



Country: Uganda
Sector: Manufacturing
Project: Promoting sustainable product innovation and energy efficient practices among small scale industries in Uganda
Grantee: Uganda Small Scale Industries Association (USSIA)
Partner: Uganda Cleaner Production Centre (UCPC)

Acknowledgements

The SWITCH Africa Green programme was developed by the European Commission to support African countries in their transition to an inclusive green economy, the main objective being to promote sustainable development. This is based on sustainable consumption and production (SCP) patterns, while generating growth, creating decent jobs and reducing poverty.

This impact sheet on 'Promoting sustainable product innovation and energy efficient practices among small scale industries in Uganda' provides a snapshot of results and achievements of the project under the Green Business Development Component of Phase I (2014-2019) of the SWITCH Africa Green programme. This component supported micro, small and medium-sized enterprises (MSMEs) in applying and adopting SCP practices within their business operations.

The project was implemented by Uganda Small Scale Industries Association (USSIA) in partnership with Uganda Cleaner Production Centre (UCPC), with support from the SWITCH Africa Green National Focal Point Dr. Tom Okurut, National Environment Management Authority (NEMA), Uganda and National Coordinator Twine Teddy Nsubuga, United Nations Development Programme, (UNDP) Uganda. The grants were managed by the United Nations Office for Project Support (UNOPS) and coordinated by Celia Marquez with support from Mercy Gatobu.

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BACKGROUND

The manufacturing sector in Uganda is dominated by MSMEs, which account for over 90 percent of the enterprises, generating over 80 percent of the manufactured output and approximately 7 percent of GDP¹. The MSMEs face challenges such as inadequate centres for product development and establishing connections with markets.

To address the challenge of access to markets, the Ministry of Trade Industry and Cooperatives (MTIC) set up the Uganda Trade Information Portal. The portal provides access to fully transparent practical step-by-step guides on how to acquire licenses and pre-clearance permits, and information on clearance formalities for the

1 <https://library.fes.de/pdf-files/bueros/uganda/13949.pdf>

most traded goods in and out of Uganda. However, with poor internet provision and the lack of accessibility of key support agencies like Uganda National Bureau of Standards (UNBS) and Uganda Industrial Research Institute (UIRI), rural-based MSMEs are still far from benefitting from green trade opportunities within the region.

The SWITCH Africa Green supported project was developed to aid MSMEs in Uganda with sustainable product innovation and adoption of energy efficiency. It was implemented in six districts in Uganda: Arua, Fort Portal, Gulu, Hoima and Masaka.

OBJECTIVES

- To promote the uptake of sustainable product innovation and energy efficiency in small scale industries in

Uganda and thereby minimize environmental impact and promote sustainable development

- Raise awareness among 100 MSMEs in the industrial sectors of food-processing; textiles; handicrafts, including leather crafts and metal fabrication, including foundries on sustainable product innovation and energy efficiency techniques
- To engage 40 per cent of MSMEs in adopting sustainable product innovation and energy efficiency techniques

BENEFICIARIES

The project provided support to 180 MSMEs who benefitted from training on green entrepreneurship and adopted new product designs and practices.



OUTPUTS

Policy briefs developed to promote inclusive green economy in Uganda

Through the project, two position papers with key policy recommendations on promoting a green economy were developed. One contained policy recommendations on measures to address challenges facing MSMEs in green business development. The second was the policy brief contributing towards the development of the Uganda Green Growth Development Strategy (2017/18 – 2030/31) through MTIC, Ministry of Finance, Planning and Economic Development (MOFPED) and National Planning Authority (NPA).

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Business division established at USSIA

USSIA established a business division that offers, inter alia, business development services. The business division created an energy efficiency and conservation centre to promote SCP among member enterprises and provided technical support to 85 MSMEs that had benefitted from green business management training under the project.

Greening score card developed

In collaboration with the UCPC, USSIA developed the greening score card to determine the level at which MSMEs were performing in terms of greening their businesses. The score card uses the following assessment criteria: water consumption; energy consumption; waste generated; emissions into air and water; staff travel, overheads and logistics; products and other business operations. Table 1 shows the respective levels contained in the greening score card.

By project completion, 20 MSMEs had been ranked under grade A and 6 under grade B. In addition to English, the score card is translated into other local languages: Luganda, Rutooro; Lugbara; Runyankole, Lusoga and Acholi.

Table 1: Greening score card

Rank	Characteristics of business operations
Grade A: Green Business	Business operates in an environmentally responsible way in sourcing and manufacturing products and running their operations and facilities. In addition, they are socially equitable, committed to exceptional practices that benefit the well-being of workers, customers and suppliers, and accountable for their work by continually improving and tracking their progress, and operating with total transparency in every facet of their business
Grade B	Business activities result in minimal environmental damage, with limited stakeholder interest
Grade C	Business activities cause damage to some parts of the environment and attract some stakeholder concern
Grade D	Business activities result in significant damage to the general environment and are of great concern to stakeholders. Such companies do not adopt energy efficient practices, do not conserve water and pollute the environment



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MSMEs linked with markets for their products

MSMEs were linked with different domestic markets through various marketing platforms such as the energy week, honey week, JUA Kali expo and the USSIA MSME expo.

By project completion, 20 MSMEs had been ranked under grade A and 6 under grade B.

Increased networking among green businesses

There was collaboration with other SWITCH Africa Green grantees in Africa resulting in value addition. For instance, Afri-Banana trained the MSMEs engaged by USSIA in briquette making which reduces reliance on firewood.

Training manuals developed

Training materials were developed, which included the 'Go-green Guidebook', 'USSIA Eco Innovation' manual and 'USSIA Green Entrepreneurship' manual. Over 300 copies of these manuals were distributed.

Improved awareness of consumers on the impact of the products they buy

The project supported consumer awareness raising initiatives through eight radio programmes aired on four stations both in English and local languages. The radio shows provided information to consumers on the SCP practices with emphasis on energy efficiency and sustainable product innovation as well as project successes by participating local MSMEs.



Business plans for SCP investments developed

Using skills from the training on integration of SCP in business development, 40 business plans were developed by the MSMEs. The MSMEs improved their record keeping skills and have capacity to track their business operations and cashflows.

OUTCOMES

Adoption of SCP practices by MSMEs

A total of 95 SCP practices have been adopted by the 36 enterprises that received support in sustainable product innovation and energy efficiency techniques.

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Improved business performance of MSMEs

MSMEs reported increased income from reductions in energy, water, and waste disposal costs after the intervention of the SWITCH Africa Green programme. Some MSMEs installed energy efficient bulbs and added translucent sheets to their roofs and realised an average of 60 per cent reduction in expenditure on electricity bills.

To support business operations, the project trained 20 trainers who would in turn impart the skills and knowledge they acquired in SCP practices to MSMEs.

Over 180 enterprises benefitted from green entrepreneurship training and 160 MSMEs developed business plans and improved on record keeping and accounting.



Some MSMEs installed energy efficient bulbs and added translucent sheets to their roofs and realised an average of 60 per cent reduction in expenditure on electricity bills.



IMPACTS

Environmental impacts

Increased productivity

In addition to increased income, MSMEs reported reductions in energy costs, water costs, and waste disposal costs after the intervention of the SWITCH Africa Green programme. There was a 35.7 per cent reduction in energy and water consumption and improved waste management by the MSMEs involved in the project.

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Economic Impacts

Increased earnings by the MSMEs

Following project implementation, women led enterprises increased their annual income by USD 15,000.

Social impacts

Jobs created

The project contributed to the creation of 192 jobs, 127 of which went to youths and 65 to women.



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after the intervention of the SWITCH Africa Green programme.



Involvement of women

During execution of the project activities, about 42 per cent of those who benefitted from the sustainable product innovation and energy efficient practices were women.

In total, 65 women reported an increase in income by USD15,000 during the project implementation period.



LESSONS LEARNT

- MSMEs require mentoring and technical support to help them move away from conventional modes of operating their businesses, make improvements and adopt SCP practices.
- To promote sustainable product development and uptake of energy efficiency measures, resources need to be utilized.
- Consumer awareness on benefits of green products needs to be intensified so as to provide a strong domestic market for sustainably produced goods. Without a market, there is little incentive for enterprises to produce sustainably.

During execution of the project activities, about **42 per cent** of those who benefitted from the sustainable product innovation and energy efficient practices were women.



“ We as Gideon Enterprises are grateful to the SWITCH Africa Green supported project and USSIA and UCPC for having given us the opportunity to train us and make us understand the environment and how to make our work smart. It has brought us to another level and we promise to work hard to upgrade further”.

Owner,
Gideon's Investments Ltd.



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