Traidlinks'* concept. We have not identified any other donors having a dedicated organisation devoted to this role.

An approach adopted by some bilateral donors is that of encouraging institutional links between organisations, including but not limited to private sector ones, in their own country and in developing countries. These schemes are funded out of the Bilateral Aid Programme, with an overall objective of poverty reduction in developing countries (see text box). They are generally typically in existence for 10 years or more.

Schemes generally involve provision of grant-assistance to the potential partner organisations to seed fund (i.e. reduce the costs/risks of) the early stages of organisation-to-organisation co-operation. This is done in the expectation that there are benefits for the organisation in the developing country in the form of technology or knowledge transfer, investment, export markets, etc.

Selected Bilateral Schemes Supporting B2B Links

One example is the Danish **Business-to-Business (B2B)** Programme³. This is funded from the Danida Bilateral Aid Programme, and involves provision of grant assistance specifically to enterprise partners to engage in co-operation with a company in a developing country. Eligible countries include Danida focus countries and a number of others. Various stages of funding are available, including feasibility, piloting and implementation. Maximum assistance available including all phases is €670,000 over a four-year period.

Another example is the **Asia Development Assistance Facility-Partnerships for Sustainable Development (ADAF-PSD)**⁴ Programme of the NZAID. This encompasses co-operation between both private sector organisations and also New Zealand University or public sector bodies. The focus is exclusively on Asia. Total support potentially available €314,000.

³ www.B2BProgramme.com

⁴ www.nzaid.govt.nz/adaf

The schemes we identified operate on a “challenge fund” basis, with applications invited from interested applicants – generally a combination of an organisation in the donor and beneficiary country in partnership. The applications are structured in accordance with a detailed pre-specified format and are evaluated against a set of systematic, published criteria.

These models may be worth further exploration by Irish Aid in either the context of *Traidlinks* or more widely. Clearly, the effectiveness of existing examples cited here or others would be an important input into any view taken about this approach. A feature of this approach is that it does not necessitate creation of any *Traidlinks*-type intermediary bodies, leaving the onus for long-term success entirely on the partners themselves.

More immediately, this limited comparative experience highlights the potentially interesting nature of the B2B aspect of the *Traidlinks*’ concept. It also highlights the pilot nature of the *Traidlinks*’ model as a whole, and the extremely early stage in its operational life at which this review is taking place.

3. *Traidlinks*' Progress and Activities to Date

3.1 Introduction

This Chapter summarises *Traidlinks*' activities to date. Section 3.2 summarises the main activities, by reference back to "planned activities" identified in the PAEG proposal (see Figure 2, middle column).

Section 3.3 presents and analyses the estimated time-input by activity. Section 3.4 describes progress against "planned activities" as set out in the PAEG proposal (see Figure 2 in Chapter 2, second column).

3.2 Main Activities to Date

3.2.1 *Objective 1: Improve capacity/increase exports activity*

Development of the Heart of Africa Brand, taken over by *Traidlinks* from the PSF, has been a major focus of attention to date. Major activities undertaken are set out below.

(a) *Launch of the Heart of Africa range*

The HOA range was launched in July 2006 by the then Minister of State (Mr. Connor Lenihan) – prior to the establishment of *Traidlinks*. The launch was attended by guests from the private sector, NGO community, Irish Aid, media and other key stakeholders.

The range included seven products – two teas, one coffee, three dried fruits, one macadamia nut. The range has since been expanded to ten products with the addition of one coffee, one macadamia and raisin, and one roasted salted cashew nut.

The dried fruit product is sourced from Amfri Farms in Uganda. The company works closely with JacobFruitfield Food Group, receiving assistance in production and quality control in Uganda, as well as marketing and distribution in Ireland. The nut products were sourced in Malawi. Tea and coffee are sourced more broadly in Africa with blending and marketing assistance provided by Barry's Tea and Bewley's Coffee.

By end 2007 the range was listed by Tesco nationwide in 70 stores, and with 49 Dunnes Stores. Sales for 2007 were, however, well below *Traidlinks* target levels.

(b) Brand Support and Market Research in Ireland

The Heart of Africa brand is owned by *Traidlinks*, and managed on its behalf on a commercial basis by JacobFruitfield Food Group (JFFG). Profits made by the brand are donated by JFFG to *Traidlinks* and re-invested in business development projects in Africa. Irish service providers to the brand have also pledged their support by offering reduced margins.

In-store tastings are the main promotional activities, with promotions taking place in June, September and November 2007, and similar programmes planned for 2008. Brand research takes place on a fairly continuous basis.

A *Traidlinks* Programme Manager is based at JFFG one day per week to facilitate communications and operations for the brand and weekly reports on progress are prepared.

Public relations have been facilitated by Wilson Hartnell, with McConnell's placing press advertising in the main national media. It is estimated that the value of media generated free of charge is of the order of €50,000.

(c) Promotion of Trade Development.

Given the conceptual nature of the topic and the number of different key audiences involved – government, the private sector, and NGOs with a diverse range of interests, a Communications Strategy was drawn up in 2007. The strategy includes a diverse range of activities with delivery responsibilities.

The topic was covered in two seminars organized in 2007. A seminar was organized in February 2008 in conjunction with Irish Aid and Dóchas titled "Partnerships for Sustainability". A central aim of the event was to create a dialogue among the Irish NGO community around the issue of Private Sector involvement in the developing world.

3.2.2 Objective 2: Develop partnerships and improve competition through training, investment and focus on key markets**(a) Promotion of Strategic Partnerships**

The focus of *Traidlinks*' activities under this heading was on developing and trialling partnership models and methodologies for their establishment. The company appointed an executive based in Uganda to identify potential partner companies, based on pre-set criteria.

A mission to Uganda by experienced Irish business people who had expressed an interest in acting as mentors was organized by *Traidlinks*, and the potential partners were visited. Based on feedback, six Ugandan companies were selected as potential partners (Amfri Farm + 5 new ones). The feedback also indicated an interest in the partnership concept from the Ugandan companies. The

Irish partners also expressed the view that until potential partner companies had clear up-to-date accounts, it would not be possible to work with them on a partnership basis.

Given these developments it was decided that a structured process was needed to engage with partnership companies, and The Partnership Company Engagement Process was developed (see summary in Figure 3).

FIGURE 3: *TRAILINKS* COMPANY ENGAGEMENT PROCESS

- The Initial Selection Phase
Initial selection based on identified selection criteria;
- The Pre-qualification Phase
During this phase the company agrees with the principles of the *Traidlinks* Charter and derived Responsible Business Questionnaire, a Confidentiality Agreement, and preparation and delivery of up-to-date management accounts;
- The Strategic Business Support Phase
Full business support will be provided during this phase which will include the development of a Business Plan, the provision of agreed inputs by *Traidlinks*, and access to other *Traidlinks* programmes e.g. workshops and trade missions.

Of the six potential Ugandan partner companies identified, four are in phase 2 – the prequalification phase - of the engagement process. They are receiving assistance from *Traidlinks* to up-grade their financial management systems and get their accounts up-to-date. Two are in phase 3 – Amfri Farms Ltd and Jakana Foods Ltd, and hence are receiving significant inputs from *Traidlinks*. The main beneficiary to end 2007 is Amfri Farms, also the sole Ugandan supplier to Heart of Africa. In terms of actual company partners therefore the *Traidlinks* story to end 2007 is hearing that of its relationship with one company – Amfri Farms.

(b) Provision of Management and Technical Supports

To date, *Traidlinks* has provided inputs to its six Ugandan partners: EABF, Jesa, Maganjo, Jakana, Sesasco and Amfri Farms. The bulk of this relates to Amfri, and the inputs to others only took place in 2008.

Very considerable supports have been provided to Amfri Farms by *Traidlinks* and its mentors. However, it is the partnership approach which has developed between Amfri and JFFG which has to drive the HOA project forward. The ongoing provision of support in product development, packaging, marketing, sales and distribution by JFFG is a prerequisite for this project to succeed.

Traidlinks supports to the other partner companies were provided in 2008, and were based on initial company assessments carried out by *Traidlinks*. They served to confirm that Irish companies are willing to get involved in the provision of support and assistance to Ugandan companies, and Ugandan companies value this assistance. Their provision also served to confirm that a framework

and structure for the provision of these supports needed to be created, and it was felt that the Engagement Process described above would provide this framework.

However, it is extremely early days in this process and the extent to which benefits will arise largely remains to be seen.

3.2.3 Objective 3: To Increase awareness

(a) Membership base and website development.

Both the *Traidlinks* and Heart of Africa websites were redesigned in 2007. *Traidlinks* hits from June-September 2008 were 115,973.

(b) In-country research to highlight key trade and investment issues.

A formal research project and report has not been carried out to date. General information has been obtained through working on the ground in Uganda, and during the research to identify potential partners referred to above.

3.2.4 Organisational Development and Governance

(a) *Traidlinks* Charter

The development of the *Traidlinks* Charter was an important precursor to establishing partnership arrangements with companies and organizations. The Charter is based on the UN Global Compact and lays out the ethical principles upon which *Traidlinks* and any associated companies base their organisation's values and operations. It acts as the foundation of *Traidlinks*' proposition to stakeholders and is a key component of *Traidlinks*' commitment to transparency and responsible decision making in all areas of the organisation. It has been made publicly available via the website. *Traidlinks* requires partner organisations to adopt the principles of the UN Global Compact as their business code of ethics.

(b) Completion of Charitable Status Registration

The application has been submitted and work is continuing to finalise the registration.

(c) Management and Control Systems

Management and reporting systems have been reviewed and agreed with the Board, and implemented.

(d) Establish and Resource Ugandan Presence

It was decided that an operation would have to be established in Uganda. Functions include Client Management, Project Implementation and Business Development.

FIGURE 4: PLANNED PAEG AS AGAINST ACTUAL ACTIVITIES

Ref	Planned Activities	Outputs
Objective 1: Improve capacity and increase export activity		
1	Successful launch of HOA range	<ul style="list-style-type: none"> • Launch in July 2006. • 7 Products in the range: 2 teas, 1 coffee, 3 dried fruits, 1 macadamia nut. • Initial listings and distribution in Londis, Spar, and Independents. • By end 2007 full listings with Tesco nationwide in 70 stores and in 49 Dunnes Stores.
2	Brand support and market research in Ireland	<p>JacobFruitfield maintains responsibility for sales, marketing and distribution of the Heart of Africa range. Support was provided as follows.</p> <p>Promotions:</p> <ul style="list-style-type: none"> • In-store sampling programmes in June, September and November 2007. <p>Public Relations:</p> <ul style="list-style-type: none"> • Featured on RTE's Ryan Tubridy show (services provided by WHPR). • Participation in festivals - Festival of world cultures, Electric Picnic (services provided by WHPR). • Press Advertising placed in range of national media (services provided by McConnell's) • Value of media activity generated free of charge in 2007 was Euro 44,800. <p>Market Research was also facilitated by JFF, with support from Smurfit School of Business and Amárach Market Research, on a pro-bono basis.</p>
3	Promotion of trade in development	<ul style="list-style-type: none"> • Communications Strategy to promote trade as a key component of development prepared and approved by Board, for roll-out in 2008. • Included as subject for discussion in Seminar in Dublin, with attendees from key business partners. • Included in seminar in Cork, with attendees from NGOs, the private sector and academia under a key discussion topic titled "The Power of Private Sector Development".

FIGURE 4: PLANNED PAEG AS AGAINST ACTUAL ACTIVITIES

Ref	Planned Activities	Outputs
Objective 2: Develop partnerships and improve competitiveness through training, investment and focus on key market needs		
4	Promotion of strategic partnerships	<p><i>Traidlinks</i> focus was on developing and trialling of concept. The following activities took place:</p> <ul style="list-style-type: none"> • Commitment from 7 senior Irish businessmen to join <i>Traidlinks</i> mentor panel. • Research in Uganda to identify potential partner Companies. • Mentor visit to Uganda to meet with and carry out initial assessment of potential Ugandan partners. • 6 potential partner companies identified. • Initial mentoring activities between Irish and Ugandan companies. • Confirmation of validity of strategic partnership concept from Ugandan and Irish businesses. • Development of Partner Company Engagement Process (see 3.3 below). • 4 companies are nearing completion of the pre-qualification phase of the Engagement Process. • 2 companies have completed pre-qualification and are involved in business planning in the business support phase (see 5 below).
5	Provision of management, technical and marketing supports	<p>Supports to Ugandan companies were supplied as follows:</p> <p>East Africa Basic Foods:</p> <ul style="list-style-type: none"> • Direct <i>Traidlinks</i> input to upgrade management accounts systems. <p>Jesa Farm Dairy:</p> <ul style="list-style-type: none"> • Study visit to Irish Dairy Farm and Irish milk processing companies – Glanbia and Glenisk. <p>Maganjo:</p> <ul style="list-style-type: none"> • Direct <i>Traidlinks</i> input to staff training in management accounts systems. <p>Jakana Foods:</p> <ul style="list-style-type: none"> • Direct <i>Traidlinks</i> input to Strategic Planning. • Study visit to Irish juice manufacturers – Batchelors, “popsicle” manufacturer Zed Candy, and Gleeson Group – drinks distributors and mineral water production. • On-going advice from Irish companies on informal basis. <p>Sesaco:</p> <ul style="list-style-type: none"> • Direct <i>Traidlinks</i> input to upgrade management accounts systems. <p>Amfri Farms:</p> <ul style="list-style-type: none"> • Direct <i>Traidlinks</i> input to upgrade management accounts systems, strategic planning, dried fruit manufacturing facility expansion. • Mentor inputs for completion of food safety audit, production control system, and work-force remuneration

FIGURE 4: PLANNED PAEG AS AGAINST ACTUAL ACTIVITIES		
Ref	Planned Activities	Outputs
		system. <ul style="list-style-type: none"> JFFG advice and assistance on product development and packaging, sales, marketing and distribution, production and quality control. Leveraged pro-bono inputs from Vard Partnership, Amárach Consulting, DSG Packaging. Company assessment: <ul style="list-style-type: none"> Mentor inputs from Irish Mentor Panel to assess and short-list potential partner companies in Uganda and identify main constraints to company growth.
Objective 3: To increase awareness		
6	Membership base and website development.	<ul style="list-style-type: none"> Separate Heart of Africa and <i>Traidlinks</i> websites re-designed and promoted. Traditional membership model not now planned by <i>Traidlinks</i>.
7	Country research to highlight key trade and investment issues.	<ul style="list-style-type: none"> Formal research not carried out to date. General information and knowledge obtained through research carried out in 3 above.
Organisation and Governance		
8	Develop and agree <i>Traidlinks'</i> Charter with the Board.	Agreed with the Board and included in pre-qualification phase for Partner Co Engagement Process.
9	Complete Charitable Status Registration.	Application submitted.
10	Develop and implement up-to-date management control systems including: <ul style="list-style-type: none"> Internal management and reporting Project management and reporting Financial management and reporting Governance Health and Safety issues. 	Review agreed by Board and implementation completed.
11	Establish and resource Ugandan operation.	Country manager appointed.
Donor Funding		
12	Identify Euro 2m non-government funding.	Specialist consultant appointed.
13	Secure Euro 2m Irish-Aid funding.	Application to be submitted.

(e) Donor Funding

As noted in the PAEG, identifying additional sources of funding from commercial sources, donations, and alternative funding bodies is a priority. The objective is to reduce the funding required from Irish Aid to less than 50% of *Traidlinks*' budget. *Traidlinks* own target is to identify € 2 mn non-government funding annually.

3.2.5 Summary of progress against agreed activities

Figure 4 summarises the previous descriptive sections regarding the activity under the agreed headings in the PAEG.

3.3 Time Input by *Traidlinks*

3.3.1 Overall Time Levels

Much of the available description of *Traidlinks* and its activities is written in fairly broad general terms. To gain a better sense of the nature and level of *Traidlinks*' activity in practice, including the relative importance of different activities, we asked *Traidlinks*' management to estimate the organisation's staff and other time availability/usage in person-weeks since it was established. It is very much to their credit that they were able and willing to do so.

Total person-weeks of work per year is estimated as follows.

	<u>Person-Weeks</u>
2006:	58
2007:	241
2008 (Jan-June):	235
	<hr/> 534

This means that in 2007 (the first full year of operation) the combined time inputs of all *Traidlinks* personnel on all activities is equivalent to about 5 full-time people.⁵ This includes estimated staff, consultants, Mentors and other pro-bono time inputs. This is a useful indication of the scale of magnitude of *Traidlinks*' activities, i.e. it is the rough equivalent of a professional service firm with five full-time professional staff in 2007 (and 10 in 2008).

3.3.2 Time Input by Activity Type

Cumulative time input by activity over the period 2006 to mid 2008 is shown in Table 3.1.

⁵ Calculated as 241 person-weeks divided by 48 person-weeks per typical person-year.

	Person weeks	%
Overall management/skills exchange	232	43
HOA project management	88	16
Business development – Uganda	38	7
Consultancy projects	30	6
Direct company input – Uganda ¹	104	19
Mentor inputs (pro-bono) ¹	19	4
Ireland-based (pro-bono) ¹	23	4
Total	534	100.0
¹ For breakdown by client company see Table 3.2		
SOURCE: <i>TRAILINKS</i>' ESTIMATE		

As shown, activity to mid-2008 was dominated by overall management/skills exchange, which accounted for about 40% of time. The start-up nature of the 2007 period helps explain this. Direct company-level business development inputs in Uganda and HOA management constitute most of the balance of the time utilisation.

3.3.3 Inputs by Ugandan Partner

As already described, *Traidlinks* currently has six business partner companies in Uganda to whom it is providing time inputs, i.e. from staff, consultants, Mentors, and Irish pro-bono donors. These six companies are EABF, Jesa, Maganjo, Jakana, Sesaco and Amfri Farms.

Table 3.2 shows cumulative time inputs to these six firms in person-weeks to June 2008, again as estimated by *Traidlinks*' management. The table shows that a total of 146 person weeks of time-input has been provided to mid-June 08. This is equivalent to about three person-years⁶. It represents 27% of all *Traidlinks*' personnel time available over the period (see Table 3.1, bottom three rows). The balance was devoted to other activities

Table 3.1 above also shows that one Partner company, Amfri Farms, dominates this company-level. It accounts for 101 person-weeks or 69% of the time given directly to companies up to June 2008. This is equivalent to about two person years over the period, a very sizeable input. It also means that to date the *Traidlinks*' Skills Exchange/Partnering story resource-wise is very much one of its relationship with Amfri Farms.

The Table also shows that the input to Amfri has been mainly provided by *Traidlinks*' staff/consultants as distinct from Mentors and donors. Much of this has involved individual *Traidlinks*' personnel spending protracted periods working in the firm, effectively full-time during 2007 and 2008.

⁶ Calculated as $146 \div 48 = 3$

TABLE 3.2: INPUTS TO UGANDAN PARTNER COMPANIES AND LOCAL SUPPORT SYSTEM 2006-JUNE 2008.				
Partner Companies	Input provider	Inputs	Person weeks	
Amfri	<i>Traidlinks</i> staff and consultants	Strategic planning, general management, assistance/client management	28	
		Management accounts (imbedded)	6	
		Financial management and project management (imbedded)	20	
		Production (imbedded)	20	
		Sub-total staff/consultants	74	
Mentors		Food safety audit	0.5	
		Production control systems	3	
		HR, remuneration systems	1	
		Coffee (Bewleys)	2	
		Subtotal Mentors	6.5	
Leveraged pro-bono Irish companies		Packaging design, market research, usage of packaging facilities		
		Sub-total Irish companies	23	
JFFG		Product development and packaging, sales, marketing and distribution, production and quality control	On-going	
Total Amfri (Excl JFFG)			101.5	
EABF	<i>Traidlinks</i>	Management accounts	5	
		Contact initiation and company appraisal	3	
		Sub-total staff/consultants	8	
Jesa	<i>Traidlinks</i>	Contact initiation and company appraisal	4	
		Sub-total Traidlinks	4	
	Mentors		Kelly's Farm	0.5
			Glanbia	1
			Glenisk	0.5
Sub-total Mentors	2			
Maganjo	<i>Traidlinks</i>	Management accounts	2	
		Mentor introduction	2	
		Sub-total staff/consultants	4	
Jakana	<i>Traidlinks</i>	Company assessment and planning	6	
		Mentor introduction	2	
		Management accounts	2	
		Sub-total staff/consultants	10	
	Mentors		Batchelors	1
			Zed Candy	0.5
			Gleesons Group	0.5
			Sub-total Mentors	2
Sesaco	<i>Traidlinks</i>	Company assessment and strategic planning	1	
		Mentor introduction	2	
		Management accounts	5	
		Sub-total staff/consultants	8	
Total other partner companies			39	
Group Workshop	Mentor	Building Retail Relationships	1.5	
Sub-total Mentors			1.5	
Mentor Mission	Mentors	Company Assessments	7	
Sub-total Mentors			7	
Sub-total staff/consultants			104	
Sub-total Mentors			19	
Sub-total leveraged pro bono Irish companies			23	
Grand Total			146	

In terms of activity undertaken by *Traidlinks*' personnel, Table 3.2 shows that, within the Partners other than Amfri, development of management accounts dominated inputs (12 out of 20 person weeks) with the rest devoted to strategic planning and study visits (to Ireland). In the case of Amfri, *Traidlinks*' time was devoted to strategic planning/general management, financial and project management, production systems and packaging. The latter reflects Amfri's status as a HOA supplier – the only HOA supplier among the present Partner group.

In terms of the source of the personnel inputs provided by *Traidlinks*, Table 3.2 (bottom box) is important. This shows that, of the estimated 146 person-weeks provided (free of charge) by *Traidlinks* to its Partners up to mid-2008, 104 or 71% was provided by *Traidlinks*' staff or consultants on contract to *Traidlinks*. Pro-bono time of individual Mentors or Irish pro-bono supplier companies constituted the balance of 29%. This means that on the one hand, based on these estimates, substantial pro-bono time has already been attracted to the *Traidlinks*' model. On the other, most time input to Ugandan Partner companies is provided by paid staff and consultants.

4. *Traidlinks*' Effectiveness and Efficiency

4.1 Introduction

This Chapter deals with the matters of *Traidlinks*' effectiveness and efficiency, highlighted as requirements in the Terms of Reference.

It does this by considering the extent to which the original defined targets have been achieved in practice, i.e. the quantitative targets and milestones defined as "indicators" in the original PAEG application as approved, the assessments of the Ugandan partner companies on *Traidlinks*' inputs to them, and *Traidlinks*' own assessments of its performance to date. The Chapter also considers the issues of *Traidlinks*' cost-effectiveness in terms of the cost of its inputs and its measurable achievements as against the total investment involved to date.

4.2 Extent to Which Original Targets Achieved

4.2.1 PAEG Targets

Chapter 3 (Section 3.2) already reviewed *Traidlinks*' activities against those set out in the original PAEG proposal. The proposal also set out a series of quantified targets and specific milestones. These were grouped under the three "Specific Objectives" of *Traidlinks*.

Figure 5 lists these quantified targets and summarises actual progress against them during the period to date. The subheadings listed are taken directly from the PAEG indicator list (see Figure 2 in Chapter 2, third column).

FIGURE 5: *TRAIDLINKS*' PERFORMANCE AGAINST QUANTIFIED TARGETS

Ref	Quantified Indicators	Actual Progress
<i>Objective 1: Improve capacity and export activity</i>		
1	Increase in export trade	HOA exports to Ireland: 2007 Euro 170,000 2008 (to end June Euro 140,000)
2	Minimum of 2 new products added to range	3 new products added: <ul style="list-style-type: none"> • 1 coffee • 1 roasted macadamia nut and raisin • 1 roasted and salted cashew nut.
3	New markets achieved by African Companies	New markets achieved by 3 African Companies: <ul style="list-style-type: none"> • Amfri Farms to Ireland • Amfri Farms to Germany • Sable Farms (Macadamia Nut) to Ireland
4	Increased co-operation achieved with other interest groups	<ul style="list-style-type: none"> • Proposal developed to include the Ugandan Export Promotion Board in an Integrated Company Development Programme, aimed at assisting SMEs to export into local and regional markets • Fairtrade (sourcing of tea and coffee) • Working with Dochas to develop joint communications platform for increasing awareness of need to support the private sector in developing countries

FIGURE 5: TRAILINKS' PERFORMANCE AGAINST QUANTIFIED TARGETS

Ref	Quantified Indicators	Actual Progress
Objective 2: Develop partnerships and improve competitiveness through training, investment and focus on key market needs.		
5	<p>5/10 new companies involved through:</p> <ul style="list-style-type: none"> • Increase in range of activities • No of visits each way • New industrial placements with minimum of 5 companies • Increased number of improvement processes underway 	<p>5 new African companies involved at the pre-qualification stage of the Partner Company Engagement Process:</p> <ul style="list-style-type: none"> • East African Basic Foods Ltd • Jesa Farm Dairy Ltd • Maganjo Grain Millers Ltd • Jakana Foods Ltd • Seseco Ltd <p>Three new area have been introduced:</p> <ul style="list-style-type: none"> • Management Accounting. Underway with 5 companies • Strategic Business Planning. Underway with one company • Study visits. Completed for 2 companies <p>Ugandan company visits to Ireland:</p> <ul style="list-style-type: none"> • Amfri Farms visited JFFG • Jesa Farm Dairy visited Kelly's Farm, Glanbia, Glenisk. • Jakana Foods visited Batchelors (Juice Processing), Zed Candy (Popsicles) <p>Irish Mentor visits to Uganda:</p> <ul style="list-style-type: none"> • One week mentor mission to visit potential partner companies and carry out initial company assessments. 7 Mentors involved • Separate visits by 4 specialist mentors (3 for one week each, and 1 for one week) <p>Not achieved to date</p> <ul style="list-style-type: none"> • Up-grading of management accounts systems underway with East Africa Basic Foods, Sesaco, Maganjo • Installation of new drying machinery underway with Amfri Farms

FIGURE 5: *TRAIDLINKS*' PERFORMANCE AGAINST QUANTIFIED TARGETS

Ref	Quantified Indicators	Actual Progress
		<ul style="list-style-type: none"> Jesa Farm Dairy developing silage as an additional component for their animal feed New Product development (popsicles) nearing completion with Jakana Foods.
	<ul style="list-style-type: none"> Skills exchange programmes developed 	<p>Apart from Amfri, skills exchange programmes between Irish and Ugandan companies have not been developed. Following visits to Ireland by Ugandan companies some advice and assistance is being provided in an informal manner as follows:</p> <ul style="list-style-type: none"> Batchelors and Zed Candy are providing advice on an informal on-going basis to Jakana Foods-. Kelly's Farms, Glanbia and Glenisk provide advice on an on-going informal basis to Jesa Farm Dairy
	<ul style="list-style-type: none"> Min 4 research reports on supplier capability completed. 	Two supplier capability reviews for HOA carried out in 200.
Objective 3: To increase awareness		
6	Website developed	<i>Traidlinks</i> website developed and promoted with traffic increased to 5,413 hits in period May/Dec '07
7	Seminar held	2 Seminars held in 2007 for private sector and NGO groups
8	CSR presentation prepared and circulated	Not achieved to date
9	Level of media activity	<ul style="list-style-type: none"> HOA feature in Tubridy show (WHPR provided substantial assistance) HOA participation in Festival World Cultures, and Electric Picnic music festival Media publicity arising from the three seminars mentioned in 7 above Press advertising in national dailys (McConnell's provided assistance) Value of media activity generated – Euro 44,800
10	Minimum of 4 country research reports prepared	Not achieved to date

4.2.2 Comments on Achievement of Targets

Objective 1: Improve capacity and export activity

(a) Increase in exports and activity

Traidlinks' plans for 2007 included a target turnover for HOA in 2007 of €850,000. Actual turnover achieved was much less. Production capacity at Amfri was given as the reason for the lower than expected result. This is currently being addressed with the installation of additional plant and equipment - an investment of €85,000 in total. Financing of this construction has been made possible by the intervention of *Traidlinks*, JFFG and Bank of Africa Uganda.

This is an example of how partnerships with Irish companies and the Irish business network can provide crucial assistance. Amfri remained the sole supplier of dried fruit. However no suitable additional supplier was found.

The HOA project is reported to be the only project capable of producing increased exports at this time.

(b) Minimum two new products added

New products, macadamia nut and cashew nut, had to be sourced in bulk outside Uganda as no suitable suppliers of retail packaged product meeting European quality standards were found in Uganda.

(c) African companies supplying to new markets

The target was achieved, although sales are at a very early stage of development.

(d) Increased co-operation achieved with other interest groups

To try to position the *Traidlinks* approach and model in Uganda against those of other support agencies the consultants met with relevant government departments, state agencies and donor funded NGOs in Kampala (see Annex 2).

Although these were aware of *Traidlinks* in general terms, NGOs and Agencies met were generally not familiar with the *Traidlinks'* offering and activities in Uganda. They would like to know more, and there is a lot of interest as this is the "newcomer" to the scene.

Objective 2: Develop partnerships and improve competitiveness through training, investment and focus on key market needs

5/10 New Companies involved

As detailed in Section 3.3, five new companies are involved in the initial stage of the Company Engagement Process. This phase involves the completion of up-to-date management accounts. It is anticipated that they will have completed this process, and developed Strategic Business Plans before year-end. Thus it will have taken almost one year to complete Phase 1 for these five companies.

However, at present except for Amfri Farms and two other informal arrangements the “Partnership” is with *Traidlinks* rather than with Irish corporate partners.

Objective 3: To increase awareness

(a) *Traidlinks*’ website is developed

Some 5,413 hits is an indication of the effectiveness of the website and the interest in *Traidlinks*.

(b) Seminar held

The two seminars organized in 2007 were well attended and considerable media interest and publicity was generated. Attendees included representatives from Irish NGOs, government and the Irish private sector. The specific topic introduced in the second seminar “Is there a place for the private sector in development? What’s that got to do with you? Why should you care?” was well debated and served to specifically address the issues involved – development of the private sector as a route to the alleviation of poverty and the role of the private sector in developed countries in this type of activity.

A third event was held in February 2008 in conjunction with Irish Aid and Dóchas, again well attended.

(c) CSR presentation prepared and circulated

It was recommended that alternative approaches should be examined.

(d) Level of media activity

A considerable level of media interest has been developed, which effectively demonstrates the interest in the topic of Irish private sector involvement in development, and in *Traidlinks* activities in the area.

(e) Minimum of four country research reports prepared

No formal country reports have been prepared. We later propose that the present experiential learning approach needs to be augmented by relevant formal research, as originally envisaged.

4.3 Ugandan Partner Assessments of *Traidlinks*

4.3.1 Introduction

During the field visit to Uganda the current six active *Traidlinks*' partner companies were met. In each case they were asked inter alia about:

- their satisfaction level with *Traidlinks*;
- *Traidlinks*' strengths/weaknesses as perceived by them;
- *Traidlinks*' distinct added value.

The results are summarised here. Company profiles are provided in Annex 4.

4.3.2 Ratings Provided

Figure 7 summarises the results of these discussions. It can be seen that:

- company responses display a high level of consistency;
- satisfaction levels are very high, and better than the reported ratings given to other development organisations within which they had contact;
- the reason appears to rest with *Traidlinks*' strength in providing one-to-one advice from *Traidlinks* personnel, consultants or Mentors, this generally referred in particular to work on the accounts system (by *Traidlinks*' consultant John Sheahan);
- the companies' main difficulty is a perceived lack of clarity about *Traidlinks*' offer, and companies say they do not understand how the partnership process works;
- companies would advise a continuation of the existing type of service, with greater clarity about what *Traidlinks* will/will not do.

Interestingly, access to Irish partners was generally not cited by companies as one of *Traidlinks*' positive dimensions, it is more seen as a service provider than an access route to Irish business partners.

Without being negative, the positive assessments must also be seen in the context of actual or prospective high levels of free *Traidlinks* input to the companies, and their awareness of the interviewee as a consultant to Irish Aid.

FIGURE 6: FEEDBACK FROM UGANDAN PARTNER COMPANIES

Feedback headings	Company 1	Company 2	Company 3	Company 4	Company 5	Company 6
How was initial contact made?	<i>Traidlinks</i> Consultant	<i>Traidlinks</i> Consultant	<i>Traidlinks</i> Consultant	PSFU	PSFU	<i>Traidlinks</i> Consultant
<i>Traidlinks</i> direct assistance provider?	J Mulhall J Sheahan	J Mulhall	J Mulhall J Sheahan	J Mulhall J Sheahan	J Mulhall J Sheahan	J Mulhall J Sheahan Eimer Fanning Margaret Ryan
Mentor involved?	None	Kelly Farms in Irl Glanbia in Irl	None	Batchelors in Irl Zed Candy in Irl	None	S Tormey Brendan Mc Donnell Tony Kehoe JFFG
Satisfaction with <i>Traidlinks</i> experience? (Rank 1-5)	(4)	(4)	(4)	(5)	(4)	(5)
<i>Traidlinks</i> Strengths	One-to-one independent expert adviser Sustained participative approach	Flexible approach to providing assistance	One-to-one independent expert adviser	One-to-one independent expert adviser Visits to Companies in Ireland	One-to-one independent expert adviser	Participative holistic approach Effective transfer of skills. Independent advisers
<i>Traidlinks</i> Weaknesses	Staff turnover. <i>Traidlinks</i> offering not clear	<i>Traidlinks</i> offering not clear Slow follow-up	Staff turnover	<i>Traidlinks</i> offering not clear Slow initial follow-up	<i>Traidlinks</i> offering not clear	None identified
<i>Traidlinks</i> Distinct added Value	One-to-one independent expert adviser	Holistic approach. Flexible	Sustained participative approach	Holistic approach	Holistic approach	Independent advisers
Other support Sources used? Satisfaction Rating? (1-5)	Africa Development Fund (2)	Danida (5) ADF (3)	ADF (2)	PSFU (3) WB (3)	ADF (4)	Danida (3) PSFU (3)
Recommendations of interviewee on future direction of <i>Traidlinks</i> ?	Continue to provide one-to-one independent expert advisers	Clarify offering and improve follow-up	Continue to provide one-to-one independent expert advisers	Clarify offering	Provide assistance to source finance	Consider using group/cluster approach

4.3.3 Views of Other Ugandan Stakeholders

During the field visit to Uganda we also met with a number of government agencies and other donors in the area of PSD (see Annex 2 for full list).

A lot of interest was expressed among the NGO community, government departments and agencies as to how *Traidlinks* will achieve its stated objectives. However, like Ugandan partner companies, they also claim not to know much of the detail of *Traidlinks*' work, and do not understand how the partnership process will work. It is important that *Traidlinks* articulate its offer more clearly, otherwise credibility at official and donor levels on the ground could become an issue. This could relate not just to *Traidlinks* but also to Irish Aid as the donor.

We later propose a greater opening up of the *Traidlinks* learning process to participation of, and review by, other relevant stakeholders in Uganda.

4.4 *Traidlinks*' Cost Effectiveness

4.4.1 Cost of *Traidlinks*' Time

One way to consider *Traidlinks*' efficiency is in terms of the unit cost of its time provision as a professional service organisation.

Such estimates face difficulties. In particular it is difficult to relate *Traidlinks*' cost categories with time-inputs classifications. It is also obvious that there is relatively little experience to date on which to base such an analysis, i.e. in effect one full year. Against that, likely future costs are a central consideration to the future of *Traidlinks*. Hence some tentative, indicative, estimates are presented here.

TABLE 4.1: ESTIMATED UNIT COSTS OF TRAILINKS' TIME 2007	
<i>Traidlinks</i> ' total costs (based on audited accounts)	Total cost €756,555
Total person- weeks provided	241
Cost per person-week	€3,139
Cost per person-day (week ÷ 5)	€628
SOURCES: TRAILINKS' ANNUAL ACCOUNTS 2007 AND ESTIMATED TIME PROVISION	

Table 4.1 contains a broad estimate of the unit cost of *Traidlinks*' professional time in 2007. This estimates the cost per person day based on total costs as in the audited accounts for 2007, and *Traidlinks* management's estimate of the total level of time provided by staff/consultants etc. for all *Traidlinks*' activities in that year. *Traidlinks*' time inputs have already been discussed in Section 3.3.1.

Table 4.1 shows that total cost of the Traidlinks organisation, i.e. staff, travel, overheads, etc. in 2007 of €756,555 (see Table 1.4 earlier) and total person-weeks of time of 241. This latter estimate includes all professional personnel (staff, consultants, Mentors, pro-bono) on all types of activity (technical assistance to companies, management in Ireland etc). This cost and time-input level gives an estimated total cost per person-week in 2007 of €3,139 or per person day (assuming a 5-day week) of €628.

These rough estimates indicate that weekly or daily costs of *Traidlinks*' personnel in 2007 may be in a similar range to those of lower-cost consultants, depending on how calculations are done. These figures relate to 2007, a start-up year. Against that, they relate to all activities, not just face-time with Ugandan partners. On some alternative calculations, e.g. exclusion of pro-bono time, the unit costs of time would be higher.

The implications here are that, notwithstanding a significant level of pro-bono time inputs, the *Traidlinks*' model is not a "low-cost" one. It is time intensive, and professional time provided by Irish personnel on the ground in Africa is inherently costly.

4.4.2 Costs per Partner Company

Again, taking the 2007 total expenditure of €756,555 (as per audited accounts) and six partner companies gives an average cost per Ugandan partner company of €126,000. During 2008, this will have risen to about €360,000 per Ugandan partner if *Traidlinks*' 2008 financial projections are correct. Certainly the 2007 figure is low as Partner clients other than Amfri Farms were not active for much of that year.

These crude estimates raise the issue of scalability if *Traidlinks* is to continue to fund the full costs of intensive company-level technical assistance intervention. For example, taking an arbitrary future number of 25 active Ugandan partners, and the average potential 2008 cost per client (€360,000), this level of activity would necessitate a *Traidlinks* budget of €9 mn per annum. An active client base of 50 firms, possibly over two countries, would pro rata require an annual budget approaching €20 mn.

It could be argued that costs per Partner firm will fall as numbers of clients grow. However, it is not clear at what scale this fall would commence. In *Traidlinks*' case it would be optimistic to presume this would happen soon. In the short-term, further expansion will necessitate new costs such as full-time Dublin management (which currently simultaneously operates in the field).

4.4.3 Costs of Traidlinks' Achievements

The previous sections examined the cost of *Traidlinks*' inputs. The second dimension of *Traidlinks* cost-effectiveness is the results that are achieved arising from the financial inputs.

Below are some observations that can be made on this by major activities, utilising information on costs and on the identifiable achievements associated with these.

Heart of Africa:

The Heart of Africa is resourced in two ways by *Traidlinks*. Firstly, there are direct costs associated with it, largely incurred in Ireland and largely of a marketing/communications nature. In 2007, these constituted €238,788 (see Table 1.4 earlier). Secondly, to date a sizeable element of the Skills Exchange programme is also HOA-related in being directly involved in supporting the supply-side in Amfri Farm.

Total Heart of Africa sales in 2007 were well below these figures. This therefore suggests there is a major challenge in Heart of Africa justifying the present level of expenditure on it.

The related and important issue regarding Heart of Africa is whether it can be converted into a purely commercial relationship between the JacobFruitfield Group and Amfri Farms. There does not appear to be any appetite on the part of the JacobFruitfield Group for this to happen. This reflects in part the limited supply capabilities of Amfri Farms. This therefore means that this existing trading relationship may not have the ability to be converted into a purely commercial one.

***Traidlinks* Inputs to Amfri Farms:**

As described in earlier sections, the *Traidlinks* experience to end-2007 is to a considerable extent that of its experience with Amfri Farms. This company to date has been a beneficiary of nearly 80% of all *Traidlinks* activity. Recognising that a sizeable proportion of *Traidlinks* activity to date has been of a developmental nature, the governance costs might be excluded from consideration here. Non-governance costs in 2007 amount to €639,341. Amfri Farms arguably benefit to the tune of 80% of this, or approximately €0.5 mn. Even if 50% of this is written off against learning and process development, a €250,000 investment has been made in 2007. This is a sizeable investment in a company with a turnover of €2.4 mn. Furthermore, it represents an annual figure only, and the 2008 figure is likely to be larger.

In defence of this, it could be said that it is likely Amfri Farm's turnover may grow very rapidly in the period ahead. However, in that case there is an argument that some of the costs of *Traidlinks*' input should be being met by the company itself as an investment in its own future. An aspect of this is reputedly poor access to finance in Uganda. However, *Traidlinks* should not try to become a substitute for access to investment finance. In Amfri Farm's case for example, it should arguably be helping the company to access capital investment from the schemes of other donors, some of which could then be expended on *Traidlinks*-type input.

Some of the inputs, e.g. in terms of putting accounting systems in place, could also be purchased on the market in Uganda, possibly cheaper than they can be provided from Ireland. While the role of specialist Mentors from Ireland is highly desirable, placing Irish personnel in semi-long-term positions in companies such as Amfri Farms, where they are playing roles of a fairly non-specialist nature, is questionable in terms of its cost effectiveness and value-for-money.

4.5 *Traidlinks'* Own Assessments

4.5.1 *Internal Process of Assessment*

From the outset, *Traidlinks* has had an awareness of its exploratory nature and of the need to learn lessons from this. In particular, lessons were set out in a number of sources:

- the 2008 Business Plan;
- the NGO Conference of Feb. 2008;
- a special Board Meeting on strategy in June 2008;
- *Traidlinks* Review of June 2008, including a draft Strategy 2009-11. These are reported on in the section below.

4.5.2 *2008 Business Plan*

The Executive Summary of the 2008 Business Plan (published in January 2008), contains a very useful summary of the lessons and issues as perceived by *Traidlinks'* management at that point.

Essentially the Plan took the view that the overall concept of *Traidlinks* has been broadly proven to be successful, citing "confidence that *Traidlinks'* concept has been very well received both within the Irish private sector and the business sector in Uganda", and that "a combination of both skills exchange and company mentoring programmes supported by *Traidlinks* facilitation both in Dublin and Uganda results in a meaningful intervention with the potential to make significant differences to the SME sector in Uganda".

It goes on to make the important statement that "the Skills Exchange Programme remains *Traidlinks'* core business activity and all activities are designed to support this programme area".

This statement could be said to represent a distinct shift in direction and the primacy of the Skills Exchange Programme is less evident in earlier statements.

The Plan goes on to emphasise the importance of the *Traidlinks'* organisation as a conduit of this expertise stating that "establishment of an operation in Uganda to ensure *Traidlinks* has skilled staff in situ at the point of service delivery is essential".

These combined provide an important indication of *Traidlinks*' management's vision of the future. This is very much one of *Traidlinks* as an organisation providing technical assistance for business development on the ground in Uganda through a combination of its own staff and expertise drawn from the Irish private sector.

Regarding the Heart of Africa, the 2008 Review recognised the slow roll-out and the fact that the 2007 turnover was significantly below *Traidlinks*' expectations. It went on to comment that "substantial growth in both sales revenue and product range is essential for the brand to achieve the scale required to be commercially sustainable in its own right".

4.5.3 *Traidlinks*' Conference on Private Sector Development

Traidlinks' Conference on Private Sector Development in February 2008 included a presentation by *Traidlinks* entitled "What We've Learned?" It asked three questions regarding experience to date:

- do African businesses want the mentorship of the Irish private sector?
- is the Irish private sector willing to contribute skills and expertise in pursuit of *Traidlinks*' vision/mission?
- how does *Traidlinks* design programmes of activity to achieve its vision/mission?

The wording of these questions is itself interesting because it implies a concept where Irish companies are supporting the *Traidlinks* mission rather than vice versa, and also presents the partnerships as being exclusively about skills exchange.

In answering its own questions, it drew four broad conclusions:

- that its activity is a complex business, balancing supply and demand and dealing with the heterogeneous nature of the Irish private sector (undoubtedly true);
- that engagement must be facilitated by *Traidlinks*' staff in country of operation (a significant conclusion);
- the process is slow and frustrating (which is absolutely correct and would have been well known to specialists in supports to SMEs in developing countries);
- to provide good quality support *Traidlinks* must address issues in the economy that inhibit business development, and support must be directed towards these other wider institutions. This too is a major conclusion and brings *Traidlinks* potentially into the area of lobbying regarding such macro level issues.

4.5.4 *Traidlinks*' Board Presentation June 2008

In June 2008 *Traidlinks* had a Board Meeting specifically to discuss future strategy. Again, *Traidlinks*' management set out its perception of the lessons that have been learned to date, and the strategic choices faced.

Regarding lessons learned so far, they concluded that what works is:

- a focus on company needs;
- supported implementation;
- programme/consultancy delivered by Irish private sector specialists.

(Again, a shift here is discernible where Irish private sector consultancy specialists are now seen as representing the Irish private sector).

It also said that what *Traidlinks* is good at is business development, knowledge of the European marketplace, relating to the Ugandan business context, accessing the goodwill of the Irish private sector and being practical.

The presentation went on to set out a number of strategic choices. Regarding its modus operandi, it set out a choice between:

- broad versus deep interventions;
- SME versus end-to-end export supply chain;
- B2B versus wider advocacy;
- aid versus commercial focus;
- address cash barrier alone versus co-opt other to this mission.

Specifically regarding the model of purely business-to-business links and a focus on wider business supports at implementation level (where arguably the organisation is currently going) the presentation also set out the pluses and minuses. The advantages and disadvantages of business support at implementation level (essentially the current emerging model) were seen as necessary because nothing will happen otherwise, satisfying the needs of the primary stakeholder sets *Traidlinks* apart from other organisations (which is arguably not so) and plays to *Traidlinks* strengths.

Disadvantages were correctly seen as being resource-intensive, having limited scalability in the short-term, difficult to communicate the benefit, and *Traidlinks* not being accessible to many potential business partners (i.e. being an exclusive model).

The advantages and disadvantages of a business-to-business approach only were described as: “plus” being based on its existing strengths and its focus, and “minus” being that there is no direct impact on systemic change and that the *Traidlinks* performance is dependent on policy makers.

4.5.5 *Traidlinks* Review of June 2008

The Review of June 2008 presents the outcome of the Board discussions on the management presentation described in Section 4.4.4 above. This is contained in an Appendix to the June report. Given its importance it is provided in full in the Annex. Our understanding is that this represents the views of the management and of the Board as a board.

This Annex contains an Outline Draft Strategy Plan 2009-11. it envisages further elaboration and ratification at the October 2008 Board meeting. We comment on this timing in Chapter 5.

Essentially the Draft Strategy Plan takes a position on a series of strategic choices already outlined in Section 4.4.4. These choices and the proposed position are presented below.

Strategic Choice	<i>Traidlinks</i>' Proposed Position
• Deep <u>or</u> broad interventions (i.e. current model or less intensive)	Range of deep <u>and</u> broad supports
• SME focus v alternative model	Focus on SMEs
• Business-to-Business v Wider Advocacy	Combination of both
• Aid v Commercial Focus	Aid focus
• Uganda v additional countries	Uganda plus two more countries
• Food v wider sectors	Food-centric focus

This move to develop a Strategic Plan, based on experience to date, is very welcome and commendable. Our main issue with it is not really about some of the basic choices being made, we see good reasons for some of these. We would, however, have a number of concerns. The main ones are that:

- a) we are not convinced that the learning to date is actually an adequate basis for some of the choices now being made (with little over a year's operational experience, largely with one firm in Uganda);
- b) we think there are some potential strategic choices not reflected in the current list, in particular that of a more true Business-to-Business (B2B) as distinct from a *Traidlinks*-to-Business (T2B) one, here B2B and T2B are treated as the same;
- c) we think a wider range of stakeholders and of experience needs to be brought to bear on the *Traidlinks* lessons to date;

- d) we think, which *Traidlinks* also recognises, that at this juncture basic choices cannot be made without their resource implications being known.

Overall, we therefore think there is a danger of “rush-to-judgement” as to where to go next, and that more time should be taken over this critical step in *Traidlinks*’ evolution.

5. Conclusions and Recommendations

5.1 Introduction

The overall objective of this report, as set out in the Terms of Reference, was to: “evaluate the performance of *Traidlinks* to date, the extent to which its objectives are being met, and to assess the strengths and weaknesses of the approach and the implementation processes”.

In this context, the evaluation was asked to address a number of specific issues including:

- the project’s relevance, efficiency levels and effectiveness;
- the innovative nature of the project;
- the quality of work undertaken in 2007 – as the first year of operational activities;
- progress against the indicators agreed for the project when it was set up;
- recommendations on the *Traidlinks*’ element of the overall Irish Aid approach to private sector development.

This Chapter presents the report’s conclusions and recommendations in the form of a direct response to these issues. It does so in reverse order. It first addresses the specific issues raised in the Terms of Reference (Section 5.2), then uses this as a basis to draw overall conclusions regarding performance to date, objectives, and strengths and weaknesses (Section 5.3). It then presents its recommendations (Section 5.4).

Chapter 1 referred to a number of challenges that the evaluation has faced. In particular, it must be emphasised that it was undertaken relatively early in the operational life of *Traidlinks* – with only one year’s full operation complete at the time of the evaluation. Secondly, the innovative and exploratory nature of the *Traidlinks* concept means that there was always a consciousness that there would be strengths and weaknesses in the initial results. Thirdly, also inherent in *Traidlinks*, is the fact that it has been evolving over time, making definitive assessments more difficult.

Following from this, it is important to take a balanced approach to evaluating *Traidlinks*’ performance to date. On the one hand, its strengths and achievements must be acknowledged, and this must be done in the specific context in which it was operating. Many of these strengths have already been set out in earlier chapters. Secondly, weaknesses must also be identified, especially as they constitute important learning which can lead to significant change if now required.

Against this background, addressing individual issues in Section 5.2 takes the form of summarising “strengths” on the one hand and “weaknesses” on the other.

5.2 *Traidlinks*' Performance to Date

5.2.1 *Performance and Effectiveness*

It is clear from earlier chapters that *Traidlinks* has achieved a large amount already. It has set up and initiated a new innovative type of organisation, it has explored models for how it might operate, it has developed specific instruments including skills exchange, and it has attracted a new, and in many cases younger, interest group in Ireland at Board and staff level. It has achieved most of the specific tasks set out for it in the original PAEG proposal, and it has attracted substantive pro-bono input from the Irish private sector. It also reveals a high level of innovation, enthusiasm, motivation, hard work and determination.

Against that, a number of significant issues arise in relation to the performance and effectiveness to date. A number of important original objectives have not been realised or fully realised, including systematic research regarding the level of interest in the model in both Ireland and Uganda and its ability in attracting non-IA financial support. Secondly, there are questionmarks about both the financial feasibility and the upscalability of the current labour-intensive skills transfer model. Thirdly, some of the learning that has been undertaken might have been unnecessary if more existing PSD experience had been brought to bear from the outset, e.g. the highly resource-intensive nature of providing direct on-the-ground technical assistance to SMEs in Africa. Fourthly, *Traidlinks* has supported no B2B link between Irish and Ugandan companies beyond that inherited from the PSF (Amfri Farm/JFFG). There are also questionmarks about the effectiveness of the Heart of Africa model – which *Traidlinks* inherited from the Private Sector Forum.

5.2.2 *Implementation Processes*

The *Traidlinks* implementation processes display a series of strengths. The necessary corporate structures have been established in terms of a company limited by guarantee, and the achievement of charitable status. *Traidlinks* has a particularly high-level Board, willing to give of their scarce time to this initiative (including lengthy meetings with ourselves during this review). It has also invested heavily in the development of procedures and practices in the pioneering areas in which it finds itself.

Weaknesses in the implementation system to date include absence of external validation of some of the lessons being drawn from the experience so far, absence of relevant specialist experience in both company development and company-to-company partnering at any level in the organisation. There is also a tendency to “go it alone” without taking full account of experience already gained by others, other relevant initiatives which Irish Aid funds, and other donors and agencies working in PSD in Uganda. The model also places a high level of reliance on the Board member networks of Irish private sector contacts, and there has not been much systematic attempt to interest the wider Irish private sector in the concept.

5.2.3 Relevance

The *Traidlinks* model is clearly highly relevant in many respects. There is increased emphasis internationally on the role of private sector development in developing countries, and on the need for innovative ways to support this. Irish Aid itself is committed to supporting private sector development, and already funds a wide variety of initiatives, via both country programmes and multi-lateral assistance. Thirdly, the *Traidlinks* concept of involving the Irish private sector and encouraging its engagement with the private sector in Uganda is an innovative and potentially relevant one. This latter is generally welcomed as an important initiative by stakeholders, both in Ireland and in the field.

However, there is an absence of any systematic needs assessments in Uganda and analysis of the potential Irish private sector supply-base, and there is an exclusive focus on SMEs in Uganda without clear justification for this focus. There is also generally a danger that *Traidlinks* is moving away from its original unique selling point of facilitating active engagement by Irish private sector companies who might ultimately form commercially sustainable relationships with Ugandan partners, and towards a model where *Traidlinks* provides technical assistance to Ugandan SMEs with some of this drawn from individuals working in the Irish private sector. Any originally envisaged link between *Traidlinks*' technical assistance and the Heart of Africa brands has been dropped, with only one active client now also a HOA supplier.

5.2.4 Efficiency

The level of resources being expended on *Traidlinks* is relatively modest in the overall Irish Aid context. *Traidlinks* has also succeeded in attracting significant levels of pro-bono contribution to both its own core overheads and its Skills Exchange Programme in Uganda.

Weaknesses on the efficiency front are that the level of pro-bono contributions is relatively small in the context of *Traidlinks* input to companies, the majority being provided by either *Traidlinks*' staff or consultants. When total direct and indirect costs are taken into account, the costs of fielding its own personnel in Uganda may not be significantly lower than alternatives such as direct use of consultants. This, combined with the level of (free) inputs potentially required by individual Ugandan partner companies (to date mostly Amfri Farms), makes the financial implications of upscaling the model a matter for priority attention.

5.2.5 Quality of the Work Undertaken

The quality of *Traidlinks*' work being undertaken to date is generally high. This is reflected in the nature of the personnel involved, including the Mentors, in examples of the kind of inputs that have been made to date (e.g. high-level specialist inputs by Mentors and pro-bono partners) and in the satisfaction levels expressed by the Ugandan partner companies.

There are also some weaknesses. Firstly, quite a lot of the inputs to date involve basic management accounting systems in the client firms. These are important, but whether they require an Irish-based organisation and Irish personnel to provide them in Uganda is at least open to debate. There is also an issue whether this work is being done in order to prepare local partners for interaction with Irish partners, or for its own sake. However, in the former circumstances it should arguably be the role of the Irish partner to help the company, rather than for *Traidlinks* to have to do it out of its own resources. Also, this is moving *Traidlinks* in the direction of being a provider of technical assistance, and relatively low-level technical assistance at that. It also raises issues about displacement of service providers in Uganda, and of creating dependency among the partners on *Traidlinks*' support.

5.2.6 Degree of Innovation

Traidlinks is innovative in a number of respects. Firstly, it is innovative in its involvement of leading Irish business figures on its Board. Secondly, its ability to persuade individuals in these and other Irish businesses to become involved as Mentors is innovative. Thirdly, the concept of linking the Irish private sector with the private sector in Uganda (and possibly elsewhere later) is innovative.

However, other aspects of *Traidlinks* are less innovative. Its legal model of a company limited by guarantee is the standard one used by private non-profit organisations in Ireland. Provision of technical assistance to SMEs in African countries is also not new, albeit that these are typically consultants rather than corporate experts.

One of *Traidlinks*' original unique selling points was its potential – through the companies on the Board and eventually others – to establish ultimately commercial business links between Irish and Ugandan companies. However, the draft *Traidlinks*' Strategy Plan 2009-11 describes “the most unique element of *Traidlinks*' interventions” more narrowly as the support of the Irish private sector in consultancy and specialist programmes as a method of skills delivery. There is thus a danger the distinct and innovative element of potentially linking Irish and Ugandan business partners across a range of commercial interactions being lost, as *Traidlinks* moves towards greater emphasis on the provision of relatively basic technical assistance-type services in Uganda and by *Traidlinks*' organisation itself.

5.2.7 *Traidlinks*' Transferability⁷

It is too early to take any definitive view on this. The model needs to be fully articulated and trialled in Uganda first.

A few observations are:

⁷ Raised at a Steering Group meeting, not in original ToR.

- (1) the concept of using Irish expertise, whatever its source, is mostly appropriate in English-speaking (or using) countries. Especially at B2B level, it would not be feasible in e.g. Mozambique, Vietnam;
- (2) sectoral priorities might have to alter in other countries as Irish private sector experience might be more relevant to other sectors, e.g. tourism;
- (3) the “vertically integrated” model *Traidlinks* is using in Uganda, including a field office and staff, might be replaced elsewhere by a local partner organisation which could selectively draw on Irish expertise sourced by *Traidlinks* (this could also make *Traidlinks* less costly in overhead terms and more geographically flexible).

5.3 Overall Assessment and Issues Arising

5.3.1 Overall Assessment: from “B2B” to “T2B”

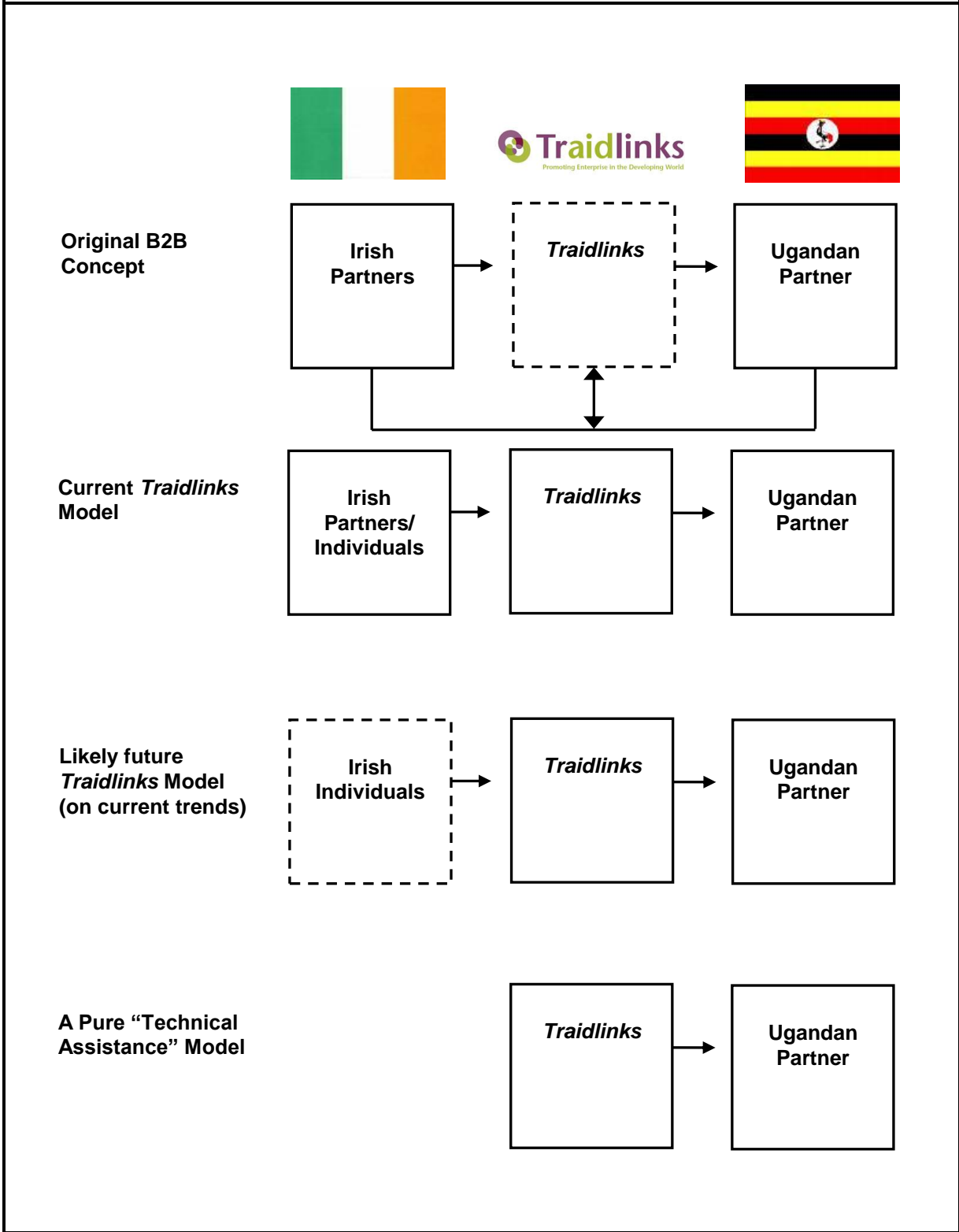
As stated in the introduction to this Chapter, it is important to take a balanced approach in assessing *Traidlinks*. On the one hand, it is a relatively small, new and innovative organisation, and expectations of conventional delivery of outputs, results and impacts within the short period since its establishment could be overly demanding.

Our assessment is that at the core of *Traidlinks* is an important and innovative concept which needs to be fully tested. This is the concept of linking the Irish private sector and Ugandan private sector generally, and specifically Irish companies and Ugandan companies in mutually beneficial and ultimately sustainable commercial relationships.

This necessitates the bilateral creation of company-to-company links, not merely the persuasion of the Irish private sector to make philanthropic contributions to Ugandan companies, nor general accessing of Irish private expertise, including consultancy expertise, and placing this at the (free) disposal of Ugandan companies.

In our interpretation of *Traidlinks*' potential unique selling point, we therefore think that the issue is not so much that it has been tried and failed, but rather that it has not been quite tried yet. We are concerned therefore that the organisation may be moving too readily and rapidly away from this original challenging objective towards a lesser one of providing technical assistance to Ugandan SMEs. This constitutes a potential drift in objectives away from the very distinctness that made *Traidlinks* interesting and meriting of Irish Aid support in the first place.

FIGURE 7: SHIFT IN EMPHASIS IN TRAILINKS: “B2B” TO “T2B”



The logic of the present trend is that *Traidlinks* may end up as a non-profit technical assistance organisation, with a Board made up of senior Irish business figures, and with some element of its technical assistance being provided pro-bono by various individuals from the Irish private sector. This, it seems to us, is less than the original model in both its ambition and its content.

This is also leading to a much greater focus on *Traidlinks* as an organisation rather than an initiative or programme, as it tools up to provide or be a conduit for Irish technical assistance rather than being a broker or facilitator of B2B links.

5.3.2 What *Traidlinks* Should Do Now

It is not strictly speaking the role of this evaluation to advise *Traidlinks* on what it should do now. However, it is difficult to maintain a sharp distinction between this and advising Irish Aid on its approach to supporting *Traidlinks*.

In our view *Traidlinks*' main requirement is to "slow down" its pace of fundamental decision-taking and instead complete the three-year pilot period originally envisaged. Given that 2007 was the first such year, this initial period should now be extended to also include 2009.

More specific steps by *Traidlinks* would include:

- (1) a request to Irish Aid to extend the pilot period for a year;
- (2) preparation during 2009 of a new, detailed, researched and fully costed Strategic Plan for the years 2010-12, (not 2009-11);
- (3) completion of important aspects of the original work programme not yet done, including systematic research on SME and others business needs in Uganda, and on possible Irish private sector interest in B2B links;
- (4) development and initiation of a fund-raising campaign in Ireland to co-fund its own core costs;
- (5) a more determined attempt to explore direct and potentially commercial B2B links between Irish and Ugandan partners, including development of existing fledgling links;
- (6) development of its management and governance arrangements including:
 - more frequent Board meetings (or a Board Sub-Committee that meets more regularly);
 - establishment of better links with other relevant bodies in Uganda, e.g. creation of a local advisory panel, use of local Mentors, generation of referrals from other donors;
 - appointment of a senior advisor to the Board with extensive business development experience overseas and/or in Ireland;
- (7) keeping actively open for a further period some of the strategic options being apparently closed off, e.g.
 - SMEs only (larger firms may be better potential Irish partners);
 - food sector only;

- working more with local technical assistance partners, e.g. as a source of referrals;
- (8) consider closing off others which we feel could be a distraction from *Traidlinks*' core business and where the organisation has no obvious USP, e.g. pro-PSD lobbying in developing countries, institutional capacity-building in developing countries;
- (9) develop its ability to fully cost its inputs to Ugandan clients, as a basis for costing alternative options for the new Strategic Plan and for taking resource allocation decisions about individual clients;
- (10) take a strong analytical look at the future of the HOA brand based on experience to date, including its strategic fit with the future direction of *Traidlinks* as a whole;
- (11) draw on some of the relevant Irish experience of supporting SMEs, in particular in such areas as:
 - ensuring additionality;
 - avoiding deadweight/displacement;
 - having minimum company contributions;
 - having an exit strategy;
 - improving ability to "pick winners";
- (12) explore links with other relevant Irish institutions, e.g. business representative bodies, professional bodies, and development agencies specialising in company development in Ireland (EI, CEBs, BICs) and other NGOs also developing B2B links in Africa.

5.3.3 Recommendations to Irish Aid

- (1) Irish Aid should express a willingness in principle to consider further co-financing of *Traidlinks* on a multi-annual basis. However, this multi-annual period should only commence in 2010, with transition funding provided for 2009 (during which lessons learned should be systematically established and a new *Traidlinks*' Strategic Plan should be drawn up);
- (2) a new multi-annual agreement 2010-12 would be conditional on submission and approval of a detailed and costed Strategic Plan acceptable to Irish Aid;
- (3) Irish Aid should respond positively to any *Traidlinks* request to extend funding for an additional interim year (2009);
- (4) Irish Aid should monitor the performance of *Traidlinks* more actively, including involving Embassy Kampala in this process and regular substantive meetings with *Traidlinks*;
- (5) through Embassy Kampala it should help *Traidlinks* establish better links with other relevant donors and technical assistance providers in Uganda, e.g. by hosting a local/regional conference on *Traidlinks*' activities, experience, lessons and future;
- (6) it should consider examining the Danish and New Zealand experience of funding creation of business-to-business;
- (7) it should help *Traidlinks* draw from the experience of other relevant organisations which Irish Aid is currently funding in other countries, or multi-laterally, e.g. via the holding of a conference. Examples here include the ITC Geneva, UNIDO, Private Sector Development Facility in

Vietnam, Technoserve (Mozambique) as well as the other Irish NGOs facilitating B2B links in Africa;

- (8) it should proceed with developing a wider PSD Strategy both overall and for Uganda, and in particular clarify its attitude to direct technical assistance for enterprise development. This would provide a helpful framework for eventual decisions about further multi-annual funding for *Traidlinks*.

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Annex 7	<i>Traidlinks</i> ' Engagement Process with Partner Companies
Annex 8	<i>Traidlinks</i> ' Business Mentor Biographies
Annex 9	Draft <i>Traidlinks</i> ' Transparency Policy
Annex 10	<i>Traidlinks</i> ' Recruitment Advertisement, 05 September 2008
Annex 11	<i>Traidlinks</i> ' Outline Strategy 2009-11 (Draft)
Annex 12	<i>Traidlinks</i> ' Relationship with Bank of Africa

Annex 1 Documents Reviewed

Traidlinks, Review of June 2008

Traidlinks, Business Plan 2008

Traidlinks, Business Review 2007

Traidlinks, Partnerships for Sustainability, Conference, 7th February 2008, Proceedings

Kevin J. Moore, Report on Scoping and Research Visit to Uganda for *Traidlinks*, July 2007

Traidlinks, Review, May 2008

Traidlinks, The Next Three Years, Board presentation, June 11, 2008

Alan Fitzgibbon, Private Sector Development in Developing Countries: Trends and Issues for Irish Aid, The Advisory Board for Irish Aid, May 2008

Traidlinks, Memorandum and Articles of Association

Traidlinks, Criteria for Selection of Partner Companies, Draft, February 2007

Traidlinks, Engagement Process with Partner Companies

Irish Aid, Private Sector Forum – *Traidlinks*, PAEG Proposal 2007

Irish Aid, Uganda Country Strategy Paper

Nahor Meenan, Concept Paper: Integrated Company Development Programme, Report prepared for *Traidlinks*, March 2008

Annex 2 List of Consultees

Irish-based Consultees

Irish Aid¹:

Noel White, Counsellor
Damien Cole, Counsellor
Damien Boyle, First Secretary, Programme Countries
John McGarry, Advisor
Kevin Moore, Consultant

***Traidlinks*' Board Members:**

Liam Fitzgerald, United Drug (Chair)
Michael Carey, JacobFruitfield Group
Paddy Maguinness, Niall Mellon Township Trust
Jim Corbett, Bewleys Limited
Tony Barry, Barry's Tea
Aidan Heavey, Tullow Oil
Jerry Liston, Irish Aviation Authority
John Daly, Fairtrade Ireland

***Traidlinks*' Current Staff:**

Nicola McGrath, General Manager
James Mulhall, Assistant General Manager

Other Irish-based:

Alan Fitzgibbon, Consultant
Jan Keating (former *Traidlinks*' staff)
Nahor Meenan, Consultant
Roger Jupp, Lansdowne Market Research (*Traidlinks*' Mentor)
Connell O'Caoimh, Value Added Africa
Brodie Sweeney, Connect Ethiopia
Pat Ivory, Head, Trade and International Relations, IBEC

¹ Participated in Steering Committee meetings

Ugandan-based Consultees

Irish Embassy Kampala:

Kevin Kelly, Ambassador²

Mary O'Connor, Second Secretary

Donal Cronin, Head, Irish Aid

Traidlinks' Staff:

John Sheahan, Project Manager

Paul Jennings, Project Manager

Traidlinks' Partner Companies:

Mr Amin Shivni, Amfri Farms

Mr Geoffrey Mulwana, MD, Jesa Farm

Mr JRM (Ronnie) Kasibante, East Africa Basic Foods

Mr Dan Jakana, Jakana

Mr Samuel Mugerwe, Maganjo

Mr Charles Nsubuco, Sesaco

Other Ugandan-Based:

Ms Celine Prudhomme, Programme Officer, Delegation of the European Commission to Uganda

Peter Ngategize, National Coordinator, Competitiveness and Investment Climate Secretariat (CICS)

Pamela Nyakaishiki, Programme Manager, Danish International Aid Development Agency

Florance Kata, Executive Director, Uganda Export Promotion Board

Mustafa Ajuka, Finance Officer, Africa Development Foundation

Jackie Wakhweya, Development Finance Specialist, USAID

Gideon Badagawa, Uganda Manufacturer Association

Other Consultees:

Frank Sheridan, Ambassador, Mozambique²

Sean Hoy, Irish Aid, Hanoi³

² Met in Dublin

³ Met in Hanoi

Annex 3 *Traidlinks'* Board Members

Liam Fitzgerald, United Drug (Chair)

Michael Carey, JacobFruitfield Group

Paddy Maguinness, Niall Mellon Township Trust

Jim Corbett, Bewleys Limited

Tony Barry, Barry's Tea

Aidan Heavey, Tullow Oil

Jerry Liston, Irish Aviation Authority

John Daly, Fairtrade Ireland

Annex 4 Meetings with *Traidlinks*' Ugandan Partner Companies¹¹

East Africa Basic Foods

Interviewee: Mr JRM (Ronnie) Kasibante, Chairman/MD.

1. Company background

The Company confirmed the following background information (provided by *Traidlinks*.):

Originally known as AFRICA BASIC FOODS UGANDA LTD, the company was set up in the 1960s by an Afro-American doctor with the aim of addressing malnutrition in children. As the land was suitable to grow soya, he planted it and developed his first product – 'Baby Soya'. This is still the company's biggest seller, accounting for 25% of total sales, and is the product with which the company has become synonymous. The company was bought over by 6 investors in the early 1990s (one of whom is the current Executive Director, Ronnie Kasibante – ex Shell Oil, 30 yrs) and was renamed EAST AFRICAN BASIC FOODS LTD (EABF) in 1997. The company added new products to the range, including a 'New Baby Soya' fortified with vitamins and minerals (dried fish powder for calcium, etc); 'Health Booster' made from maize and soya beans, fortified and aimed at the elderly, HIV/AIDS patients and those with poor appetites; High Protein Maize Flour; Soya Millet; Instant Soya Porridge; Pure Millet; Soya Flour; Soya Posho (high protein, eaten in schools); Soya Nut Butter; Soya Meal (meat substitute); Wheat Bran; Wheat Germ; 'Kawa' – a soya coffee alternative and Dog Food (very high margin), made from a blend of maize and soya.

EAST AFRICAN BASIC FOODS LTD supplies select products to SHOPRITE, UCHUMI and a number of smaller supermarkets. It also supplies very small shops. The company has 3 delivery trucks and supplies as far as Kabale and Kasese to the West, Masindi and Hoima to the North West and Mbale and Soroti to the East. Sales are broken down as follows: Supermarkets – 10%; NGOs – 10%; Small Shops – 80%.

The company has worked with 3,800 out-growers since Oct 2007 in Kapchorwa, Kibale, Hoima, Masindi, Lira and Kayunga and employs 39 people.

Equipment has been an ongoing problem for EABF but they have recently acquired a new extruder and a new packaging machine, funded by the Africa Development Foundation, who gave them a loan at 13% over 5 years (very good rate for Ugandan shillings). They also received a small grant for computers and a new accounting system (not yet operational). Up until now they have frequently turned down large orders from the World Food Program due to lack of production capacity – they are hoping that with the new machine, this will no longer be necessary. They are currently working at approx. 50% capacity.

¹¹ *Traidlinks*' relationship with Bank of Africa, which is somewhat different in nature, is described in Annex 11. One other Ugandan company, Rwenzori, supplies Heart of Africa but is not otherwise a *Traidlinks*' client.

2. Initial Contact

They heard of *Traidlinks* when they were visited by members of the Mentor Mission. Expectations were that TL would provide assistance but they were not sure what that assistance would be. They heard nothing for a long period, until visited by J Sheahan.

3. *Traidlinks* Inputs and Results

EABF were partially using a Nixdac software package, but it was very clear that the Company had outgrown this system and it needed to be upgraded and a more versatile system installed,. Initially John Sheahan working with the company accountant tried to build an accurate Trial Balance for the 2007 financial year-end in order to get a set of consolidated accounts on which to open the 2008 financial year. This was abandoned in May after it became clear that it would be easier to put all the data into Excel, and a trial balance for 2007 was eventually completed in June. A format for a monthly P&L and Balance Sheet was designed with the accountant and the MD to allow for monthly comparison of performance against target.

In addition an organogram for the company was designed which clarified pay scales and areas of responsibility and authority.

It should be noted that the company had received a grant from Africa Development Foundation to install an upgraded software package, Pastel. The grant covered 50% of the costs of hiring a support consultant. However according to Mr Kasibante the system never worked properly and staff were not properly trained. John Sheahan believes that it is essential that the company now ports the Excel data into Pastel, but has completed his contract period with *Traidlinks*.

As a result of John's inputs the company now has a properly operating system and for the first time they now have full monthly accounts, and the MD knows his financial position on a continuous basis instead of often six months later as was previously the case. Already Mr Kasibante says the benefits are enormous in terms of efficiencies in purchasing and manufacturing and cash-flow management in particular.

Inputs and Results summary.

Mentor	Activity	Man Weeks	Results
J Sheahan	Preparation of management accounts	5 Wks	Consolidated accounts for 2007
Jan Keating	Contact initiation and skills exchange	2 weeks	Meeting with Mentors. Signed confidentiality agreements.
James Mulhall	Contact initiation and skills exchange	1 weeks	Meeting with Mentors. Signed confidentiality agreement.

5. Degree of satisfaction with *Traidlinks*

The company is extremely satisfied with the inputs, but disappointed that the mentor was returning to Ireland with no immediate replacement.

6. Impact of *Traidlinks*' Support

The company's competitiveness has been considerably improved as a result of J. Sheahan's work.

7. Possible situation without *Traidlinks*' Support

Due to lack of competitiveness the company could have lost either market share or profitability. In a worst case scenario they could easily have got into financial difficulties should serious cash-flow issues have arisen.

8. *Traidlinks*' Strengths and Weaknesses as Reported by the Company

Strengths:

The *Traidlinks* in-house experts/advisers (not dependent on outside consultants as was the case with ADF.)

Weaknesses:

Staff turn-over.

9. Unique added value

One-to-one independent expert advice and assistance.

10. Other Sources of Advice and Assistance

They had used ADF and were very dissatisfied

11. Recommendations to *Traidlinks* for the future.

They believe this type of assistance is what they require and request additional resources for *Traidlinks*. In particular they are extremely anxious that they receive assistance to make Pastel operational which must be the next priority.

Amfri Farms

Interviewee: Mr Amin Shivni. Owner Chairman.

1. Company Background

Amfri Farms Limited (Amfri) trading as African Organic is involved in the growing and export of organic fruits and vegetables and is certified by IMO Control-Switzerland in compliance with EEC Regulation 2092/91 and USDA/NOP Final Rule. The Company was the first to be certified dealing in organic produce from Uganda.

The offices and packing shed are situated in Kampala, Uganda. The Company-owned farm (since 1970) is located 85 km away in Luwero and has 430 acres of Certified land and is equipped with a packing-house. Today, the company has 100 certified out-growers and deals with about 20 conventional growers. IMO officials from Switzerland, to ensure compliance with the regulations and standards, carry out annual inspection and auditing on every farm.

Products:

- Certified Organic Fresh and Dried Pineapples
- Certified Organic Fresh and Dried Apple bananas
- Certified Organic Fresh and Dried Ginger
- Certified Organic Fresh and Dried Papaya
- Certified Organic Fresh Avocadoes
- Certified Organic Fresh Passion Fruits
- Certified Organic Cured Vanilla as well as naturally grown vanilla
- Naturally grown dried Mangoes and Jackfruits.
- Conventional (Okra, Aubergines, Chillies and Hot pepper and many other Indian and tropical vegetables)
- Dried Organic Products

Company T/O is approx Euro 2.4m, all of it exported.

2. Initial Contact

The company was identified by the consultant employed by The Business Sector Forum Mission to Uganda, Jan Keating. Subsequent follow up was by James Mulhall and Nicola McGrath.

The expectation was that Amfri would provide a packaged dried fruit product for the Heart of Africa brand, and JacobFruitfield would provide marketing and distribution for the Ireland market.

3. Inputs and Results

Summary of inputs and results.

Mentor	Activity	Man weeks	Results
Nicola McGrath	Initial set up of HACCP system for HOA. General marketing and packaging assistance. Strategic Planning.	12 weeks	Initial HACCP system in place. Strategy for dried fruit division of the business.
James Mulhall	Development of Financial Projections involving cash flow management.	14 weeks	Cash flow and financial projections for the dried fruit division of the business, stage 1 complete.
Jan Keating	Mentor introduction.	2 weeks	Meeting with Mentors Signed confidentiality agreement.
Eimer Fanning	Project Implementation	16 weeks	Completion of construction project for dried fruit.
Margaret Ryan	Project Implementation	24 weeks	Cash flow and financial planning for dried fruit facility stage 2 complete.
John Sheahan	Preparation of management accounts.	6 weeks	Up-graded financial management systems in place. New management and staff structure.
Andrais McCullagh JFFG (Pro-bono)	Food Safety Audit.	.5 weeks	Audit report and recommendations for improvements/up-grading.
Tony Kehoe (Pro-bono)	Develop a production and control system for fruit drying division. HR/Remuneration system. Bewleys (In Ireland).	3 weeks 1 2	Production and control system for unskilled workers. System for up-skilling workers with appropriate rewards system in place. Skills exchange.

4. Degree of Satisfaction

Very satisfied.

5. Impact:

- New Product Range of packaged dried fruit.
- In time, significantly reduced over-reliance on existing European distributor.
- Increased turn-over due to additional capacity by end 2008
- Increased competitiveness - estimated cost reductions of at least 15%.
- Increased export sales.

6. Possible Situation Without *Traidlinks* Support

- Continued and indefinite over-reliance on single European Importer/Distributor.
- No ability to increase capacity, severely limiting sales.

- Without *Traidlinks*' support the company could possibly have failed due to withdrawal of favourable bank finance arising from political instability in Zimbabwe.

7. *Traidlinks*' Strengths and Weaknesses

Strengths:

Participative holistic approach.

Effective and lasting transfer of skills.

Independence of advisers/mentors from external commercial influences.

Weaknesses:

None identified.

8. *Traidlinks*' Distinct Added Value

See 7- strengths above.

9. Other External Sources of Support

DANIDA

Company comments:

Minimal skills transfer from identified Danish partner.

No market knowledge transfer from Danish partner.

Public Sector Fund of Uganda.

Company comments.

Used as source of financial assistance to purchase 1st dryer some years ago. The company was reasonably satisfied with the support.

10. Recommendations

Consider using group/cluster approach to skills transfer.

Consider using Irish experts to provide teaching-time to students in Uganda, e.g. "the occasional half day".

Look at providing skills transfer to start-ups.

Jesa Farm Dairy Ltd.

Interviewee: Geoffrey Mulwana, MD

1. Company Background

The Company confirmed the following background information provided by *Traidlinks*:

JESA FARM DAIRY LTD is a mini dairy, located on a farm of 2 square miles, 1 hour northwest of Kampala. In 1988, James Mulwana imported a herd of 71 Friesian cows. The herd is now at 600. The dairy currently employs 99 Ugandans, including a full-time vet who acts as farm manager (Emmanuel). JESA processes 10,000 litres of milk/day. This milk is from JESA's own herd and from a local co-operative of 75 farmers which they have set up. The company provides medical benefits to the farmers – vaccines, medical supplies, etc which the farmers pay for over time.

JESA produces yoghurt, cream, butter, milk and cream cheese. According to Dr David Balikowa, Dairy Development Manager with the Dairy Development Authority, JESA's dairy products are of the highest quality in Uganda. They currently supply all supermarkets (UCHUMI, SHOPRITE, PAYLESS, etc) and all of the top hotels (e.g. SERENA). They supply cream cheese to BA through IN FLIGHT, a company in Entebbe. The cream cheese is not supplied under JESA's brand but is used to make desserts, etc. BA has requested that they supply yoghurt, which would be branded by JESA and served on breakfast trays (excellent marketing) but they have had difficulty sourcing 100ml cups.

While the dairy would like to increase output, they have tried to source milk from outside the local vicinity in the past but have found that this has greatly affected the quality of the product. Lack of controlled co-ops and a shortage of refrigerated containers mean that the milk arrives in a substandard state. Poor availability of quality feed meal in Uganda (they have to use sunflower cakes instead of cotton seed cakes – lower protein) and environmental factors make it difficult to increase the yield of JESA's own herd.

The company is working at 60% of capacity and would like to increase output to 20,000 litres/day. This would allow JESA to supply the market outside Kampala and Entebbe. The company is confident that its sales would quickly double if it could increase production to meet such levels.

The farm has recently fitted a new milking parlour, with 24 milking bays. While they began trying to reach HACCP standards, Geoffrey Mulwana, Director, maintained that they did not have the right consultants to help them achieve this. It is something he would like to address if possible.

2. Initial Contact

The company first met with *Traidlinks* when it was visited by members of the Mentor mission. The *Traidlinks*' concept was introduced and the company expressed an interest in working with *Traidlinks*. Subsequently there was a long period when it heard nothing, until visited by James Mulhall.

3. Inputs and Results

It was suggested that senior management of the company should visit selected counterparts in Ireland, and arrangements were made for a visit to a Dairy Farm, the Glanbia production and marketing facilities, and the organic yogurt producers – Glenisk. The visit took place over a five day period and they were highly satisfied with their experience. The sophistication of the manufacturing facilities impressed them and although the scale of the Ugandan facilities could not match the Irish Glanbia unit, there were technologies which they would like to study further. They were also impressed by product development, and marketing capabilities which might be introduced to their company.

Given the recent increases in animal feed, they noted the extent to which grass is used in Ireland. In particular they noted the extensive use of silage and since returning to Uganda they have very successfully introduced silage as part of their feed mix. Although they are not yet able to quantify savings made, they believe they are considerable, and they intend to expand the use of silage further.

Summary inputs and results.

Mentor	Activity	Man weeks	Results
Jan Keating	Skills exchange	2 weeks	Visit to Ireland
James Mulhall	Skills exchange	2 weeks	Visit to Ireland
Kelly' Farm (Pro-bono)	Study Visit	0.5 weeks	Technology transfer
Glanbia (Pro-bono)	Study visit	1 week	Technology transfer. Skills exchange (marketing and retail sales)
Glenisk (Pro-bono)	Study visit	0.5 weeks	Technology transfer New product development

4. Impact

Silage production introduced to their farming operations with a consequent reduction in costs, which will be increased.

Improved competitiveness, which they are not yet in position to quantify.

5. Degree of Satisfaction

Very satisfied.

As regards their overall satisfaction in their dealings with *Traidlinks*, they suggest that *Traidlinks* needs to clarify their offering as the company was not clear what to expect after the initial meeting and still are not clear what the follow-up from *Traidlinks* will be.

6. Possible Situation without *Traidlinks*' Support

Company would not have introduced silage with consequent no increase in competitiveness.

7. Strengths and Weaknesses

Strengths:

Flexible approach

Weaknesses:

Lack of clarity in offering and poor follow through.

8. Distinct Added Value

Holistic approach.

Flexible attitude towards identifying appropriate inputs

9. Other Sources of Support Used

DANIDA

Used DANIDA and thought highly of them. They had identified a Danish Technical Institution as partners to assist with a problem they had experienced with a battery factory which the company also own. The Institution had provided assistance free of charge and they are continuing to receive assistance from it.

PSFU

Used funding from PSFU, but it had been some time ago and he could not elaborate on the experience.

11. Recommendations for *Traidlinks*

Spoke more about the *Traidlinks'* approach and follow-through rather than making suggestions as to what *Traidlinks* should be doing in future.

Jakana

Interviewee: Dan Jakana, MD.

1. Company Background

The Company confirmed the following background information provided by *Traidlinks*:

JAKANA FOODS is a limited liability company established in 1994 by Mr Dan Jakana, upon his return from 20 years in the USA. It has grown over the past ten years from a small 2 individual operation serving a few shops to a mid-sized enterprise serving several hundred accounts, including supermarkets, shops, restaurants, hospitals and bars. Its products are also consumed in Kenya and Rwanda.

Currently employing over 40 people, JAKANA's core activity is the processing and marketing of natural fruit juice (pineapple, banana, orange, mango and citrus punch) without additives or preservatives. The peelings and screened pulp are further processed into cookies, cakes, fruit popsicles and animal feed. JAKANA owns a pure well – the water has been tested and approved by Makerere University. They supply pouches of water to local schools and have just won a contract to supply water to IN FLIGHT, an airline supplier in Entebbe.

2. Initial Contact

Traidlinks was introduced by the Chairman of PSFU and met in PSFU offices. This was followed up sometime later by a visit from James Mulhall. Several further visits followed where the company's strategies and plans were discussed in detail.

Mr Jakana commented that *Traidlinks*' offering was vague and he did not know what to expect, or how the relationship/process should progress.

3. Inputs

After six or seven months a factory study-visit to companies in Ireland, also in the juicing sector, was agreed. They visited Batchelors juice manufacturers and Zed Candy, manufacturers of "Mini packaged" frozen juice.

They found both visits extremely useful. Batchelors was an "eye-opener". Its technology, use of machinery, scale of production, branding and marketing was something he had never seen before. He was particularly interested in the filling machinery, and as a result of the visit has changed his plans and specifications for filling and packaging machinery which he intends to purchase with assistance from the World Bank. He claims the previously specified machinery (suggested by the World Bank) "could have bankrupted the company". He's still in contact with the people in Batchelors and they have been extremely helpful.

He was stunned to see Popsicle production on the scale of Zed Candy. He had never considered Popsicles as a separate product, but had always produced small quantities as a by-product, and sold it locally in his immediate area. As a result of this visit, plans to develop popsicles as a separate main-line product are well advanced. He has completed new packaging for the product and hopes to

be in full production shortly. He believes that in time this will be a more profitable product than the juices.

Summary inputs and results.

Mentor	Activity	Man weeks	Results
Nicola McGrath	Company appraisal/client management	2 weeks	Strategic options developed.
James Mulhall	Strategic planning	4 weeks	Skills developed.
Jan Keating	Mentor introduction	2 weeks	Meeting with Mentors. Signed confidentiality agreements.
John Sheahan	Management accounts	2 weeks	Business did not have enough activity to warrant a full accountancy system at present. Manual systems retained.
Batchelors (pro-bono)	Study visit	1 week	Technology transfer. (Advice on plant and equipment requirements).
Zed Candy (pro-bono)	Study visit	.5 week	Technology transfer. New technology development.
Gleasons Group (pro-bono)	Study visit	.5 week	Technology transfer. New product development.

4. Degree of Satisfaction

The company was very satisfied with the experience.

5. Impact

New product development – popsicles, well underway with product testing, branding and package development completed.

6. Possible Situation Without *Traidlinks*' Support

The company could have got into serious financial difficulties if they had gone ahead and purchased and installed filling and packaging machinery recommended by the World Bank.

They would not be introducing a new product which promises to be a significant and profitable revenue earner.

7. Strengths and Weaknesses

Strengths:

One-to-one advice and assistance.

Visits to matching companies in Ireland.

Weaknesses:

Initial lack of clarity in presenting the offer.

Slow follow-up.

8. Other Sources of Assistance

PSFU which they found helpful.

World Bank. Despite an initial bad experience, they are continuing to have discussions with the WB on funding assistance, but on a scale more appropriate to their size.

Maganjo

Interviewee: Mr Samuel Mugerwe, Accountant.

1. Company Background

The Company confirmed the following background information provided by *Traidlinks*:

MAGANJO is a privately owned company which was established in 1984. It began using a refurbished lorry engine to run a small de-huller and mill, producing 200kg of maize flour per day. Now the company employs 350 people and processes 45 tons/day. It is Uganda's largest producer of consumer packed maize flour, soya flour and flour blends to both the local and export markets.

MAGANJO supplies all of the supermarkets in Uganda and a large number of small shops. They engage 10 distribution agents. Transport is provided by MAGANJO and each agent works on a commission. In Uganda, 80% of sales go to the smaller shops and 20% to the supermarkets. The company also exports product to Kenya, Rwanda, Burundi, D.R.C., Tanzania and U.K. (ethnic market). Exports account for 20% of overall sales.

Maize flour accounts for 50% of production. In addition to supplying consumer packed flour, MAGANJO frequently receives orders from relief agencies such as the Red Cross Society and the World Food Programme (although they are currently unable to accept orders from WFP due to cash-flow restrictions, as WFP requires 90 days credit) and government bodies such as the Ministry of Defence and Prisons. MAGANJO is the only Ugandan company to have its maize flour approved by the Uganda National Bureau of Standards (UNBS).

Soya blended flours account for 30% of sales. Soya is blended with cassava or millet. They also use soya to make instant and infant porridges.

The Bakery section – baked bread and cakes – makes up 5% of sales.

Mixed Animal Feeds for dogs, cattle and poultry make up a further 15% of sales.

MAGANJO also has a small juice department where drinks are made from imported concentrates and flavourings (no fresh fruit is used).

With regard to production, the company uses machines which are locally manufactured and they suffer regular breakdowns. Lack of finance prevents the company from investing in automated machines. Energy tariffs put further strain of the company's finances. Unlike its competitors, MAGANJO claims they pay PAYE and NSSF (National Social Security) and these costs, together with high overheads due to sheer size and lack of finances to buy in timely stocks, mean that the costs of MAGANJO's finished products are higher than those of its competitors.

Mary Tamale, the MD stated at the outset that the company very much needed support in the following areas:

Finance: If the company could refinance at a lower rate and receive support with regard to cash management, this would be an advantage.

Management accounts: Needed to be up-graded.

Skilled Staff: The company needs skilled people in the areas of nutrition and food science. This would help them to produce new products, improve the quality of what they have, and aim certain products at certain segments of the market, e.g. babies, the elderly.

Packaging & Branding: MAGANJO has recently carried out some market research and their packaging is not well received. They would like to upgrade the appearance and quality of the packaging.

Quality Control: While MAGANJO has a Quality Control Manager, the company would like to improve on the checks it has in place, perhaps following some of the HACCP guidelines. They currently have a laboratory but it is not fully equipped. As a result, they take product samples to the government lab on a monthly basis.

2. Initial Contact

Company first heard of *Traidlinks* when the MD met members of the Mentor mission. Subsequent follow-up was made by James Mulhall, during which it was agreed that TL would provide assistance with the financial management system. The Company had previously installed the Pastel Software Package with the assistance of ADF and a consultant, but as in the case of Africa Basic Foods the consultant had not fully trained the relevant staff, and the system never worked. Apparently there was a high level of frustration with the system, particularly the General Manager who really had never bought into the use of computers. As a result, the software package and the use of computers was being blamed for the lack of progress, and staff who were trying to get the package up and running were not getting full senior management backing. The MD had been out on prolonged illness and this compounded the problem.

Company expectations of *Traidlinks*:

The expectation was that the financial Management System would be sorted out.

3. Inputs and Results

The *Traidlinks*' Mentor, John Sheehan worked with the accountant to get the system operational. The General Manager (brother of Mary Tamale MD) had never bought into the use of computers, and getting buy-in from him was a key issue. According to the accountant John managed to engage the GM over a period of time, and was able to demonstrate that the software worked. It was a matter of getting the raw data into shape, design and management of documentation, and training of staff.

Over time he was also able to demonstrate the value of using the package, both in terms of getting decent accounts and delivering efficiencies in staff deployment. The accountant believes getting buy-in from the GM will deliver the greatest results over time.

Summary inputs and results.

Mentor	Activity	Man Weeks	Results
Jan Keating	Mentor introduction	2 weeks	Meeting with mentors. Signed confidentiality agreement.
John Sheehan	Financial management skills exchange	2	Staff trained enough to be able to bring the system forward to completion in due course. An improved level of commitment from management to allow continuous development of

			the system by staff.
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4. Impact

Improved management capability, company competitiveness and sustainability.

5. Degree of Satisfaction

Unfortunately I was not able to see the MD who is still absent due to illness, nor the GM who was not available. However the accountant was very satisfied and claimed the greatest result was convincing the GM to take computer technology on board.

6. Possible Situation Without *Traidlinks* Support

Loss of competitiveness and operating efficiency.

7. Strengths and Weaknesses

Strengths:

Mentor professionalism and capability.

Sustained hands-on participative approach.

Weaknesses:

Staff turnover e.g. J. Sheehan returning to Ireland.

8. *Traidlinks*' Distinct Added Value

Sustained hands-on participative approach.

9. Other Sources of Support

It must be remembered that the writer was dealing with the accountant who might not be aware of all other sources of support used. He was aware that the Africa Development Fund had been used to purchase the Pastel system, and expressed the Company's dissatisfaction as mentioned above.

10. Recommendations for Future Activities of *Traidlinks*

Continue with existing approach.

Sesaco

Interviewee: Mr Charles Nsubuco, MD

1. Company Background

The Company confirmed the following background information provided by *Traidlinks*:

SESECO is a company that manufactures snacks and supplies wholesalers and supermarkets in Uganda, e.g. PAYLESS but not UCHUMI or SHOPRITE. Its biggest customer is METRO, which accounts for 50% of sales (large packs for cash & carry). The snack products are made from groundnuts, sesame (simsim), maize and millet. SESECO also supplies large volumes of soya beans and millet to Kenya and Sudan.

Charles Nsutga, the sole owner, began by roasting and seasoning peanuts and supplying them to his colleagues in the factory where he was employed. Growing demand for his great tasting product led him to set up a company preparing and supplying snacks on a larger scale. Production is now a major constraint and Charles believes that he is able to supply only 40% of his current demand.

Like some of its competitors, SESECO also produces a 'coffee alternative', made entirely from Soya (called Soya Cup). The main advantage of this product is its health benefits, it is caffeine free and high in nutrients (magnesium, zinc, fibre and calcium – tested at Makerere University). It tastes similar to coffee and there is a high demand for it in the local market. Research has shown good market potential for his products in Tanzania, Kenya, Rwanda and Burundi.

SESECO has 3 vans for distribution within Uganda. Packaging/labels are sourced from Nairobi. Charles is very anxious for support. The factory requires further automation (in particular for deep frying snacks), serious improvement of food safety standards, followed by a revamp of packaging and branding (very poor). Ideally the plant needs to relocate to new and more suitable premises. Charles is extremely keen and able.

2. Initial Contact

The company first heard of *Traidlinks* from the PSFU who put them in contact with Jan Keating. They were subsequently visited by James Mulhall who explained to them what *Traidlinks* were offering, and carried out an initial company assessment. Later they were visited by the members of the Mentor mission.

The company was not clear about the overall "offer" from *Traidlinks* initially, but when they began to work with John Sheahan it became clearer.

3. Inputs and Results

In March it was agreed that assistance would be provided in preparing the management accounts in more detail and in re-presenting them in a format which could more easily be understood. (The accounts are prepared in Excel.)

In addition the company attended a Marketing Workshop organised by *Traidlinks*, which they also found useful. The lecturer subsequently accompanied one of their sales reps on his rounds for a day, and the company found this experience extremely useful. The MD is of the opinion that if this training could be provided to their entire sales staff sales would increase significantly.

Summary inputs and results.

Mentor	Activity	Man Weeks	Results
J Mulhall	Strategic planning	1 week	Buy-in for <i>Traidlinks</i> ' proposition.
Jan Keating	Mentor introduction	2 weeks	Meeting with Mentors. Signed confidentiality agreement.
J.Sheahan	Finance Management	5	Monthly Management Accounts for Jan/June 2008 completed, with simplified format for ease of presentation.

4. Satisfaction

The company accountant and the Managing Director were very pleased with the input, but require more assistance to purchase and install Pastel package.

5. Impact

The company now has monthly management accounts which show at a glance their exact financial situation, and which enables them to plan accordingly.

6. Possible Situation Without *Traidlinks*' Support

Up-to-date management accounts not available.

7. Strengths and Weaknesses

Strengths:

One to one mentoring by experts.

Weaknesses:

Initial offering and process lacked clarity.

Lack of continuity e.g. J. Sheahan returning to Ireland.

8. Distinct Added Value

As in "strengths" above.

9. Other Sources of External Advice and Assistance

They have used ADF to purchase machinery, and say that once the bureaucracy is adhered to, the assistance was efficiently provided.

They have been involved with an organisation called GATSBY TRUST (www.gatsby.org.uk). This organisation has three programmes running in Uganda: organisation of group stands for SMEs at Uganda Trade Fairs; workshops and seminars aimed at small firms; Business Tours to regional markets – both inward and outward. They find these activities useful.

10. Recommendations

- Assist Company to access appropriate sources of finance.
 - Continuity of Mentors is essential.
 - Develop programmes which will give Ugandan SMEs exposure to manufacturing facilities and marketing facilities in other developed countries, e.g. Ireland.
-

Annex 5 *Traidlinks'* Selection Criteria for Partner Companies

Traidlinks seeks to improve both the commercial and ethical performance of business in developing countries. In selecting potential partner companies *Traidlinks* tests their feasibility according to the following criteria. These criteria have been selected based on *Traidlinks'* mission and Ethical Charter.

A. Required Criteria: Feasibility

Feasibility is judged according to whether the projects selected can become sustainable businesses, that they will contribute to poverty reduction and equity, that *Traidlinks* can make a meaningful contribution and that to do so is achievable within our available resources.

Traidlinks will not engage in supporting a company before ensuring that each of the following exist:

1. Commercial proposition: There must be a viable business case for engaging with a particular project or company
2. Ethical proposition: The partner company must meet the requirements laid down in the *Traidlinks'* Ethical Charter and be committed to continually improving in line with the Charter.
3. *Traidlinks'* capacity: the intervention must be within the capacity of *Traidlinks* to deliver a quality service, given its other commitments.

B. Comparative Criteria

Given that a viable commercial and ethical proposition exists, *Traidlinks* then seeks to ensure that any intervention will support what is called 'pro-poor growth', that is development which will encourage the creation of employment opportunities and improvement of working and living conditions for individuals and communities in developing countries.

Therefore a decision for *Traidlinks* to engage in supporting a particular business or project is based on the following criteria:

We seek to establish that the company has a sound business proposition that *Traidlinks* can support.

To what degree does the Company:

4. Have the entrepreneurial drive necessary for success (V)
5. Have a commitment to the *Traidlinks'* Ethical Charter and to making progress in attaining its standards (V)
6. Operate with reliable governance structures (V)
7. Operate in a place where the business and political environment does not obstruct the possibility for success of the business or of *Traidlinks'* intervention.

We also seek to ensure that the intervention will bring long term benefits to a wide number of people.

To what degree does the Project

8. Create additional jobs, and what is the quality of those jobs (V)
 9. Attain higher levels of value-added production (V)
 10. Involve transfer of technology, skills and knowledge from Europe to developing counties (V)
 11. Contribute to the cross-cutting issues – gender equality, HIV/AIDS, good governance and environmental sustainability (V)
 12. Strengthen one or more small or medium enterprise (SME) (V)
-

13. Lead to self-sustaining business development

Feasibility is also dependent upon *Traidlinks'* capacity to deliver a quality service to partner companies.

To what degree is the Project achievable by *Traidlinks'* Is the Project:

14. Within *Traidlinks'* capacity for skills transfer
15. Feasible for *Traidlinks'* given the degree of financial and organisational effort required
16. Complementary with the range of other interventions with which *Traidlinks'* is associated (in terms of type of intervention, product, geography, etc)

(V) Indicates judgement informed by value judgements based on *Traidlinks'* mission of poverty reduction through enterprise promotion and the *Traidlinks'* Ethical Charter.

Traidlinks' will not promote products in any of the following industries:

- Arms
- Tobacco
- Alcohol
- Gambling
- Sex or Pornography

C. Process

Traidlinks' seeks to respond to the needs of the companies it supports in their context within developing countries. *Traidlinks'* interventions are guided by how these companies see their own way forward and how they identify their business needs. *Traidlinks'* staff are directed to pay particular attention to this.

In applying the above criteria *Traidlinks'* staff use a Feasibility Assessment Matrix to consider proposals, scoring them on each of the criteria. The assessment is then presented to the Board of Directors for decision.

The process may involve additional stages on a case-by-case basis.

A check-list shall be used of additional areas which may need further assessment:

- Environmental Impact Assessment (especially in any natural resource related projects, or ones which involve chemical processes)
 - Gender Impact Assessment if it is considered that a particular project is likely to impact differentially on women and men
 - Financial audit
 - HIV/Aids analysis: if a deeper analysis is needed of the likely impact
 - Market research
 - Other as deemed necessary
-

D. Disengagement

Traidlinks works with companies to improve their ethical standards in addition to their commercial performance. The nature of such capacity building involves recognising that some stakeholders will not from the outset be in full attainment of such ethical standards.

Companies with which *Traidlinks* is engaged must be committed to and actively working towards attaining the standards of the *Traidlinks*' Ethical Charter which specifies *Traidlinks*' understanding of the UN Global Compact.

Traidlinks' staff engage with partner companies to jointly measure their ethical performance, agree a schedule of improvement in their ethical standards, and support them to achieve that progress.

Where the Board of *Traidlinks* believes that one of its stakeholders is in breach of these standards, it will first take steps to encourage the company to change its practices. Where the Board reaches the opinion that adequate progress is not visible, *Traidlinks* will disengage from such a business.

Annex 6 *Traidlinks'* Ethical Charter

Annex 7 *Traidlinks*' Engagement Process with Partner Companies

Phase 1: Selection

1. Is the Company Operating in the Food Sector?

The focus of *Traidlinks*' activities in the early stages of development is on the food sector in Uganda. This was built into our original strategy to provide a means of focusing resources, activities and learning and to provide a platform upon which the organisation can grow. The extent to which Uganda is reliant on the agricultural sector also makes this an appropriate starting point for the intervention as the sector supports a high proportion of Uganda's population.

2. Does the Company Add Value to Locally Produced Agricultural Products?

Adding value to products in country of origin provides employment opportunities, develops skills and makes use of produce that may otherwise be wasted due to seasonality or lack of demand for non-processed produce. Companies sourcing locally grown agricultural products have a larger impact on the local community within which they operate. The processing company acts as a local market for agricultural products providing agricultural producers with an accessible route to market for their produce.

3. What is the Scale and Structure of the Company?

Traidlinks endeavours to engage with companies that are most likely to be in need of the support it can bring and with whom it is anticipated it can have the most positive impact. A large, successful organisation is unlikely to benefit significantly from *Traidlinks* support for a number of reasons. Firstly, if the organisation is already successful then *Traidlinks* resources would be better spent supporting companies whose need is greater and with whom *Traidlinks* intervention will have a larger impact. Secondly, a larger company is likely to be more resistant to change and *Traidlinks*' impact will be limited. In addition, companies that are subsidiaries of a larger foreign-owned holding company have access through their existing business structure to training, skills transfer and business planning/strategy. Therefore, partner companies selected are SMEs with a local ownership structure.

4. Does the Company have a Commercially Viable Proposition?

Ultimately, *Traidlinks* objectives are to support enterprise development as a means to tackle poverty. In doing so a key criteria is whether or not there is a sustainable business proposition with all the partner companies. This provides *Traidlinks* with a starting point from which to build a meaningful business development intervention whilst making best use of the resources and skills available to it. This criterion is judged based on the following indicators:

- Is the business a going concern?
 - Is the business well established?
 - Is there an existing product/product range?
 - Is there a pattern of sales?
 - Where are the products being sold?
-

5. Is the Company a ‘Socially Responsible’ Business?

In line with *Traidlinks*’ Charter all partner companies must agree to run their businesses in line with the Global Compact Principles and work towards continual improvement of performance in these areas. At selection stage *Traidlinks* must make a judgement based on the developing relationship with the potential partner company and visits to site whether it will indeed aspire to comply with these principles.

6. Does the Entrepreneur Have the Necessary Qualities to Drive the Business Forward?

This is the most critical element of the process as ultimately the success of *Traidlinks*’ intervention and of the development of the business itself rests on the performance of this pivotal person in the organisation. The following summarises the types of qualities *Traidlinks* look for in the entrepreneur:

- Drive, vision and motivation
- Alignment with the *Traidlinks* values, philosophies and Charter
- Willingness to engage in the process
- Potential to commit to a partnership approach
- Positive attitude to change and openness to change
- Desire to grow the business
- Desire to share the success with employees, suppliers and other stakeholders in the business

Phase 2: Pre-Qualification Process

Once a partner company meeting the above criteria has been identified the next phase of *Traidlinks*’ intervention aims to formalise the partnership, build trust and test the commitment of the company to fully engage in the business development partnership programme with *Traidlinks*. The Confidentiality Agreement provides the company with a degree of confidence that it is able to share its commercially sensitive information with *Traidlinks* in complete confidence. The formal ‘sign up’ to *Traidlinks* Charter is a commitment on behalf of the company to work towards these responsible business principles. Finally, the Management Accounts project aims to address a number of issues. On a practical level, it aims to provide good quality management information to the company and to *Traidlinks*. Ultimately this information will provide a basis for future assessment of the company’s performance, development needs and requirement for future *Traidlinks* support. In addition, this small-scale initial project provides an opportunity to both *Traidlinks* and the partner company to try out the partnership, establish a solid working relationship and foster an understanding of the roles of both partners in the developing relationship. Successful completion of this phase is required before any future higher level engagement commences, thus establishing the management information, partnering relationship and mutual trust before further *Traidlinks* resources are invested into the higher level strategic intervention to follow.

Confidentiality Agreement Project

Full access to marketing, pricing, financial and other commercially sensitive information is essential for *Traidlinks* to engage fully with any business in Uganda and to have the maximum impact. While the companies identified span a number of areas of the food sector, some are competing in the same product and market areas. Before developing any plans of engagement each company will sign a confidentiality agreement with *Traidlinks* to protect the interests of both parties.

Responsible Business Questionnaire Project

Traidlinks requires each participating company to adopt the principles of the UN Global Compact as their business code of ethics, in line with *Traidlinks'* Charter. While it is accepted that the implementation of such principles may take some time, *Traidlinks* will support the self-assessment of the companies' business operations using the Responsible Business Questionnaire and will develop policies and procedures to ensure that each partner company's business practices are in line with these principles. Each company is required to confirm their commitment to work towards these principles and complete *Traidlinks'* Responsible Business Questionnaire. Should a company declare that it is unwilling to implement these principles, *Traidlinks* will disengage from that company.

Management Accounting Project

Initial meetings with Ugandan businesses have revealed a consistent absence of regular financial reporting. The Management Accounting Project will promote the value of monthly management accounts and their use in making informed strategic decisions. Companies will be required to produce the following on a monthly basis: Management Accounts, Balance Sheet, Profit & Loss, and a Cash Flow Statement. It is anticipated that this information will reveal the needs within each company in relation to their general accounting systems. These needs will be addressed through *Traidlinks'* support and training.

Phase 3: Strategic/Holistic Business Support

Full blown business support only begins on successful completion of the Phase 2 activities. This level of support provides business development on three levels; strategic business development, skills and process development identified, as required by *Traidlinks* and the Partner Company, and access to broader-based *Traidlinks* programmes.

Strategic Business Development

This is based in the main part on the management accounting information generated during Phase 2. In addition, however, the entrepreneurs own vision for the organisation is a key component of this and *Traidlinks* works to support the development and implementation of strategies and activities to grow the business in line with aspirations of the partner company itself. Delivery of this element of the programme is through a combination of Business Mentorship by individuals from within the Irish Private Sector, *Traidlinks* staff on the ground and the management team of the Partner Company itself.

Skills and Process Development

Based on the needs identified by the business planning process this element aims to support the company to address the functional areas which need to be strengthened in order to meet the longer term business development and growth targets. Delivery is through a combination of Irish Private Sector specialists delivering pro-bono consultancy projects at Partner Companies to redesign processes and train staff, with *Traidlinks* staff in Uganda supporting implementation at the Partner Companies until the new systems are fully integrated into the companies' processes and are self sustaining without ongoing *Traidlinks* support.

Access to other *Traidlinks* Programmes

Traidlinks will develop additional Programmes in addition to the Partnering Programme offering learning opportunities in specific areas such as export development and selling into a retail environment. Partner companies will be able to access these programmes as part of their overall engagement with *Traidlinks*.

Measuring the Success of the Engagement

Measurement of the success of engagement with a partner company is built into the process through the phased approach. At all stages careful consideration is given to the type of company *Traidlinks* is partnering with and to the level of commitment of that company to *Traidlinks* philosophy, support and input. However, specific quantitative and qualitative measures are used during the different phases depending upon the duration of the relationship and bearing in mind the long term nature of the impact of the intervention on high level business indicators. Therefore, in the early phases of the partnering relationship, impact is measured in terms of the short term achievements – both qualitative and quantitative.

Short term Quantitative Measures

In the short term, performance is measured in relation to an agreed project plan. For example, adherence and progress made in relation to the planned implementation of the company specific Management Accounting Project. It is important to note that a company's progress is measured against its own specific plan as opposed to measuring all companies in relation to achievement of a generic goal or standard. This recognises that all companies are at different stages of development, having differing structures and skills; development needs to achieve the end result vary significantly.

Short Term Qualitative Measures

During the early stages of *Traidlinks* intervention with a partner company development of the relationship is critical in establishing a platform on which to base more in-depth support. Therefore, *Traidlinks* monitors the progress being made in developing this relationship through a series of observation on how the relationship is developing. These 'soft' measures include:

- Who is the 'champion' of *Traidlinks*' intervention? How influential is this person in the organisation?
- Ideally this 'champion' should be the CEO/MD/entrepreneur in order to maximise the impact of *Traidlinks*' support.
- How good is *Traidlinks*' relationship with the management team? How engaged and committed to the process are they?
- Does the company understand and accept that they must take responsibility for carrying out the activities under the guidance of *Traidlinks*...rather than *Traidlinks* doing the work for them?
- Do they turn up for meetings on time?
- Are agreed actions delivered on time?
- How willing are they to embrace change?
- Are they adopting the new practices into their business processes?
- Are they seeking *Traidlinks*' input and advice on broader business issues?
- Do they view *Traidlinks* as their primary source of business advice and support?

Long Term Measures As the relationship develops it is possible to begin measuring the business impact of *Traidlinks*' partnership with the companies, alongside the ongoing short term measures. The long term indicators are as follows:

- Performance against Business Plan
- Turnover
- Profitability
- Employment

It is still important to retain the focus on the short term measures at this stage to ensure that the commitment of the Partner Company and quality of the relationship are retained.

Annex 8 *Traidlinks'* Business Mentor Biographies

Declan Conway

Declan is a founder of the Encircle Foundation, a not-for-profit organisation set up to enable corporate bodies to support the achievement of the Millennium Development Goals. He has also founded a number of telecom and software companies, including Openet, which processes billions of transactions for telecom carriers on a daily basis. Graduate of Engineering, DCU. Ernst & Young Entrepreneur of the Year Finalist, 2001.

Niall McHugh

Niall has been a practicing accountant since 1993 and is a partner in BMOL Partners. He works partly in the areas of compliance and tax planning, but mainly in equity and property investment and financing. He is a director of Scope Clinical Research Ltd., Premium Distribution Ltd., BMOL Capital Partners Ltd. and JEN Property Investment Ltd.

Tony Mc Poland

Tony is the Finance & Operations Director of LBBW Bank, a German bank operating in the IFSC. He is a qualified accountant and has been working in international financial services for the past twenty years. His role at LBBW Bank involves managing teams that work in the Risk, Operations, IT and Finance Departments of the bank.

James Murray

From 1990 until earlier this year, James was the CEO of Vanstar Meats, a beef processing company. He operated two plants, employing 130 staff, with an annual turnover in excess of €50 million. Processing 1000 cattle per week, 95% of finished product was exported around Europe in the form of frozen or fresh vacuum packed primals. He currently operates a Property Development company and an investment vehicle across a broad range of public and private companies.

John Rohan

John trained as an accountant while working in industry. Since then he has worked mainly in business banking. In the 1990s he spent five years working in development banking in Botswana. During his time there, the bank underwent a restructuring of focus becoming more commercially oriented in their lending practices by providing long term loans to local business people. In later years, he advised on the bank's strategy for providing short term working capital.

Currently with Bank of Scotland, Ireland, he is involved in lending to medium and large scale Irish businesses from a wide range of sectors.

Paul Kelly

Paul graduated from UCD with a BE (Chemical Engineering) in 1979. After working for CRH until 1981, he returned to education, receiving his MBA from Boston University in 1983. Paul founded Kelly's Biscuits in 1986. By 2002, he had built up its output capacity to 5000 tons per annum. Since selling Kelly's Biscuits in 2002 he has been involved in property development in Manchester.

Roger Jupp

After taking a double honours degree in European Studies, Roger began his career in market research in London in the early 1970s. Over more than 20 years in Ireland, he has developed particular expertise in research into service industries, socio-political opinion and customer satisfaction studies. He has accumulated extensive quantitative and qualitative experience, in virtually every product/service area. A linguist, Roger is currently responsible for the Irish fieldwork on the European Union's Eurobarometer and specialises in controlling Lansdowne's extensive international research projects. He is a former Chairman of the Marketing Institute of Ireland and a former Vice-Chairman of the Marketing Society. He completed a 3-year term as vice-president of the European Marketing Confederation. He is the current ESOMAR national representative for Ireland.

Annex 9 Draft *Traidlinks*' Transparency Policy

1. Aim

The aim of the Transparency Policy is to contribute to the good governance of *Traidlinks* and to guide the organisation in deciding what information to make available in the public arena.

2. Guiding Principle

The UN Global Compact is the basis of the Ethical Charter to which *Traidlinks* subscribes. *Traidlinks* bases its approach to transparency on Principle 10 of the UN Global Compact:

“Business should work against corruption in all its forms, including extortion and bribery.”

Traidlinks, like all charities, must win public confidence. Operating in an open and transparent manner is crucial to this. Therefore *Traidlinks* commits itself to engaging openly with interested stakeholders and with the wider public.

Traidlinks is also committed to respecting, where appropriate, the privacy of its stakeholders. Therefore the organisation seeks to strike the correct balance, given its mission, between providing as much information as possible to all interested third parties and its duty as a charity operating in a commercial environment, to protect where appropriate the private commercial and market-sensitive information of business counterparts.

3. What we mean by Transparency

Transparency means that we aim to make as clear as practicable how *Traidlinks* operates, how we use the resources entrusted to us and by what criteria we make decisions on allocating those resources.

4. Information that will normally be made public

Traidlinks will normally publish on its website the following information. Some of these documents will also be available in printed form.

- Articles of Association
 - List of members of Board of Directors with summary biography and statement that board members are not remunerated for their work
 - List of Staff members and their roles
 - Annual Report
 - Audited Accounts
 - Ethical Charter
 - Criteria for selection of projects
 - Conflict of Interest Policy
 - List of companies contributing financially and in-kind (with logos)
 - 'Project Pipeline' chart
-

- Donor Charter

Annualised documents shall be published in a timely manner.

5. Information that will not normally be made public

Traidlinks will not release information conveyed to it in confidence, most especially commercially sensitive information belonging to partners businesses and donor companies.

We will not make public documents supplied to us by others in circumstances where, because there is a moral or legal duty of confidence, it would be unethical or unlawful for us to do so.

Traidlinks will not normally release documents relating to its regular internal operations, e.g. minutes of Board or Staff meetings.

The *Traidlinks* Data Protection Policy outlines the organisation's procedures for securing confidential information and operating within the Data Protection Act.

6. Transparency of the companies which *Traidlinks* supports

Traidlinks aims to help businesses in developing countries develop with respect to their commercial activities, to their corporate governance and in how they contribute to poverty reduction in their locality.

Traidlinks only operates with companies who commit to achieving the standards of the UN Global Compact, and who display appropriate progress in achieving those standards. *Traidlinks* also requires that any company it is supporting complies with all legal requirements in its country of operation.

7. Transparency regarding the companies who support *Traidlinks*

Some donations are given to *Traidlinks* by Irish companies in the form of goods or volunteering of services. To ensure transparency, we will record and publish details of all major institutional gifts and gifts-in-kind; clearly describe the valuation and auditing methods used; and ensure that these gifts contribute towards our mission. The names of donating companies will normally be listed on the website.

The *Traidlinks* Conflict Of Interest Policy details the processes used to ensure that *Traidlinks*' projects serve its mission and that transparency prevails wherever there is a possibility of a conflict of interest arising. Part of *Traidlinks* mission involves building the capacity of developing country companies to enter commercial contracts with importers into Europe. This is an indicator of *Traidlinks* success. In the interest of transparency, *Traidlinks* will publish indicative (non-

commercially sensitive) information relating to donating companies who form commercial links with *Traidlinks* supported companies in developing countries.

The same ethical criteria disqualifying *Traidlinks* from engagement with certain industries relate both to the companies which support *Traidlinks* as to the companies it facilitates in developing countries. Where the Board of Directors judges that a donating company is in material breach of the UN Global Compact the Board will make a decision to disassociate itself from such a company.

8. Transparency Responsibility to Donors

Traidlinks depends on the generosity of the public, the Irish government and business to fund its work, and on business to contribute expert skills and materials. As well as our work in developing countries, we have important obligations to our supporters here in Ireland. In return for your commitment to our work we make this commitment to you.

You are entitled to:

- Information concerning the projects which *Traidlinks* supports, and the principles which guide our work
- Confidentiality and a choice as to whether you wish to receive further information from *Traidlinks* in the future

You can be assured that, as a charity supported by voluntary private donations and public funding *Traidlinks* will always:

- Prepare fully audited accounts which are available to you for inspection
- Keep administrative and fundraising costs to a minimum.

Traidlinks will maximise the value of your donation by:

- Seeking matching funding from official bodies such as the Irish government and the European Union
- Availing of tax concessions provided to charities in order to increase the value of your donation.

9. How we decide on projects

Based on its Ethical Charter, *Traidlinks* uses a set of criteria to decide what projects to support. These are published in the 'Criteria for Selection of Projects' document. That document also outlines the criteria by which *Traidlinks* would disengage from companies whose ethical standards are not acceptable.

10. Access to Information

Transparency also means that we want people to have good access to information about our work. *Traidlinks* is concerned that its key stakeholders have access to this information.

In particular we aim to make information available to the communities in which we operate in Africa, to the Irish public, NGOs and media, and to the business community and funders who support *Traidlinks'* work through financial and in-kind contributions.

In deciding how to make information publicly accessible, we keep in mind the needs of our stakeholders. As well as publishing annual reports and audited accounts on the internet, *Traidlinks* shall make an appropriate number of copies of these documents available to the partner companies and communities where it operates in developing countries.

11. Decision Making on Release of Information

Traidlinks shall decide on a case by case basis what additional documents to publish – such as studies or reports it commissions. Such decisions shall be made by the General Manager who reports to the Board of Directors.

12. Preventing Bribery and Corruption

Traidlinks human resources policies specifically prohibit acts of bribery or corruption by staff or other persons working for, or on behalf of, the organisation.

13. Safeguarding Whistle-blowers

Staff will be enabled and encouraged to draw management's attention to activities that may not comply with the law or our mission and commitments.

This document was prepared with reference to Transparency Policy of

- Concern
- Trócaire
- European Investment Bank
- IMF
- Commission on Radioactive Waste Management (UK)
- 'Creating Customer Evangelists'
- *Traidlinks* Data Protection and Confidentiality policies
- International NGO Charter on Accountability

And with advice from Christian Aid.

Annex 10 Traidlinks' Recruitment Advertisement

Friday, September 5, 2008



Traidlinks

Promoting Enterprise in the Developing World

Traidlinks works to engage the Irish business community in supporting business development in Africa. Traidlinks supports companies to overcome the many obstacles to growth by:

- providing specialist technical skills and business development expertise;
- identifying and providing routes to market, both international and local;
- focusing on sustainable transfer of skills and knowledge;
- providing practical support to implement good practices in all areas of the business.

To support the growth and effectiveness of its business, Traidlinks is seeking to fill a number of key roles in Uganda.

Client Managers - Uganda

Traidlinks is seeking a number of experienced Client Managers to be based in Uganda. The role will entail acting as Client Manager for a number of Ugandan companies, supporting and managing their business development needs. In addition, the Client Manager may have additional responsibility for functionally – focused projects that span a variety of clients.

Project Managers - Uganda

Traidlinks is seeking a number of experienced Project Managers to be based in Uganda. Working with the Client Managers, the role will involve developing and implementing a series of functionally - focused projects across a range of Traidlinks' client companies.

We seek highly motivated individuals who can bring a flexible, proactive approach to the role. With at least eight years experience for the Client Manager and six years experience for the Project Manager in a customer or client-facing role including several years at management level, you will have a business degree or equivalent. With excellent communication skills and a structured, process driven approach to problems, you will be able to provide innovative solutions in an exciting and developing context.

A competitive salary and benefits package is on offer including a commitment to matching your personal and business development needs.

For more information about Traidlinks see www.traidlinks.ie



Traidlinks is an equal opportunities employer

For further information and a job description, please contact Shane, HR Dynamics, at traidlinks@hrdynamics.ie

Applicants for this position should submit their CV with a covering letter, by Monday 15th September.

Annex 11 *Traidlinks* Outline Strategy 2009-2011 (DRAFT)

Purpose This document represents the first draft of *Traidlinks*' strategy for the years 2009-2011 and provides an outline of *Traidlinks*' future direction; it does not intend to provide a full strategic plan and therefore will not address operational issues or a breakdown of activities year on year. As such, the strategy outlined is aspirational and full ratification of the strategy will depend on the feasibility of implementation. Full review and ratification will be sought at the next *Traidlinks* Board meeting in October. The purpose of this document is to outline the various strategic options open to *Traidlinks* within the context of the existing operational capabilities, the key learning points from *Traidlinks*' activities to date and the current external environment as it impacts on the organisation. The document goes on to identify the strategic choices made by the Board of Directors and management team and includes the reasoning for these choices.

Context Lessons Learned So far

In mid-2008, 18 months into the full operations of *Traidlinks*, the strategy to date has been to develop a focused model of intervention at SME level in Uganda calling upon the skills and experience of the Irish Private Sector to guide *Traidlinks* in development of this strategy and to support implementation of business development and support interventions within the food sector in Uganda. Throughout the 18 months period the emphasis has been on exploring and developing methods of engagement that can support Ugandan businesses to grow, develop and become sustainable business entities. A critical element of this approach has been on learning what we, *Traidlinks* and the wider Irish business community, can offer and how best to tailor this offering to best meet the needs of Ugandan enterprises. To this end, *Traidlinks* has identified the following key methods that will create a sustainable impact:

- Focus on the needs: That is on the needs of the Ugandan businesses and broader business community. These are the ultimate beneficiaries of the intervention and therefore must remain the focus of *Traidlinks*' efforts and activities.
- Supported implementation: The resource capacity of the SME sector in Uganda is such that companies are not able to make a sustainable change to the business by merely taking advice, attending training courses/seminars or through a 'consultancy' approach. The businesses involved require a more in depth mentoring/coaching approach if real change is to be made and sustained. This element can only be delivered by *Traidlinks* staff in Uganda – acting as a change agent to ensure full implementation of the change/business improvement activity.
- Programmes/consultancy delivered by Irish private sector specialists: The support of the Irish Private Sector in the delivery of consultancy and specialised programmes is a valuable method of skills delivery. This is the most unique element of *Traidlinks*' intervention and sets *Traidlinks* apart from other enterprise development agencies. The concept of successful Irish professionals delivering training and consultancy has a major impact on the recipients of such activities, giving huge credibility to the quality of advice that is received peer to peer.

The core skills that *Traidlinks* can offer, in association with the Irish Private Sector are as follows:

- Business development: Knowledge of good business practice and business development is an essential skill of all *Traidlinks* employees and with the guidance of the Irish Private Sector business mentors and Board of Directors this competence is at the centre of all activities.
 - Knowledge of the European marketplace: Although the Ugandan companies are geographically removed from the European market, access to people with skills and experience of doing business in Europe provides essential insight into the challenges they face in meeting European standards – in terms of the technical standards, level of competition and also of the professional standards and expectations of European buyers.
-

- Relating to the Ugandan business context: Many professionals working in Ireland experienced the economic hardships and difficult business environment of pre-Celtic Tiger Ireland. This enables Irish business professionals to empathise with Ugandan businesses. A greater connection between peers from Ireland and Uganda arises through their mutual understanding of shared challenges.
- Accessing goodwill of the Irish Private Sector: Through its network, *Traidlinks* is able to access and generate substantial goodwill and support for its activities in Uganda. The main challenge to date has been to identify specific projects, in line with the needs of Ugandan business partners, with which they can engage. The need for the engagement of Irish Private Sector professionals will increase over time as *Traidlinks'* activities scale up.
- Being practical: In the context of scarce resources and limited business skills and experience the support given to Ugandan businesses must be practical and meaningful to the business. *Traidlinks* endeavours to maintain a practical outlook and provide whatever support is required in order to make the necessary business improvements.

External factors

In addition to the lessons *Traidlinks* has learned over the past 18 months, a number of external factors have also changed. These must be acknowledged and taken into consideration in the strategy development for the next 3 years.

Food scarcity

- Self-sustainability: The increasing need for African countries to be able to produce food for their own consumption in an environment of food scarcity is a key consideration in assessing where *Traidlinks* should focus its support.
- Price: As above – with consideration to productivity and cost-efficient production of food.

Credit Crunch

- Debt availability: Implications for African businesses and availability of debt financing for business growth.
- Western growth: In low growth environment will this limit potential investment/support to Africa or will it shift the focus of investment opportunities to Africa/newly developing economies?

Oil Price

- Margin squeeze: Must consider the impact of fuel prices on the African economies and the cost of goods that are not available domestically in these countries.
- Potential export barrier: Implies that a reliance on export to far reached destinations may not be sustainable over time and that there is increased potential for import substitution/regional trade between neighboring African countries.

Uganda Policy

- Focus on 'adding value': The current political will is heavily focused on adding value to locally grown agricultural products in the country of origin. This is supported politically at the highest levels in Uganda.

International Development Context

- Very few existing interventions at SME level: Many focus on export development, traditionally to the developed economies and on infrastructural capacity building. *Traidlinks'* focus on providing business coaching and mentoring to individual businesses is quite unique.
-

- Desire to broaden the focus of conventional aid: Recognition of the role 'Private Sector Development', in combination with conventional overseas development, aid in the fight against poverty is increasing and is attracting increasing proportions of donor funding year on year.
- Perception that *Traidlinks* is 'narrow': *Traidlinks* must acknowledge this perception and take stock of the type of intervention that has been undertaken in the last 18 months and evaluate the feasibility and impact potential of broadening the offering.

***Traidlinks* Vision and Mission Vision**

To diminish poverty in developing countries by inspiring, supporting and promoting enterprise and to contribute sustainably and equitably to local and world trade.

Mission

To facilitate the engagement of the Irish business community in the development and delivery of commercial and socio-economic activities to promote enterprise and diminish poverty in the developing world

Strategic Options

In evaluating the potential future strategy within the context outlined above, the following key questions and associated strategic options were identified. The strategic choice is identified with an outline of the reasoning behind the decision.

How should we add value?

Deep vs. Broad Interventions:

That is, does *Traidlinks* continue with the existing model of intervention at company level, with a strong focus on supporting implementation of business improvement and sustainable change management (deep intervention)? OR Do we develop broader-based programmes that are less intensive in terms of the implementation support but that impact on a greater number of companies (broad intervention)?

CHOICE = COMBINATION: OFFER A RANGE OF DEEP AND BROAD PROGRAMMES OF SUPPORT

The current focus on a deep level of support at enterprise level has been identified as an essential and currently unsatisfied need in the Ugandan SME context. It plays to *Traidlinks'* strengths and offers a level of support unique to other organisations in the 'Private Sector Development' arena. It is, however, resource intensive with limited scalability. Therefore, the chosen strategy in the next three years is to broaden out the range of supporting activities to offer programmes that will reach an increased number of companies and provide more opportunities to engage the Irish Private Sector, whilst maintaining *Traidlinks'* core principles of addressing real needs in a pragmatic way. Ultimately *Traidlinks* will offer a range of programmes, both 'deep' and 'broad' which are mutually supporting in providing good quality, practical supports to Ugandan businesses.

Focus on SME sector vs. 'alternative' model e.g. End to end supply chain: T

That is, do we continue to focus on small and medium size enterprise level only in the economy, as thus far? OR Do we shift the focus and concentrate on specific sectoral programmes addressing issues along the whole supply chain – from farm to consumer?

CHOICE = FOCUS ON SMEs

This identifies a continuation of the existing approach into the next three years. This allows *Traidlinks* to continue to focus on value-adding activities, addressing an unmet need, stimulating wider economic growth and supporting the acquisition and retention of generic 'business development' knowledge base within *Traidlinks'* internal resources. A shift away from this focus will require very different skills and knowledge than those existing within *Traidlinks* and will more closely mirror existing approaches currently carried out by a number of other development organisations. Continued focus at SME level is seen to make the best use of existing resources, the skills and experience of the Irish Private Sector and maintain *Traidlinks'* position as a provider of a unique support to Ugandan businesses.

B2B vs. Wider Advocacy:

To date *Traidlinks'* activity in Uganda has focused solely on business to business support. This option poses the question whether this should remain the focus of *Traidlinks'* intervention in Uganda. OR Should *Traidlinks'* focus shift towards a broader engagement at all levels of influence in the Ugandan economy/political context in order to support economic/Private Sector development in the country?

CHOICE = COMBINATION: B2B SUPPORT WITH WIDER ADVOCACY

The combination approach is seen to be the most effective way to make a sustainable impact on the business environment in Uganda. Engaging at all levels to influence the SME sector and the supporting economic environment is considered essential to enable systemic change rather than merely capacity building within companies/business support organisations with which *Traidlinks* is engaging. This approach will require a diversion from the existing B2B focus but is a natural extension to existing activities as *Traidlinks* becomes more established in the Ugandan business environment, and essential in building influence and credibility with the wider stakeholder groups.

Aid vs. Commercial Focus:

Traidlinks' approach to date has been on capacity building within the Ugandan economy as an aid intervention. Should our work continue in this way? OR Should *Traidlinks* take a more commercial role as a facilitator of joint ventures, direct investment, equity investment seed funding, extension of *Traidlinks*-owned business interests etc in Uganda/Ugandan businesses?

CHOICE = AID FOCUS

A continued focus of *Traidlinks'* activities as an aid intervention is the agreed choice for the coming three years. This will build on the existing knowledge and skill base, retain a clear focus and maintain control over the long term impact of the venture. It is not considered that Uganda currently has the potential to provide substantial investment opportunity or direct commercial linkages with the Irish Private Sector. However, should opportunities be identified *Traidlinks* will endeavour to facilitate investment/commercial linkages as appropriate but this will not form a core part of the activities in the near future.

Where should we be focused?***Uganda alone vs. Additional countries:***

So far all skills transfer and other activities have focused exclusively on Uganda (with the exception of Heart of Africa suppliers). Should this continue to be the case for the 3 years following 2008? OR Should we be in a position over the coming 3 years to repeat the formula in other country/countries? If so, by when, and in how many countries?

CHOICE = UGANDA PLUS COUNTRY #2

The priority is to build success in Uganda first before moving into another country. It is anticipated that by the end of the next three years *Traidlinks* will have identified a second country, established a local presence and be positioned to roll out the business fully in that country. This said, the opportunities to extend *Traidlinks'* programmes beyond Uganda will be provided through offering broader based programmes (once success is proven in Uganda) over the three year period, allowing this choice to be made by understanding different contexts and business environment and gauging the acceptance of the model in a number of different countries. Therefore, it is anticipated that *Traidlinks'* programmes will be rolled out over the three years and the second country identified in which the full operation may be built.

Food vs. wider sectors:

Retain the current focus, expanding outside of the sector organically to support sectors up/down stream of the food businesses? OR Widen the sectoral focus and develop programmes for a radically different sector as a contrast to the food sector e.g. ICT?

CHOICE = FOOD CENTRIC FOCUS

The chosen strategy is to retain the current focus on the food sector whilst expanding organically to support sectors up and down stream of food processing businesses. This provides a coherent extension of supports to a key indigenous industry in Uganda which is within the existing knowledge

base of *Traidlinks* and provides the Ugandan economy with a huge multiplier effect as the success of the food processing sector stimulates demand for locally produced agricultural products, ultimately impacting on the majority of the population who are sustaining their livelihoods through agriculture.

Delivering the Strategy Successful delivery of the strategy depends on *Traidlinks'* ability to sustain appropriate levels of funding and to attract and retain the human resources to fulfil its operational activities. In these areas the following strategies have been identified, although more detailed analysis is required in order to outline and agree the approach for the next three years.

Funding

Critical to the funding strategy in the next three years is the diversification away from the full dependency on Irish Aid as *Traidlinks'* sole donor. In principle it was agreed that *Traidlinks* should develop three-way funding sources; Irish Aid, statutory source(s) and private source(s). The cautionary note in relation to fund generation is to ensure that *Traidlinks* is able to maintain its current focus on building its operations and programmes of activity without efforts being diverted too much by fund generation.

Resources

Building the required resource capability to deliver *Traidlinks'* operations, particularly in Uganda, has proved challenging in the last 18 months. Therefore, it will be essential to retain the existing staff and the knowledge that has been built whilst adding to the existing team to provide the increased support in line with the agreed strategy. Having said this, the strategic choices identified have taken into account the resource capabilities of the organisation so that the focus over the next three years will build on the existing capability without the need to recruit people with skills and experience that are entirely outside the capability of the current team.

Conclusion and Next Steps

In summary, *Traidlinks* will continue to focus primarily on Uganda in the medium term, with continued support given to enterprise development at SME level with a 'food centric' focus. *Traidlinks* will extend its offering by developing broader programmes, addressing specific needs in the Uganda business sector, aimed at including a wider range of companies, both Ugandan and Irish, in these programmes. Over the three year period, *Traidlinks* will deepen its engagement in the Ugandan economy by advocating on enabling environment issues with the objective of influencing policy making and support for the SME/manufacturing sectors. In addition, *Traidlinks* will begin the process of extending specific, successful programmes beyond Uganda with the objective of identifying an appropriate second country within which to repeat the developing *Traidlinks* model of enterprise development. Having identified the aspirations of *Traidlinks'* team the next step is to develop a full operational plan for the coming three years for review by the Board of Directors. Critical areas to be considered are the budgeted costs of delivering the strategy, appropriate sources of financing and a more detailed outline of the operational requirements and plans.

Annex 12 *Traidlinks'* Relationship with Bank of Africa

1. Company Background

BANK OF AFRICA - UGANDA Ltd is a member of the BANK OF AFRICA GROUP, an international bank with a strong presence in Francophone Africa. In operation since 1982, GROUPE BANK OF AFRICA has significant operations in Benin, Mali, Burkina Faso, Ivory Coast, Niger, Senegal, Madagascar and Kenya, together with a representative office in Paris.

The BANK OF AFRICA GROUP has partnered with internationally recognized institutions supporting private sector development in Africa through shareholding in various countries where the bank operates. BANK OF AFRICA - UGANDA is owned as follows: FMO - Netherlands Development Finance Company – 22%; AUREOS East Africa Fund LLC – 22%; BANK OF AFRICA – KENYA Ltd – 46%; CENTRAL HOLDINGS Ltd (Local investment property group) – 10%.

Other shareholders in the BANK OF AFRICA GROUP are: PROPARCO - A subsidiary of French Development Agency and NATEXIS – BANQUE POPULAIRE - French Bank.

BANK OF AFRICA – UGANDA employs 186 Ugandans. Their head office is a very central, newly renovated building, in which they have approx. \$1.8 million equity.

Kwame Ahadzi, Managing Director of Bank of Africa – Uganda is keen to work closely with *TRIDLINKS* in their dealings with SMEs. With only a small percentage of the market in Uganda (2%), the bank is keen to grow, with particular emphasis on SME business. He has stated that *TRIDLINKS'* involvement with particular SMEs will encourage him to view them more favourably when assessing risk. As our first step in co-operation, Kwame has agreed to facilitate a letter of credit from JACOB FRUITFIELD FOOD GROUP (JFFG), for AMFRI FARMS and to discount it upon receipt, releasing 85% of the funds.

2. *Traidlinks'* Inputs and Results

The Chief Executive was out of Uganda during the consultant's visit, and was therefore unavailable for a meeting. The following information was provided by *Traidlinks*.

Contact was made on behalf of Amfri Farms to arrange a loan for plant and equipment. Assistance in structuring the loan was provided by John Rohan of Bank of Scotland Ireland and with additional facilitation provided by JacobFruitfield, as mentioned above.

3. Impact

Undoubtedly the credit line provided to Amfri was crucial and the company was extremely appreciative of the assistance
