



FINAL EVALUATION REPORT

HANDICRAFT AND SOUVENIR DEVELOPMENT PROJECT (HSDP) IN UGANDA



Submitted to:

The Permanent Secretary,
Ministry of Tourism, Wildlife and Antiquities
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KEY PROJECT DATA

Project title: Handicraft and Souvenir Development Project (HSDP) in Uganda

Category of project: Tier II

Grant recipient entity: Uganda Ministry of Tourism, Wildlife and Antiquities (MTWA)

Project executing entity: Ministry of Tourism, Wildlife and Antiquities and International Trade Centre

Main Implementing Entity: Ministry of Tourism, Wildlife and Antiquities (MTWA)

Project budget (USD):

Item	Original Amount	Cost Extension	Current Amount	Cash Contribution
EIF contribution	\$1,500,400	\$200,000	\$1,700,400	\$1,700,400
Beneficiary contribution ¹	\$450,000	0	\$450,000	0
Total project budget	\$1,955,400	\$200,000	\$2,150,400	\$1,700,400

Project timeline:

Major Events	Date
Date of approval by the EIF	31/12/2018
Date of signature of the MOU	9 th May 2019
Start of implementation	June 2019
Original project end date	May 2022
First No-cost Extension	March 2022
Second cost Extension	December 2022
Current project end date	28 th August 2023

Key evaluation data:

Evaluation start date: 21st July 2023

Planned evaluation end date: 21st August 2023

Date of Inception Report: 24th July 2023

Planned Date of draft final report: 14th August 2023

Planned Date of final report: 21st August 2023

Evaluator: Alex Yokoyada Nakajjo

Disclaimer: The views expressed in this report are those of the evaluators and do not present an official view of the project executing agency, the MIE or the EIF.

¹ GoU contribution of \$450,000 was in Kind

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ABBREVIATIONS

DF	Donor Facilitator
EIF	Enhanced Integrated Framework
GOU	Government of Uganda
HSDP	Handicraft and Souvenir Development Project (HSDP).
ITC	International Trade Centre
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MTIC	Ministry of Trade Industry and Cooperatives
MTWA	Ministry of Tourism Wildlife and Antiquities
NSC	National Steering Committee
PIU	Project Implementation Unit
SMEs	Small and Medium Enterprises
UNOPS	United Nations Office for Project Services
UTA	Uganda Tourism Association
NDP III	National Development Plan Three
UEPB	Uganda Export Promotional Board
ToT	Training of Trainer
n	Sample Size
UMA	Uganda Manufacturers Association
COVID-19	Coronavirus Disease 2019
UNBS	Uganda National Bureau of Standards
COMESA	Common Market of Eastern and Southern Africa
EAC	East African Community
NGOs	Non-Government Organisations



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EXECUTIVE SUMMARY

Project Background

- a) The MTWA in partnership with the International Trade Centre (ITC), with funding by the Enhanced Integrated Framework (EIF) has been implementing the Handicraft and Souvenir Development Project (HSDP) in Uganda. The Project implementation started in June 2019 following the signing of the MOU between the Government of Uganda and the EIF on 9th of May 2019 after the project being approved by the EIF on 31st/12/2018 with an original budget of \$1,955,400, then later an additional of \$200,000, which totaled to \$2,150,400. A project technical committee comprising senior officials from Ministry of Trade, Industry and Cooperatives (MTIC), MTWA, Uganda Export Promotion Board (UEPB) and the Private sector was established to oversee project management team.
- b) The project aimed at creating linkages between the producers, associations and the traders of handcrafted products and the Tourism Industry to improve livelihoods for some of the most marginalized communities in Uganda. Key focus was on supporting production of functional items which are in demand to both the local market and the international buyers. The project was designed to achieve two outcomes:
 - EIF Countries own a trade agenda conducive to sustainable pro-poor growth
 - Improved performance of the handicraft and souvenir sector
- c) To improve performance of the handicraft and souvenir sector in Uganda, the HSDP project was designed to pursue four specific objectives, namely:
 - To support the development of the sector through product development,
 - To increase quality production and export of products.
 - To create linkages between the producers, associations and the traders of handcrafted products and the tourism industry.
 - To improve livelihoods for some of the marginalized communities in Uganda.

Purpose of the Evaluation

- d) The purpose of the evaluation was to document and inform the stakeholders (donors, local government, partners and local community) of the relevance, efficiency, effectiveness, impact and sustainability of the HSDP project's interventions. The Evaluation documented the impact in relation to handicrafts and souvenir product volumes and diversification, exports, improved value-addition, and quality enhancement. The key focus areas were; Relevance, Effectiveness, Efficiency, Impact and Sustainability.

Evaluation Design

- e) The evaluation followed the "with and without" evaluation design, comparing performance of beneficiaries and non-beneficiaries. This design was selected because the project was affected by Covid-19, which altered trends in most business performance indicators, including the handicrafts and souvenir enterprises. Therefore, the "with and without" comparison enabled attribution of any changes to the project as all enterprises were affected by Covid-19 and some businesses are yet to attain the pre- Covid-19 performance levels. The design involved conducting a cross-sectional survey of both beneficiaries and non-beneficiaries of the project (producers and traders), with sound management practices and programming standards as the principle reference points.

EVALUATION FINDINGS

Project Relevance

- f) The HSDP was well designed and adequately responded to the needs of the handicraft and souvenir industry actors, and was well aligned to government develop priorities. The capacity

building approach was robust, while Implementation through government structures and following government processes enhanced ownership and mainstreaming of the project interventions within the Ministry of Tourism Wildlife and Antiquities, and enhanced control/supervision of project resources. However, the quality of goal and outcome level performance indicators was weak. More hands-on training and capacity building methods and supporting TOTs with some financing to roll-out the training to final beneficiaries would have further enhanced the impact of the project.

The findings on Project Effectiveness were:

- g) Three in every ten enterprises had active partnerships and or cooperation with the tourism industry value chain actors. Those with active partnerships were higher among beneficiaries (four in every ten) compared to non-beneficiaries (two in every ten). This suggests that the project had contributed to promotion of partnerships between beneficiaries and the tourism industry.
- h) The evaluation findings revealed that the average number of employees in non-beneficiary handcraft and souvenir enterprises increased from 2 in 2019 to 4 in 2023 (2 employees over the project period), while among beneficiaries, it increased from 14 in 2019 to 18 in 2023 (four employees over the project period).
- i) The project laid the foundation of handcrafts quality improvement by sponsoring the development of standards. However, these standards are yet to be disseminated and later on be adopted by the producers across the country. In addition, the trainings provided were classroom based and for only training of trainers (TOTs), who were not facilitated to roll-out the trainings after the ToT training. It is therefore likely that extensive quality-oriented training and capacity building support is yet to reach most of the producers. In addition, key informants reported that the methods used for ToTs were alien and not very appropriate for the local context and handcrafts. Accordingly, the project was not effective in terms of improving the quality of handcrafts and souvenir products.
- j) The project was very effective in supporting handcraft producers and traders to acquire marketing skills and explore the exports markets. This is attributed to the project investment in training beneficiaries in marketing skills, facilitating participation of handcraft producers in trade fairs and exhibitions and trainings in digital marketing. Accordingly, the project was effective in terms of improving the markets and exports of handcrafts and souvenir products.
- k) Overall, the evaluation rates “effectiveness of HSDP” to have been satisfactory. This is because the project was effective in a) Contributing towards promoting partnerships and linkages of handcraft producers and traders along the tourism value chain actors among beneficiaries, b) Contributing to improving the marketing and export capacity of handcrafts and souvenir producers and traders, c) Supporting skilling in business formalisation, institutional strengthening, and governance, which are key to long-term growth and sustainability.
- l) However, the project was not effective in: a) Increasing the volume of handcrafts and souvenirs produced, partly because of the external environment issues especially Covid19, which stifled demand, b) Has laid a foundation of quality and standards for handcrafts and souvenirs through establishment of standards but these are yet to be adopted before translating into better quality handcrafts and souvenirs on the market, and c) Creating and expanding employment opportunities, which is partly because of the external environment issues especially Covid19, which stifled demand

Project Coherence

- m) There was no indication of any duplication of any of the project interventions. On the contrary, the project interventions were to a certain extent complimentary to the MTWA projects as they all support development of the tourism value chain.

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- n) In addition, the project was complementary to other development initiatives, including:
 - Government initiatives to support MSMEs acquire and adopt quality standards through MSMEs have been supported and trained to acquire and adopt quality standards, as part of the national standards policy.
 - Government initiatives to support development of exports as part of the National Export Development Strategy, through which MSMEs are trained and capacitated.
 - o) Overall, the evaluation rates “Coherence of HSDP” to have been very satisfactory. This is because the project was complementary to the various government initiatives to promote trade, exports, standards among small and medium enterprises, and did not duplicate other project interventions

Project Efficiency

- p) Implementation through government structures and following government procedures contributed to some delays especially in procurement and implementation of activities. However, it ensured more close supervision and integration of project initiatives within the Ministry. However, Covid-19 contributed to delays in implementation of project activities.
- q) Overall, the evaluation rates “Efficiency of HSDP” to have been very satisfactory. This is because the project had in place key controls and procedures to facilitate prudent financial management and mitigate fiduciary.

Project Impact

- r) The project has made the first steps in organizing the handicrafts and souvenir sector to operate like other business sectors in the country.
- s) Quality standards have been developed for the first time.
- t) Partnerships and business linkages among industry actors and the wide tourism sector have been initiated.
- u) Traders and producers are embracing e-commerce and export promotion, while modern tools and equipment for producing handicrafts have been introduced.
- v) Production centre concept has been introduced and effort to organize the actors into cooperatives has been initiated. However, the scale of the project was small for these impacts to be wide spread across the country.

Sustainability

- w) Majority of the handicrafts and souvenir businesses are not formally registered by URSB, and majority of those registered are sole proprietors. This limits the kind of business development support that they can receive to grow and expand their businesses.
- x) Inroads of sustainability have been made under the project. Implementation of the project within Government structures has promoted mainstreaming of the project interventions within the Ministry.
- y) Standards have been adopted by the standards council and these will continue to guide the development of the sector
- z) Market access initiatives have been introduced and tools like e-commerce and participation in exhibitions will continue to propel opportunities in the sector
- aa) The trainings provided continue to shape production and diversification of products in the industry.

Recommendations

Accordingly, the top four needs for business expansion and growth of handicrafts and souvenirs are: enhancing access to raw materials, access to tools and equipment for production, training in design of items as well as training in skills of running a business.

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- bb) The MTWA in collaboration with MTIC and URSB should promote formalization of the businesses in the sub-sector, preferably by encouraging handcrafts and souvenirs to form/join cooperatives. This has the potential to further promote the growth and sustainability of handcrafts and souvenir businesses. This would also ease their access to critical services including financial services, and ease their adoption of quality standards, which is necessary for the enhancement of exports.
 - cc) Access to wider markets remains a challenge. The marketing strategy for handcrafts was developed but no agency is taking leadership in its implementation. Government should designate and resource an agency to take lead on marketing of Ugandan handcrafts. The Uganda Tourism Development Board is proposed to take lead in marketing handcrafts.
 - dd) UNBS produces small handbooks and factsheets to simplify the handcraft and souvenir quality standards. These should be translated in local languages to ease adoption by the handcraft industry. UNBS should also engage in nation-wide sensitization of handcraft producers on the developed standards and provide them with hands on support in certifying their handcrafts.
 - ee) MTWA should continue organizing Exhibitions and Trade Fairs such that the linkages continue. A Calendar should be drafted as a guide for organization of Exhibitions such that people are prepared every year about this time, there's an Art and Craft Exhibition.
 - ff) The MTWA develops a database of handicraft producers from different places to ease linkages and dissemination of information.
 - gg) The MTWA in partnership with NITA-U, MTIC, and Enterprise Uganda should invest in equipping handcraft and souvenir producers and traders with soft skills such as customer care, computer skills, record keeping and financial literacy to further enhance the business management skills.
 - hh) The MTWA should invest in establishment of production centers in other regions of the country, especially allocate the tourism routes.
 - ii) There are several needs that are critical for the development of the handcrafts and souvenirs sub-sector in Uganda and the MTWA, MTIC and Enterprise Uganda ought to invest in addressing them. These include: a) measures to improve access to materials/raw materials, b) mechanism to facilitate access to modern production tools/equipment including computer designs and machines, c) training handcraft producers in designs of items, business management skills, marketing, selling, and finance management among others.
 - jj) UEPB should take lead in building the capacity of handcraft producers and traders to become export ready, and facilitate producers and traders to participate in international trade fairs and exhibitions.
 - kk) The MTWA in partnership with NITA-U and MICT should invest in developing websites and digital marketing platforms to facilitate handcraft and souvenir traders engage in e-commerce to tap into global market opportunities.



I. INTRODUCTION

1.1. Project Background

The MTWA in partnership with the International Trade Centre (ITC), with funding by the Enhanced Integrated Framework (EIF) has been implementing the Handicraft and Souvenir Development Project (HSDP) in Uganda. The Project implementation started in June 2019 following the signing of the MOU between the government of Uganda and the EIF on 9th of May 2019 after the project being approved the EIF on 31st/12/2018 with an original budget of \$1,955,400, then later an additional of \$200,000, which totaled to \$2,150,400. A project technical Committee comprising senior officials from Ministry of Trade, Industry and Cooperatives (MTIC), MTWA, Uganda Export Promotion Board (UEPB) and the Private sector was established to oversee project management team.

The project commenced in June, 2019 and was scheduled to end in December 2021. However, the project implementation was stalled due to the onset of COVID 19 pandemic and a No Cost Extension was granted up to February, 2023. Later on, in December, 2022 a Cost Extension of US \$ 200,000 was granted to project to cater for some new activities and finalize the ongoing activities extending the project to 28th August, 2023. The project aimed at creating linkages between the producers, associations and the traders of handcrafted products and the tourism industry to improve livelihoods for some of the most marginalized communities in Uganda. Key focus was on supporting production of functional items which are in demand to both the local market and the international buyers. The project was designed to achieve two outcomes:

- i. EIF Countries own a trade agenda conducive to sustainable pro-poor growth
- ii. Improved performance of the handicraft and souvenir sector

To improve performance of the handicraft and souvenir sector in Uganda, the HSDP project was designed to pursue four specific objectives, namely:

- i) To support the development of the sector through product development,
- ii) To increase quality production and export of products.
- iii) To create linkages between the producers, associations and the traders of handcrafted products and the tourism industry.
- iv) To improve livelihoods for some of the marginalized communities in Uganda.

HSDP project interventions emphasized product diversification, improved value-addition, and quality enhancement. The project mainly supported producers to improve the quality and increase the volumes of souvenirs and handicrafts produced in Uganda. This was intended to enable them to be competitive on the domestic, regional and international markets. The desired project outputs were:

Output 1: Strengthened institutional capacities to provide better business services

Activities:

Collect baseline data for mapping of producers and suppliers

- i) Benchmark the operational capacity of relevant institutions to deliver the services needed to improve business and market information
- ii) Assess Trade Support Institution Services
- iii) Provide training to Trade Support Institutions to improve service delivery
- iv) Support UEPB to develop Exporters' Manual for Handicrafts and Souvenirs Develop
- v) Export manual for handicrafts and souvenirs
- vi) Develop and adopt Code of Conduct for tour operators, associations and firms to uphold reputation of Ugandan tourism and handicrafts sector

Output 2: Increased production of handicrafts and souvenirs of higher quality

- i) Renovate 1 regional handicrafts and souvenir production center:
- ii) Equip the center and develop management structure
- iii) Upgrade production tools
- iv) Support fair trade certification for 2 associations
- v) Support quality standards and certification for handicrafts and souvenirs
- vi) Conduct training on quality management systems for producer groups associations and exporters (ISO 9001)

Output 3: Market linkages for producers and suppliers of handicrafts and souvenirs strengthened**Activities:**

- i) Update market opportunity study to select the best handicraft and souvenir product for promotion, then expand the strategy to other products
- ii) Develop and implement marketing and branding strategies for Uganda's authentic handicraft and souvenir products,
- iii) Organize annual handicrafts and souvenir fairs
- iv) Provide advice to handicrafts and souvenir associations, exporting firms and traders to participate in e-commerce
- v) Strengthen linkages between handicraft and souvenir associations and exporters and international markets including by participation in major handicraft international and regional exhibitions, networking & buyer-seller meetings.





1.2. Purpose of the Evaluation

The purpose of the evaluation was to document and inform the stakeholders (donors, local government, partners and local community) of the relevance, coherence, efficiency, effectiveness, impact and sustainability of the HSDP project's interventions. The Evaluation documented the impact in relation to handcrafts and souvenir product volumes and diversification, exports, improved value-addition, and quality enhancement. The key focus areas were relevance, coherence, effectiveness, efficiency, impact and sustainability as elaborated below;

- a) Under relevance, the evaluation looked at the project's consistency with targeted beneficiary development needs (souvenir craft and art products producers and traders), tourism sector development priorities, and the Government of Uganda's development priorities especially as they relate to the areas of intervention. This focused on the suitability/relevance of the projects and their design in terms of approach, strategies, partners, management, delivery mechanisms and inputs that ought to be consistent with beneficiary's needs.
- b) Under Effectiveness, the consultant examined the extent to which the project's results and the specific objectives were or are likely to be attained. The Evaluation findings show the extent to which the target outcomes as defined in the Project log frame have been attained. Therefore, this section of the evaluation looked at progress that has been made in increasing the volume, diversity and quality of handcrafts and souvenir products in Uganda. Of particular significance is a determination of the degree to which 1) changes invoked via project support were embedded in beneficiaries (producers, traders, etc.) decision-making processes and 2) the project support has produced planned improvements in beneficiary capacity to realize better quality of products, including documentation of how the production, handling, packaging and diversity of hand crafts and souvenir products have been transformed and the capacities developed in relation to all core areas of the project.
- c) Under Efficiency, the consultant estimated the extent to which project activities transformed the available resources into outputs - in terms of quantity, quality and timeliness. This section of the evaluation also provided assessments of the quality of day-to-day management in terms of its approach to delivering the project's planned outputs including the relationship with key

stakeholders and institutions; the quality of information management and reporting and its respect for/adherence to agreed project deadlines. Our assessment of Efficiency explores the extent to which the costs of the programme have been justified by the benefits; the degree to which partner's contributions were provided as planned; and the appropriateness and use made of the project's Monitoring and Evaluation (M&E) arrangements.

- d) Under impact, the evaluation sought to establish the extent to which the overall objective was achieved, and the extent to which the project contributed to improvements in each of the targeted thematic areas. The assessment of impact focused on identifying areas where the most significant change occurred in relation to set targets at the start of the project.
- e) Under Sustainability, the evaluation assessed the ownership of outputs and their continued usage beyond the life of projects by the targeted beneficiaries. For this sub-section, the evaluation focused on identifying the extent to which positive outcomes of the project and the flow of expected benefits to producers and traders of handcrafts and souvenir products were likely to continue once the project has been completed. Sustainability assessment examined processes, structures, institutions and behavioral changes created by the project that have the potential to ensure that the initiatives under the HSDP continue beyond the life of the Project.



2. EVALUATION METHODOLOGY AND TOOLS

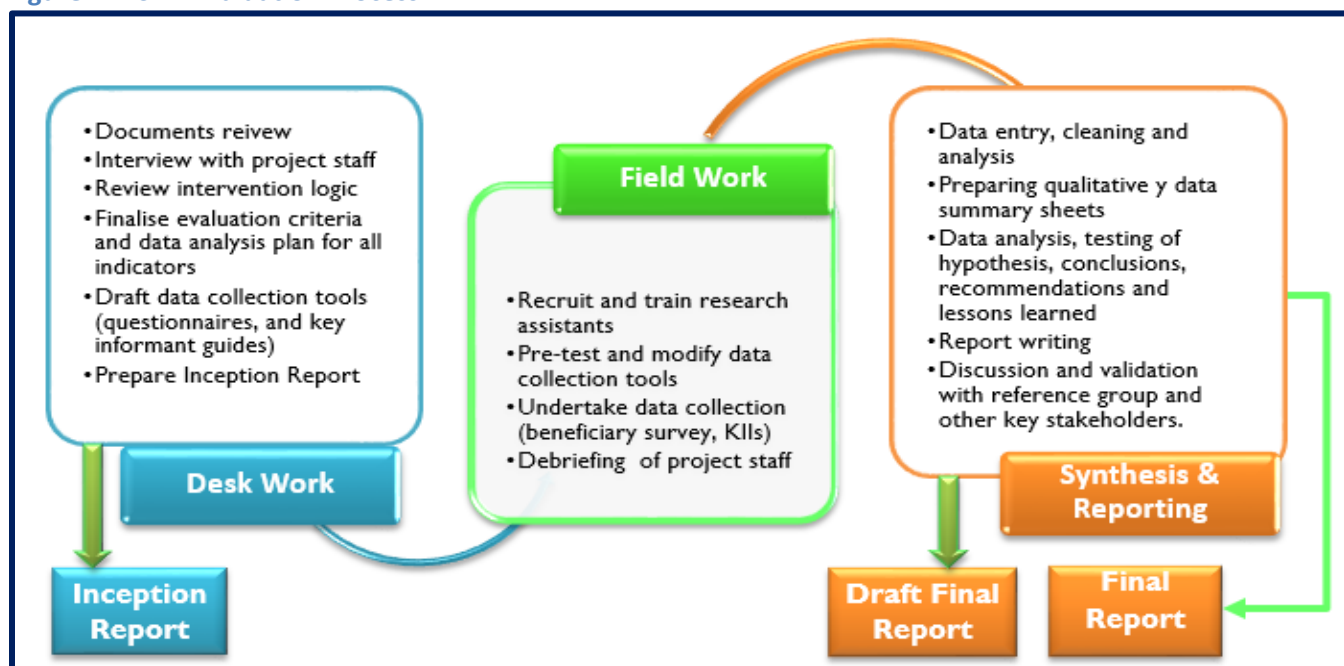
2.1. Evaluation Design

The evaluation followed the “with and without” evaluation design, comparing performance of beneficiaries and non-beneficiaries. This design was selected because the project was affected by Covid-19, which altered trends in most business performance indicators, including the handcrafts and souvenir enterprises. Therefore, the “with and without” comparison enable attribution of any changes to the project as all enterprises were affected by Covid-19 and some businesses are yet to attain the pre-Covid-19 performance levels. The design involved conducting a cross-sectional survey of both beneficiaries and non-beneficiaries of the project (producers and traders), with sound management practices and programming standards as the principle reference points.

2.2. Evaluation Process

The evaluation process was made up of a combination of desk work, field work and synthesis of findings, as set out graphically below along with reporting milestones for the current evaluation.

Figure 1: HSDP Evaluation Process



2.3. Data Collection Methods and Tools

Data was collected through a combination of methods which included: review of documents relevant to the evaluation; interviews with different key informants, structured interviews to selected producers and traders of handcrafts; and observation. Triangulation was employed throughout the data collection phase.

- Consultative Discussions and Document Review:** The evaluation team reviewed several documents and these are listed in appendix 5.2.
- Structured Interviews:** Structured interviews were used to generate quantifiable information from handcraft producers and traders on production and trade of handcrafts and souvenirs.

- c) **Key Informant Interviews:** Key informant interviews were used to collect in-depth information regarding the different evaluation questions. Different key informant interview guides were developed to guide the collection of information as detailed in the appendix 5.3.
- d) **Observations:** For all the methods, the evaluation team made observations and took pictures throughout the field activities to show evidence of project outputs and impacts.

2.4. Characteristics of Evaluation Respondents

The evaluation data was collected from 155 handcraft and souvenir producers and traders across 20 districts in Uganda. Of the respondents, 59² (38.1%) were beneficiaries while 96 (61.9%) were non-beneficiaries. The distribution of respondents by district is summarized in table 1.

Table 1: Distribution of the Sample by District

#	District	Beneficiary			#	District	Beneficiary		
		No	Yes	Total			No	Yes	Total
1	Kampala	13.5%	30.5%	20.0%	11	Kabale	8.3%	0.0%	5.2%
2	Jinja	7.3%	15.3%	10.3%	12	Iganga	4.2%	6.8%	5.2%
3	Kotido	8.3%	5.1%	7.1%	13	Gulu	7.3%	1.7%	5.2%
4	Arua	9.4%	0.0%	5.8%	14	Mbale	2.1%	8.5%	4.5%
5	Pakwach	7.3%	1.7%	5.2%	15	Kabarole	2.1%	3.4%	2.6%
6	Mukono	5.2%	5.1%	5.2%	16	Wakiso	0.0%	3.4%	1.3%
7	Mbarara	5.2%	5.1%	5.2%	17	Mpigi	0.0%	1.7%	.6%
8	Masindi	3.1%	8.5%	5.2%	18	Bunyangabu	0.0%	1.7%	.6%
9	Kasese	8.3%	0.0%	5.2%	20	Bulisa	0.0%	1.7%	.6%
10	Kamuli	8.3%	0.0%	5.2%		Total	96	59	155
							100%	100%	100%

Majority of respondents were female (54.2%), while male respondents were 45.8%. Most of the respondents had attained formal education with 17.4% having completed University education, 23.9% had attended tertiary/vocational education, 40% had completed secondary education, 13.3% had completed primary education and those without formal education were 5.2%. Majority of respondents (68%) were the business owners, 23.2% were employees while 7.7% were relatives of the business owner. Respondents had been in business for an average of 9 years (minimum=1 and maximum=45), and the average age of respondents was 38 years (minimum=18 and maximum=78). The characteristics of respondents are summarized in the table 2 below.

Table 2: Characteristics of Respondents

Characteristic			Non-Beneficiaries	Beneficiary	Total
Gender of Respondent	Male	Count	47	24	71
		Percent	49.0%	40.7%	45.8%
	Female	Count	49	35	84
		Percent	51.0%	59.3%	54.2%
Highest level of formal	University degree	Count	9	18	27

² 668 people are estimated to have participated in at least one of the project activities

schooling completed	level	Percent	9.4%	30.5%	17.4%
	Tertiary/vocational	Count	25	12	37
		Percent	26.0%	20.3%	23.9%
	Secondary	Count	41	21	62
		Percent	42.7%	35.6%	40.0%
	Primary	Count	16	5	21
		Percent	16.7%	8.5%	13.5%
	Others	Count	1	3	4
		Percent	1.0%	5.1%	2.6%
	None	Count	4	0	4
Percent		4.2%	0.0%	2.6%	
The respondent is the business Owner	Yes	Count	66	36	102
		Percent	68.8%	61.0%	65.8%
	No	Count	30	23	53
		Percent	31.3%	39.0%	34.2%



3. EVALUATION FINDINGS

3.1. Findings on Relevance of the project

Project relevance focused on assessing the extent to which the project objectives and design responded to the needs of the beneficiaries and national context.

3.1.1. Relevance to the beneficiaries (handcraft producers)

The project was aligned well to solve most of the challenges faced by the producers of Handicrafts situated across the country. The needs assessment together with the baseline reported that most challenges faced by the producers in the handcraft subsector were; Cheaper handcraft imports reported by 19%, Limited access to better technology (17%), Limited marketing and Promotion (15%), Poor location of the production center or group (14%), Limited demand for Product (13%), Lack of credit facilities (8%). With these challenges, the project responded well to the needs of the handicrafts producers as the HSDP interventions emphasize product development and diversification, increased production and quality enhancement, export market access including through e-commerce and development of export manual, participation in exhibitions to unlock export opportunities, development of production centre and organizing producers including through cooperatives, fair trade certification, and access to production enhancing tools and equipment. During key informant interviews with beneficiaries, one KII noted;

We didn't know that there are also standards in crafts. Every member of our women groups would produce baskets without attention to any specific measurements. But the project trained us on how to use tape measures, weighing scales, etc. to make uniform and standard baskets, and the quality has significantly improved. KII respondent in Kampala

3.1.2. Relevance to the National Development agenda

The project's design responds well to the Government's efforts aimed at diversifying and increasing exports of non-traditional exports while supporting increased job creation and employment as provided for in the Uganda Vision 2040, National Trade Policy 2008, National Development Plan III, the National Tourism Development Master Plan 2014/2024 and Uganda Tourism Policy 2015, together with the overall development master plan of Uganda (Vision 2040). The Uganda Vision 2040 prioritised tourism as one of the core growth sectors to drive Uganda's transformation into a middle income country, in which the souvenir craft and art industry was identified as one of the key areas of development effort by the Government geared towards diversifying tourism products to meet the needs of the tourism sector. The second and third National Development Plans (NDP II & III) prioritised souvenir craft and art industry given its high potential for broad-based job creation and employment. Under NDP III, the government committed to:

- ❖ Establish trade and service facilities, including cultural and craft facilities and services at the different tourist attraction points and tourist information centres.
- ❖ Facilitate formation of tourism groups in target communities (e.g. arts and crafts);
- ❖ Nurture local private sector to participate in local, regional and global tourism value chains through training and credit extension

Uganda Tourism Policy 2015 identified the need to support initiatives to improve the design, marketing and packaging of arts, crafts and souvenirs, while the National Tourism Development Master plan

2014/2024 revealed that the potential of selling souvenirs to visitors is generally not being maximized by Ugandans. Promotion of the handicrafts and souvenir sector can contribute towards the growth of the export sector and the reduction of the trade deficit which is a serious challenge to Uganda's development.

The NDP III in particular emphasizes key priority intervention for government in the tourism sector which includes increased marketing, promotion of products and development of tourism supporting infrastructure and services. Furthermore, the plan prioritizes the promotion of domestic tourism through cultural, regional cluster initiatives, national events, enhancing women entrepreneurship and employment creation in the cultural and creative art industry. The project was the first of its kind in supporting the handcraft and souvenir subsector. Therefore, overall the project scored highly in terms of being relevant to key stakeholders in the handcraft and souvenir subsector.

3.1.3. Project Design and Approach

The evaluation findings revealed that HSDP design was suitable and appropriate for the identified needs. The capacity building under the project followed the Training of Trainer (TOT) approach which was highly appreciated by the participants. It was however observed that the TOT beneficiaries did not have budgets to easily roll out the trainings to other beneficiaries, and some of the trainings were held in hotels, as opposed to the much desired hands-on practical sessions. The evaluation findings further revealed that all the project interventions were logically sequenced, starting with capacity building to address the production and productivity issues, then interventions targeting quality improvement, and then market access interventions like e-commerce, fair trade certification and participation in exhibitions.

The evaluation team observed that the project activities were well structured in the work plan, with corresponding budgets, and output targets. This enabled proper tracking of project outputs by the project implementation unit. However, the quality of goal and outcome level performance Indicators was not relevant. The reference point for the evaluation is the project logical framework (or results framework), which outlines the hierarchy of results and corresponding indicators. A review of the HSDP project logframe revealed that the goal and outcome performance indicators were not well formulated. The project has two outcomes, and these are:

- i) Outcome 1: Countries own a trade agenda conducive to sustainable pro poor growth
- ii) Outcome 2: Improved performance of the Handicrafts and Souvenir sector

Whereas the first outcome has two indicators specified in the logframe, the second outcome does not have any performance indicators specified in the logframe. Whereas a baseline was conducted and the project had a monitoring and evaluation plan, under which project progress was being tracked; it is mainly output indicators that were tracked. Accordingly, there is limited information on outcome and goal level indicators, baseline values and targets on actual achievements at outcome and impact level that could have informed the project evaluation.

Overall, the evaluation rates "relevance of HSDP" were satisfactorily designed to respond to the needs of beneficiaries and fully aligned to the prioritised development needs of Government for the Souvenir and crafts industry.



3.2. Findings on Project Effectiveness

The evaluation sought to establish the level of attainment of the project outcome indicators and the overall objective. The findings on the status on each of the outcome indicators are presented hereunder.

3.2.1. Profile of the handcrafts and souvenirs Businesses

Of the surveyed handcraft and souvenir businesses, only 33.5% were formally registered by URSB while 56.1% were not formally registered (informal) and 10.3% of the respondents didn't know the status of business registration. Of those who were registered, majority (48%) were sole proprietors, 17% were registered as companies limited by guarantee (non-profit making), 8% were cooperatives, 15% were limited liability companies and 12% were partnerships. Further analysis of the evaluation data revealed that HSDP project beneficiaries were more likely to be formally registered (Pearson Chi-Square=10.968; 0.004) and members of a cooperative as summarized in table 2.

Table 2a: Business Formalization of Handcrafts and Souvenir enterprises

	Non-Beneficiary	Beneficiary	Total
Business is formally registered by URSB	24.0%	49.2%	33.5%
Business is a cooperative member	1.0%	5.1%	2.6%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.968 ^a	2	.004
Likelihood Ratio	10.908	2	.004
N of Valid Cases	155		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.09.

The significant difference in business formality and membership to cooperatives between beneficiaries and non-beneficiaries to a certain extent attributed to the project interventions as these were part of the business leadership and governance trainings, under the output 1 “Strengthened institutional capacities to provide better business services” under outcome 2 “Improved performance of the Handicrafts and Souvenir sector”. These contributed to attainment of output indicator 6, 7 and 8 of output 1 under the second outcome, extracted below.

Outcome 2, Output 1: Strengthened institutional capacities to provide better business services

Indicators	Baseline July 2019	Result as at December, 2022	Target 28 th August, 2023
Outcome 2, Output 1, Indicator 6: Number of producer groups/associations registered as legal entities	15	40	50
Indicator 7(O2Op1.7): Number of Handicraft Cooperative Societies formed	0	1	1
Indicator 8(O2Op1.8): Number of Handicraft producer members in the Cooperative societies	0	54	100

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The evaluation inquired about the kind of services provided by the sampled businesses, and the findings revealed that those engaged in producing and selling handcrafts and souvenirs were 80%, while 38.7% were not producing but only buying and selling (trade) of handcrafts and souvenirs, while only 5.2% were engaged in exporting handcrafts and souvenirs (non-beneficiary=2.1% and beneficiary=10.2%),

while 2.6% were also engaged in training others in the production of crafts. Only 30.3% of the sampled businesses had a bank account and 61.3% had a valid trading license. Respondents reported that business owners were in charge of the day-to-day operations of the business for 69% of the businesses while 31% were by employees and or relatives. Respondents who reported that they or their businesses were members of any sector or national business association were only 16.8%.

3.2.2. Partnerships between handcrafts and souvenirs producers and stakeholders

The evaluation findings revealed that 29.7% of respondents had active partnerships and or cooperation with the tourism industry. Those with active partnerships was higher among beneficiaries (44.1%) compared to non-beneficiaries (20.8%). This suggests that the project had contributed to promotion of partnerships between beneficiaries and the tourism industry.

Table 2b: Producers/traders having any partnerships and or cooperation with the tourism industry

		Non-beneficiary	beneficiary	Total
Don't know	Count	30 _a	12 _a	42
	Percent	31.3%	20.3%	27.1%
No	Count	46 _a	21 _a	67
	Percent	47.9%	35.6%	43.2%
Yes	Count	20_a	26_b	46
	Percent	20.8%	44.1%	29.7%
Total	Count	96	59	155
	Percent	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.536 ^a	2	.008
Likelihood Ratio	9.394	2	.009
N of Valid Cases	155		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 15.99.

The significant difference in handcraft and souvenir producers/traders having any partnerships and or cooperation with the tourism industry between beneficiaries and non-beneficiaries to a certain extent attributed to the project interventions as these were part of efforts to strengthen market linkages for producers and suppliers of handicrafts and souvenirs, under the output 3 under outcome 2 “Improved performance of the Handicrafts and Souvenir sector”. As part of these efforts, the project linked producers to hotels and tour operators for example, and hotels/ tour operators now have display points and or shops selling handcrafts and souvenirs as part of such partnerships. Equally, many hotels now use handcraft products like table mats, and other handcrafts for decoration and beautifying hotel premises. In addition, partnerships were also promoted in exhibitions were producers were linked to buyers to create market linkages. For example, the Uganda National Women Handcraft Association revealed that through the project, they had been linked (partnered) with reliable suppliers of quality raw materials for making baskets. These contributed to attainment of output indicator 4, 5, 8 and 10 of output 3 under the second outcome, extracted below.

<u>Indicator</u>	Baseline July 2019	Result as at Dec, 2022	Target 28 th August, 2023
<u>Indicator 4</u> (O2Op3.4): Number of national annual exhibitions organized and conducted	0	1	1
<u>Indicator 5</u> (O2Op3.5): Number of trainings conducted on market development	0	2	2
<u>Indicator 8</u> (O2Op3.8): Number of major handicraft exhibitions participated in.	0	2	3
<u>Indicator 10</u> (O2Op3.10): Number of regional exhibitions organized	0	8	14

Indeed, respondents were asked to describe changes (if any) in the partnerships and or cooperation between handicrafts and souvenirs producers/associations and the traders on one hand and the tourism industry on the other, over the last four years preceding the evaluation survey (project period). The findings revealed that:

- a) 20% of respondents reported that partnerships had improved significantly. These were 15.6% among non-beneficiaries and 27.1% among the beneficiaries
- b) 7.7% of respondents reported that partnerships had improved slightly. These were 4.2% among non-beneficiaries and 13.6% among the beneficiaries
- c) 1.8% of respondents reported that partnerships had either deteriorated or remained the same.

These are detailed in the table below.

Table 2c: Changes in Partnerships with Tourism Value Chain Actors

		Non-beneficiary	Beneficiary	Total
Has deteriorated significantly (above 50%)	Count	1 _a	0 _a	1
	Percent	1.0%	0.0%	.6%
Has deteriorated slightly (between 1% -49%)	Count	0 _a	1 _a	1
	Percent	0.0%	1.7%	.6%
Has improved significantly (above 50%)	Count	15 _a	16 _a	31
	Percent	15.6%	27.1%	20.0%
Has improved slightly (between 1% -49%)	Count	4 _a	8 _b	12
	Percent	4.2%	13.6%	7.7%
There has not been a change (remained flat)	Count	0 _a	1 _a	1
	Percent	0.0%	1.7%	.6%
Total	Count	96	59	155
	Percent	100.0%	100.0%	100.0%

3.2.3. Number of Employees

The evaluation findings revealed that the average number of employees in non-beneficiary handicraft and souvenir enterprises increased from 2 in 2019 to 4 in 2023 (2 employees over the project period), while among beneficiaries, it increased from 14 in 2019 to 18 in 2023 (four employees over the project period, as detailed in table 3). The data revealed that beneficiaries particularly increased the number of women, contrary to non-beneficiaries.

Table 3: Number of employees (including the owner) over the project period

		employees-2019			Employees- 2023		
		Male	Female	Total	Male	Female	Total
Non-beneficiary	Mean	2	2	2	3	2	4
	Number of businesses	60	62	96	92	96	96
	total number of employees	95	144	239	233	151	384
Beneficiary	Mean	5	11	14	4	15	18
	Number of businesses	49	52	59	54	58	59
	total number of employees	240	577	817	193	846	1,039

This means that beneficiary enterprises are employing, on average, an additional four employers over the project period compared to the non-beneficiary enterprises, which may partly be attributed to the interventions under the project. However, the average firm size difference among the two groups can be the explanation to the observed employment as opposed to the project interventions.

3.2.4. Production of Handicrafts and Souvenirs

Majority of evaluation survey respondents (96.8%) were involved in the production of Local/Ugandan handicrafts and souvenirs. The most common categories of handicrafts and souvenir produced are baskets, jewelry, mats and bags as presented in table 4.

Table 4a: Categories of handicrafts and souvenirs produced

Category handicrafts and souvenirs	Non-beneficiary	Beneficiary	Total
Baskets	40.2%	50.0%	44.0%
Jewelry	47.8%	32.8%	42.0%
Mats	35.9%	36.2%	36.0%
Bags	32.6%	41.4%	36.0%
Art and paintings	28.3%	25.9%	27.3%
Wood carvings and sculpture	26.1%	22.4%	24.7%
Hats	22.8%	19.0%	21.3%
Textile and clothing	17.4%	25.9%	20.7%
Leather products	18.5%	19.0%	18.7%
Musical instruments	21.7%	13.8%	18.7%
Ceramics and pottery items	15.2%	5.2%	11.3%
Banana fibre products	7.6%	15.5%	10.7%
Backcloth products	6.5%	10.3%	8.0%
Cow horn products	3.3%	12.1%	6.7%
Craft toys	7.6%	5.2%	6.7%
Stationery	2.2%	1.7%	2.0%
Lamp shades	2.2%	0.0%	1.3%



The findings revealed that between the 2019 (start of the project) and time of the evaluation (end of project), 43.2% of respondents had started producing a new category (diversified) of handcrafts and souvenir products. These were 52.5% of among the project beneficiaries and 37.5% among the non-beneficiaries, as detailed in table 4b. Accordingly, a 15 percentage basis point change in product diversity is attributable to the project interventions, although the difference between beneficiaries and non-beneficiaries was not statistically significant (Pearson Chi-Square value=3.683, P=0.159)

Table 4b: Categories of handicrafts and souvenirs produced were new products were introduced

Category handicrafts and souvenirs	Non-beneficiary	Beneficiary	Total
Jewelry	27.8%	22.6%	25.4%
Baskets	19.4%	29.0%	23.9%
Mats	25.0%	16.1%	20.9%
Bags	27.8%	9.7%	19.4%
Art and paintings	13.9%	19.4%	16.4%
Leather products	25.0%	3.2%	14.9%
Banana fibre products	8.3%	12.9%	10.4%
Wood carvings and sculpture	13.9%	3.2%	9.0%
Hats	5.6%	12.9%	9.0%
Musical instruments	11.1%	3.2%	7.5%
Textile and clothing	5.6%	6.5%	6.0%
Ceramics and pottery items	8.3%	0.0%	4.5%
Backcloth products	5.6%	3.2%	4.5%
Cow horn products	0.0%	3.2%	1.5%

Volume of Handcrafts and Souvenirs Produced. The evaluation survey inquired whether respondents had experienced changes (increases or decreases) in the number (volume) of handcrafts and souvenir produced between 2019 (start of the project) and time of the evaluation (end of the project). The findings (as detailed in table 4c) revealed that:

- a) 43.2% reported an increase in the volume of handcrafts produced. Of these, 26.5% of respondents reported that the number (volume) of handcrafts and souvenir products that they produce every year improved significantly. These were 20.8% among non-beneficiaries and 35.6% among the beneficiaries. Equally, 16.8% of respondents reported that the number (volume) of handcrafts and souvenir products that they produce every year increased slightly. These were 14.6% among non-beneficiaries and 20.3% among the beneficiaries
- b) 13.5% of respondents reported that the number (volume) of handcrafts and souvenir products that they produce every year had either deteriorated or remained the same.

Table 4c: Change in Number (Volume) of Handcrafts Produced Over project lifetime

Change	Non-Beneficiary	Beneficiary	Total
Has increased significantly (above 50%)	20.8%	35.6%	26.5%
Has increased slightly (between 1% -49%)	14.6%	20.3%	16.8%
Has decreased significantly (above 50%)	1.0%	3.4%	1.9%
Has decreased slightly (between 1% -49%)	9.4%	5.1%	7.7%
There has not been a change (remained flat)	3.1%	5.1%	3.9%
Did not respond	51.0%	30.5%	43.2%

However, the difference between the beneficiaries and non-beneficiaries was not significant (Pearson Chi-Square value=9.568, P=0.088). This suggests that the HSDP was not effective in increasing the volume of handcrafts and souvenirs produced.

The baseline survey revealed that most producers still use rudimentary tools of production with only 3% using computers, while 48% used machines from the findings, the project outputs contributed to solving these issues through upgrade of production tools and equipment. The evaluation findings revealed that 10.3% of those surveyed were using computer designs and these were 15.3% among the beneficiaries. Those using machines were 34.8% and these were 49.2% among the beneficiaries as summarized in table 4d.

Table 4d: Use of modern tools and equipment in the production of handicrafts

		Non-beneficiary	Beneficiary	Total
	Count	15	5	20
	Percent	15.6%	8.5%	12.9%
Computer (Design)	Count	7	9	16
	Percent	7.3%	15.3%	10.3%
Machine	Count	25	29	54
	Percent	26.0%	49.2%	34.8%
Other	Count	49	16	65
	Percent	51.0%	27.1%	41.9%
	Count	96	59	155
	Percent	100.0%	100.0%	100.0%

There was a statistically significant difference among beneficiaries and non-beneficiaries using modern tools and equipment (Pearson Chi-Square value=14.282, P=0.003), which is attributed to the trainings and awareness creation provided under the project. This suggests that HSDP was effective in increasing the use of modern technology (tools and equipment) by the handcraft and souvenir producers that benefited from the project.

The evaluation survey sought views of handcraft producers and traders on the main challenges that they face in the production of your crafts. The findings revealed the following:

Table 4e: handcraft producers and traders main challenges

	Non-beneficiary	Beneficiary	Total
Shortage of raw materials	41.3%	39.7%	40.7%
Supply of raw materials at affordable price	34.8%	36.2%	35.3%
Limited marketing and Promotion	30.4%	17.2%	25.3%
Inadequate Information about buyers/markets	26.1%	22.4%	24.7%
Lack of reliable wholesalers/middlemen	27.2%	6.9%	19.3%
High Cost of Electricity/energy	17.4%	17.2%	17.3%
Lack of credit facilities	16.3%	19.0%	17.3%
Limited demand for Product	15.2%	20.7%	17.3%
Distribution to the retailers	18.5%	12.1%	16.0%
Bad road conditions	9.8%	24.1%	15.3%
Limited access to better technology	14.1%	15.5%	14.7%
Unavailability of skilled labour	10.9%	15.5%	12.7%
Government bureaucracy	9.8%	17.2%	12.7%
Poor quality of local raw materials	7.6%	12.1%	9.3%

Poor location of the production center or group	8.7%	6.9%	8.0%
Cheaper handicraft imports	3.3%	5.2%	4.0%
Other (State)_____	14.1%	29.3%	20.0%

3.2.5. Quality of Handicrafts and Souvenirs

The findings revealed that most of the respondents 36.1% of the respondents (n=155) often make their handicrafts uniform followed by 31.6% who make them always uniform, 11% make their handicrafts always unique and lastly 10.3% of the respondents who often make them unique. It's important to note that 11% of the respondents affirmed that they did not know the uniformity or uniqueness of the handicrafts made.

Of those that reported their handicrafts always being uniform, 30.5% participated in HSDP Project activities while 32.3% did not, of those that make their handicrafts always unique, 11.9% were beneficiaries of the HSDP Project activities while 10.4% were not beneficiaries, those that often make their handicrafts uniform, 37.3% participated in HSDP Project activities while 35.4% did not, respondents that reported often making their handicrafts unique, 11.9% participated in HSDP project activities while 9.4% did not. This is elaborated in the table 5.

The Pearson Chi-Square value=0.901, P=0.024 suggests that the uniformity of handicrafts by beneficiaries is not statistically different from those of non-beneficiaries and therefore the effectiveness of the project on improving standards and uniformity of handicrafts is limited. This can be attributed to the fact that whereas the project supported development of up to seven standards, these are yet to be adopted by the industry and therefore there is no effect yet on the quality of handicrafts.

Table 5: Uniformity and Standards in handicrafts

Are your handicrafts standard and uniform?	Disaggregation by participation in HSDP Project activities						Statistical Significance
	(n=155)	Percent	Beneficiary	Percent	Non-beneficiary (n=60)	Percent	
Always uniform	49	31.6%	18	30.5%	31	32.3%	Pearson Chi-Square value=0.901, P=0.024
Always unique	17	11.0%	7	11.9%	10	10.4%	
Often uniform	56	36.1%	22	37.3%	34	35.4%	
Often unique	16	10.3%	7	11.9%	9	9.4%	
I do not know	17	11.0%	5	8.5%	12	12.5%	
Total	155	100%	59	100%	96	100%	
Do you have a standard way of packaging your products							
Yes	55	35.5%	33	55.9%	22	22.9%	Pearson Chi-Square=17.39, P=0.000
No	100	64.5%	26	44.1%	74	77.1%	
Total	155	100%	59	100%	96	100%	

However, looking at the way of packaging, 35.5% of the respondents(n=155) affirmed having a standard way of packaging their products of which 55.9% participated in HSDP Project activities while 22.9% did not participate in HSDP Project activities. The Pearson Chi-Square value=17.39, P=0.000 suggests that project beneficiaries have adopted standard ways of packaging compared to non-beneficiaries. This is attributed to the trainings provided by the project on marketing and export preparedness, and participation in various exhibitions, in which aspects on packaging skills are pronounced.

On asking respondents(n=105) if they had witnessed an improvement in the quality of the handcrafts they produce/trade in comparing now and before 2019, 90.5% of them responded in the affirmative of which 95.6% participated in the HSDP Project activities and 86.6% did not participate. The **Chi-Square Tests reveals that the difference was not statistically significant** (Pearson Chi-Square value=5.621, P=0.060).

Table 6: Improvement in the quality of Handcrafts and Souvenirs

Comparing now and the period before 2019, have you witnessed an improvement in the quality of any of the handcrafts and souvenir products that you produce or trade?	Disaggregation by participation in HSDP Project activities					
	(n=105)	Percent	Yes (Beneficiary) (n=45)	Percent	No (Non-beneficiary) (n=60)	Percent
Yes	95	90.5%	43	95.6%	52	86.7%
No	10	9.5%	2	4.4%	8	13.3%
Total	105	100%	45	100%	60	100%

Of the respondents (n=95) who affirmed to have witnessed an improvement in the quality of any of their products, 17.9% reported improvement in quality of textiles and clothing of which 18.6% were project beneficiaries and 17.3% were not; 33.7% reported improvement in quality of jewelry with 18.6% being project beneficiaries and 46.2% non-beneficiaries; 37.9% affirmed improvement in quality of baskets with 42.3% being non-beneficiaries higher than 32.6% beneficiaries; 18.9% affirmed improvement in the quality of mats with a higher percentage of 26.9% being non-beneficiaries and 9.35% project beneficiaries; 15.8% reported improvement in the quality of leather products of which 17.3% were non-project beneficiaries and 14.0% were beneficiaries; 16.8% confirmed improvement in the quality of wood carvings and sculpture with non-beneficiaries 23.1% and 9.3% beneficiaries; 23.2% affirmed improvement in quality of Art and paintings of which 23.3% were beneficiaries and 23.1% non-project beneficiaries; 5.3% reported improvement in ceramics and pottery items with 5.8% being non-beneficiaries and 4.7% beneficiaries; 10.5% affirmed improvement in musical instruments with 11.5% non-beneficiaries and 9.3% beneficiaries; 4.2% affirmed improvement in the quality of backcloth with 4.7% being project beneficiaries and 3.8% as non-project beneficiaries; 26.3% confirmed improvement in the quality of bags, 26.9% being non-project beneficiaries and 25.6% project beneficiaries; 9.5% affirmed having witnessed improvement in the quality in hats with 11.5% non-beneficiaries and 7.0% beneficiaries; 3.2% reported having witnessed improvement in the quality of cow horn products with all beneficiaries; 2.1% affirmed having witnessed improvement in the quality of Banana fiber products with 2.3% beneficiaries and 1.9% non-beneficiaries; 1.1% confirmed improvement in the quality of lampshades all non-beneficiaries; 2.1% affirmed having witnessed an improvement in the quality of craft toys and all were non-beneficiaries.

Table 7: Categories of handcrafts and souvenir products that witnessed improvement in the quality

If yes, what categories of handcrafts and souvenir products that you produce or trade have you witnessed improvement in the quality compared to the period before 2019?	Disaggregation by participation in HSDP Project activities					
	Yes (Beneficiary) (n=59)	Percent %	No (Non-beneficiary) (n=)	Percent %	n=	Percent %

Textile and clothing	8	18.6	9	17.3	17	17.9
Jewelry	8	18.6	24	46.2	32	33.7
Baskets	14	32.6	22	42.3	36	37.9
Mats	4	9.3	14	26.9	18	18.9
Leather products	6	14.0	9	17.3	15	15.8
Wood carvings and sculpture	4	9.3	12	23.1	16	16.8
Art and paintings	10	23.3	12	23.1	22	23.2
Ceramics and pottery items	2	4.7	3	5.8	5	5.3
Musical instruments	4	9.3	6	11.5	10	10.5
Backcloth products	2	4.7	2	3.8	4	4.2
Bags	11	25.6	14	26.9	25	26.3
Hats	3	7.0	6	11.5	9	9.5
Cow horn products	3	7.0	0	0.0	3	3.2
Banana fibre products	1	2.3	1	1.9	2	2.1
Lamp shades	0	0.0	1	1.9	1	1.1
Craft toys	0	0.0	2	3.8	2	2.1

Given the **Chi-Square Tests results, the findings** again suggest that no noticeable effect of the project on quality and standards on handcraft and souvenir products. Indeed, when asked what factors led to improvement in the quality of handicrafts and souvenir produced/traded, only 1.3% attributed the improvement in quality on the support from the Ministry and HSDP project, as summarized hereunder;

- Acquired skills, improved production technology and equipment and other support from MTWA/HSDP project =1.3%
- Increased market demand for high quality handicrafts and souvenir products =3.2%
- Increased (availability) of high quality raw materials = 2.6%
- Access to export markets that require high quality handicrafts and souvenir products =6.5%
- Availability of high quality skilled labour =6.5%
- Acquisition of improved production technology and equipment =1.3%

Furthermore, on asking the respondents (n=89) how they would describe the overall changes (if any) in the quality of handicrafts and souvenirs on the market in Uganda comparing before 2019 and now, majority (53.9%) affirmed that quality had significantly increased with 60.9% beneficiaries and 47.9% non-beneficiaries followed by 31.5% that affirmed quality had slightly increased with 35.4% non-beneficiaries and 26.8% beneficiaries; 8.9% affirmed there had not been a change with 9.6% being beneficiaries and 8.3% non-beneficiaries; 4.5% reported that the quality had slightly decreased with 6.3% non-beneficiaries and 2.4% beneficiaries and lastly 1.1% affirmed that the quality of products had decreased significantly and all were non-beneficiaries. This being a self-assessment, it's subjective and points to overall trends in quality improvements in the handcraft industry than the impact of the project.

Table 8: Overall Change in the quality of handicrafts and souvenirs

Comparing now and the period before 2019, how do you describe the overall		Disaggregation by participation in HSDP Project activities
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changes (if any) in the quality of handcrafts and souvenirs on the market in Uganda?	Yes (Beneficiary) (n=45)		No (Non-beneficiary) (n=60)		n=89	
	Yes	Percent %	No	Percent %		Percent %
Has decreased significantly (above 50%)	0	0.0	1	2.1	1	1.1
Has decreased slightly (between 1% -49%)	1	2.4	3	6.3	4	4.5
Has increased significantly (above 50%)	25	60.9	23	47.9	48	53.9
Has increased slightly (between 1% -49%)	11	26.8	17	35.4	28	31.5
There has not been a change (remained flat)	4	9.6	4	8.3	8	8.9
Total	41	100	48	100	89	100

In summary, the project laid the foundation of handcrafts quality improvement by sponsoring the development of standards. However, these standards are yet to be disseminated and later on be adopted by the producers across the country. In addition, the trainings provided were classroom based and for only training of trainers (TOTs), who were not facilitated to roll-out the trainings after the ToT training. It is therefore likely that extensive quality oriented training and capacity building support is yet to reach most of the producers. The TOT methods used were also reported to be alien. Accordingly, the project was not effective in terms of improving the quality of handcrafts and souvenir products.



3.2.6. Marketing and Exports of Handicrafts and Souvenirs

Respondents were asked what their main market is and majority (54.8%) affirmed domestic market followed by both domestic and foreign market 24.5%, 7.1% for foreign market and 0.6% for those who were not sure of their main market, see table 9a for details.

Table 9a: Primary markets for Handcrafts

		No (non-beneficiary)	Yes (beneficiary)	Total
Non-Response	Count	15	5	20
	Percent	15.6%	8.5%	12.9%
Both	Count	22	16	38
	Percent	22.9%	27.1%	24.5%
Domestic Market	Count	58	27	85
	Percent	60.4%	45.8%	54.8%
Foreign market	Count	0	11	11
	Percent	0.0%	18.6%	7.1%
I don't know	Count	1	0	1
	Percent	1.0%	0.0%	0.6%
Total	Count	96	59	155
	Percent	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	21.655 ^a	4	.000
Likelihood Ratio	25.472	4	.000
N of Valid Cases	155		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is .38.

Additionally, respondents(n=155) were asked who their primary customers are and 78.1% confirmed individual customers as their primary customers followed by 9.7% as traders/wholesalers, big stores 5.2%, small stores 3.2%, 2.6% association of handicrafts and lastly others, as detailed in table 9b.

Table 10b: Primary Customers for Handcrafts Producers and Traders

		No (non-beneficiary)	Yes (beneficiary)	Total
Association of handicraft producers	Count	1	3	4
	Percent	1.0%	5.1%	2.6%
Big stores	Count	2	6	8
	Percent	2.1%	10.2%	5.2%
Individual customers	Count	85	36	121
	Percent	88.5%	61.0%	78.1%
Other (State)_____	Count	1	1	2
	Percent	1.0%	1.7%	1.3%
Small stores	Count	4	1	5
	Percent	4.2%	1.7%	3.2%
Traders/wholesale buyers	Count	3	12	15
	Percent	3.1%	20.3%	9.7%
Total	Count	96	59	155
	Percent	100.0%	100.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	22.492 ^a	5	.000

Likelihood Ratio	22.356	5	.000
N of Valid Cases	155		

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .76.

The Pearson Chi-Square value=21,655, P=0.000 suggests that the primary markets for handcrafts by beneficiaries is statistically different from those of non-beneficiaries and therefore the effectiveness of the project in improving markets of handcrafts is significant. Equally, there was a significant difference in the primary customers among the beneficiaries and non-beneficiaries (Pearson Chi-Square value=22,492, P=0.000. This is attributed to project interventions and trainings, including marketing; project support towards digital marketing and e-commerce, project support towards facilitating beneficiaries to participate in national and regional exhibitions that linked them to new foreign markets.

Finding out how they get their customers, majority 80% of the respondents affirmed getting customers through friends and family, followed by 61.3% who confirmed getting their customers through business contacts, 14.8% affirmed getting their customers through associations, 17.4% confirmed getting their customers through conferences and trade fairs; 21.9% reported getting them from advertisements; 31.0% affirmed getting their customers through the internet (e-commerce) and social media; 7.1% through cooperatives; while 11.6% affirmed getting customers through other avenues .

Table 11a: How customers are got

		Non-Beneficiary	Beneficiary	Total	
Through friends and/or family	Count	83	41	124	Pearson Chi-Square=6.575, P=0.010
	Percent	86.5%	69.5%	80.0%	
Through business contacts	Count	65	30	95	Pearson Chi-Square=4.375, P=0.036
	Percent	67.7%	50.8%	61.3%	
Through associations	Count	11	12	23	Pearson Chi-Square=2.281, P=0.131
	Percent	11.5%	20.3%	14.8%	
Through conferences and trade fairs	Count	8	19	27	Pearson Chi-Square=14.474, P=0.000
	Percent	8.3%	32.2%	17.4%	
Through advertisements	Count	14	20	34	Pearson Chi-Square=7.961, P=0.005
	Percent	14.6%	33.9%	21.9%	
Over the internet (e-commerce) and social media	Count	23	25	48	Pearson Chi-Square=5.796, P=0.016
	Percent	24.0%	42.4%	31.0%	
Through the cooperative	Count	2	9	11	Pearson Chi-Square=9.615, P=0.002
	Percent	2.1%	15.3%	7.1%	
Others (specify)	Count	10	8	18	Pearson Chi-Square=0.352, P=0.553
	Percent	10.4%	13.6%	11.6%	

As indicated by the Pearson Chi-Square and P values, the most significant channels for obtaining customers between beneficiaries and non-beneficiaries was Through conferences and trade fairs, Through advertisements, and Through the cooperative. These underpin the project activities to sponsor beneficiaries participate in trade fairs and exhibitions, training in e-commerce and digital marketing and promotion of cooperatives.

On inquiring from the respondents the main customer considerations when selling their products, majority 83.2% affirmed that quality of the products is very important to consider followed by 62.6% who affirmed attractive/specific design, 56.8% type of raw-material used, 42.6% confirmed good price, 17.4% regular delivery, 9.0% as production of larger quantities; 7.1% unchangeable appearance/quality, 5.8% fair trade compliance; and 6.5% for other which include; purpose of buying the product, durability.

Table 12b: Main Customer Considerations

What are the main customer considerations when you sell your products?	Sample size	
	n=155	Percent %
Type of raw material used	88	56.8
Quality of product	129	83.2
Attractive design/Specific design	97	62.6
Production of larger quantities	14	9.0
Unchangeable appearance/quality	11	7.1
Regular delivery	27	17.4
Good price	66	42.6
Fair trade compliance	9	5.8
Other (purpose or which the product is sold, durability)	10	6.5

Most respondents 49.7% confirmed selling their products always by the piece followed by 31.6% who affirmed selling often by piece, 12.3% often by wholesale, 4.5% always by wholesale and 1.9% affirmed sometimes by wholesale and retail.

Of the respondents (n=155), 34.8% affirmed participating in regional, National or international exhibitions to showcase their products to include but not limited to the Jinja agricultural show, Appropriate Technologies Expo 2023, Micro small and medium enterprises trade fair 3rd annual combo, the national skills fair UMA Hall Lugogo, 2019 Nigeria-Uganda business and investment forum, Dubai design week, East Africa Trade Exhibition, International handmade day, Kakyeka trade fair, Karamoja cultural events, Lugogo trade show, Masindi trade fair 2019, Mbale Elgon Crafts, Mbarara exhibition show, Mwanza exhibition Tanzania 2021, National theatre, Uganda Museum Exhibit 2022, Regional Kyabazinga Expo, Rwenzori Exhibition, Uganda Craft show UIRI, UMA crafts exhibition.

Findings revealed that before 2019, only 8.4% of 105 respondents were exporting handcraft and souvenir products covering 20.3% beneficiaries and 1.0% non-beneficiaries with an average export value of 78,847,000 shillings as of 2018.

Currently, of all the 155 respondents, only 12.9% affirmed that they were exporting their handcrafts and souvenirs 28.8% of whom were project beneficiaries and 3.1% were not with an average export value of 58,192,000 shillings as of 2022. This signifies an increase in the number of traders/producers exporting their handcrafts but with a decline in the export value which is attributed to the Covid-19 pandemic economic shutdown. All (100%) of those who currently do exports, export own produced handicrafts and souvenirs, 92.3% Export handcrafts and souvenirs produced by others (buys and exports) in Uganda and 90.3% Exports both own produced and those produced by others in Uganda.

Furthermore, the 87.1% who affirmed not to be exporting their products currently were asked to give reasons why they haven't been able to export and were as follows;

- ❖ The quality of products is low compared to those demanded in export markets=13.3%

- ❖ Lack of financing to engage in export business =68.1%
- ❖ Lack of knowledge on how to export =50.4%
- ❖ Low volume of handicrafts and souvenirs produced =29.6%
- ❖ Not aware about export markets =33.3%
- ❖ Others (certification to export, never tried) =5.9%

The handicrafts and souvenir producers/traders who affirmed currently exporting their products were asked to specify the categories they export, 20.0% affirmed exporting textile and clothing, 30% affirmed exporting jewellery, 55.0% baskets, 50% mats, 5% leather products, wood carvings ad sculptures 20%, 25% art and paintings, 10% ceramics and pottery items,15% musical instruments, 10% backcloth products, 35% bags, 20%hats, 5% cow horn products, 5% stationery and 5% affirmed others to include blacksmith, bows and arrows.

Table 13: Categories of Handicrafts and Souvenirs Exported

If you are exporting, what categories of handicrafts and souvenirs are you exporting?	Overall(n=155)	
		Percent
Textile and clothing (e.g Ugandan Kikoyi)	4	20%
Jewellery	6	30%
Baskets	11	55.0%
Mats	10	50%
Leather Products	1	5%
Wood Carvings & Sculpture	4	20%
Art and Paintings	5	25%
Ceramics and Pottery Items	2	10%
Musical Instruments	3	15%
Backcloth Products	2	10%
Bags	7	35%
Hats	4	20%
Cow Horn Products	1	5%
Stationery	1	5%
Others	1	5%

Furthermore, these traders expounded what has enabled them to engage in export of handicraft and souvenirs and these were;

- ❖ Acquired knowledge, skills and support from MTWA/HSDP project (40%)
- ❖ Improved quality of handicrafts and souvenir products (70%)
- ❖ Access to E-Commerce opportunities (30%)
- ❖ Increased (availability) of high quality raw materials (10%)
- ❖ Availability of high quality skilled labour (20%)
- ❖ Membership to production group or cooperative (5%)
- ❖ Exposures through exhibitions (40%)
- ❖ Others (Relationships with NGOs, Uniqueness of products, Policies like AGOA) (15%)

Concerning modern technology in marketing, of the 155respondents 72.9% affirmed use of telephones, 46.5% use of e-commerce and social media, 27.1% use of door to door, 21.3% confirmed participation in trade fairs and exhibitions and 7.7% use of other marketing technologies like use of flyers and display.

More to this, 15.5% of the respondents were aware of national, international or destination legal requirements and standards their products must meet before being exported. These include; formal business registration, certificate of origin, exporting anything with animal skin must be verified by wildlife offices, quality assurance standards, fair trade principles, good packaging, products must meet international standards, products must be well labelled.

Tradeshows for handicrafts: The project organized expos where various handicraftsmen and women showcased their products to the world. The expo presented a rare opportunity for the people involved in the handicraft and souvenir subsector to meet new clients, network, and discuss business opportunities with different stakeholders, leading to creation of a wider market which would enhance market access for the sector. The first major handicraft expo, Uganda Handicraft Expo was held at the Uganda Museum in 2022 which was launched by the Prime Minister of Uganda Hon. Robina Nabbanja where sixty-three exhibitors attended with several trade visitors.

The exhibitors made sales, networked and got exposure on this kind of Expo. This led to the creation of Market linkages for producers and suppliers of handicrafts and souvenirs. The project therefore held twelve (12) purposive marketing expos in the districts of Kabale, Masindi, Fort portal, Mbarara, Arua, Gulu, Lira, Mbale, Jinja Cities and in the National Parks (Bwindi Impenetrable Forest(Kisoro), Queen Elizabeth National Park (Rubirizi) Murchison Falls National Park (Packwach) where 366 Handicrafts/ souvenirs producers and traders exhibited their products to hoteliers, Restaurant owners, events managers and the general public during which the participants sold their products, got exposure, created professional relationships and networks for future trading opportunities. The teams also did some networking with others in the region which they are certain to establish business relationship. Many of them got orders to supply products to tourism related establishments. This activity was the first of its kind and participants appreciated it. This led to the creation of Market linkages for producers and suppliers of handicrafts and souvenirs to tourism enterprises and forged future business relationships. Below is what transpired in the Expo organized at the Uganda museum grounds.

Figure 2: Uganda's first ever Handicraft Expo 2022 at the Uganda Museum Grounds



In summary, the project was very effective in supporting handcraft producers and traders acquire marketing skills and explore the exports markets. This is attributed to the project investment in training beneficiaries in marketing skills, facilitating participation of handcraft producers in trade fairs and exhibitions and trainings in digital marketing. Accordingly, the project was effective in terms of improving the markets and exports of handcrafts and souvenir products.



3.2.7. Business Performance and Outlook

The evaluation findings revealed that 72.9% (non-beneficiary=67.7% and beneficiary=81.4%) of the handcraft and souvenir businesses that participated in the evaluation had expanded/grown in the last five years, while 15.5% of the respondents reported that their businesses had declined/reduced and 11.6% of the businesses had remained the same, as presented in table 12.

Table 14: Handcrafts and souvenir's businesses Growth/expansion

		Non-Beneficiary	Beneficiary	Total
Business has declined/ reduced	Count	16	8	24
	Percent	16.7%	13.6%	15.5%
Business has expanded /grown	Count	65	48	113
	Percent	67.7%	81.4%	72.9%
Business has remained the same	Count	15	3	18
	Percent	15.6%	5.1%	11.6%
Total	Count	96	59	155
	Percent	100.0%	100.0%	100.0%

The findings reveal that a higher proportion of beneficiary enterprises (81.4%) experienced growth/expansion compared to the non-beneficiaries (67.7%). On the other hand, 13.6% of beneficiary enterprise compared to 16.7% of non-beneficiaries reported that their businesses had declined/reduced over the last five years. Equally, only 5.1% of the beneficiary enterprises compared to 15.6% of non-beneficiary enterprises reported that their businesses had remained the same (neither expanded nor declined). The findings suggest that beneficiary enterprises were most likely to have expanded and grown compared to non-beneficiary enterprises, which is attributable to the various support extended under the project.

What has been realized by businesses which have expanded/grown over the last five years: For business owners who affirmed to the fact that their businesses had expanded/grown over the last five years, the evaluation established the different ingredients of business growth/expansion and the findings are as presented in Table 13 below.

Table 15: What has been realized by businesses which have expanded/grown over the last five years

	Non-Beneficiary	Beneficiary	Total
Increased volume of clients/customers served in the current business outlet/location	89.2%	81.3%	85.8%
Established another handcrafts and souvenir business outlet/place within the district/country	7.7%	16.7%	11.5%
Established a handcrafts and souvenir business outlet outside Uganda	1.5%	6.3%	3.5%
Started exporting handcrafts and souvenirs	9.2%	12.5%	10.6%
Introduced new handcrafts and souvenir categories in the current business outlet/location	18.5%	20.8%	19.5%
Acquired/merged with another handcrafts and souvenirs producer/trader	1.5%	6.3%	3.5%
Acquired quality certification/ standards for handcrafts and souvenir produced	1.5%	8.3%	4.4%
Acquired improved production technology like computer designs and machines	1.5%	4.2%	2.7%
Trained and now have skills and (skilled labour force) to produce better quality products	6.2%	33.3%	17.7%
Participated in exhibitions that have increased market outreach	3.1%	20.8%	10.6%
Started e-commerce and now trading more goods via the internet including social media	1.5%	12.5%	6.2%
Improved business capacity through record keeping and putting in place other business systems	9.2%	6.3%	8.0%

The findings revealed that beneficiary businesses had registered growth/expansion in ten (10) out of the twelve (12) ingredients, which is largely attributed to the HSDP interventions.

Accordingly, the top four needs for business expansion and grow of handcrafts and souvenirs are: enhancing access to raw materials, access to tools and equipment for production, training in design of items as well as training in skills of running a business.

Overall, the evaluation rates “**effectiveness of HSDP**” to have been satisfactory. This is because the project was effective in:

- a) Contributing towards promoting partnerships and linkages of handcraft producers and traders along the tourism value chain actors among beneficiaries
- b) Contributing to improving the marketing and export capacity of handcrafts and souvenir producers and traders
- c) Supporting skilling in business formalisation, institutional strengthening, and governance, which are key to long-term growth and sustainability

However, the project was not effective in:

- a) Increasing the volume of handcrafts and souvenirs produced, partly because of the external environment issues especially Covid 19, which stifled demand
- b) Has laid a foundation of quality and standards for handcrafts and souvenirs through establishment of standards but these are yet to be adopted before translating into better quality handcrafts and souvenirs on the market.

-
- c) Creating and expanding employment opportunities, which is partly because of the external environment issues especially Covid 19, which stifled demand



3.3. Findings on Project Coherence

Coherence refers to the compatibility of the development measure taken with other interventions in the country and/or sector. Coherence criterion is divided into two; this includes internal coherence and external coherence. Under internal coherence this addressed the synergies and inter-linkages between the intervention and other interventions carried out by the Ministry of Tourism, Wildlife and Antiquities, as well as the consistency of the intervention with the relevant international norms and standards to which that Ministry of Tourism, Wildlife and Antiquities adheres. External coherence considered the consistency of the intervention with other actors' interventions in the same context. This included complementarity, harmonization and co-ordination with others, and the extent to which the intervention is adding value while avoiding duplication of effort. From the findings on coherence, the project design meets the desired outcomes due to the strategies and plans that have been put in place for improved performance of the sector. Many handicrafts production group members are involved in the project through capacity building programmes.

Under internal coherence, this addressed the synergies and inter-linkages between the intervention and other interventions carried out by the Ministry of Tourism, Wildlife and Antiquities. The project has ensured that linkages and complementarity with other similar projects and interventions are being done. For example, the upcoming project under the Uganda Museums and Monument Department will facilitate the construction of three more handicrafts production centres across other parts of the county to facilitate the efficiency in the production of handicrafts and souvenirs. Furthermore, due to the HSDP intervention, one of the enterprises (Eco crafts Africa Ltd) secured more support/funding from UNDP to skill Artisans in basketry, and some support from Master Card Foundation to carry out development activities and skilling of Artisans too for five years which will create more efficiency in the production and productivity in the sector.

Whereas the MTWA drafted HSDP follow-up project (HSDP II), and it was submitted to several development partners, no funding had been secured at the time of the evaluation. The evaluation team did not access information about any other project supporting the handcraft and souvenir sub-sector (producers and traders). Over the project period, the MTWA was implementing three other projects, and these are:

- I. Mt. Rwenzori Tourism Infrastructure Development Project (MRTIDP): 01/7/2015-30/6/2023. The project contributes to the expansion of Tourism Infrastructure around the Mt. Rwenzori. The outcomes of the project include: improved trails on Mt Rwenzori, affordable climbing gear, increased number of accommodation facilities along the trail, a Cable Car system, a rescue and safety equipment; a reliable communication system; and a monument at the Margareta Peak.
- II. Establishment of Lake Victoria Tourism Circuit. The objective of the project was to establish Lake Victoria Tourism circuit to enhance tourism and conservation around Entebbe in the next five years. The outcomes of the project include: floating restaurant, boat pier, aquarium, speed boats, bird observatory towers at Lutembe ramsar site, board walk at Lutembe ramsar site, information centre at Lutembe ramsar site, well maintained boat trails at Lutembe ramsar site, and signages and information boards.
- III. Development of Museums and Heritage Sites for Cultural Promotion. The project contributes to the conservation and promotion of natural and cultural heritage in the country, to increase the contribution of cultural heritage to tourism earnings. The Expected outcomes include: a) National Museum renovated and equipped with ICT, 3 new galleries with offices, 1 Laboratory, 2 Storage, b) A Theatre constructed at National Museum, c) Three Regional Museums constructed and equipped, and 15 Cultural Heritage Sites developed for tourism diversity

Accordingly, there was no indication of any duplication of any of the project interventions. However, these were to a certain extent complimentary as they all support development of the tourism value chain. In addition, the project was complementary to other development initiatives, including:

- a) Government initiatives to support MSMEs acquire and adopt quality standards through MSMEs have been supported and trained to acquire and adopt quality standards, as part of the national standards policy.
- b) Government initiatives to support development of exports as part of the National Export Development Strategy, through which MSMEs are trained and capacitated.

Overall, the evaluation rates “**Coherence of HSDP**” to have been very satisfactory. This is because the project was complementary to the various government initiatives to promote trade, exports, standards among small and medium enterprises, and did not duplicate other project interventions.



3.4. Findings on Project Efficiency

Under Efficiency, the evaluation sought to establish the extent to which project activities transformed the available resources into outputs - in terms of quantity, quality, and timeliness. This section of the evaluation presents overall assessments of the quality of day-to-day management in terms of its approach to delivering the project action's planned outputs; the quality of information management and reporting and its respect for/adherence to agreed project deadlines.

3.4.1. Project design and implementation strategy/arrangement

The project was designed to be implemented within existing structures of government. The evaluation team found out that regular project coordination meetings were held and the clarity on the roles and implementation through existing structures enabled the project to optimize efficiency through the different project activities. The project utilized government procedures and processes such as the procurement arrangement, auditing, reporting and the financial management arrangements which was linked according to Government Public Finance Management Act, 2015. This created ownership of the project success to the government since it was at the top of implementation and monitoring. With this kind of arrangement, embezzlement of project funds and fiduciary risk challenges are minimized since there is a well stipulated accountability, monitoring, and reporting arrangement inbuilt within the implementation structure of the project. The evaluation team also assessed the quality of project management systems and reporting, particularly the internal control systems, and the project monitoring and evaluation system as these are critical in ensuring efficient project implementation. The project had adequate staffing, resource control systems and M&E tools to track project outputs.

Overall, the evaluation team observed that the project has controls and procedures in place to facilitate prudent financial management and mitigate fiduciary risk of not using project funds for the intended purposes, using available funds in less priority areas, not achieving value for money of project funds. The project had a functional monitoring and evaluation system to guide data collection and monitoring of project performance, with detailed tools and activity monitoring and reporting guidelines including indicator tracking forms.

3.4.2. Project Work Plan Realization

The evaluation team observed that project implementation was affected by the outbreak of Covid-19 pandemic and also the existing bureaucratic tendencies in government processes like the procurement process. This was mainly due to the restrictions put in place by government to mitigate the spread of the virus. These included; banning all private and public transportation, workshops, meetings, and gatherings. The affected activities were revamped by; 1) Strengthened institutional capacities to provide better business services, 2) Developing Code of conduct for tour operators, Handicraft and Souvenir producers, 3) Supporting renovation of production centre and establishing new centres, and 4) Training on market development. However, though there were some delays, all activities were implemented though not all on time. The project management team was efficient in fast tracking the implementation of the set activities so as to convert resources (funds, expertise and time) into the desired results; although a few activities were delayed thereby some of the objectives not being achieved on time. These activities were covered in the No Cost Extension period thereby achieving all the objectives of the project. The activities were also cost efficient.

Overall, the evaluation rates “**Efficiency of HSDP**” to have been very satisfactory. This is because the project had in place key controls and procedures to facilitate prudent financial management and mitigate fiduciary.



3.5. Findings on Project Impact

The objective of the project was to develop the handicrafts and souvenir sector in Uganda. Overall, the program aimed at creating linkages between the producers, associations and the traders of handcrafted products and the tourism industry to improve livelihoods for some of the most marginalized communities in Uganda. Key focus was on supporting production of functional items which are in demand to both the local market and the international buyers.

The stakeholders have built capacity to produce quality goods and services competitively for the market through training in various areas which will promote the handicrafts and souvenir sector beyond the project. The project also introduced the concept of using machines and technology in the handcraft production for example when it comes in making designs. This has increased the quality of products produced, and also maximized efficiency.

The project introduced fair trade where by the handicraft producers apply for certification of their products, which was not the case before the project implementation. Certification of Enterprises based on the Standard 9001, 2015. Through the project, UNBS through the International Trade Centre has supported handicrafts and Souvenir enterprises namely, SAMS Paper, Rwenzori Sustainable Trade Centre and TEXDA to acquire Quality Management System certification based on the Standard 9001, 2015. Through product certification with The Q-Mark, on product during certification is notified in the East African Community and COMESA thus easing entry of handicrafts products into regional and international markets.

Development of Standards for the Handicraft and Souvenir industry: The project facilitated the development of product standards. The standards guide stakeholders to produce handicrafts and souvenirs that are in accordance to the national standards, which has enhanced the marketability of Ugandan products to the national, regional and international markets. The manufacture of these products according to the new and revised standards provide buyers with assurance of quality based on agreed and transparent standards and this will enhance competitiveness of the sector globally and strengthen market linkages for producers and suppliers of handicrafts and souvenirs. So far seven standards have been developed by UNBS, which include; 1) Standard for Mats, 2) Standard for Wood curving, 3) Standard for Baskets, 4) Standard for Jewelry, 5) Standard for Ceramics, and 6) Standard for Backcloth. Standard for Cow horn products are also being developed currently.

Existence of operational manuals: The project supported development of systems in form of plans and policies such as the Export Manual, the Code of Conduct, Branding and Marketing Strategy, Standards and already being put into implementation.



3.6. Findings on Project Sustainability

Sustainability refers to the ability of project beneficiaries to continue utilizing and benefiting from project results or outcomes realized after its termination and without external support. The consultant examines the sustainability aspects of the project, and below were the findings.

Construction/Renovation of Production centres: The production center has been constructed in Masindi. The production centre for producers will ease production, storage of products, showcasing and marketing and consequent coordination of the sector in the country. It will also lead to increased production of handicrafts and souvenirs of higher quality in the district. The achievement of these outputs will enable the producers and producer groups to improve the organisation of their businesses, make them more competitive on the global market, increase their turn over and generally contribute to improved performance of the Handicrafts and Souvenir sector in Uganda. The handicraft production centre will also act as a stopover for tourists visiting Murchison Falls National Park to buy locally-made crafts and participate in making them. The center will also skill more people, especially women and youth. Whereas as there is a management structure, anchored on the Cooperative business model for managing the centre, there was no evidence of a business plan to demonstrate how the centre will sustainably continue to be in operation. Following the projected supported centre, there is a plan by government to construct more production centers in other parts of the country, including Fort Portal and Eastern Uganda.

Marketing Innovation by Introducing e-commerce: The use of e-commerce websites and social media platforms will enhance both production and sales of handicrafts enabling the stakeholders to compete favorably on the world stage. This move augments the drive to strengthen tourism dollar inflows. The project facilitated training which enabled 201 participants to understand its basic principles of established models, difference between e and traditional commerce and e-commerce implications which will enable them to sell their products online and subsequently strengthen Market linkages for producers and suppliers. As a result, these many participants have opened business accounts on face book and LinkedIn to market their products. They are receiving orders to supply handicrafts products, while others intended to develop websites and update the old ones. Some participants have shared and trained their group members on how to use social media to advertise their handicrafts products. The innovation supported Eleven Interactive E-commerce Websites for Handicraft/ Souvenir Enterprises in Uganda, and these included;

Table 16: Supported Handicrafts Enterprise with e-commerce services.

SN	ENTERPRISE	LIVE LINK
1.	Textile Development Agency (TEXDA)	http://www.texdauganda.net/
2.	Mpambire Community Drum Makers Association (MCDMA)	https://www.mpambiredrummers.com/
3.	Katara Womens Poverty Alleviation Group (KWPA)	http://www.katarawomensgroup.com/
4.	Iganga District Women Leaders Skilling Co-operative Society Ltd	https://www.igangawomen.com/
5.	Rwenzori Young Mothers Skills Empowerment (RYMSE UGANDA)	https://www.rymseug.com/
6.	BYENTARO CERAMICS	https://www.byentaroceramics.com/
7.	WAWOTO Kacel Co-operative Society Limited	https://www.wawotokacelcooperative.com/
8.	PACER Black Smithing, Wood Art and Handcraft Association-	http://www.pacerassociation.com/
9.	Lango Heritage Villages LTD-	https://www.langoheritage.com/
10.	BEYOND Limitations Africa	http://www.afrihandmade.net/
11.	National Association of Women Organization in	https://nawouganda.ug/

Source: Uganda Tourism EIF Technical Report

From the Uganda Tourism EIF Technical Report, below are the qualitative quotes from the beneficiaries of the e-commerce training.

“After training in ecommerce and get ready to sell online, our company embarked on the size and volume, quality of products and quantity of products which would be able to satisfy the market. Right now we are on line where someone has requested for samples while we are waiting for more feedback from the public” KII with Community Support Training Centre

“Because of the training organized by the project under the Ministry of Tourism, we have been able to set up our Instagram page which has now has a following of more than 900 followers. This platform has increased our sales. We have more buyers connecting to us through it. The HSDP has also helped us align our organisation goals as well as vision smartly”. KII with Tooro Gallery

Business expansion/growth opportunity in three years’ time: The evaluation survey inquired whether respondents anticipate opportunities for business expansion/growth in the next three years. From the findings, 85.8% (non-beneficiary=81.3% and beneficiary=93.2%) of the surveyed enterprises affirmed that there are some opportunities for their business growth in the next three years. For handcraft and souvenir enterprises who anticipated business growth, 23.9% (non-beneficiary=17.7% and beneficiary=33.9%) reported having a business expansion/growth plan for their businesses already written/structured out. This suggests that beneficiary businesses are more structured and likely to pursue business growth /expansion compared to non-beneficiaries.

For handcraft and souvenir businesses who affirmed that they see business expansion/growth opportunities in three years’ time, the findings are as presented in **Table 14** below.

Table 17: How business owners intend to expand/grow their businesses in the next three years

	Non-Beneficiary	Beneficiary	Total
Increased volume of clients/customers served in the current business outlet/location	74.4%	52.7%	65.4%
Established another handcrafts and souvenir business outlet/place within the district/country	39.7%	41.8%	40.6%
Established a handcrafts and souvenir business outlet outside Uganda	5.1%	16.4%	9.8%
Started exporting handcrafts and souvenirs	15.4%	21.8%	18.0%
Introduced new handcrafts and souvenir categories in the current business outlet/location	25.6%	29.1%	27.1%
Acquired/merged with another handcrafts and souvenirs producer/trader	5.1%	5.5%	5.3%
Acquired quality certification/ standards for handcrafts and souvenir produced	7.7%	12.7%	9.8%
Acquired improved production technology like computer designs and machines	9.0%	10.9%	9.8%
Trained and now have skills and (skilled labour force) to produce better quality products	7.7%	9.1%	8.3%
Participated in exhibitions that have increased market outreach	5.1%	10.9%	7.5%

	Non-Beneficiary	Beneficiary	Total
Started e-commerce and now trading more goods via the internet including social media	2.6%	18.2%	9.0%
Improved business capacity through record keeping and putting in place other business systems	5.1%	3.6%	4.5%

3.7. Findings on Crosscutting Issues

Cross-cutting issues are topics that are identified as important and that affect and cut across most or all aspects of development. These topics should therefore be integrated and mainstreamed throughout all stages of development from project design, to implementation, evaluation and learning. Under cross cutting issues, the evaluation looked at the extent to which the project interventions took into consideration the issues of gender, disability and environment during implementation. This entailed establishing the level of awareness, changes in attitudes and practices as well as understanding of the impact of each of the crosscutting themes in improving the quality of life, men and women.

3.7.1. Gender Issues

The Handicrafts production in Uganda is cultural, traditional and predominantly a cottage industry, engaged in largely by the women and the youth, to supplement household incomes. From the findings, since project inception in 2019 there has been an increase of 10.8% in female employment. Before project inception in 2019, 70.6% of women were employed by the handicrafts and souvenir businesses supported under the project, but after implementation, an increase of 10.8% of employment among women was registered as 81.4% of people employed in the sector are women as presented in the table below.

Table 18: Employment Creation under the handcraft and souvenir sector

Category		Employees-2019			Employees- 2023		
		Male	Female	Total	Male	Female	Total
Non-beneficiary	Mean	2	2	2	3	2	4
	N	60	62	96	92	96	96
	Sum	95	144	239	233	151	384
Beneficiary	Mean	5	11	14	4	15	18
	N	49	52	59	54	58	59
	Sum	240	577	817	193	846	1,039

Women were highly prioritised under the project, the Boomu Women’s Group in Kicumbanyobwo. They were supported by the project in constructing a production center in Masindi. The handicraft production centre will act as a stopover for tourists visiting Murchison Falls National Park to buy locally-made crafts and participate in making them. It will also act as a skilling center for the women, the girl child and the youth who are the mostly engaged in the handcraft sector.

Figure 3: Boomu Women's Group in Kicumbanyobwo



Source: <https://thecooperator.news/shs-200mln-handicraft-centre-to-be-constructed-in-masindi/>

3.7.1. Support to marginalised groups

Many communities including women and youths are so much involved in the project thereby catering for marginalised groups. These are ready to carry out product diversification, improve value-addition, and enhance quality of the products that will result in job creation and employment.

3.7.2. Environmental Issues

Globalization and tourism have resulted in increasing interest for a broad variety of handicrafts. At the same time concern for environmental preservation and protection have taken centre stage resulting into increasing legislation and voluntary standards. Certification requirements have been introduced to ensure compliance to social as well as environmental standards. Fair trade labels are increasingly being used as marketing tools. The project has promoted the environmental conservation through;

Use of recycled materials: Recycled materials such as fabric scraps, yarn, and paper are being used to create new products, reducing waste and the need for new materials.

Use natural materials: There are many natural materials such as cotton, wool, linen, and silk that are renewable and biodegradable, making them a sustainable choice for handmade products. These materials are grown or harvested without the use of harmful chemicals and pesticides, and are biodegradable, reducing their impact on the environment.

Sourcing locally: Sourcing materials locally has helped to reduce the carbon footprint of transportation and support local economies. It has also helped to ensure that materials are being produced in an environmentally and socially responsible way.

From the qualitative findings, this was revealed by one of the respondents:

“..... As a result of capacity building programmes undertaken, we produce a range of ceramic products entirely out of clay which we harvest in a highly sustainable manner being mindful of the environment. Ugandan products are now competing very well against some synthetics items that we find in some places..... We were lucky to be trained in various disciplines on how to better our products through diversity and quality.....the presence online through websites is giving our business a competitive edge.....” **KII with a team leader at Byentaro Ceramics.**



4. CONCLUSIONS AND RECOMMENDATIONS

4.1. Conclusions

Project Relevance

- I. The HSDP was well designed and adequately responded to the needs of the handcraft and souvenir industry actors, and was well aligned to government development priorities. The evaluation findings further revealed that all the project interventions were logically sequenced, starting with capacity building to address the production and productivity issues, then interventions targeting quality improvement, and then market access interventions like e-commerce, fair trade certification and participation in exhibitions. The evaluation team observed that the project activities were well structured in the work plan, with corresponding budgets, and output targets. However, the quality of goal and outcome level performance Indicators was not relevant.
- II. The capacity building approach was robust. However, more hands-on training and capacity building, and supporting TOTs with some financing to roll-out the training to final beneficiaries would have further enhanced the impact of the project.
- III. Implementation through government structures and following government processes enhanced ownership and mainstreaming of the project interventions within the Ministry of Tourism Wildlife and Antiquities, and enhanced control/supervision of project resources. However, this contributed to some delays resulting from the bureaucracy in the government processes and procedures.

Project Effectiveness

- I. Business formalization and institutional strengthening: HSDP project beneficiaries were more likely to be formally registered and members of a cooperative. The significant difference in business formality and membership to cooperatives between beneficiaries and non-beneficiaries to a certain extent attributed to the project interventions as these were part of the business leadership and governance trainings.
- II. Partnerships between handcrafts and souvenirs producers and stakeholders: The evaluation findings revealed that three in every ten respondents had active partnerships and or cooperation with the tourism industry. Those with active partnerships were higher among beneficiaries (four in every ten) compared to non-beneficiaries (two in every ten). This suggests that the project had contributed to promotion of partnerships between beneficiaries and the tourism industry.
- III. Creating employment opportunities: The evaluation findings revealed that the average number of employees in non-beneficiary handcraft and souvenir enterprises increased from 2 in 2019 to 4 in 2023 (2 employees over the project period), while among beneficiaries, it increased from 14 in 2019 to 18 in 2023 (four employees over the project period). The data revealed that beneficiaries particularly increased the number of women, contrary to non-beneficiaries. This means that beneficiary enterprises are employing, on average, an additional four employers over the project period compared to the non-beneficiary enterprises, which may partly attribute to the interventions under the project. However, the average firm size difference among the two groups can be the explanation to the observed employment as opposed to the project interventions.
- IV. Production of Handicrafts and Souvenirs: The project laid the foundation of handcrafts quality improvement by sponsoring the development of standards. However, these standards are yet to be disseminated and later on be adopted by the producers across the country. In addition, the trainings provided were classroom based and for only training of trainers (TOTs), who were not

facilitated to roll-out the trainings after the ToT training. It is therefore likely that extensive quality oriented training and capacity building support is yet to reach most of the producers. Accordingly, the project was not effective in terms of improving the quality of handcrafts and souvenir products.

- V. Marketing and Exports of Handicrafts and Souvenirs: The project was very effective in supporting handcraft producers and traders to acquire marketing skills and explore the exports markets. This is attributed to the project investment in training beneficiaries in marketing skills, facilitating participation of handcraft producers in trade fairs and exhibitions and trainings in digital marketing. Accordingly, the project was effective in terms of improving the markets and exports of handcrafts and souvenir products.
- VI. The findings revealed that beneficiary businesses had registered growth/expansion in ten (10) out of the twelve (12) ingredients, which is largely attributed to the HSDP interventions. Accordingly, the top four needs for business expansion and grow of handcrafts and souvenirs are: enhancing access to raw materials, access to tools and equipment for production, training in design of items as well as training in skills of running a business.
- VII. Overall, the evaluation rates “effectiveness of HSDP” to have been satisfactory. This is because the project was effective in a) Contributing towards promoting partnerships and linkages of handcraft producers and traders along the tourism value chain actors among beneficiaries, b) Contributing to improving the marketing and export capacity of handcrafts and souvenir producers and traders, c) Supporting skilling in business formalisation, institutional strengthening, and governance, which are key to long-term growth and sustainability.
- VIII. However, the project was not effective in: a) Increasing the volume of handcrafts and souvenirs produced, partly because of the external environment issues especially Covid 19, which stifled demand, b) Has laid a foundation of quality and standards for handcrafts and souvenirs through establishment of standards but these are yet to be adopted before translating into better quality handcrafts and souvenirs on the market, and c) Creating and expanding employment opportunities, which is partly because of the external environment issues especially Covid 19, which stifled demand.

Project Coherence

- I. There was no indication of any duplication of any of the project interventions. On the contrary, the project interventions were to a certain extent complimentary to the MTWA projects as they all support development of the tourism value chain.
- II. In addition, the project was complementary to other development initiatives, including:
 - a. Government initiatives to support MSMEs acquire and adopt quality standards through MSMEs have been supported and trained to acquire and adopt quality standards, as part of the national standards policy.
 - b. Government initiatives to support development of exports as part of the National Export Development Strategy, through which MSMEs are trained and capacitated.
- III. Overall, the evaluation rates “Coherence of HSDP” to have been very satisfactory. This is because the project was complementary to the various government initiatives to promote trade, exports, standards among small and medium enterprises, and did not duplicate other project interventions

Project Efficiency

- I. Implementation through government structures and following government procedures contributed to some delays especially in procurement and implementation of activities.

However, it ensured more close supervision and integration of project initiatives within the Ministry.

- II. Covid-19 contributed to delays in implementation of project activities.
- III. Overall, the evaluation rates “Efficiency of HSDP” to have been very satisfactory. This is because the project had in place key controls and procedures to facilitate prudent financial management and mitigate fiduciary.

Project Impact

- I. The project has made the first steps in organizing the handcrafts and souvenir sector to operate like other business sectors in the country.
- II. Quality standards have been developed for the first time.
- III. Partnerships and business linkages among industry actors and the wide tourism sector have been initiated.
- IV. Traders and producers are embracing e-commerce and export promotion, while modern tools and equipment for producing handcrafts have been introduced.
- V. Production centre concept has been introduced and effort to organize the actors into cooperatives has been initiated. However, the scale of the project was small for these impacts to be wide spread across the country.

Sustainability

- I. **Business Formalization:** Majority of the handcrafts and souvenir businesses are not formally registered by URSB, and majority of those registered are sole proprietors. This limits the kind of business development support that they can receive to grow and expand their businesses.
- II. Inroads of sustainability have been made under the project. Implementation of the project within Government structures has promoted mainstreaming of the project interventions within the Ministry.
- III. Standards have been adopted by the standards council and these will continue to guide the development of the sector
- IV. Market access initiatives have been introduced and tools like e-commerce and participation in exhibitions will continue to proper opportunities in the sector
- V. The trainings provided continue to shape production and diversification of products in the industry.

4.2. Recommendations

- I. The MTWA in collaboration with MTIC and URSB should promote formalization of the businesses in the sub-sector, preferably by encouraging handcrafts and souvenirs to form/join cooperatives. This has the potential to further promote the growth and sustainability handcrafts and souvenir businesses. This would also ease their access to critical services including financial services, and ease their adoption of quality standards, which is necessary for the enhancement of exports.
- II. Access to wider markets remains a challenge. The marketing strategy for handcrafts was developed but no agency is taking leadership in its implementation. Government should designate and resource an agency to take lead on marketing of Ugandan handcrafts. The

Uganda Tourism Development Board and the SME department at MTIC should be facilitated to take lead in marketing handcrafts.

- III. UNBS produces small handbooks and factsheets to simplify the handcraft and souvenir quality standards. These should be translated in local languages to ease adoption by the handcraft industry. UNBS should also engage in nation-wide sensitization of handcraft producers on the developed standards and provide them with hands on support in certifying their handcrafts.
- IV. MTWA should continue organizing Exhibitions and trade fairs such that the linkages continue. A Calendar should be drafted as a guide for organization of Exhibitions such that people are prepared that every year about this time, there's an Art and Craft Exhibition.
- V. The MTWA develops a database of handicraft producers from different places to ease linkages and dissemination of information. The database, supported with a digital platform that brings together other stakeholders to coordinate all other initiatives supporting the handcraft and souvenir development initiatives.
- VI. The MTWA in partnership with NITA-U, MTIC, and Enterprise Uganda should invest in equipping handcraft and souvenir producers and traders with soft skills such as customer care, computer skills, record keeping and financial literacy to further enhance the business management skills.
- VII. The MTWA should invest in establishment of production centers in other regions of the country, especially allocate the tourism routes. The production centres should be supported to develop tourist products, where tourists see and learn to make crafts.
- VIII. There are several needs that are critical for the development of the handcrafts and souvenirs sub-sector in Uganda and the MTWA, MTIC and Enterprise Uganda ought to invest in addressing them. These include: a) measures to improve access to materials/raw materials, b) mechanism to facilitate access to modern production tools/equipment including computer designs and machines, c) training handcraft producers in designing of items, business management skills, marketing, selling, and finance management among others.
- IX. UEPB should take lead in building the capacity of handcraft producers and traders to become export ready, and facilitate producers and traders to participate in international trade fairs and exhibitions.
- X. The MTWA in partnership with NITA-U and MICT should invest in developing websites and digital marketing platforms to facilitate handcraft and souvenir traders engage in e-commerce to tap into global market opportunities.
- XI. MTWA should make a proposal to Cabinet to adopt a policy of using locally made handcrafts and souvenirs as gifts to diplomats and official visitors to Uganda. This can serve as a marketing tool for Uganda's handcrafts and souvenirs. In addition, MTWA should advocate provision of space for local handcrafts and souvenirs showroom at the airport
- XII. MTWA should consider developing a follow-up project, with government funding as it seeks other development partners' support for the sustainability of initiatives started under the HSDP project.

5. APPENDICES

5.1. Evaluation TOR



FINAL TORS FOR
EVALUATION.pdf

5.2. List of documents reviewed

1. Handicraft and Souvenir Development Project (HSDP) document
2. HSDP technical report 2022
3. EIF-GoU Memorandum of Understanding (MOU)
4. Letter of Agreement with ITC
5. HSDP Baseline Report
6. EIF Project Evaluation Guidance notes
7. Code Of Conduct For Stakeholders In The Ugandan Handicrafts And Souvenir Industry, 2020
8. Uganda Export Manual For Handicrafts, 2020
9. Final Report For The Souvenir Development Guide
10. Branding & Marketing Strategy For Uganda's Handicraft and Souvenir Sector
11. Third National Development Plan (NDP III) and PAIPs
12. National Trade Policy and related policies/strategies
13. National Tourism Policy and related policies/strategies

5.3. Data Collection Tools



Data collection
tools.docx