

ANNUAL REPORT 2023.

PROMOTING SELF-SUFFICIENT
AGRIBUSINESSES.



Agribusiness
Development
Centre

About ADC

The Agribusiness Development Centre (ADC) is a company limited by guarantee and founded by its two investment members; Rabo Foundation (Netherlands) and dfcu Limited (Uganda) in 2017 with the purpose supporting and building the capacity of agribusinesses that are driven by the need to grow and develop independently through access to various support partners like financial service providers, markets and organizational capacity building which comprise the ADC intervention scope.

ADC's mission is to offer its chosen market segment capacity building, business accelerator opportunities and facilitate relevant linkages through innovations and collaborations to grow, build and promote a prospect of a sustainable future. The Main focus of ADC is offering its chosen market segment capacity building, business accelerator opportunities and facilitate relevant linkages through innovations and collaborations to grow, build and promote a prospect of a sustainable future.

Vision

The preferred partner in promoting Self Sufficiency in target customer segments towards Agricultural Transformation in Uganda.

ADC Governance

ADC is governed by a Board of Directors, comprised of Directors from Rabo Foundation, DFCU limited and the ADC Executive Director. The BOD is responsible for overseeing executive actions of the organization.

ADC is equally supported by the ADC Advisory Committee (AAC) whose purpose is to provide strategic advice to the Executive Director and ADC Team on the creation and maintenance of effective programmes, and efficient and effective delivery of results.



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Acronyms

AAC	ADC Advisory Committee
aBi	aBi Development Limited
ACF	Agricultural Credit Facility
ADC	Agribusiness Development Centre
BAP	Business Accelerator Programme
BDS	Business Development Services
CSA	Climate Smart Agriculture
DFCU	Development Finance Company Uganda
ECOS	Enhancing Competitiveness of SMEs
FBO	Farmer Based Organization
GOPA	GOPA Worldwide Consultants
GIZ	Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
MSME	Micro, Small and Medium Enterprises
PRM	Price Risk Management
RF	Rabo Foundation
TOT	Training of Trainers.
UGX	Ugandan Shilling(s)
USD	United States Dollar(s)

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Message from ADCs Executive Director.

Dear Esteemed Stakeholders,

I am pleased to present to you the Annual Report of the Agribusiness Development Centre for the fiscal year 2023. This year has been characterized by both challenges and triumphs, underscoring the resilience and dedication that defines our organization. Despite the global uncertainties, the agricultural sector has demonstrated its critical role in ensuring food security and sustaining livelihoods. At the Agribusiness Development Centre, we have remained steadfast in our commitment to fostering innovation, embracing sustainability, and delivering value to our esteemed stakeholders.

Central to our business ethos is sustainability, guiding us towards responsible stewardship of natural resources and environmental conservation. We have made substantial strides in promoting sustainable agricultural practices, and fortifying the resilience of farming communities, for instance by practically embarking on creation of relevant curriculum and implementing a project enhancing Climate Smart Agriculture awareness and linkages.

Our dedication to innovation has propelled us towards leveraging digital solutions. Through harnessing data analytics, we have unlocked new avenues for growth, enhanced productivity, and created value for all stakeholders involved. In 2023 we Partnered with Agtual to develop a digital market information System; ADC BeanBook; delivering valuable market insights for Coffee and Cocoa Farmer Producer Organizations.

As we face the challenges and opportunities ahead, we shall continue to embrace partnerships like the ones we did in 2023 with abi Development, SEATINI, GOPA Worldwide Consults to enhance our chances to sustain our operations and those of our clients. With a clear vision, robust strategies, and a good team, we are confident in our ability to overcome obstacles and attain our overall objectives.

On behalf of the team at ADC, I extend my gratitude to our Clients, Members (Rabo Foundation and dfcu Limited), Board, development and other partners for their unwavering support and commitment. Together, we will continue to innovate, collaborate, and contribute to the transformation of the Ugandan Agricultural sector.

Josephine N. Mukumbya
Executive Director

II. Performance Highlights, 2023

This section highlights ADC's achievements and performance in 2023, comparing actual results to planned and budgeted targets.

Table 1 Summary of ADC Performance, 2023.

Resource Mobilization

\$205K

\$173K Secured for Last Mile Delivery of Agriculture Exchange Programme in 2024



Financial Linkages:

UGX 17.79

Billion in credit linked to ADC Investment Members.



Growing Innovatively:

- **14,881** Small Holder Farmers Trained representing **93.4%** of Target.
- **539** Enterprises Trained through BDS/CSA/ Business Accelerator
- **53.6%** Women beneficiaries. Youth and Female inclusion in Financing. With A female and Youth Led - Kwezi Coffee receiving financing from RF.



Efficiency:

Cost Per Learner Ratio:
USD 73 (Surpassing Target by \$47)
and down from \$154 before period



Job Opportunities & Incomes.

554 Job opportunities Created in varied value Chains at Organizational Level.



UGX 6.5Bn Additional Income Realized at Organizational level, 17.2% over baseline.



Transparency and Accountability

100%
Clean Audit Status Achieved.



Key Projects & Partnerships:

- ECOS Project in Partnership with GOPA Worldwide Consults and funded by GIZ, Closed Out – 270 Enterprises, 390 Beneficiaries trained Vs target of 100 SMEs, 200 Beneficiaries. Linkages are still being followed up.
- Climate Smart Agriculture Project in Partnership with abi Development Commenced, supporting 1,000 Small Holder Farmers, in 30 FPOs. Linkages to Solar Irrigation, Biogas and Energy Efficient Stoves are being followed up.

- ADC through Outbox entered partnership to become a registered NSSF Hi Innovator Hub 1,814 Individuals Onboarded
- ADC in Partnership with SEATINI facilitated the Price Risk Management capacity building for Coffee and Cocoa FPOs



III. Highlights of the ADC Impact Assessment 2022/23. 2023

Outreach: Throughout the period, through our comprehensive training programs, we provided training to 885 enterprises and 27,079 smallholder farmers/beneficiaries. This training covered a wide range of areas crucial for business success, including leadership and governance, financial literacy and management, food and agricultural marketing, price risk management, tailored coaching and mentorship, climate-smart agriculture (CSA), digital literacy, environmental and social governance (ESG), and gender diversity and management (GDM), among others,

- Notably, our commitment to gender equality resulted in 51.7% of women beneficiaries trained, surpassing our target by 29.3%, as part of our efforts to reduce gender disparities and empower women in agribusiness.

Job Creation: Over the period, ADC generated a substantial number of new jobs, totaling 554 jobs, reflecting a 49.7% achievement of our Strategic Plan target of 1,114. In 2024, an end of Strategic Plan assessment will inform the final total of Jobs created.

Financial Inclusion: We facilitated financial linkages totaling UGX 28.38 billion for our clients with working capital/trade finance through our founding members, Rabo Foundation and DFCU Bank. Additionally, ADC facilitated working capital/trade finance linkages worth UGX 15.2 billion for enterprises with other financial and non-financial service providers, such as the Uganda Development Bank.



- The additional income realized by ADC Supported Enterprises amounted to UGX 6.5Bn, representing a 17.3% increment relative to the baseline at inception. This success can be attributed in part to the additional financing mobilized by enterprises through ADC's investment members.
- Enhanced Financial Access: Through our initiatives, 84 additional enterprises and 2,177 smallholder farmers gained access to formal banking by opening accounts with DFCU Bank. This initiative improves access to regulated formal financial services, credit facilities, financial literacy, and management skills.

Youth and Women Empowerment: At the organizational level, we achieved a proportion of trained youth and women in management positions at 48.1% and 61.8%, respectively. This represents a significant improvement of 60.3% and 106.8%, respectively, against our Strategic Plan targets of 30% each, showcasing our commitment to youth and women empowerment in leadership roles.



Executive Summary.

This report presents the performance of the Agribusiness Development Centre (ADC) for the Year 2023 highlighting key achievements, challenges, and recommendations for improvement for the rest of the Strategic Plan Period. 2023 ushered in the second year of ADC's Strategic Plan 2022/2024 focusing on key outcome areas upon which performance has been measured.

Objective 1 - Sustaining ADC's operations: In the Period, through Partnerships, ADC secured funding commitments of USD 205,000, secured USD 173,000 from DFCU to Implement the Agriculture Exchange Programme in 2024, and saw an increase in the number of learners through Physical & Virtual learning channels to 14,881.

2nd Strategic Objective – Growing ADC's Business Innovatively: the period saw a scale up of current interventions (TOT approach, Remote Learning Hubs and Kits), utility of SOMA (E-learning and IVR) to meet the target of 3 (100%). The ADC Business Accelerator Programme launched in 2022 saw 164/100 enterprises trained to surpassing the set target, with funding support from GIZ through GOPA Worldwide Consultants through, Implementing the Project Enhancing Competitiveness of SMEs in Uganda.

In the Period, facilitated **Financial Linkages worth UGX 17.79 billion** against a target of UGX 23.79 billion from Rabo Foundation and DFCU Bank to varied enterprises and individuals across the ADC Intervention Scope. ADC Legally owned patents/intellectual rights on the SOMA eLearning Platform and ADC Logo Trademark were registered.

3rd Strategic Objective – Enhancing Internal Controls. The period witnessed documentation and communication of 3 Policies and manuals and Surpassing the Target ADC cost per learner ration of USD 117 by USD 43. A clean Audit status was achieved in the period.

4th Strategic Objective – Organizational Capacity Development. The period Ushered in Structural Changes to different departments of the organization, 8 Community Based Trainers were recruited to support implementation of field-based training activities. Team KPIs were refined and Team skills were built in specialized fields of Performance Management and Green Growth by the Global Green Growth Institute (GGGI)

Highlights of the Impact Assessment 2018-2021.

Outreach:

- Our comprehensive business development programs have had a profound impact, reaching 885 enterprises and benefiting 27,079 smallholder farmers By focusing on essential areas such as Governance and leadership, financial literacy, Marketing, Innovation, Coaching and Mentorship, and climate-smart agriculture, we've empowered participants to enhance productivity, improve market access, and mitigate risks, thereby catalyzing economic growth and strengthening resilience within communities.
- Our commitment to gender equality has yielded tangible results, with 51.7% of female beneficiaries successfully trained, surpassing our initial targets and promoting increased participation in decision-making processes and household incomes.
- Similarly, our efforts in youth and women empowerment have seen significant achievements, with 48.1% and 61.8% of trained youth and women respectively assuming management positions, a testament to our dedication to fostering diverse leadership and innovation.

In terms of job creation, we've successfully **facilitated the creation of 554 new jobs**, marking a significant stride towards our Strategic Plan objective. These employment opportunities not only contribute to economic growth but also alleviate unemployment pressures and enhance livelihoods within communities.



Financial inclusion has been another focal point of our initiatives, with **UGX 28.38 billion facilitated** for our clients with working capital/trade finance through our partners. This support has directly benefited over **22,000 smallholder farmers**, primarily through prompt payments for their agricultural produce and access to extension services.

- ADC Supported Enterprises experienced a significant increase in additional income, totalling UGX 6.5 billion, marking a notable 17.2% rise compared to the baseline at inception. This achievement is partially credited to the additional financing facilitated by ADC's investment members, contributing to the enterprises' success.

- Additionally, our efforts have enhanced financial access for 84 enterprises and 2,177 smallholder farmers, facilitating access to formal banking services and improving financial literacy and management skills.

Conclusions, Lessons Learned and Recommendations:

- **Bolstering Financial Sustainability and resilience:** ADC must strategically engage donors and diversify revenue streams to enhance financial resilience. Despite securing \$378K in project funding, sustainability requires reinforcing long-term partnerships, expanding donor outreach, and diversifying revenue beyond traditional sources.

- **Addressing Gender Disparities:** Investing in interventions to address gender disparities is crucial. The Gender Action Plan (GAP) implemented in 2023 aims to foster female participation in ADC interventions and the agricultural sector, with initiatives like the Climate-Smart Agriculture Project focusing on horticulture value chains. In 2023 53.6% of ADC's beneficiaries were women.

- **Adopting Proactive Strategies:** Embracing proactive strategies, leveraging market intelligence, and nurturing innovation are essential for agribusiness enterprises to navigate uncertainties effectively. Collaborations with partners like Agtually for developing Price Risk Management tools exemplify this proactive approach.

- **Mobilizing Additional Finance for enterprises:** Mobilizing additional finance, including trade/working capital and investment finance, is critical for enhancing the economic value of agribusiness organizations. ADC's dedication to fostering credit and market linkages through various financial service providers underscores this commitment.

- **Implementing Effective Monitoring:** An effective monitoring strategy enables proactive management, data-driven decision-making, continuous improvement, and enhanced accountability. ADC's commitment to utilizing its Monitoring, Evaluation, and Learning (ME&L) framework in 2024 underscores its dedication to achieving key performance objectives outlined in the Strategic Plan.

Overall, the ADC remains committed to driving positive change, fostering inclusive growth, and creating sustainable impact across communities. As we continue our journey, we look forward to furthering these efforts and making a meaningful difference in the lives of those we serve.

1.ADC Performance FY 2023

This section provides an overview of ADC's accomplishments and performance throughout 2023, offering a comparative analysis between achieved outcomes and the predefined targets outlined in the Second Year of our Strategic Plan 2022/2024.

Table 1 Summary of ADC Performance of 2023.

Actions	2023 Target	YTD	% of YTD/ Target	Comments
Strategic Objective 1 - Sustaining ADC's operations				
1.1 Funding commitments for the Period	\$290k	\$205K	70.9%	New Project and BDS training Partners Onboarded.
1.1.2 Mobilize Resources to Cover Ag. Exchange LMD.	\$265K	\$173K	65.3%	Dfcu covered \$173K for Ag. Exchange after MOU sign off with ADC.
1.1.6 Partnerships built to apply for Funds in Consortia	6	4	100%	Applied for Funds in 4 varied Consortia
1.2.3) Increased number of learners through Physical & Virtual channels.	15,940	14,881	93.4%	
1.2.4) Develop content in areas of SME, FIs, Good Agronomic Practices which are value chain specific, for more embedding cross cutting issues.	3	4	133.3%	GAP, CSA, Digital Literacy and ESG Content Developed.
1.2.5) Accreditation for ADC training	2	0	0%	Met AMEA to start the journey in Q4 for conclusion in 2024, Pending Sign off for Standardized Materials
1.3.2) Participate in relevant government partner programmes and events which align with ADC plans	1	1	100%	Participated in the UCA/MTIC Cooperative Day
2nd Strategic Objective – Growing ADC's Business Innovatively				
2.1.1) Scale up the current piloted interventions	3	3	100.0%	ADC Central Innovations Hub launched.
2.1.2) Drive utility of SOMA e- learning platform through: Enhancing content; focused on new target market;	2,000	3,130	156.5%	Regional Activations concluded.
2.1.4) Explore Innovations regarding Key Content Delivery Areas	5	5	100.0%	Agtuall Price Risk Management, SME Financial Management, Hi Innovator Foundational and IMS Course
2.2.3) Leverage e-learning platform and dfcu training infrastructure to grow the Business Accelerator Program for enterprises	100	164	164.0%	Through the GIZ GOPA funded project - Enhancing Competitiveness of SMEs (ECOS) trained 164 SMEs
2.2.2) Linkage to Finance & markets	UGX 23.79Bn	UGX 17.79Bn	74.8%	Working on strategies to be more effective with linkages Ag. Exchange did not commence in 2023.

Actions	2023 Target	YTD	% of YTD/ Target	Comments
2.2.6) Farmers onboarded under the agricultural exchange program	100,500	0	0.0%	Planned for 2024. MOU with Bank for LMD executed.
2.4.2) Conduct monitoring, impact assessments and ensure wide dissemination.	1	0	0%	Impact Assessment Report to be concluded Feb 2024.
2.4.3) Maintain and enhance transparency and accountability	1	1	100%	Clean Audit Status Achieved.
3rd Strategic Objective – Enhancing Internal Controls				
3.1.1) Document and communicate policies and manuals across the institution	2	6	300%	HR, MEL Policy, Communications, PM Policy, Gender Action Plan, Risk Management, Resource Mobilization and AML approved.
3.3.2) Make periodical focused calls with clear selection criteria and independence in selection.	2	2	100.0%	Q1, BAP/PRM/ESG/Financial Modeling Calls made.
3.3.1) Innovative approaches to training – leveraging existing platforms to lower the Cost Per Learner Ratio	156	73	43	Surpassed Cost Per Learner Ratio Targets
4.3.2) Develop team skills in specialized fields to enhance team's capacity to deliver	2	3	150%	Farm Pass Training by Mastercard and Rabo Partnerships, aBi MEL FMS data handling.
4.4.1) Establish an ADC communication package for creation of visibility by disseminating value proposition and learning's	25,000	342,700	1370.8%	Emphasis on Digital Marketing and Communications Tools.

2. Key Projects and Partnerships

This section presents key partnerships forged in the period that enabled attainment of key results predefined the annual workplan and budget 2023.

The Agribusiness Development Centre collaborated with GOPA Worldwide Consultants to execute the Project: Enhancing Competitiveness of 1000 Small and Medium Enterprises in Uganda. The project's primary objective was to generate over 3,000 job opportunities within the participating enterprises.

■ The initiative targeted significant improvements in employment outcomes, **benefiting 22,000 individuals**, with a focus on inclusivity (35% women, 40% youth). The desired outcomes included income augmentation by **at least 10%, job security enhancements**, and enhanced working conditions.

At Project Closure, ADCS' contribution stood at 390 beneficiaries from 270 SMEs trained in comprehensive business development capacity-building sessions, laying the groundwork for sustainable growth and economic empowerment within the targeted communities.

The grander project registered 2,254 New Jobs created (75% of target), 1,049 of whom were female (46.5%), 51.5% Youth in employment, and 1,149 Green Jobs. The Impact of the contribution of ADC will be assessed in 2024.

■ ADC Partnered with aBi Development to implement the Climate Smart Agriculture and Mitigations Pilot Project in Uganda. The project aims at promoting agricultural practices that enhance the productivity, resilience of 1000 Small holder farmers whilst adapting to climate change.

ADC is implementing the project in **30 FPOs**, in the Coffee, Dairy, Horticulture (Tomatoes, Onions) and Maize Value Chains.



Final Project Report; ECOS. GOPA WorldWide Consultants GmbH

3. Lessons, Learnings and Recommendations.

This section provides valuable insights and lessons learned from ADC programme monitoring and assessments that have shaped ADC's operations and strategies in 2023. They serve as key elements for future programme planning and decision making.

i. It is imperative to bolster ADC's financial sustainability and resilience amidst economic uncertainties by strategically engaging donors and diversifying revenue streams. Although ADC has successfully secured \$378K in project funding and commitments during this period, the sustainability of its programs and projects necessitates a reinforced approach. This includes enhancing long-term partnerships with existing donors through targeted stewardship efforts and expanding outreach to potential donors through innovative fundraising campaigns. Moreover, diversifying revenue streams beyond traditional sources will mitigate risks associated with fluctuating funding landscapes to ensure stable and sustainable funding for its impactful initiatives.

ii. Enhancing Investments addressing Gender disparities is imperative. Prevailing gender norms and customs perpetuate inequitable access to resources such as land, income, labour, and agricultural financing, thereby widening gender gaps in agricultural productivity and profitability. In 2023, ADC devised a Gender Action Plan (GAP) to tackle these disparities and foster female participation in ADC interventions and the agricultural sector. Collaborating with aBi Development, ADC implemented a Climate-Smart Agriculture Project focusing on, among others; the Horticulture value chains, which predominantly employ women, thus generating more job opportunities for them in both production and marketing. As of 2023, 53.6% of ADC's beneficiaries were women.

iii. Adopting Proactive Strategies for Agribusiness Enterprises: Embracing proactive strategies, leveraging market intelligence, and nurturing innovation and adaptation are vital for agribusiness enterprises to effectively navigate uncertainties and sustainably manage risks while optimizing profitability. In 2023, ADC partnered with Agtually to develop a Price Risk Management tool for enterprises in the coffee/cocoa value chain, and it remains committed to seeking further opportunities to enhance proactive risk management mechanisms for its clients.

iv. Mobilizing Additional Finance for Agribusiness Organizations: To magnify the economic value of agribusiness organizations and smallholder farmers, there is a pressing need to mobilize additional finance, encompassing trade/working capital and investment finance. For most enterprises, access to readily available and affordable financing remains paramount for securing agricultural inputs, mobilizing produce, and securing sales contracts. ADC is dedicated to fostering credit and market linkages through its investment members, Rabo Foundation, DFCU, and other financial service providers (FSPs) to bolster the participation of enterprises in agricultural production and productivity.

v. Implementing an Effective Monitoring Strategy. Implementing an effective monitoring strategy offers robust opportunities for efficiently achieving desired results by enabling proactive management, data-driven decision-making, continuous improvement, resource optimization, alignment with objectives, and enhanced accountability throughout the process. In 2024, ADC will persist in utilizing its Monitoring, Evaluation, and Learning (ME&L) framework and create avenues to better assess key performance areas and objectives outlined in the Strategic Plan.

4. ANNEXES

ANNEX 2 KEY ADC PICTORIALS



Participants in a **Price Risk Management workshop** using the Agtull Bean Book, A new tool for Coffee traders,



ADC Executive Director, Josephine Mukumbya and GIZ E4D Project Manager Donald Agaba during the ECOS project Closeout conference at Sheraton, Four Points Hotel.



Grace Akatuha from Kikazi Agri Products, receives the **Accelerator Impact Award** from **Charles Mudiwa, CEO dfcu Bank** and **Karin Boven** from the Embassy of the Kingdom of Netherlands



Key Climate Smart Agricultural Practices (coffee Stumping and planting) being demonstrated in on a beneficiary FPO in the eastern Region.



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