



PROJECT DOCUMENT

Support to Agricultural Revitalization and Transformation (START) Facility Phase II

Project Impact: Promotion of growth and job creation by investing in fully integrated and sustainable agribusiness SMEs that create and retain wealth within East Africa including Uganda & Burundi.

UNSDCF Outcomes: Strategic Priority (SP2) - Shared Prosperity in a Healthy Environment.

UNCDF Strategic Framework Outcomes:

- Outcome 1: Inclusive, diversified, green economic transformation accelerated
- Outcome 2: Increased flows of public and private finance

Project Result: Increasing access to finance for Small and medium enterprises in Uganda & Burundi;

Project Outputs:

- Strengthen institutional capacity of agribusiness SMEs and Financial Institutions (FIs) to conduct sustainable business and business operations (including digital solutions);
- Improve technical capacity of agribusiness SMEs to develop bankable green investment proposals acceptable by financial institutions;
- Unlock affordable medium-term finance for agribusiness SMEs in value addition and responsible agro-processing.



Gender Marker: Score 1- Contributes to gender equality, but not significantly ($\leq 30\%$ of the total budget).

Implementing Partner: UN Capital Development Fund

Responsible Parties: Uganda Development Bank (UDB), Private Sector Foundation of Uganda (PSFU) Federation of Small & Medium Enterprises and Aceli Africa.

Programme Duration: 5 years Start date: January 2023 End date: December 2027 Management Arrangements: DIM PAC Meeting date: Atlas ID: Project ID:	Total resources required:	€11,500,000	
	Total resources allocated:	€11,500,000	
		Regular:	-
		Donor: EU	€10,500,000
		Donor: UNDP& WFP	€1,000,000
		Government:	-
		In-Kind:	-
	Unfunded:	-	

Agreed by (signatures)¹:

 UNCDF
DocuSigned by:  BEEABEAE4E6142C... Print Name: Mourad Wahba, Officer-in-Charge
Date: 04-Jul-2023

¹ Note: Adjust signatures as needed

I. DEVELOPMENT CHALLENGE

Small and Medium-sized Enterprises (SMEs) account for approximately 90% of the entire private sector in Uganda, over 80% of manufactured outputs, and about 75% to the gross domestic product (GDP). The sector employs more than 2.5 million people, which is equivalent to 90% of total non-farming sector workers, and comprises about 1.1 million enterprises, which makes the sector one of the largest employers in Uganda². Agribusiness SMEs present a sustainable and empowering response to the persistent challenge of unemployment and underemployment, in addition to creating market for primary agricultural products and enabling national economic structural transformation. Yet, these SMEs face various growth and survival constraints, such as lack of access to finance for growth and expansion, which undermines their development, thereby limiting their impact on the economy.

For many agribusiness SMEs, growing their business enterprises remains a distant dream due to lack of access to appropriate and affordable financing mechanisms. Most SMEs, including those in agribusiness, remain informal and thus lack business records, credit history, collateral, working capital, and poor governance and management among others. The current situation is even starker with the COVID-19 pandemic disrupting investment and trade, and impacting attainment of the UN 2030 Sustainable Development Goals. Of particular importance is the fact that many agribusiness SMEs run by women – one in three businesses is owned by women – face additional challenges due to structural barriers related to their social status in society, such as limited access to finances, collaterals, productive resources, and education. Women rely on informal³ and agricultural trade, both of which are seriously affected by the pandemic. Women's businesses tend to be smaller with 30% less profits on average than those of male-owned businesses, which showcases a need for targeting women who have the potential to grow their businesses to provide of more skills training and support women's innovation potential.⁴ In addition, including other vulnerable groups, such as refugees in job creation and growth, is a struggle that requires incorporating a vulnerability lens into the interventions to be done with SMEs.

Working together with Uganda Development Bank (UDB) and Private Sector Foundation Uganda (PSFU), UNCDF implemented START facility phase I under the Development Initiative for Northern Uganda (DINU Program) from 2017-2023. The facility supported SMEs to access affordable finance for value addition and agro-processing. At least 50 SMEs accessed finance in form of concessional loans and reimbursable grants while more than 150 SMEs accessed specialized pre and post investment business development services (BDS) support. While START phase I attracted over 600 applications from SMEs, nearly all of them were not investment ready and required technical assistance and BDS support address the numerous operational gaps to access financing. Most of the SMEs also did not have sufficient collateral and those with collateral struggled to fulfill other requirements like valuation of collateral, payment of loan appraisal fees, undertaking environmental assessment and other relevant documentation. Therefore, there was overwhelming demand for START facility services and products not only in northern Uganda but also across the country and beyond.

II. STRATEGY

The underlying logic for this action is that by working on improving access to finance for agribusinesses, the intervention will support sustainable investments, thus promoting growth, generating jobs, and contributing to the agro-industrialization of the country, in particular for women and households living in vulnerable conditions. The intervention will therefore strongly contribute to poverty reduction by generating wealth in the country, improving food security and nutrition, including among marginalized and vulnerable groups, and promoting environmental sustainability

² Ministry of Trade, Industry and Cooperatives (2015). Uganda Micro, Small and Medium Enterprise (MSME) Policy.

³ only 13.8% of working women are in formal employment, compared to 27.9% of working men, UBOS 2013

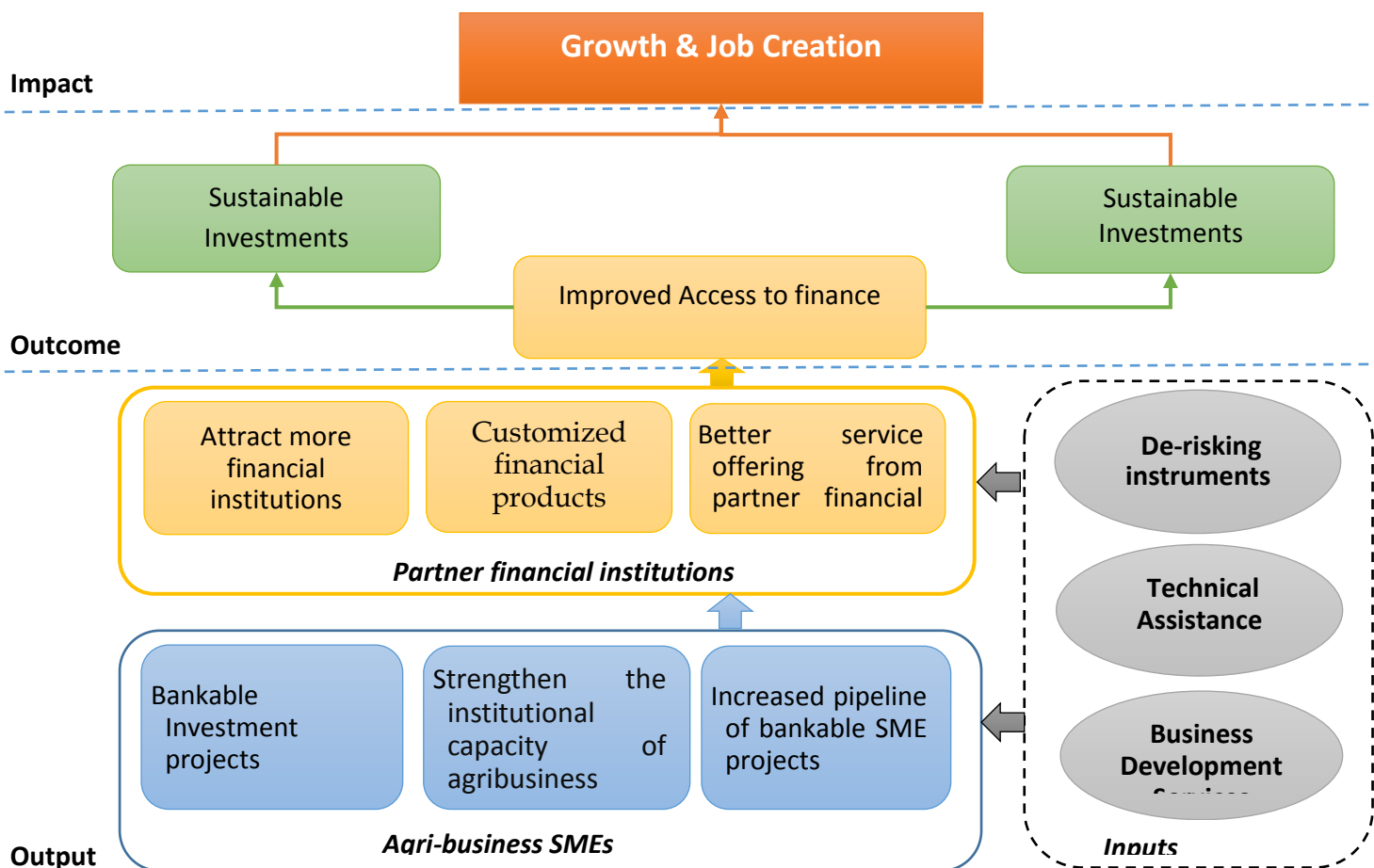
⁴ <https://blogs.worldbank.org/nasikiliza/opportunities-ugandan-womens-economic-empowerment-during-covid-19-recovery>

and adaptation to climate change via adoption of circular economy principles to decouple growth from natural resource depletion.

In the access-to-finance component of the programme, the START facility will strengthen institutional capacity of agribusiness SMEs by addressing their capacity gaps in governance, management, financial systems, records management, and compliance among others through the various forms of business development services (BDS) support. Technical assistance will also be extended to SMEs, particularly female- and youth-headed businesses, to help them adopt digital solutions and sustainable green manufacturing practices for responsible production. This will strengthen the capacities of SMEs to conduct sustainable investments and businesses.

In parallel, specific technical assistance will be designed to support partner financial institutions to develop and adapt digital lending offerings to agro-SMEs and adopt environmental standards in project screening.

With the enhanced capacity, SMEs will be in a position to prepare credible and bankable business proposals for submission to partner financial institutions. The increase in access to finance will allow SMEs to pursue their growth and expansion strategies in accordance with their business plans, which would then further lead to better quality and quantity of high value and nutritious food. The numerous agribusiness SMEs supported under the facility will not only provide decent jobs, but also provide reliable markets to small holder farmers as suppliers of raw materials. Whenever feasible, special attention will be given to SMEs that create products using sustainable practices (e.g. organic produce and agro-ecology). These agribusiness SMEs will also positively impact many other players in the value chain, including input providers, transporters, distributors, and packaging companies. By impacting the various actors, the project will enhance local food systems and improve local food security outcomes, such as availability, affordability, and quality, for the targeted population and proactively contribute to environmental and biodiversity conservation.



START phase II project is a scale up of START Phase I. Under START phase I, the project supported SMEs (with financial need between €10k to 100k) in Northern Uganda to improve access to financing Uganda and in Burundi. Partnering with Private Sector Foundation Uganda (PSFU) and Uganda Development Bank, START phase I attracted over 600 agri-business SME applications, provided business development services to over 150 SMEs, and provided finance in form of reimbursable grants and concessional loans to 50 agribusiness SME beneficiaries, thus creating market for over 120,000 smallholder farmers. The implementation of START phase I generated critical lessons that informed the design of START phase II including the critical value of BDS to SMEs and the need to scale up the facility to many other SME beneficiaries in Uganda.

III. RESULTS AND PARTNERSHIPS

Expected Results

The main objective of START Phase II is to ***promote growth and job creation by investing in fully integrated and sustainable agri-business SMEs that create and retain wealth within*** East Africa including Uganda & Burundi. The facility's objective is aligned to the UN Sustainable Development Cooperation Framework (UNSDCF) 2021-2025; Strategic Priority (SP2) - Shared Prosperity in a Healthy Environment and contribute to achievement of SDGs 1- No Poverty and 2 – Zero Hunger. This specific objective will be achieved by working to:

- a. Strengthen institutional capacity of agri-business SMEs and FIs to conduct sustainable businesses and business operations (including digital solutions);
- b. Improve technical capacity of agribusiness SMEs to develop bankable green investment proposals acceptable by financial institutions;
- c. Unlock affordable medium-term finance for agribusiness SMEs in value addition and responsible agro-processing.

2.2 Outputs & Indicative Activities

Outcome 1: Strengthened institutional capacity of agribusiness SMEs and FIs to conduct sustainable businesses and business operations (including digital solutions).

Output 1.1: Dedicated BDS, including general and specialized pre-investment and post-investment BDS, to address SME capacity gaps at different stages of business to promote formal and sustainable business operations. Activities under this output include the following:

- ✓ General BDS support to SMEs to enable them take advantage of the available START facility services;
- ✓ Pre-investment BDS to support SMEs in addressing gaps that hinder SMEs from accessing financing;
- ✓ Post-investment BDS and technical support to SMEs with financing to address the non-financial aspects to improve business performance, access to markets, and competitiveness among others.

Output 1.2: Digitalization of START facility processes and agri-business SME operations and selected financial institutions (where necessary) to enhance institutional capacity. Activities under this output include the following:

- ✓ Support SMEs to adopt digital solutions to track their suppliers and farmers, and provide extension services;

- ✓ Provide partial subsidy towards the cost of acquisition and piloting of the digital tools by the SMEs;
- ✓ Technical assistance to support selected financial institutions (where necessary) on digital solutions;
- ✓ Upgrading the current START online application system to include deal flow management and enhance capacity for Monitoring and Evaluation of SME investments.

Outcome 2: Improved technical capacity of agri-business SMEs to develop green bankable investment proposals acceptable by financial institutions.

Output 2.1: Support SMEs that meet the selection criteria in development and structuring of bankable investment proposals with selected financial institutions. Activities under this output include the following:

- ✓ Proposal development support to selected pipeline SMEs to prepare bankable projects (e.g. business plans, project information memorandum, and financial model proposals) for funding;
- ✓ Dual-key⁵ investment analysis to ensure the transformative socio-economic and environmental impact of the investment proposals;
- ✓ Environmental audit/assessment of the operations of the SMEs;
- ✓ Financial structuring to achieve optimal mix of debt and equity and appropriate potential sources of finance, including green screening standards for investments' selection.

Output 2.2: Designing and deploying financial and non-financial incentives and instruments for investments in value addition and agri-businesses that fulfill prescribed criteria. Financial products will be tested and refined during the six-month inception phase of the project. Activities under this output include the following:

- ✓ Design deliberate mentorship activities in collaboration with other successful and seasoned entrepreneurs with reputation to support project beneficiary SMEs with impact on vulnerable groups to overcome obstacles in their businesses;
- ✓ Provide matching grants to agri-businesses that fulfill the vulnerability criteria and/or the green practices and business model criteria;
- ✓ Provide reimbursable grants or zero interest loans to agri-business SMEs that qualify under the facility through partners.

Outcome 3: Unlocking affordable short- and medium-term finance from selected FIs and MFIs for agri-business SMEs to promote value addition and agro-processing (identification and contracting of financial institution partners will be completed during the six-month inception phase of the project).

Output 3.1: Matchmaking services to identify appropriate providers of capital and link them to agri-business entrepreneurs. Activities under this output include the following:

- ✓ Identify and partner with selected FIs, DFIs, or non-banking finance providers to provide additional funding to SMEs under the START facility;
- ✓ Support SMEs to respond to available financing opportunities through different platforms;
- ✓ Link supported SMEs to selected financial institutions, including UNCDF balance sheet and off balance sheet facilities (e.g. BRIDGE and BUILD) to access medium- and long-term funding for future growth and expansion.

⁵ The dual key is a multi-factor analysis that helps UNCDF answer the question that will determine whether the investment will move ahead to financial disbursement. It includes both the technical key (impact key) and the financial key

Output 3.2: Provide targeted support to SMEs to fulfill requirements for financing by different partner financial service providers. Activities under this output include the following:

- ✓ Credit enhancement services and instruments, such as partial credit guarantees and syndication;
- ✓ Financial support to SMEs facing constraints, such as failure to pay appraisal fees and valuation costs, to increase chances of accessing finance.

Resources required to achieve Expected Results

1. Staff and Other Personnel Costs

International Project Staff – This includes contributions to UNCDF's costs international and regional staff involved in the implementation of the project, including the Food Security & Nutrition Expert and Technical and Financial Reviewer of SME projects.

National Staff - This includes costs of remuneration for the START facility manager (for day-to-day management of the facility), four Investment Officers (including one specializing in green projects), and 20% contribution to the Country Programme Manager for Local Transformative Finance (responsible for supporting preparation and approval of agreements, human resources, finances, and procurement). The START facility manager and the four investment officers will be full-time staff of the START facility.

Admin and Support Staff - This includes 60% contribution to the costs of a Communication and Knowledge Management Officer, Finance Specialist, and two drivers.

Consultancy for Digital Services - This budget line includes contributions to the costs for the digital country lead, digital financial expert, and digital agriculture SME expert among others.

Note: Personnel costs will be subject to a modest 2.5% increase on an annual basis to cover for annual salary adjustments.

2. Local Office Costs, Equipment and Supplies

- a) **Vehicle maintenance** - This budget covers the maintenance costs for the two existing DINU motor vehicles for the next five years. START Phase II does not envision the purchase of new vehicles for project implementation. The maintenance of the vehicles will be cost shared with other projects implemented by UNCDF. The START facility will contribute EUR 2,400 towards the cost of fuel, maintenance and repairs of the two motor vehicles.
- b) **Furniture and fittings** - The budget line covers cost of furniture for the new project staff. Existing staff will continue to use the available / existing office furniture.
- c) **Computers, Printers or related equipment (including maintenance)** - This covers the cost of 10 computers for staff printer and maintenance during the project period.
- d) **Office rent** - The budget line covers contribution to office rent of UNCDF office over the five-year project implementation period. START facility will be contributing EUR 2,000 per month towards the rental fees of the organization.
- e) **Consumables - office supplies and materials** - The budget covers the cost of stationery, internet, any other office supplies & materials. START facility will contribute EUR 850 monthly to these costs
- f) **Utilities and other services (tel/fax, electricity/heating, security)** - the budget covers contribution to the office utilities and services. START facility will contribute EUR 850 monthly to these costs

Note: All costs under this category will be subjected to a modest 2.5% escalation on an annual basis to cover inflation.

3. Technical Assistance and BDS

General BDS Support - The budget includes costs of creating awareness and disseminating information about START facility including application requirements, supporting SMEs in development of grant/loan applications, provision of general business development services and training. UNCDF will work with selected private sector member institutions including Private Sector Foundation Uganda (PSFU), Federation of Small & Medium Enterprises (FSME), Uganda Small Scale Industry Association (USSIA), Uganda Manufacturers Association (UMA) etc. to increase chances of reaching the targeted SMEs.

Project Pre-investment to SMEs -The budget line includes costs of providing targeted capacity building / pre-investment BDS to at least 250 SMEs to address gaps that hinder their bankability to increase their investment readiness. The unit cost providing this support will be at EUR 1,500.

START Project Post Investment BDS - The budget line includes costs of providing capacity building to at least 40 SMEs that have accessed funding to address challenges that may affect profitability, growth and sustainability. At least EUR 12,000 will be required to provide TA and post investment BDS support to the selected SMEs.

Technical Assistance (TA) for Digitalization of Agro SMEs & FIs - The budget covers costs of digitizing at least 200 agribusiness SMEs, providing digital financial services and digitization of some the START facility processes and activities.

4. Financial Instruments

Financial Instruments - The budget line covers the financial instruments under the project in the form of grants, reimbursable grants and partial credit guarantees. Management shall use the six months inception phase to test and refine the process of deployment of the instruments as well as select additional financial partners (especially commercial banks) to support in the implementation. EUR 4,000,000 has been set aside to benefit at least 100 SMEs with the different instruments.

5. Other direct costs, services

- a) Missions/travel - The budget line covers all the project related travel during the project implementation period. The budget mainly includes DSA for staff estimated at EUR 65 per night per staff. A single field trip is expected to be 10 days.
- b) Baseline, mid-term, end-line assessments evaluation - The budget will cover any baseline studies, mid and end project evaluation costs and results measurement costs.
- c) Studies, publication, and research – The budget covers costs of documenting and disseminating learnings from the project.
- d) Visibility and communications – The budget line covers costs of designing and printing project materials, videos, events, etc.
- e) Project Audit – This budget line covers the cost of external annual project audits during the five years of the project. A total of EUR 12,000 is budgeted to cover the cost of audit annually.

Partnerships

The project aims to establish strong diverse partnerships with local, national, and international partners, including the United Nations. Specifically, the successful implementation of START phase II majorly relies on the strength of strategic partnerships that the facility will put together with the private sector member organizations, financial institutions (e.g. banking and non-banking, DFIs, investment funds), and relevant government institutions at the central and local level. UNCDF will

follow robust selection and due diligence procedures to identify partner institutions and sign Memorandums of Understanding (MoUs) and grant agreements with robust reporting and monitoring mechanisms to mitigate fiduciary risks during project implementation.

National non-government partners include financial institutions and mechanisms, such as Uganda Development Bank (UDB), Aceli Africa, Abi Trust Finance / Development and Agricultural Credit Facility (ACF), commercial banks, private sector member organizations, policy research institutions and think tanks as well as various private sector entities, civil society organizations, advocacy groups and media. Some national partners, including **UDB, Federation of Small & Medium Enterprises (FSME), PSFU, Uganda Small Scale Industry Association (USSIA), and commercial banks**, will directly contribute to project implementation, while SMEs will be beneficiaries of the project interventions. Civil society organisations, advocacy groups and media, while playing no formal roles, will make important contributions by virtue of their social positioning and complementary interventions targeting downward accountability.

Effective partnerships, both in the country and outside, are critical for maintaining the momentum in project implementation through awareness, outreach and resource mobilization. The project will closely coordinate with the international bilateral aid organisations, such as DFID and GIZ, directly involved in the project implementation. It will also coordinate with other international partners engaged in similar programmatic activities, such as USAID (GAPP) on issues of public financial management and own source revenue mobilization, the World Bank (USMID) on project finance, DFID on support to local governance in Karamoja and DANIDA on agricultural finance and road infrastructure development.

The project will also aim to explore partnership opportunities with AfDB and IsDB, particularly on the issues of municipal finance and agriculture finance. It will also endeavor to establish partnerships with national, regional and international funding mechanisms, such as aBi Trust, Aceli Africa, Pearl Capital Partners and others, to expand the available budget envelope and funding opportunities for the project.

START facility in Uganda is already exploring partnerships with impact investors such as **Aceli Africa & aBi Trust Finance / Development** to leverage their vast network of partner financial institutions / lenders to unlock more financing to agri-business SMEs under the START Facility. This will ensure that START facility phase II works with more financial lenders beyond Uganda Development Bank (the only partner under START phase I)

START phase II is intended to complement other existing facilities in line with the analysis of the agricultural finance sector to address the identified gaps in terms of mainly technical assistance and financial products (targeted grants). In addition, the Facility aims at leveraging and achieving synergies with the other existing programs by government (e.g. The Agricultural Credit Facility (ACF), UDB Special Programs, and The Small Business Recovery Fund) and programs from other development partners, including Abi Trust and Aceli Africa among others. Most of these programmes and facilities do not have dedicated and sufficient technical assistance to build capacity of SMEs to develop project proposals that meet financing and transformative requirements.

Stakeholder Engagement

The project will strive to identify all the relevant stakeholders, engage and collaborate with them, and add value to the identified stakeholders as detailed below. Key stakeholders under the START phase II will include small and medium agribusinesses, Ugandan financial institutions and agricultural/SME finance facilities, BDS providers, and local governments.

Value to Key Stakeholders

Small and medium agribusinesses	<ul style="list-style-type: none"> • Access to customized BDS support, including pre- and post-investment support; • Access to project / proposal development services; • Technical assistance on digital solutions; • Partial subsidy of the cost of acquisition and piloting of the digital tools by the SMEs; • Access to finance to promote agribusinesses with a significant engagement and empowerment of vulnerable groups; • Access to finance for SMEs that contribute to climate change adaptation and in Karamoja sub-region; • Linking supported SMEs to selected financial institutions to access medium- and long-term funding for future growth and expansion ranging from €50,000 to €150,000; • Affordable cost of finance, including quasi-equity in the form of risk capital grants; • Higher size of the financed projects with the same developer's contribution due to higher financial leverage.
Ugandan financial institutions and agricultural/SME finance facilities	<ul style="list-style-type: none"> • A pipeline of de-risked project proposals properly prepared and developed; • Broader coverage of agribusinesses, including farmers' associations, cooperatives, and firms; • Third party project-based guarantees to reduce credit risks; • Access to performance incentives for lending to START facility supported SMEs; • Technical assistance to support selected financial institutions on digital solutions; • Credit enhancement activities that reduce cost of borrowing; • Loan syndication services in case more than one financial institution participates;
Business development service providers	<ul style="list-style-type: none"> • Improved business opportunities for BDS delivery; • Opportunities to develop their specialized skills; • Improved business reputation and positioning with an extended client base;
Local governments	<ul style="list-style-type: none"> • Opportunity to improve their capacity to engage with the private sector and create a local business-friendly environment; • Opportunity to align public investments with private investments in agriculture to improve complementarities and synergies;

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- More vibrant local economy and additional own source revenues.
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Risks and Assumptions

For the START objectives to be met and projects to be delivered successfully, there must be absolute or relative levels of peace and harmony in the country. The assumption is that the security situation in Northern Uganda (particularly Karamoja) and neighboring countries is and will remain stable and conducive during the implementation to allow for the expected results. For the foreseen future, the micro and macro-economic environment remains conducive to agricultural recovery, development of commercial agriculture and processing, and the expansion of markets for agricultural products attested to by the level of investment.

It is assumed that certain conditions important for implementation will be in place for the duration of the project, including:

- The continuation of political and macroeconomic stability;
- The Government's continued commitment to private sector development and willingness to discuss policy issues with the private sector;
- Steady and timely funding for the programme.

The Government has demonstrated a commitment to growth and consultations, including the Presidential Investor Round Table (PIRT) with the private sector. This commitment is shared across the political spectrum and therefore is unlikely to be altered in the course of implementation. As part of its reform, the Government has increasingly sought private sector participation in infrastructure and where appropriate, divestiture.

The risks associated with the implementation of the project are expected to be minimal, except in the event of extreme emergencies, such as major pest/disease outbreaks (e.g. COVID-19), re-emergence of civil strife and inaccessibility of financial institutions by agribusiness producers, processors and traders. These risks can be mitigated by advocating for peace within communities, support for better bulk storage facilities and available financing from third party interest groups and funders. The risks associated with the project implementation are expected to be medium to low, except in the event of extreme emergencies, such as COVID-19. The relevant risks are summarized below.

Risks	Likelihood (High/ Medium / Low)	Impact (High/ Medium / Low)	Mitigating measures
Risk 1 - Low quality of proposals by SMEs in response to the call for proposals	High	High	Active outreach and awareness raising activities; Business Development Services (BDS) support to prospective promoters to prepare technically and financially sound submissions
Risk 2 - Low access to Concessional finance due to inadequate security values for many agribusinesses project promoters and risk of no repayment of loans	High	High	Application of credit enhancements/ Guarantees provided and development and structuring of the projects to satisfy credit requirements with minimum security. Close monitoring of investments made and flexibility to adapt to external factors.
Risk 3 - Insufficient collaboration/ coordination	Medium	Medium	Strong coordination operationally

among the participating partners in the agri-business component			through the Project Management Board; Clearly define roles and responsibilities of each implementing partner
Risk 4 - Pollution and other environmental hazards deriving from funded agribusiness projects	Medium	Medium	Focus on projects that encourage sustainable manufacturing and use green technologies, in particular technology and innovation will be supported to promote clean energy, better waste disposal and water management during the manufacturing processes
Risk 5 - COVID-19 and other related pandemics	High	High	Adoption and encouragement of safe work methods; adopt and encourage Standard Operating Procedures (SOPs)
Risk 6 - Worsening of security situation in some neighbouring countries e.g. Southern Sudan, DRC	Medium	High	Incorporate analysis of alternative input and output markets and contingent planning in project modelling
Risk 7 – Fiduciary risks (risk of irregularities, fraud, corruption, etc.) related to the implementing partners during the implementation of the project	Low	High	UNCDF will ensure proper screening and due diligence of implementing partners under the project, fiduciary controls such as designated off balance sheet project accounts, and robust reporting requirements and monitoring mechanisms to mitigate any fiduciary risks, including discontinuation of funding and return of funds in case of detected irregularities. Therefore, throughout the implementation of the project, UNCDF will ensure that implementing partners use project funds for the intended purposes; achieve value for money; and the funds are properly accounted for.

South-South and Triangular Cooperation (SSC/TrC)

In Uganda, the SME sector makes up over 70% of the economy and contributes approximately 20% of gross domestic product (GDP), but it continues to struggle to access affordable financing mechanisms. The growth of the agricultural sector in the country has been slow resulting in low added value and generally low business capacity. While there are financing options available, the high interest rates of over 20% per annum, short repayment periods, and high collateral requirements make it hard for many SMEs to afford taking out a loan. The informal nature of SMEs and many capacity gaps require business development services (BDS) to be addressed to become bankable. To address the above challenges, the United Nations Capital Development Fund (UNCDF) and its partners launched the Support to Agricultural Revitalization and Transformation (START) Facility to provide affordable medium-term concessional financing to agribusiness SME projects in Uganda.

The facility was initially implemented in northern Uganda under the Development Initiative for Northern Uganda (DINU) program and is now enrolled to the rest of the country. Using the START facility experience and mechanism, a similar facility is under consideration for Burundi and some START facility documents including brochures, infographics, other documents have been translated to French for this purpose. In this perspective, UNCDF is deploying similar mechanism under a loan guarantee and credit line for women led food system transformation SMEs and cross border traders to recover from Covid 19.

Knowledge

The START facility will develop knowledge products, such as publications, databases, media products, and lessons learned reports, and periodically publish and disseminate these products in the START website and other media. Publications will include handbook with guidelines for partners, beneficiaries, project brochures, and infographics. A communication and visibility plan will be developed to ensure timely implementation of the planned communication and visibility activities

and increase visibility for UNCDF and the Donor (EU). The Knowledge Management and Communication Specialist will participate in the UN Communication Group to ensure increased visibility of the programme and implement a coherent and harmonized approach to covering issues and events of relevance to the programme through regular interaction and joint activities with communication specialists from partner organizations and media.

Sustainability and Scaling Up

START facility will rely on national systems and procedures as well as on direct and indirect involvement of national partners such as UDB, PSFU, FSME, USSIA, in implementation of project activities to ensure institutional sustainability.

Financial sustainability will be ensured through the project's compatibility with the existing financial mechanisms and systems and through partnership networks. The project is designed in a way to be compatible with public and private financial mechanisms and funding mechanisms for agricultural finance. This compatibility will make it easy to integrate project-financing schemes into the existing credit / guarantee facilities for agricultural finance such as those of ACF, Small Business Recovery Fund, ACELI Africa and ABI Trust. In addition, will continue to pursue resource mobilization strategy to achieve adequate capitalization of the START facility to enable its transformation to long term investment facility providing technical assistance and seed capital to small and medium-sized value adding agribusinesses.

The financial instruments used for project activities are another way of ensuring financial sustainability of the project. Whereas the project will make an extensive use of non-recoverable instruments, such as grants, it will also apply reimbursable grants and loans for financing value chain addition investment projects in agriculture as well as matching grants for technical assistance and local revenue mobilization designed to leverage additional financing from public and private entities benefitting from such grants.

Political sustainability is based on the thorough alignment of the project design and objectives with the Uganda national priorities, including Vision 2040 and NDP III. Linkages to international mechanisms and coordination platforms is another source of the project's political sustainability. Through its various memberships in development coordination platforms as well as through the LDC Group at the UN, UNCDF will work together with other partners on international positioning of the project by showcasing the relevance of Uganda's experiences for addressing developmental challenges in other countries.

In designing START Phase II, particular attention has been made to ensure that recommendations from the Development Initiative for Northern Uganda (DINU) program's mid-term evaluation are incorporated to the extent possible. The Facility will remain focused on supporting agribusiness SMEs to undertake meaningful value addition while scaling up the planned interventions to cover the entire country. The five-year project will have specific activities focused on supporting SMEs that support empowerment of women, youth and refugee groups, and targeted businesses that promote green technology and sustainable agriculture/agro-ecology.

START phase II will continue to support development and financing of capital-intensive agricultural projects promoted by small and medium agri-businesses that add value inform of storage, processing and distribution / export of agricultural products in the different agriculture value chains. The facility will consider both greenfield and brownfield projects that seek capital for growth and expansion and meet the selection criteria. START facility will support SMEs to grow and expand their business operations so that they are referred to other higher financing range facilities of UNCDF, such as the Bridge facility and BUILD fund.

In Burundi UNCDF, supports Development and Investment Bank of Women, a government established institution in increasing its loan capacity by deploying a loan guarantee facility that will lead to strengthen women LED SMEs to access more substantive loan from commercial financial

institutions. START facility approach will be developed and implemented with Government and donors partners including EU.

IV. PROGRAMME MANAGEMENT

START Facility phase II will be managed by UNCDF through a Project Implementation Team based in Kampala and will comprise of the following staff Positions:

- a) Regional Technical Advisor - Responsible for ensuring the technical financial review of SME project proposals and eventual approval to access grants and reimbursable grants under UNCDF.
- b) Country Program Manager - Responsible for overall implementation support including preparation and approval of agreements, HR, Financial, procurement.
- c) START Facility Manager (Appendix 1 for the Job description). The START facility manager will be fulltime staff of the START facility. The manager is responsible for the day today management of the operations of the START facility. The Manager with dual reporting to the Country Programme Manager and Project Management Board and assisted by the Implementation Team.
- d) Investment Officers (4 full time positions – including one with competence and specialty in green projects).

The project will use the direct execution/implementation modality to ensure best value for money and efficiency of implementation. This modality gives full responsibility to UNCDF for project implementation. UNCDF will programme the funds and manage the activities specified in the Results and Resources Framework (RRF) in line with its established rules and regulations. The administration of this project shall be governed by UNCDF's policies, rules and regulations, as stated in the UNCDF's Operations Manual (OM).

The project will be implemented in three phases:

Inception: UNCDF will use the first six-months' inception period to test, refine, and fully deploy different financial products, including modalities and any partnership arrangements with financial institutions. The phase will also be used to form critical partnerships and signing MoUs and letters of agreements with selected implementing partners. Main milestones to be achieved during the six-months' inception phase are:

- Set up the START facility Management Board and recruit additional staff to support project implementation;
- Launch, outreach, awareness, and promotion of the START Phase II facility in Uganda and in surrounding countries;
- Upgrade the current START online application system to include deal flow management and enhance capacity for Monitoring and Evaluation of SME investments;
- Finalize the due diligence procedures for selection of financial and non-financial partners;
- Identify, select, and contract financial and non-financial partners;
- Identify, select, and contract partner apex private sector institutions;
- Refine and publicize the facility manuals;
- Develop detailed criteria for accessing the financial products available under the facility;
- Amend the Description of the Action and Budget of the Action to reflect the above updates.

Rollout: This phase will last until after the mid-term evaluation (year three of the programme). It will involve implementation of the key activities in accordance with the approved annual plans and budgets. At least half of the entire budget for the START Facility will be disbursed with the first reimbursable grants and loans being repaid.

Consolidation: This period will last for about a year from after the mid-term evaluation until six months before the closure of the project. This phase will allow project interventions to mature following the recommendations of the mid-term evaluation. The project will review and revise its

activities as necessary, adjust the implementation targets and modalities, accept. and upscale or reject the approaches and systems introduced by them.

Phase-out and closure: This phase will last for about six months until the formal closure of the project. Activities will include:

- Preparation of appropriate legal instruments and formal handover of the project facilities to the successor organization(s).
- Preparation and review of the Final Project Review Report, including lessons learned.
- Commissioning of project evaluation.
- Transfer of project deliverables, documents, files, equipment and materials to national beneficiaries.
- Programmatic and financial closure of the project.

V. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the UNCDF Strategic Framework:

START facility is aligned to the UNCDF Strategic framework as indicated in the results framework below.

*START facility is also aligned to the UN Sustainable Development Cooperation Framework (UNSDCF) 2021-2025; Strategic Priority (SP2) - **Shared Prosperity in a Healthy Environment.***

Programme title: Support to Agricultural Revitalization & Transformation (START) Facility Phase II

Programme Number: 04000003

UNCDF IRRM	Project Results	Results chain (): Main expected results (maximum 10)	Indicators (): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data
	Impact	To contribute towards a sustainable and inclusive growth and job creation in Uganda	Agricultural Real GDP growth rate (percent)	5.2% (2021)	6% (2025)	NDP III reports
Outcome 1.1	Intermediate Outcome	Growth and job creation is promoted by investing in fully integrated and sustainable agribusiness SMEs that create and retain wealth within Uganda	1.1 Number of SMEs supported by the intervention (disaggregated by sex – female and male headed enterprises) [EU RF 2.20] 1.2 Number of extra jobs created following the investments made (disaggregated by sex) 1.3 Number of SHFs accessing market due to the SME investments made (disaggregated by sex)	1.1 NIL 1.2 NIL 1.3 NIL	1.1: 300 (40% female headed SMEs) 1.2: 1,500 (40% jobs for women) 1.3 250,000 (40% for women).	1.1 Project report 1.2. Project reports 1.3 Project reports
	Output 1:	Strengthened institutional capacity of agribusiness SMEs and FIs to conduct sustainable business and business operations (including digital solutions)				
Output 2.1	Output 1.1	1.1 Dedicated Business Development Services (BDS) including general and specialized pre-investment and post investment BDS to address SME capacity gaps at different stages of business to promote formal and sustainable business operations	1.1.1 Number of agribusiness SMEs accessing BDS support (disaggregated by female headed and male headed enterprises) 1.1.2 Number of SMEs accessing BDS support from other vulnerable categories (including youth, disabled, refugees and marginalized people) accessing BDS support	1.1.1 NIL 1.1.2 NIL	1.1.1: 300 (Yr 5) (40% women led SMEs accessing BDS) 1.1.2 : 50 (Yr 5)	1.1.1 Project reports 1.1.2 Project reports
Output 2.1	Output 1.2	1.2 Digitalization of START facility processes, Agribusiness SMEs operations and selected financial institutions (where necessary) to enhance institutional capacity	1.2.1 Number of SMEs adopting digital solutions for operation (disaggregated by sex – female and male headed enterprises) 1.2.2 Number of partner financial institutions adopting digital lending solutions for SMEs 1.2.3 Number of SMEs accessing Technical Assistance/ BDS under other vulnerable categories (including youth, disabled, refugees and marginalized people)	1.2.1 NIL 1.2.2 NIL 1.2.3 NIL	1.2.1 300 (Yr 5) (40% women led SMEs). 1.2.2: 03 (Yr 5) 1.2.3 50 (Yr 5) (40% women led SMEs).	1.2.1 Project reports 1.2.2 Project reports 1.2.3 Project reports

			1.2.4 Number of women headed SMEs using digital records to access finance	1.2.4 NIL	1.2.4 50 (Yr 50)	1.2.4 Project Reports
	Output 2:	Improved technical capacity of agribusiness SMEs to develop green bankable investment proposals acceptable by financial institutions.				
Output 2.1	Output 2.1	2.1 Support SMEs that meet the selection criteria in development and structuring of bankable investment proposals for onward linkage with selected financial institutions	2.1.1 Number of SME bankable investment proposals finalized	2.1.1 NIL	2.1.1: 100 (40% from the women led SMEs). (Yr 5)	2.1.1 Project reports
			2.1.2 Number of agribusiness SMEs with developed bankable proposals under other vulnerable categories (including youth, disabled, refugees and marginalized people)	2.1.2 NIL	2.1.2: 20 (Yr5)	2.1.2 Project reports
			2.1.3 Number of SMEs undertaking environmental impact assessments	2.1.3 NIL	2.1.3: 100 (40% from the women led SMEs) (Yr 5)	2.1.3 Project reports
			2.1.4 Number of agribusiness SMEs undertaking environmental assessment under other vulnerable categories	2.1.4 NIL	2.1.4 20 (Yr 5)	2.1.4 Project Reports
Output 1.1	Output 2.2	2.2 Designing and deploying financial and non-financial incentives for investments in value adding and agribusinesses that fulfill prescribed criteria	2.2.1 Number of agribusiness SMEs receiving credit / financing (disaggregated by sex – female and male headed enterprises)	2.2.1. NIL	2.2.1 150 (40% female headed SMEs) (Yr. 5)	2.2.1 Project reports
			2.2.2 Number of SMEs under the vulnerable category (including youth, disabled, refugees and marginalized people) receiving credit/ financing	2.2.2 NIL	2.2.2 30 (Yr. 5)	2.2.2 Project reports
			2.2.3 Number of SMEs that empower women and accessing credit from commercial financial institutions	2.2.3 NIL	2.2.3 50 (Yr 5)	2.2.3 Project reports
			2.2.4 Number of SMEs that contribute to greening (use energy efficient technologies, or clean energy technologies, or undertake Environment Social impact assessment)	2.2.4 NIL	2.2.4 25 (40% female headed SMEs) (Yr.5)	2.2.4 Project reports

			2.2.5 Amount of financing extended to SMEs (disaggregated by sex – female and male headed enterprises)	2.2.5 NIL	2.2.5 EUR 7M (40% female headed SMEs)	2.2.5 Project reports
	Output 3:	<i>Unlocking affordable short to medium-term finance from selected FIs and MFIs for agribusiness SMEs to promote value addition and agro-processing.</i>				
Outcome 2.2	Output 3.1	3.1 Matchmaking services to identify appropriate providers of capital and link them to agri-business entrepreneurs.	3.1.1 Number of SMEs successfully linked to Financial institutions (disaggregated by sex – female and male headed enterprises)	3.1.1 NIL	3.1.1 150 (Yr. 5) 40% women led SMEs).	3.1.1 Project reports
			3.1.2 Number of SMEs under vulnerable category (including youth, disabled, refugees and marginalized people) successfully linked to Financial institutions	3.1.2 NIL	3.1.2 20 (Yr 5)	3.1.2 Project reports
Output 1.1	Output 3.2	3.2 Provide targeted support to SMEs to fulfill requirements for financing by financial institutions	3.2.1 Number of agribusiness SMEs accessing credit enhancement services (disaggregated by sex – female and male headed enterprises)	3.2.1 NIL	3.2.1 50 (Yr 5) 40% women led SMEs).	3.2.1 Project reports
			3.2.2 Number of Agribusiness SMEs supported with credit enhancement services under other vulnerable categories (including, youth, disabled, refugees and marginalized people)	3.2.2 NIL	3.2.2 10 (Yr. 5)	3.2.2 Project reports
			3.2.3 Number of women led SMEs that meet requirement to access finance.	3.2.3 NIL	3.2.3: 50 (Yr 5)	3.2.3 Project reports

VI. MONITORING AND EVALUATION

In accordance with UNDP/UNCDF's programming policies and procedures, the programme will be monitored through the following monitoring and evaluation plans:

The project will adopt results-based management approach which means that it will be regularly tracking progress against project activities and outputs ensuring their timely realisation and their contribution to the outcome and goal of the project.

UNCDF will develop a Monitoring and Evaluation (M&E) plan during the inception phase to outline, in more detail, the proposed system for results measurement. UNCDF will use the findings of its monitoring and reporting for project management and decision-making. For example, UNCDF will adjust its annual work plans and interventions based on monitoring and reporting results.

For the monitoring activities, UNCDF will adopt a comprehensive and multi-faceted approach using both quantitative and qualitative data collection methods, using a gendered lens by disaggregating data by sex, age, and other relevant socio-demographic characteristics, to regularly track progress against the expected results of the project.

In accordance with UNCDF's programming policies and procedures, the project will be monitored through the following:

Within the annual cycle

- **Track Progress.** On a regular basis, progress on data against the results indicators will be collected and analyzed to assess the progress of the project in achieving the agreed outputs. National data sources should be used whenever possible. Slower than expected progress will be addressed by the project management.
- **Monitor and Manage Risk.** The project risk log will be actively maintained, including by reviewing the external environment that may affect the project implementation. Risk management actions will be identified and monitored using the risk log. This includes monitoring social and environmental management measures and plans. Audits will be conducted in accordance with UNCDF's audit policy to manage financial risk.
- **Evaluate and Learn.** Mid-term evaluation shall be conducted during the third year of implementation (and the final evaluation during the last year of the project. Knowledge, good practices and lessons will be captured and shared, as well as actively sourced from other projects and partners, and integrated back into the project. EU Results Oriented Monitoring (ROM) missions will be held during the first and last year of the project as per the EU monitoring policy.
- **Review and Make Course Corrections.** The project management will review the data and evidence collected on a regular basis within the annual cycle, prepare progress quarterly reports and make course corrections as needed. An internal review of the available progress data against the results indicators will be done on a quarterly basis. Any significant course corrections that require a decision by the Board will be raised in the following Board meeting.

Annually

- **Annual Project Review and Report.** The Board shall hold a review at least once per year to assess the performance of the project and appraise the Annual Work Plan for the following year. An annual report will be prepared, consisting of progress data showing the results achieved against pre-defined annual targets at the output level and any evaluation or review reports prepared over the period. Any quality concerns or slower than expected progress should be discussed by the project and management actions agreed to address the issues identified.
- In the project's final year, the Board shall hold an end of project review to capture lessons learned and discuss opportunities for scaling up.

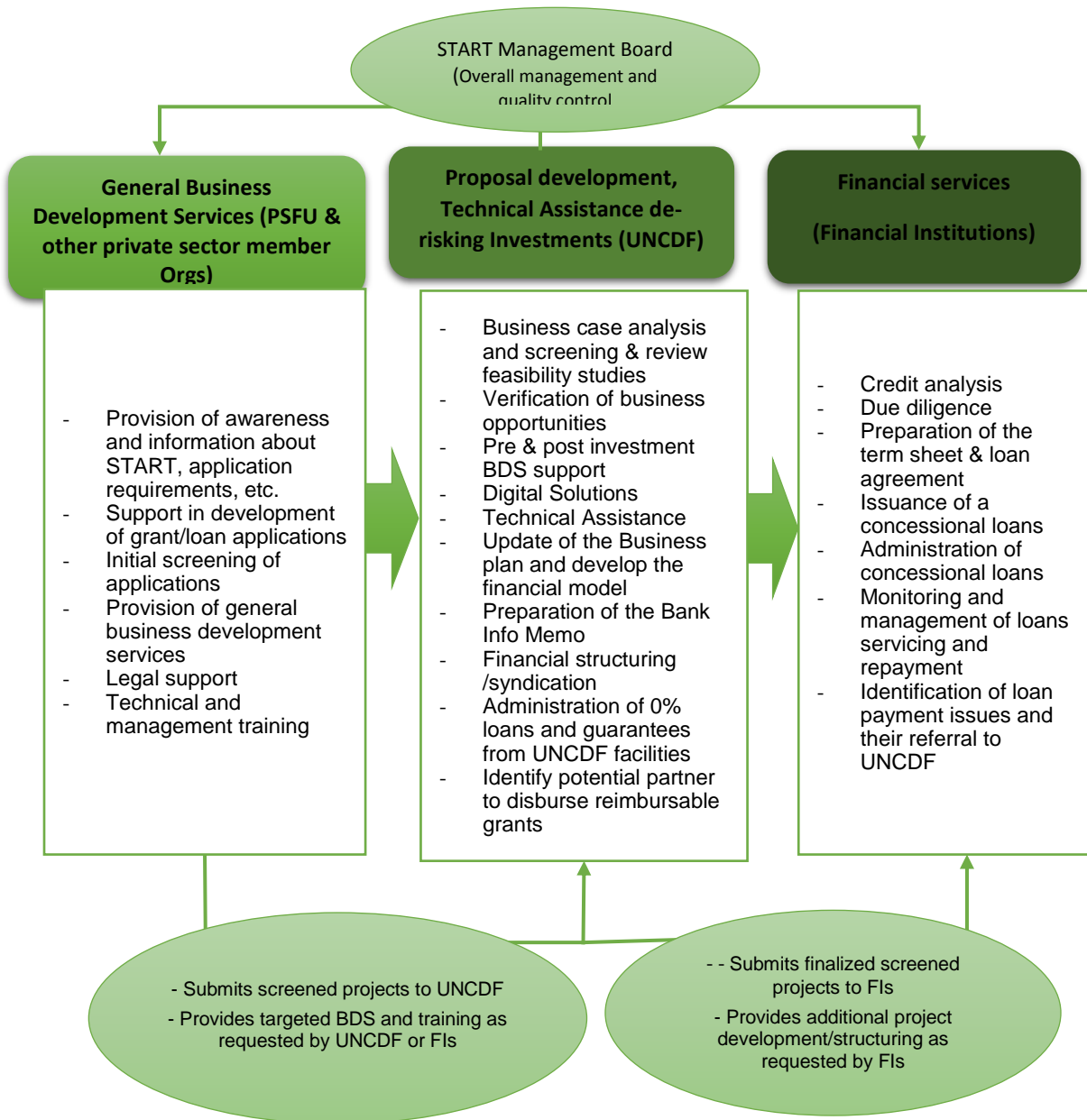
Audits

- The project will be subject to internal and external auditing procedures provided for in the financial regulations, rules, policies, and procedures of UNCDF and the EU Delegation Agreement. The audits provide UNCDF with assurance that resources are used to achieve the results described in the Project Document.

VII. MULTI-YEAR WORK PLAN

Description of the planned activity	Planned Budget by Year (EUR)					Responsible party	Planned Budget (EUR)		
	2023	2024	2025	2026	2027		Funding source	Budget Description	Amount
Output 1: Strengthened institutional capacity of agribusiness SMEs and FIs to conduct sustainable business and business operations (including digital solutions).									
1.1 Dedicated Business Development Services (BDS) including general and specialized pre-investment and post investment BDS to address SME capacity gaps at different stages of business to promote formal and sustainable business operations	270,000	380,000	310,000	380,000	360,000	UNCDF	EU	Uganda	1,700,000
1.2 Digitalization of START facility processes, Agribusiness SMEs operations and selected financial institutions to enhance institutional capacity	200,839	276,616	254,261	94,578	53,816	UNCDF	EU	Uganda	880,110
Sub-total	470,839	656,616	564,261	474,578	413,816				2,580,110
Output 2: Improved technical capacity of agribusiness SMEs to develop green bankable investment proposals acceptable by financial institutions.									
2.1 Support SMEs that meet the selection criteria in development and structuring of bankable investment proposals for onward linkage with selected financial institutions	208,500	326,600	335,540	341,223	347,254	UNCDF	EU	Uganda	1,559,117
2.2 Designing and deploying financial and non-financial incentives for investments in value adding and agri-businesses that fulfill prescribed criteria	370,000	925,000	1,110,000	925,000	370,000	UNCDF	EU	Uganda	3,700,000
Sub-total	578,500	1,251,600	1,445,540	1,266,223	717,254				5,259,117
Output 3: Unlocking affordable short to medium-term finance from selected FIs and MFIs for agribusiness SMEs to promote value addition and agro-processing.									
3.1 Matchmaking services to identify appropriate providers of capital and link them to agri-business entrepreneurs.	75,000	105,000	152,000	120,000	71,000	UNCDF	EU	Uganda	523,000
3.2 Provide targeted support to SMEs to fulfill requirements for financing by financial institutions	180,173	217,027	220,103	213,843	190,026	UNCDF	EU	Uganda	1,021,172
3.3 establishing loan guarantee facility to women led businesses in the food system transformation	418,500	511,500	-	-	-		UNDP & WFP	Burundi	930,000
Sub-total	673,673	833,527	372,103	333,843	261,026	-		-	2,474,172
Monitoring & Evaluation	47,500	80,050	105,126	106,229	95,360				434,265
General Management Support	123,936	197,526	174,092	152,661	104,122		EU & UNCDF	UNCDF in-kind Cont. EUR 1m	752,336
TOTAL	1,894,448	3,019,319	2,661,122	2,333,534	1,591,578				11,500,000

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



UNCDF Uganda will play a role as an implementing and overall coordinating entity between the parties involved and will provide communications services, outreach and information, partnership building and resource mobilization efforts as well as administrative and operational services.

UNCDF will be assisted by a Project Management Board comprising of representative from Private Sector, representative from financial institutions, UNCDF, a representative from government (either MAAIF or MoTIC) and a representative of the EU Delegation. The Project Management Board will meet at least once a quarter or more often as necessary with the following tasks / responsibilities:

- Review and approve annual and quarterly plans.
- Provide guidance and direction to the START Facility Manager, ensuring that the Facility operates within any specified constraints.
- Review START performance reports on a quarterly basis, including reports on the utilization of the Facility.
- Resolve disagreements on uses of the Facility within 10 working days.
- Approve joint resource mobilization plans.

- Provide ad-hoc direction and advice for exception situations when tolerances are exceeded.
- Assure that all planned deliverables during each stage are delivered satisfactorily.
- Serve as Investment Committee for approval of grants and project pipeline for concessional loans.

To ensure financially sound investment decisions, START will apply a system of checks and balances based on separation of duties between the key partners. Each partner will retain an autonomy for decision-making in its assigned line of business and will be able to review the decisions taken by the other partners during the earlier stages. Disagreements that cannot be resolved between the partners will be referred to the Project Management Board.

IX. LEGAL CONTEXT

LEGAL CONTEXT STANDARD CLAUSES

This document together with the UNDAF signed by the Government and UNCDF which is incorporated by reference constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA). Government of Uganda and UNCDF SBAA signed on 5th February 1982 defines the basic conditions under which UNCDF and its executing agencies shall provide assistance to the government in carrying out its projects and under which the programme shall be undertaken.

RISK MANAGEMENT STANDARD CLAUSES

1. UNCDF as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNCDF agrees to undertake all reasonable efforts to ensure that none of the programme funds are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Programme Document.
3. Consistent with UNCDF's Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. The Implementing Partner shall: (a) conduct programme and programme-related activities in a manner consistent with the Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the programme or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNCDF will seek to ensure that communities and other programme stakeholders are informed of and have access to the Accountability Mechanism.
5. All signatories to the Programme Document shall cooperate in good faith with any exercise to evaluate any programme or programme-related commitments or compliance with the Social and Environmental Standards. This includes providing access to programme sites, relevant personnel, information, and documentation.

X. ANNEXES

1. Social and Environmental Screening

Project Information

Project Information	
1. Project Title	Support to Agricultural Revitalization & Transformation (START) Facility Phase II
2. Project Number	NDICI AFRICA/2022/439-368
3. Location (Global/Region/Country)	Uganda

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

START phase II will support agribusiness SMEs to increase their potential to produce food and thus contribute to realizing the human right to food as well as human rights principles such as participation, non-discrimination and equal opportunities as well as transparency and accountability. In particular, the planned interventions on agri-business aims at strengthening food security and nutrition in the country.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

As per OECD Gender DAC codes identified in section 1.1, this action / intervention is labelled as G1. This implies that the planned interventions will prioritize SME projects that promote Women and Youth's Economic Empowerment. Gender will be mainstreamed into the project through the use of specific gender-sensitive criteria for identification of projects financed through the facility. For example, the project eligibility criteria require that the socio-economic impact of the eligible projects should include an improved position of women and young people in the local food supply chain. The project will ensure that the investment project financed through its funding facilities increase women's access to productive resources, improve the business-enabling environment for women and the businesses they establish/manage and improve conditions for their access to social and economic services and equitable employment. Where appropriate, the project has set specific targets related to mainstreaming and women's socio-economic empowerment, such as number

of female-headed agribusinesses, number of women benefitting from capacity building across the BDS components, SMEs that have explicitly commitment to gender equality through their policies etc.

Briefly describe in the space below how the Project mainstreams environmental sustainability

The planned interventions will ensure that SMEs supported are environmentally friendly, based on effective and prudent management of local natural resources, and, whenever possible, contribute to improvement of local environment, by adopting principles of responsible production and circular economy. Furthermore, the eligibility criteria to access the facility will include environmental standards, and specifically promote application of solar and other types of green energy to handling, processing and storage. Whenever possible attention will be given to SMEs promoting processing of products from sustainable production. In particular, being the companies targeted involved in agro-processing and value addition, focus will be on their adherence to national environmental standards and related certifications.

Part B. Identifying and Managing Social and Environmental Risks

<p>QUESTION 2: What are the Potential Social and Environmental Risks?</p> <p><i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i></p>	<p>QUESTION 3: What is the level of significance of the potential social and environmental risks?</p> <p><i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i></p>			<p>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</p>
<p>Risk Description</p>	<p>Impact and Probability (1-5)</p>	<p>Significance (Low, Moderate, High)</p>	<p>Comments</p>	<p>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</p>
<p>Risk 1: Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?</p>	<p>I = 1 P = 3</p>	<p>Low</p>	<p>Most of the waste that will be generated during agro-processing is expected to</p>	<p>Environmental impact screening will be undertaken for all agri-SMEs supported under the START facility.</p>

			be non-hazardous i.e. animal waste, bran etc.	
Risk 2	I = P =			
Risk 3:	I = P =			
Risk 4:	I = P =			
[add additional rows as needed]				
QUESTION 4: What is the overall Project risk categorization?				
Select one (see SESP for guidance)			Comments	
<i>Low Risk</i>			<input checked="" type="checkbox"/>	Overall, the risks identified have a very low impact with the strategies put in place by management including carrying out environmental impact screening on each of the agri-SME project supported. Some of the identified risks will be turned into business opportunities with positive impact on the environment.
<i>Moderate Risk</i>			<input type="checkbox"/>	
<i>High Risk</i>			<input type="checkbox"/>	
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?				
Check all that apply			Comments	
<i>Principle 1: Human Rights</i>			<input type="checkbox"/>	
<i>Principle 2: Gender Equality and Women's Empowerment</i>			<input type="checkbox"/>	
<i>1. Biodiversity Conservation and Natural Resource Management</i>			<input type="checkbox"/>	
<i>2. Climate Change Mitigation and Adaptation</i>			<input type="checkbox"/>	
<i>3. Community Health, Safety and Working Conditions</i>			<input type="checkbox"/>	
<i>4. Cultural Heritage</i>			<input type="checkbox"/>	
<i>5. Displacement and Resettlement</i>			<input type="checkbox"/>	

	6. Indigenous Peoples	<input type="checkbox"/>	
	7. Pollution Prevention and Resource Efficiency	<input checked="" type="checkbox"/>	SMEs will be supported to turn any waste into bi-products such as animal feeds, manure for fertilizing gardens and as a source for renewable energy through bio-gas extraction where possible.

Final Sign Off

Signature	Date	Description
QA Assessor		UNCDF staff member responsible for the Project. Final signature confirms they have “checked” to ensure that the SESP is adequately conducted.
QA Approver		UNCDF senior manager, typically the UNCDF Executive Secretary, Deputy Executive Secretary, or Practice Director(s). The QA Approver cannot also be the QA Assessor. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC.
PAC Chair		UNCDF chair of the Headquarters PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		
Principles 1: Human Rights		Answer (Yes/No)
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ⁶	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No

⁶ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ⁷ greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No

⁷ In regard to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ⁸	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?	No

⁸ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

	<i>If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i>	
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	Yes
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	

2. **Risk Analysis.** Use the standard [Risk Log template](#). Please refer to the [Deliverable Description of the Risk Log](#) for instructions

Project Title: Support to Agricultural Revitalization & Transformation (START) Facility Phase II	Award ID:	Date: 11 th April 2023
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Poor / Low quality of proposals / applications submitted by SMEs in response to the call for proposals	April 2023	Operational	The risk of poor quality applications would imply that SMEs would delay to either access funding or not get funding at all. P =5 I = 5	Active outreach and awareness raising activities; Business Development Services (BDS) support to prospective promoters to prepare technically and financially sound submissions	Jenifer Bukokhe	Deus Tirwaku nda	April 2023	No Change
2	Inadequate security/ collateral for many agribusinesses project promoters / entrepreneurs.	April 2023	Operational	The risk would lower the ability of the SMEs to access Concessional finance P =3 I = 5	Deployment of credit enhancements/ Guarantees with partner banks and de-risking of the projects to satisfy credit requirements with minimum security.	Jenifer Bukokhe	Deus Tirwaku nda	April 2023	No Change
3	Pollution and other environmental hazards deriving from funded	April 2023	Environmental	Negative effect on the environment	Prioritize projects that encourage sustainable manufacturing and use green technologies,	Jenifer Bukokhe	Deus Tirwaku nda	April 2023	No Change

	agribusiness projects			P =4 I = 4	in particular technology and innovation will be supported to promote clean energy, better waste disposal and water management during the manufacturing processes				
4	Fiduciary risks (risk of irregularities, fraud, corruption, etc.) related to the implementing partners during the implementation of the project	April 2023	Financial	Refund of money misused funds to the donor or cancellation of the grant award P =4 I = 5	Ensure proper screening and due diligence of implementing partners under the project, fiduciary controls such as designated off balance sheet project accounts, and robust reporting requirements and monitoring mechanisms to mitigate any fiduciary risks, including discontinuation of funding and return of funds in case of detected	Jenifer Bukokhe	Deus Tirwaku nda	April 2023	No Change

					irregularities.				
5	Worsening of security situation in some neighboring countries e.g. Southern Sudan, DRC	April 2023	Political	Negative effect on export markets P =2 I = 3	Support SMEs to develop alternative input and output markets and contingent planning in project modelling	Jenifer Bukokhe	Deus Tirwaku nda	April 2023	No Change
6	Poor collaboration/ coordination among the participating partners in the agri-business component;		Operational Organizational	Project implementation may fail P =1 I = 3	Strong coordination operationally through the Project Management Board; Define in detail roles and responsibilities of each implementing partner	Jenifer Bukokhe	Deus Tirwaku nda	April 2023	No Change

3. Capacity Assessment: Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

4. Responsibilities for the START Project Board and key management positions

Responsibilities for the START Management Board

The Management Board meets at least every six months or more often as necessary with the following tasks:

Guidance and advice

- a) Ensure overall strategic guidance of the Facility focusing on its alignment with the national development goals and coordination with other development finance Programmes and mechanisms, particularly for agriculture.
- b) Provide guidance and direction to the START Manager, ensuring that the Facility operates within any specified constraints.

Planning and reporting

- a) Review and approve annual and half year plans.
- b) Review START performance reports on a half year basis, including reports on the utilization of the Facility.
- c) Review audit & monitoring reports and recommendations and prepare a management response.

Management

- a) Review and approve project guidelines / manuals.
- b) Review and approve project selection for the development pipeline focusing on development impact, value for money and additionality.
- c) Review and approve key Facility documents, such as START Handbook, application forms, information materials, knowledge products, etc.
- d) Authorize the issuance of the calls for proposals.
- e) Resolve disagreements on uses of the Facility within 10 working days.
- f) Approve communication and visibility plans, joint resource mobilization plans and support resource mobilization and outreach activities.
- g) Provide ad-hoc direction and advice for exception situations when tolerances are exceeded.
- h) Assure that all planned deliverables during each stage are delivered satisfactorily.
- i) Serve as a Grant Allocation Committee for project development grants.

Responsibilities for START Facility Manager

Job Description: **Facility Manager - Support to Agricultural Revitalization and Transformation (START) Facility**

Facility Manager will perform the following tasks which are grouped into five functional areas:

1. Ensures the *strategic management* of the Facility focusing on achievement of the following results:

- a) Ensure continued alignment of the Facility operation in terms of the policies and approach with the national objectives, relevant policies and strategies;

- b) Ensure that project objectives and activities are well coordinated with, and complement, the activities and operations of other agencies, facilities and funds that support agricultural development and finance in Uganda;
- c) Ensure coherence between the Facility partners (PSFU, UDB, and other FIs) and delivery towards the stated common objectives.
- d) Provide advice on strategies, policies and plans affecting Facility operations, delivery, knowledge and learning services;
- e) Establish collaborative arrangements with other potential partners and appropriate operational partnership arrangements;
- f) Constant monitoring and analysis of the operating environment, quick readjustment of the operations, advice on legal considerations and risk assessment;
- g) Monitoring and analysis of key developments in the country that are likely to impact on the Facility operations.

2. Ensures effective and accurate *overall management* of the Facility focusing on achievement of the following results:

- a) Prepare and submit for approval the Facility's annual plans and budgets.
- b) Manage the overall Facility governance and implementation mechanisms including organizing the review and approval meetings, field visits, and other specific activities of the Project Management Board, Project Preparation & development, Grant Approval Committee, Credit Approval Committee and other entities formally established by the Facility;
- c) Serves as the Secretary to the START Project Management Board, organizes regular Board meetings and keeps the records of the Board's procedures.
- d) Prepare and issue in a timely manner the memoranda of understanding, letters of agreement with the partners and other legal instruments to enable their engagement and implementation of the activities for which they are responsible;
- e) Ensure timely financial transfers to the Facility's lines of business;
- f) Prepare and issue, in consultation with the other partners, calls for proposals and the criteria applied for project selection;
- g) Ensure timely publication and public access to all relevant information pertaining to the Facility operation, including information on selected beneficiaries and annual progress reports;
- h) Prepare quarterly and annual reports in accordance with the EU requirements as well as standalone narrative and financial reports on START operations to the START Project Management Board, European Union as well as other possible partners/donors;
- i) Participate in communication and media activities; ensure the Facility web-site updates; coordinate distribution of the project related information;
- j) Ensure visibility of the Donor and Implementing Partners in all project outputs.

3. Ensures effective *quality assurance* of the Facility's operation focusing on the achievement of the following results:

- a) Establish an effective tracking system and database for the Facility-supported projects to reflect their financial and physical progress throughout their life cycle from the submission of proposals, to implementation, and evaluation to documentation and closure in compliance with EU and UNCDF M&E requirements;

- b) Ensure compliance of all operations and activities with the Facility rules and procedures, including the financial and other requirements for the size and nature of the eligible projects, and the type of support and individual disbursements per project;
- c) Collect regular (quarterly and annual) narrative and financial reports from the implementing partners for submission to the START Project Management Board as part of the programme overall monitoring arrangements;
- d) Design, in cooperation with the START partners, general key performance indicators for the Facility, assign distinct performance measures, and ensure their continuous monitoring and timely corrective measures in the case of deviation;
- e) Develop in collaboration with the partners and implement START monitoring and evaluation plan, compliance and accordingly utilize the findings as to justify adjustment of the funds disbursement schedules and to introduce corrective measures in the case of deviation;
- f) Regularly update the risk log for the Facility and conduct appropriate budget and operation risk management, mitigation and responses.
- g) Analyze and monitor the financial situation, present forecasts for the Facility, and monitor for unusual activities and transactions;
- h) Support the design, preparation and implementation of regular independent audits of the Facility;
- i) prepare management responses and follow up on the audit recommendations as appropriate;
- j) Organize field verification and inspection visits by the START Project Management Board, partners, government officials and other stakeholders.

4. *Establishes and maintains strategic partnerships and implements the resource mobilization strategy* for the Facility focusing on the achievement of the following results:

- a) Establish and maintain dialogue with government officials, NGOs, partners, donors and communities to provide knowledge and understanding, ensuring accurate interpretation of the Facility's objectives;
- b) Identify areas of cooperation and coordination with other government and non-government partners, financial institutions, development agencies as well as UN agencies for the implementation of joint activities related to the Facility;
- c) Support resource mobilization efforts for the Programme.
- d) Prepare and implement the strategy and action plan for transforming START into a sustainable and adequately capitalized investment facility providing technical assistance and seed capital to small and medium-sized value adding agribusinesses.

5. Ensures *facilitation of knowledge building and management*, focusing on the achievement of the following results:

- a) Develop and implement START Visibility Plan to capture the management of the funds as well as the projects being implemented for the purpose of Facility visibility and lessons learnt and, in this regard, periodically publish knowledge products in the START website and other media;
- b) Assist in documenting START good practices and lessons learnt.
- c) Facilitate learning and experience sharing for government officials, private sector representatives local community leaders and experts;
- d) Contribute to national, corporate and global knowledge networks;

- e) Represent the Facility and UNCDF in meetings relating to the Facility;
- f) Contribute to UNCDF cross-practice synergies with the development finance interventions at country level.

Responsibilities for the Investment Officer(s)

The Investment Officer will perform the following tasks which are grouped into three functional areas:

- a) Organization and facilitation of key programme activities related to project development and project financing;
 - b) Organization and facilitation of key programme activities related to capacity building and knowledge management;
 - c) Project management and resource mobilization.
1. Organization and facilitation of key programme activities related to developing and financing agribusiness projects:
 - a) Support in the identification, screening of applicants and due diligence on pipeline SMEs in accordance with the eligibility criteria
 - b) Provide implementation support for the development of project proposals for financing in accordance with the START rules and procedures;
 - c) Provide directly and facilitate provision of Business Development support services to project sponsors identified during the different START processes.
 - d) Preparation of the Bank Info Memorandum and loan applications for START and proposals for grant/loan restructuring;
 - e) Support the establishment of co-financing relationships with local and international financial institutions, nurture relationships and manage activities needed to secure co-financing of START projects;
 - f) Facilitate the required technical studies under guidance by engaging the project sponsors, consultants, local authorities and communities as appropriate, including the development of TORs that reflect project finance requirements and support of the procurement processes;
 - g) Identify alternative financing sources and structures, including the preparation of and participation in discussions and negotiations with banks, investors and other stakeholders;
 - h) Participate in activities to promote START activities resulting in a project pipeline and/or strategic partnerships;
 - i) Prepare and facilitate technical missions for project and pipeline development.
 - j) Monitor the performance of SMEs supported under the facility to ensure compliance with the signed agreements.
 2. Organization and facilitation of key programme activities, related to capacity building and knowledge management:
 - a) Provide support for the START capacity building and training programme, ensuring programme knowledge generation and dissemination, including support to the development of START tools and toolkits, case studies, briefs, research documents, and client impact evaluations;

- b) Support and ensure the implementation of the START stakeholder mobilization and communication plan and organise and coordinate outreach activities with a variety of stakeholders;
- c) Provide specialist input to and ensure application of the processes and tools to facilitate the transfer of knowledge, training, and scaling up of START, building the capacity of local stakeholders in the public and private sectors;
- d) Develop and implement tools and programmes for knowledge building, transfer and sharing.

3. Project Management & Resource Mobilization:

- a) Ensure the delivery of the key results on time and to budget as assigned;
- b) Timely planning, budgeting and reporting in accordance with the guidelines of the Implementing Partner, UNCDF and EU;
- c) Exercise financial management of the project, including timely submission of requests for disbursement of funds and other forms;
- d) Establish and maintain an effective and efficient project monitoring system providing regular feedback on the project performance and to update regularly risk and issue logs;
- e) Support efforts of UNCDF to mobilize additional resources for START

Note: At least one Investment Officer (IO) will be required to have competence and specialize in green projects/businesses.

5. START Facility Phase II Human Resource Plan

START facility phase II will be implemented using a simple human resource structure that takes advantage of human resources of implementing partners (financial institutions & private sector member institutions). This means, that the facility will have a lean team of technical officers based at UNCDF, who will work closely with implementing partners to deliver the project results. The same model was used in the implementation of START phase one with phenomenal results. The successful implementation of START phase II will require six technical fulltime national staff (three at FTA level and three at NPSA level) to cope with the increased scope of work (countrywide in Uganda and Burundi) compared to START phase I, (where the focus was only in northern Uganda). During the implementation of START phase I, only three fulltime technical national staff were hired – these staff will be transitioning to START phase II together with the project admin team.

Transitioning from DINU Programme to START Phase II

As a continuation of START phase I (formerly under the Development Initiative for Northern Uganda - DINU Program), the START phase II will be implemented mainly by the team that from the 1st phase with a few additional staff to cope with the increased geographical scope of the project.

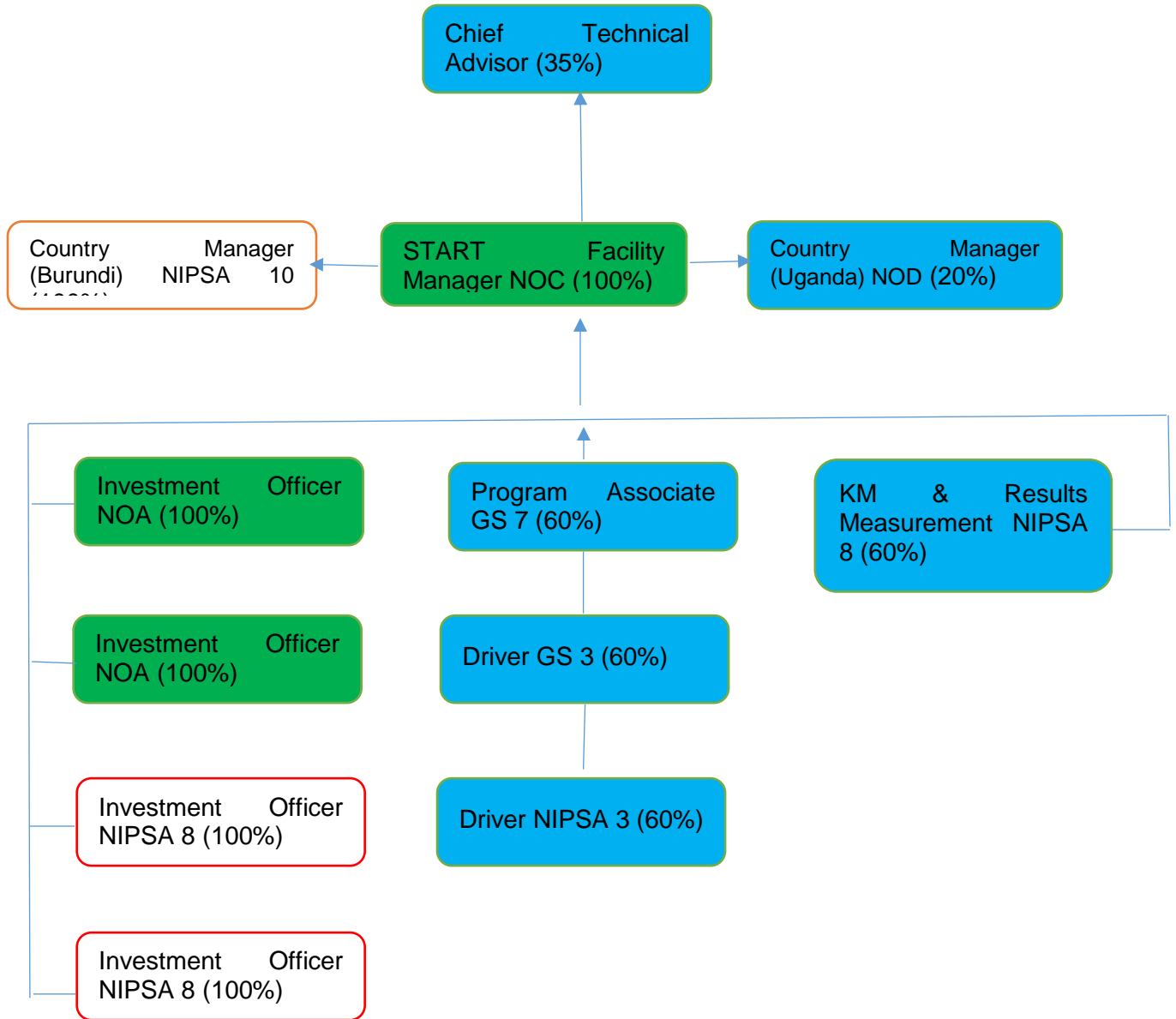
The table below shows staff who will be transitioning from DINU program (START phase I) to START phase II project fully (100%) or partially.

No.	Name of Staff	Position	START Category
1)	Dmitry Pozhidaev	Chief Technical Advisor	FTA – P5
2)	Jenifer Bukokhe Wakhungu	DINU Program Manager	FTA - NOD
3)	Deus Tirwakunda	START Facility Manager	FTA - NOC
4)	Ivan Ddamilira Bbale	Investment Officer	FTA - NOA
5)	Fred Mande	Investment Officer	FTA - NOA
6)	Jennifer Kiiza Tushabe	Program Associate	GS -7
7)	Astalcus Moses Imalingat	Senior Driver	GS 3
8)	Ezekiel Ouni	Driver	NPSA 3

The three new positions at NPSA level are expected to be recruited before by the 3rd quarter of 2023 to support the implementation of the project.

It is also important to note that all the technical FTA staff and the new PSA (NPSA) staff implementing START phase II are fully covered by the project budget during the five-year project duration.

START Facility - UNCDF Organizational Structure



	Full-time Existing
	Cost-shared Existing
	To be Recruited

UNCDF Uganda will appoint a START Facility Manager with dual reporting to the Country Programme Manager and Project Management Board and assisted by the Implementation Team. The project implementation and administration team will comprise of the following staff Positions as approved in the description of action approved by the EU:

- a) *Chief Technical Advisor* - Responsible for ensuring the technical financial review of SME project proposals and eventual approval to access grants and reimbursable grants under UNCDF. START facility phase II will contribute 35% of the Regional Technical Advisor's monthly salary.
- b) *Country Manager (Uganda)* - Responsible for overall implementation support including preparation and approval of agreements, HR, Financial, procurement. START facility phase II will contribute 20% of the Country Program Manager's monthly salary.
- c) *Country Manager (Burundi)* - Responsible for overall implementation support including preparation and approval of agreements, working with financial and private partners in Burundi **Appendix 3**. The salary of the manager will be covered 100% by the project.
- d) *START Facility Manager* - The START facility manager will be fulltime staff of the START facility (charged 100%). The manager is responsible for the day today management of the operations of the START facility. Detailed responsibilities of the START manager are included as **appendix 1**.
- e) *Investment Officers* - four (4) full time positions – including one with competence and specialty in green projects) - **Appendix 2** for the responsibilities. The investment officers will be required to support the implementation of the START facility at 100%. Recruitment of the two new investment officers is expected to be completed within 6-9 months. Therefore, 51 months have been budgeted for the two new investment officers (at NPSA level) and the existing two investment officer (at NOA level) are budgeted for 60 months.
- f) *Communication/Knowledge management Officer* - START phase II is expected to cost share the monthly cost at 60% with other projects contributing 40%.
- g) *Program Finance / Admin Specialist* - START phase II is expected to cost share the monthly cost at 60% with other projects contributing 40%
- h) *Driver (2 positions)* - START phase II is expected to contribute to the salary cost of two drivers covering 60% of the monthly salary with other projects contributing 40%.

Note: The START facility team under LTF will work closely with IDE (Inclusive Digital Economy) team in Uganda to deliver on the digital component of the START facility. Personnel budget for IDE team's involvement and support was quantified and included in the overall project budget approved by the EU.