

start INVESTMENT PORTFOLIO



**DEVELOPMENT INITIATIVE
FOR NORTHERN UGANDA**





SUPPORT TO AGRICULTURAL REVITALIZATION AND TRANSFORMATION (START) FACILITY

The START Facility is implemented by UNCDF in partnership with Private Sector Foundation Uganda (PSFU) and Uganda Development Bank Ltd (UDB). The START Facility is designed to **support the implementation of the food security and nutrition component of the Development Initiative for Northern Uganda (DINU) programme** by improving access to finance for small and medium enterprises engaged in agricultural value addition in Northern Uganda. START is a blended finance facility providing a mix of business development services, project development & finance structuring and financial products in form of concessional loans, technical assistance grants and partial credit guarantees.

Concessional loan projects

The START Facility offers to cover up to 75% of the financing requirement at 10-12% annual interest rate with a maximum repayment period of 5 years including up-to 12 months grace period. The financing available to SMEs starts from approximately UGX 40M to UGX 400M. Mechanisms are also in place to provide financing beyond the UGX 400M upper limit through working with partners. The developer's contribution should be at least 25% of the total cost of the project (in cash, in-kind e.g. land, buildings, vehicles, or business-related assets).

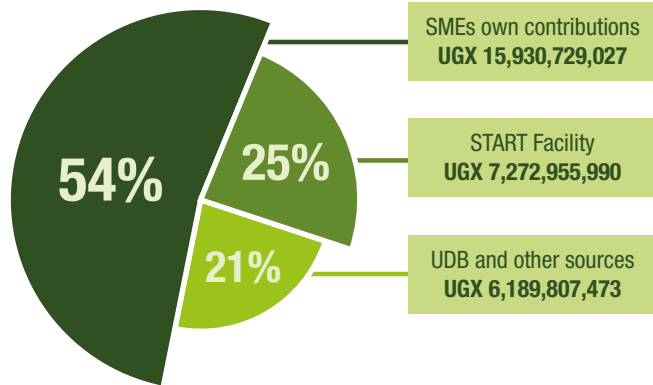
Small Business Recovery Fund (SBRF) Projects

As part of UNCDF's effort to support SMEs affected by COVID-19 pandemic, the Small Business Recovery Fund (SBRF) was established by the Management Board in June 2020 to support businesses facing liquidity challenges and possible closure arising from government restrictions to control the spread of COVID-19.

STATUS AS OF APRIL, 2021

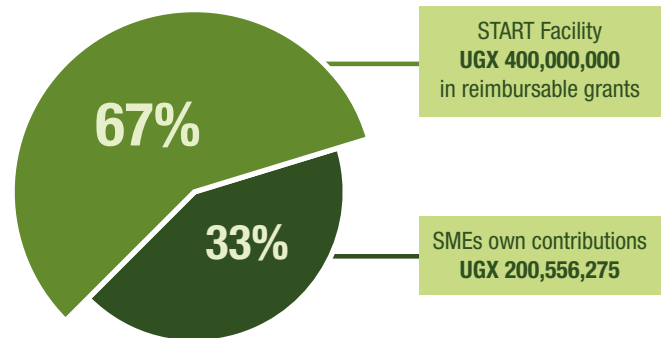
CONCESSIONAL LOANS: 22 Projects

Total Project Size: UGX 29,393,502,490



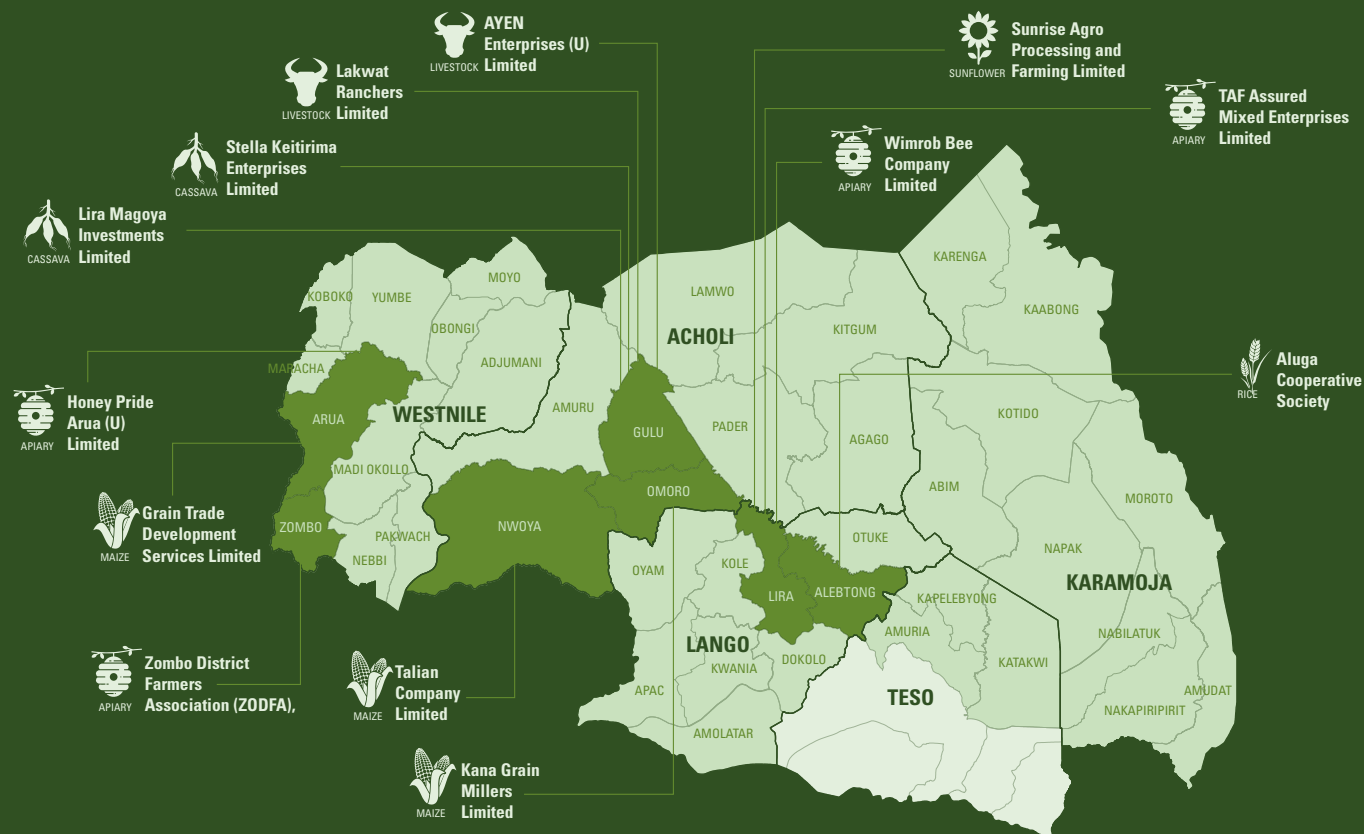
SMALL BUSINESS RECOVERY FUND (SBRF): 10 Projects

Total Project Size: UGX 600,556,275



PROJECT PROFILES: DISBURSED & PARTIALLY DISBURSED

STATUS AS OF APRIL, 2021



01/ Kana Grain Millers Limited, Omoro District

Modern storage facilities



Kana Grain Millers Limited processes maize grain into various grain-based products that are marketed throughout Uganda and the neighboring countries. The company owns and operated a maize mill machine with a capacity of 24 tonnes in 24 hours.

Using funding from the START Facility, Kana Grain Millers Ltd will provide alternate power, improve on grain cleaning, drying and enhance storage capacity of the factory to increase output.

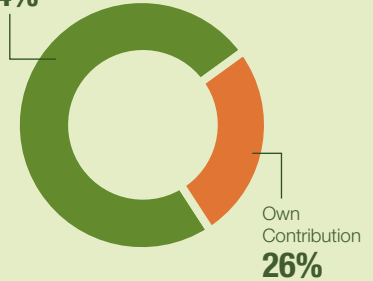
CONCESSIONAL LOAN

Total Project Cost
UGX 636,000,000

Own Contribution
UGX 165,442,500

START Funding
UGX 470,557,500

START Funding
74%

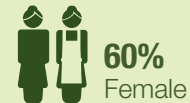


UNCDF Support

- Concessional Loan approved and fully disbursed
- Post investment BDS support to automate financial management completed

Beneficiaries

300 farmers



02/ TAF Assured Mixed Enterprises Limited, Lira District

Upgrading honey processing equipment and storage facilities



TAF Assured Mixed Enterprises Limited is involved in honey production and processing as well as providing capacity building in bee keeping to bee farmers in Lira and surrounding districts. Using the funds from the START Facility, the company is upgrading its honey processing equipment and storage facilities.

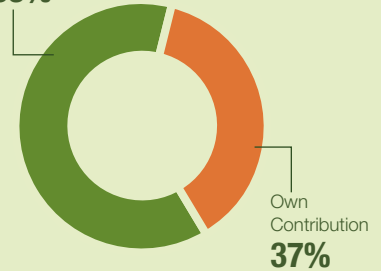
CONCESSIONAL LOAN

Total Project Cost
UGX 309,462,483

Own Contribution
UGX 115,962,563

START Funding
UGX 193,499,920

START Funding
63%



Level of Progress

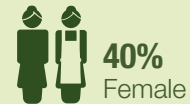
- Concessional Loan approved and fully disbursed
- Started loan repayments

BDS Support

- Post Investment BDS support to automate financial management completed

Beneficiaries

500 farmers



03/ Honey Pride Arua (U) Limited, Arua District

Upgrading honey processing equipment and storage facilities



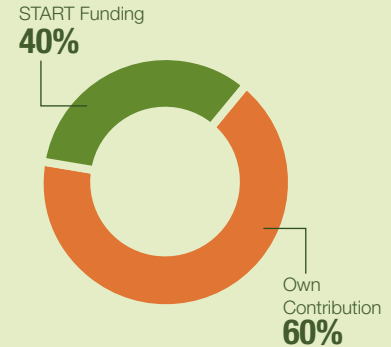
Honey Pride Arua (U) Ltd.'s business model is an “inclusive business model” where rural communities are included at various stages in the value chain. Most importantly, Honey Pride has included the rural beekeepers as their major suppliers of beehive products – i.e. honey, bees wax and bee propolis. Honey Pride’s interest is targeting the youth and women to join this enterprise for sustainable livelihood. Using the funds from the START Facility to improve its honey processing capacity by purchasing more honey settling tanks, filters and electric honey press.

CONCESSIONAL LOAN

Total Project Cost
UGX 420,000,000

Own Contribution
UGX 250,000,000

START Funding
UGX 170,000,000



Level of Progress

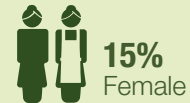
- Concessional Loan approved and fully disbursed
- Implementation on-going and started repayments

BDS Support

- Benefited from Pre-investment BDS support

Beneficiaries

975 farmers



04/ Lakwat Ranchers Limited, Gulu District

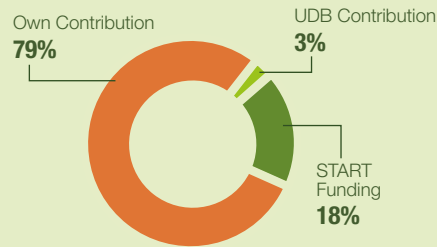
Construction of farm structures, acquisition of artificial insemination equipment and working capital



Lakwat Ranchers is a livestock farm rearing cattle, goats, sheep, pigs, poultry, geese, donkeys, and fish for meat and milk production. The ranch is located on the banks of River Aswa and covers a total area of over 900 acres (1.5 square miles). Lakwat's strategy is to improve the herd quality by cross breeding through artificial insemination with the objective of entering the beef market. They also intend to support over 200 farmers to improve their herd breeds using artificial insemination and subsequently providing market for their calves.

CONCESSIONAL LOAN

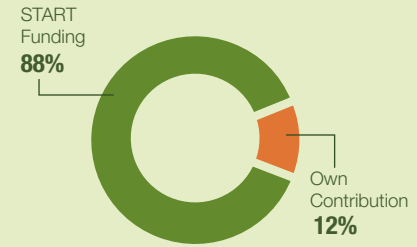
Total Project Cost: UGX 2,264,763,437



Own Contribution	START Funding	UDB Contribution
UGX 1,800,000,000	400,000,000	UGX 64,763,437

SMALL BUSINESS RECOVERY FUND (SBRF)

Total Project Cost: UGX 45,240,000



Own Contribution	START Funding
UGX 5,240,000	40,000,000

Level of Progress

- Concessional Loan approved
- Security perfection underway
- SBRF funds fully disbursed

Beneficiaries

10,040 staff and maize farmers



40%
Female



60%
Male

05/ Stella Keitirima Enterprises Limited, Gulu District

Drying, milling, packaging and storage of agricultural produce

Stella Keitirima Enterprises' current business is trading of agricultural produce mainly cassava, sorghum, and maize. These are purchased from farmers in Acholi, Lango and West Nile sub regions. The company's strategy is to further add value to the produce when it purchases it from the farmers before its sold to the off takers. It plans to acquire technology that will support the company to dry, mill, package and store the produce with support from START facility.

Beneficiaries

4 staff

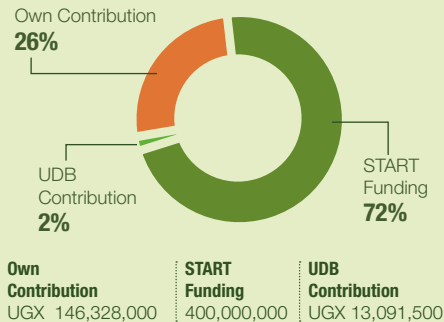


3,380 farmers



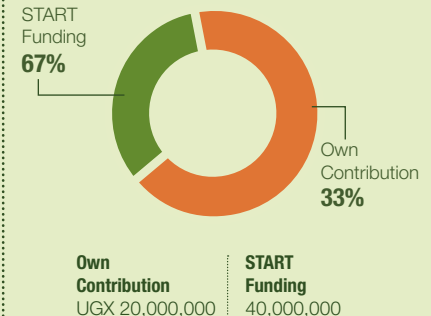
CONCESSIONAL LOAN

Total Project Cost: UGX 559,419,500



SMALL BUSINESS RECOVERY FUND (SBRF)

Total Project Cost: UGX 60,000,000



Level of Progress

- Project forwarded to UDB subsequent to approval by START Management Board
- Appraisal is under way at UDB
- SBRF funds fully disbursed

BDS Support

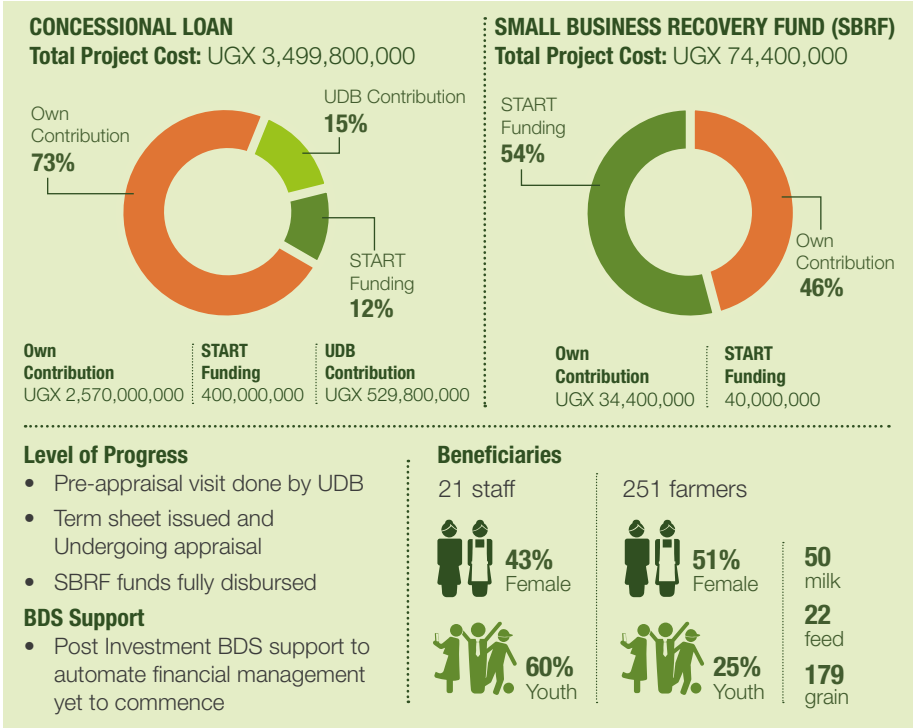
- Post Investment BDS support to automate financial management recommended and yet to commence

06/ Ayen Enterprises Limited, Gulu District

Construction of farm structures, acquisition of milk pasteurization equipment and working capital



Ayen's business is livestock including cattle goats and sheep for meat and milk production. The farm is located on 500 acres of land in Palaro sub-county and 670 acres in Amuru district. The dairy plant that Ayen plans to set up is envisaged to subsequently lead to increased incomes, better nutrition, improved quality of milk & milk products to stakeholders. Farmers within a 50km radius of the Ayen ranch will be able to sell their milk to the ranch.



07/ Talian Company Limited, Nwoya, Kitgum, Mukono

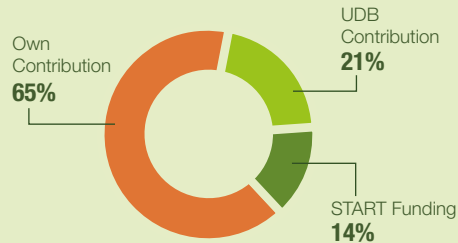
Acquisition of primary production equipment

Talian Company Limited is involved in the milling of grain and production of high-quality flour for both domestic and regional markets. The company works with smallholder farmers in Acholi sub-region to source for grain and over 70% of grain required is sourced from the farmers while the rest is got from the company farm. It has a factory at Kiwanga, Mukono district.

This factory has a capacity to process over 35 metric tons of grain per day. The company has partnered with UNCDF before under the Local Finance Initiative (LFI) fund who funded the construction of a 2,000 metric ton store in the district of Kiryandongo. The factory has 1,200 metric tons of storage space, equipment for cleaning, drying and packaging grain. The project seeks to help local farmers to grow more improved quality grains and access to large markets through the use of modern farming and post-harvest handling equipment. The START funding is to be used to acquire primary production equipment.

CONCESSIONAL LOAN

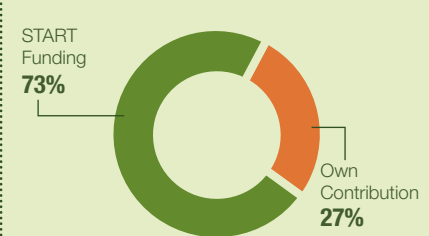
Total Project Cost: UGX 2,835,700,000



Own Contribution	START Funding	UDB Contribution
UGX 1,850,000,000	400,000,000	UGX 585,700,000

SMALL BUSINESS RECOVERY FUND (SBRF)

Total Project Cost: UGX 55,000,000



Own Contribution	START Funding
UGX 15,000,000	40,000,000

Level of Progress

- Pre-appraisal visit done
- Term sheet issued and Undergoing appraisal
- SBRF funds fully disbursed

BDS Support

- Post Investment BDS support to map farmers is yet to commence

Beneficiaries

10,040 staff and maize farmers



08/ Zombo District Farmers Association (ZODFA), Zombo District Construction of a processing housing unit and acquisition of processing equipment

ZODFA is primarily membership based. ZODFA has over 8900 registered farmers. 5,745 (64%) are female while 3,360 (18%) are youth. 118 (3%) members are registered for apiary, 5,385 (60%) for beans and 3,397 (38%) for potato value chains. The bee keeping initiative started in 2010 with 10 farmers doing apiary.

Presently, there are 118 members registered for apiary with 55 actively engaged in bee keeping.

These 55 farmers have about 440 beehives producing on average 4,400kgs of honeycombs annually.

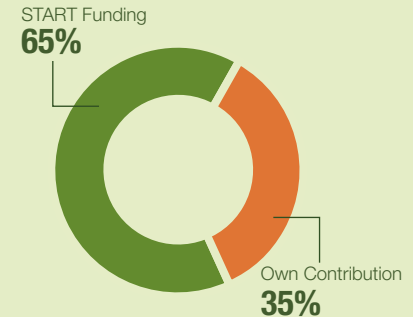
ZODFA's strategy is to add value to the honeycombs produced by the farmers registered for apiary. The active members currently sell the honeycombs to external off takers as the association does not have its own processing equipment. ZODFA intends to procure processing equipment using START funding with the objective of improving the livelihoods of its members.

CONCESSIONAL LOAN

Total Project Cost
UGX 342,505,000

Own Contribution
UGX 120,000,000

START Funding
UGX 222,505,000



Level of Progress

- Concessional loan approved by UDB
- Signing of agreements is underway

BDS Support

- Post Investment BDS support to automate financial management yet to commence

Beneficiaries

133 staff and apiary farmers



14%
Female



86%
Male



67%
Youth

09/ Wimrob Bees Company Ltd (WBC), Lira District

Construction of a processing housing unit and acquisition of processing equipment

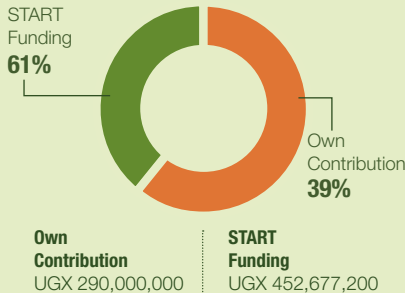
The company's business activity is the whole honey value chain including training and consultancy services. WBC does bee keeping, processes liquid honey, wax, propolis & bee venom. They also supply bee equipment and offer training and consultancy services. The company also produces for export mainly liquid honey, wax & bee venom.

A number of institutions have partnered with WBC previously and currently to provide field apiculture support and training in the rural areas in order to improve the livelihood of the farmers. WBC has developed partnerships with many NGO's/developing partners to stimulate the development of the honey sector in Uganda

WBC intends to scale up the operations to try and meet the demand for the export market thus the request for funding from START facility to construct new premises and also purchase more machinery.

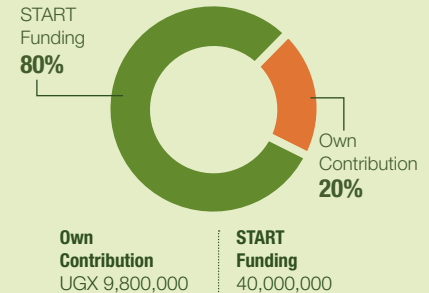
CONCESSIONAL LOAN

Total Project Cost: UGX 742,677,200



SMALL BUSINESS RECOVERY FUND (SBRF)

Total Project Cost: UGX 49,800,000



Level of Progress

- Pre-appraisal visit done
- Term sheet issued and Undergoing appraisal
- SBRF funds fully disbursed

BDS Support

- Post Investment BDS support to automate financial management yet to commence

Beneficiaries

2,144 staff and apiary farmers



30%
Female



70%
Male



40%
Youth

10/ Lira Magoya Investments Limited, Gulu District

Construction of a processing unit, acquisition of machinery, truck and working capital

Lira Magoya Investments Limited is involved in agribusiness and consulting. The company is looking to add value to cassava by setting up an agro-processing factory to produce High Quality Cassava Flour (HQF).

The company is working with 980 smallholder farmers in the regions of Palaro and Palabek in Gulu districts, areas which were previously ravaged by LRA rebels. Palabek is also host to many refugees from Southern Sudan.

It is positioning itself as the leading producer of high-quality cassava flour in the sub-region. To achieve this, the company supplies farmers under the government programme Operation Wealth Creation high yielding cassava cuttings.

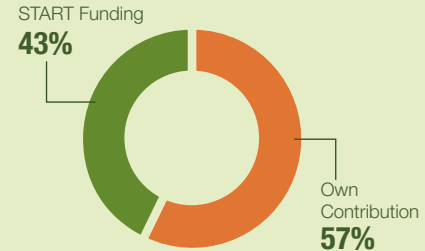
The company intends to acquire cassava processing equipment using START funds to make high quality cassava flour for both household consumption and industrial use. The overall aim of the entrepreneurs is to make cassava a marketable product able to change and transform lives of the youth and women of, Palaro sub-county, Gulu district, and the surrounding communities

CONCESSIONAL LOAN

Total Project Cost
UGX 923,595,350

Own Contribution
UGX 522,500,000

START Funding
401,095,350



Level of Progress

- Pre-appraisal visit done by UDB
- Term sheet issued
- Undergoing appraisal

BDS Support

- Post investment BDS in training of board and senior management in Business management and Mapping of cassava farmer groups yet to commence

Beneficiaries

7 staff



980 farmers



11/ Sunrise Agro Processing and Farming Limited, Lira District

Acquisition of processing equipment and working capital

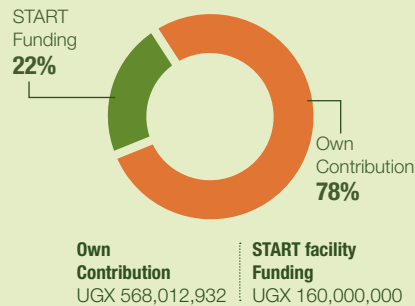
Sunrise Agro Processing and Farming Limited (SAPFL) is involved in the processing of sunflower oil. The company seeks to help local sunflower farmers grow more improved seed and link them to larger markets. The company currently has machinery with the capacity to crush 0.255metric tons of sunflower grain per day and can filter and pack 125liters of oil per day.

This capacity is supported by over 500 sunflower farmers in Lango sub region.

The number of farmers interested in working with the company keeps growing which has put limitations on the capacity of the company. SAPFL therefore seeks to increase its production capacity and is the process of acquiring additional 2metric ton per day oil expeller using START facility funding. The company buys sunflower grain from the farmers at a favorable price and sells high quality seedlings to them.

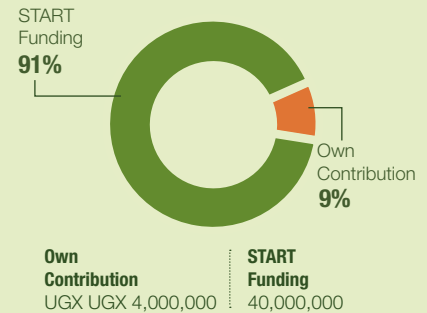
CONCESSIONAL LOAN

Total Project Cost: UGX 728,012,932



SMALL BUSINESS RECOVERY FUND (SBRF)

Total Project Cost: UGX 44,000,000



Level of Progress

- Pre-appraisal visit done
- Term sheet issued and Undergoing appraisal
- SBRF funds fully disbursed

BDS Support

- Post investment BDS in Farmer registration and training in good agronomy and post-harvest handling practices.

Beneficiaries

7 staff



29%
Female



71%
Male



57%
Youth

980 farmers



40%
Female



60%
Youth

12/ Grain Trade Development Services Limited, Arua District

Acquisition of processing equipment, truck and working capital

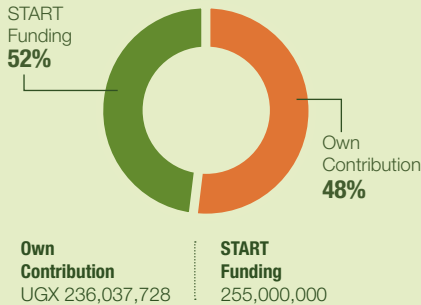
Grain Trading Development Services Limited (G-Trades) is involved in the processing of cassava and maize flour for household consumption.

The aim of establishing G-Trades was to encourage farmers to venture into commercially viable activities. Therefore G-Trades aim is to buy produce from the farmers, offer training as well as add value. G-TRADES established a 2metric ton per day milling factory in Arua to mill maize and cassava and established an out-grower scheme for additional raw materials to feed into the factory.

The company will use the START funds to acquire more machinery to upgrade its milling capacity from current 2metric tons per day to 4 metric tons per day with better and more energy efficient technology.

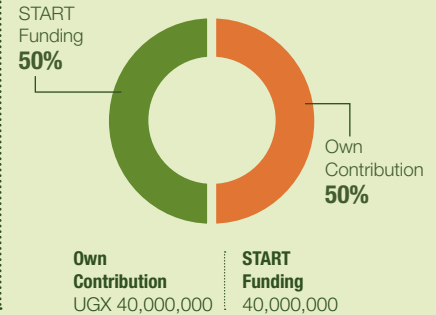
CONCESSIONAL LOAN

Total Project Cost: 491,037,728



SMALL BUSINESS RECOVERY FUND (SBRF)

Total Project Cost: UGX 80,000,000



Level of Progress

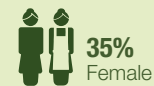
- Project forwarded to UDB subsequent to approval by START Management Board
- Appraisal is under way at UDB
- SBRF funds disbursed

BDS Support

- Post investment BDS to purchase an accounting system (software and computer), installation and training of the team yet to commence

Beneficiaries

11 staff



1,000 farmers



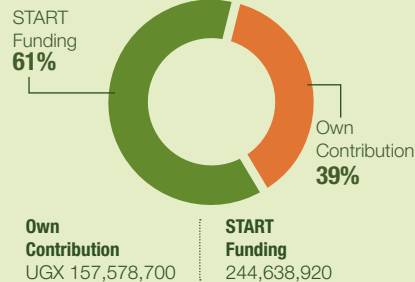
13/ Aluga Cooperative Society Limited, Albetong District

Construction of milling unit, acquisition of processing equipment and working capital

Aluga Cooperative society (ALCOS) limited is involved in aggregating, storage and selling farmers products. It also offers extension services and other services like quality seeds, tractor hire, transportation of farmer products and training. The cooperative is farmer owned with a membership of 1,600 farmers in the district of Alebtong and of these about 45% are women. The cooperative is also into value addition processing and packaging maize flour which is sold households and wholesale buyers in the region. The cooperative has created a number of partnerships like the United States African Development Foundation (USADF) which has extended grants of a tractor and a truck, International Fertilizer Development Center (IFDC) which has offered capacity building, PSFU which offered training to both staff and farmers, AGRITERA, SNV and others. The cooperative would like to move into the processing of rice.

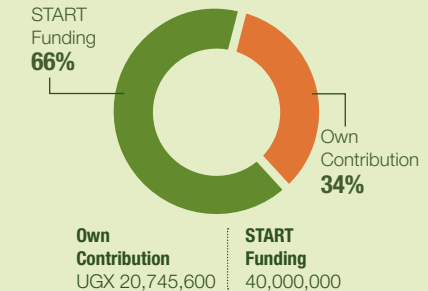
CONCESSIONAL LOAN

Total Project Cost: 402,217,620



SMALL BUSINESS RECOVERY FUND (SBRF)

Total Project Cost: UGX 60,745,600



Level of Progress

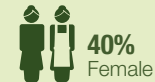
- Pre-appraisal visit done
- Term sheet issued
- Proposal put on hold by applicant
- SBRF funds disbursed

BDS Support

- Post investment BDS to purchase an accounting system (software and computer), installation and training of the team yet to commence

Beneficiaries

13 staff



1,600 farmers



THE DEVELOPMENT INITIATIVE FOR NORTHERN UGANDA (DINU)



The Development Initiative for Northern Uganda (DINU) is a five year Government of Uganda programme supported by the European Union under the 11th EDF, coordinated through the Office of the Prime Minister whose goal is to consolidate stability in Northern Uganda, eradicate poverty and under nutrition and strengthen the foundations for sustainable and inclusive socio-economic development.

Under the DINU programme, the United Nations Capital Development Fund (UNCDF) is implementing designated activities across the three components of the programme with the aim of:

- i. Improving access to finance for small and medium enterprises (SMEs) engaged in agricultural value addition
- ii. Improving stock and quality of district roads assets and improved local service delivery for road assets
- iii. Increasing local fiscal space and improving local service delivery.

Specifically, UNCDF:

- Runs a blended finance facility- Support to Agricultural Revitalization & Transformation (START) Facility for SMEs involved in agribusiness value addition to improve access to finance through business development services, concessional loans and partial credit guarantees.
- Supports the rehabilitation of district and community access roads in target districts through the District Road Rehabilitation Fund (DRRF) to connect local and regional markets and improve access to jobs and social services.
- Manages a technical assistance and local funding facility- Local Government Excellence Fund (LGEF) that offers financial incentives for improved performance of the target local governments as a catalyst to promote effective and efficient public service delivery. LGs learn by doing and investing in local infrastructure that promote climate change adaptation and economic empowerment of women and young people.



UN CAPITAL DEVELOPMENT FUND, UGANDA COUNTRY OFFICE

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