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National Export Strategy for Shea Butter Products 2019 to 2023



**Uganda
Export
Promotion
Board**

Helping You to Export ...

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Foreword

The shea butter tree (*Vitellaria paradoxa*) is indigenous to Sub-Saharan Africa. It stretches in an unbroken belt of approximately 6,000 km long by 500 km wide from Senegal to Uganda and Ethiopia. The species is of African origin. Shea trees occur in 19 countries across the African continent namely: Benin, Ghana, Chad, Burkina Faso, Cameroon, Central African Republic, Democratic Republic of Congo, Ethiopia, Guinea Bissau, Guinea, Cote D'Ivoire, Mali, Niger, Nigeria, Senegal, Sierra Leone, Sudan, Togo and Uganda.

In Uganda, the trees are found in a belt covering the following districts: Lira, Otuke, Alebtong, Pader, Agago, Dokolo, Soroti, Serere, Amuria, Katakwi, Abim, Moyo, Arua, Kitgum, Nebbi and Nakasongola. The exact number of shea butter trees growing in the country is unknown. However, the nuts from the tree are treasured for their oil/butter that is used in traditional cooking, for medicines, for skin care and for other traditional rituals.

Uganda is among the countries with a potential to produce 70,000 to 300,000 tonnes of nuts per year if all areas where the tree exists are fully exploited. This strategy has the ambitious target to have 100,000 tonnes of nuts marketed by its fifth year. This translates into a potential total production of 30,000 to 35,000 tonnes of shea butter. If two-thirds of this amount is consumed domestically, then the export target is 10,000 to 12,000 tonnes of shea butter.

The ultimate goal of this strategy is the sustainable exploitation for export of value added shea products. Accordingly, the strategy has been developed to contribute to the achievement of the following:

- a) Vision 2040, the National Development Plan II, the National Biodiversity Strategy and Action Plan 2015-2025 adopted under the Convention on Biological Diversity (CBD) and the Sustainable Development Goals;
- b) The Presidential Directive of 2006 on the protection of the shea butter trees including the Ministerial ban of 2017 on harvesting of shea butter trees; and
- c) Value addition and export of Uganda's shea nut/butter products.

I therefore call upon relevant Government ministries, departments and agencies; the academia and research institutions; local governments; NGOs and the private sector to make use of this Strategy to develop and promote value addition and export of Uganda's shea nut/butter products for national development and improvement of community livelihoods.

For God and my country



HON. SAM CHEPTORIS
MINISTER OF WATER AND ENVIRONMENT

Acknowledgments

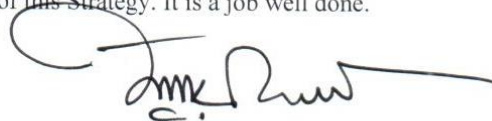
The preparation of this National Export Strategy for Shea Butter products was made possible with input from various stakeholders at local, district and national levels including communities that are involved in the production and processing of shea butter tree products. In particular, the managements of the National Environment Management Authority (NEMA) and Uganda Export Promotion Board (UEPB) would like to appreciate the efforts of staff who coordinated the development of this Strategy

Also, NEMA and UEPB are grateful to the various partners, including though not limited to United Nations Development Programme (UNDP), National Forestry Authority (NFA), Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs) and more specifically, Small and Medium Enterprises (SMEs) involved in the production and processing of shea butter tree products that operate in the districts of Pader, Lira, Kiryadongo and Kampala for their input.

On behalf of the two sister institutions and on our own behalf, we take this opportunity to sincerely thank all those who contributed to the development of this Strategy. It is a job well done.



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List of Acronyms

AGOA	Africa Growth and Opportunity Act
CBE	Cocoa Butter Equivalent
CBI	Centre for the Promotion of Exports from Developing Countries
DLG	District Local Government
EU	European Union
GSA	Global Shea Alliance
ITC	International Trade Centre
KCL	Kidepo Critical Landscape (Project)
LDC	Least Developed Country
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MFPEd	Ministry of Finance, Planning and Economic Development
MTIC	National Environment Management Authority
NARO	National Agricultural Research Organisation
NFA	National Forestry Authority
NGO	Non-Governmental Organisation
NPA	National Planning Authority
NTP	National Trade Policy
OWC	Operation Wealth Creation
SET	Shea Nut Equivalent Tonnes
SME	Small and Medium Enterprise
SSA	Sub-Saharan Africa
UEPB	Uganda Export Promotion Board
UGX	Uganda Shillings
UIA	Uganda Investment Authority
UNBS	Uganda National Bureau of Standards
UNDP	United Nations Development Programme
URA	Uganda Revenue Authority
USA	United States of America
USAID	United States Agency for International Development
UWA	Uganda Wildlife Authority
WTO	World Trade Organisation

Executive Summary

Under the auspices of the Kidepo Critical Landscape Project (KCL), Government of Uganda through the Uganda Export Promotion Board (UEPB) in partnership with the National Environment Management Authority (NEMA), has adopted this strategy to develop and market overseas, Ugandan shea butter in a wider effort to conserve the savannah landscape in the northern/north-eastern region of the country.

UEPB and NEMA have elaborated this National Shea Export Strategy to guide plans and efforts to develop and promote value addition and export of Uganda's shea nut/butter products over the next five (5) years. The strategy feeds into the general objectives of the National Development Plan, especially with respect to environmental conservation. Additionally, this strategy promotes the implementation of the presidential directive on the shea butter tree of October 2006 to "treat these trees as a crop and protect them."

Shea butter is extracted from the nuts of the shea nut tree (*Vitellaria paradoxa*). Nearly 2 billion shea trees grow naturally on parklands in 21 African countries, with the subspecies *nilotica* being native to Uganda. The exact number of these trees growing in Uganda is unknown but are native to various districts stretching from West Nile to Teso sub-region. The tree's nuts are treasured for their oil/butter that is used in traditional cuisine, for medicines, for skin care and for other traditional rituals. The tree's long juvenile stage that is up to 30 years makes it unattractive for domestication and maintenance on plantations and therefore exists mostly in the wild.

Uganda is among countries with potential to produce 70,000 to 300,000 tonnes of nuts per year. But that is if all areas where the tree exists are fully exploited. This strategy has the ambitious target to have 100,000 tonnes of nuts marketed by its fifth year from the districts covered by KCL. This translates into a potential total production of 30,000 to 35,000 tonnes of shea butter. If two-thirds of this amount is consumed domestically, then the export target is 10,000 to 12,000 tonnes of shea.

The leading markets for shea nuts and butter are the European Union and the United States. China and India are some of the newer entrants into the market as consumers. The main exporters are West African countries including Nigeria, Ghana, Togo and Burkina Faso, whose butter is more suited to the confectionery industry while Uganda's softer butters are more suitable for the manufacture of cosmetics. Uganda as a least developed country enjoys preferential entry of its shea into the EU under the Everything but Arms scheme (EBA) and the Africa Growth and Opportunity Act (AGOA) of the USA.

The ultimate goal of this strategy is the sustainable exploitation for export of value added shea products. The strategy has been formulated in circumstances where there is no reliable data on the subsector. Presently, tree populations, production, processing and export statistics are not available and so baselines have not been established beforehand against which to set realistic and measurable indicators.

The National Shea Export Strategy is based on three broad principles – **sustainable production**, **quality consciousness** and **market focus**. The principle of sustainable production will seek to ensure that in promoting the export expansion for shea butter, the shea butter tree resource will serve present and future generations by remaining cognisant of the need to preserve the environment. Quality consciousness will seek to ensure that all stakeholders perform to the highest levels of quality management and standards and therefore receive the economic benefits by way of price, commensurate with their input. And market focus will ensure that scarce resources are used in a manner that yields the maximum for Uganda and for all involved stakeholders.

The growth of the shea sector globally has been greatly hampered by a number of constraints which seem to surpass perceived benefits. These include amongst others: Processing methods: though efforts are being made continuously to improve on the shea butter production methods, accessibility to these improved methods still remains low. Majority of the processors still use

traditional techniques which are inefficient and lower the quantity and quality of shea butter. Tree regeneration and maturation: shea trees grow mostly in the wild and produce their first fruits after 10–15 years, with full production not starting until the trees are nearly 30 years old. Indiscriminate burning of bushes and cutting of trees coupled with population increase, insecurity, and expanding agricultural land clearing have led to woodland degradation in almost all districts where shea trees are found. Lack of markets: Stakeholders consulted indicated that lack of markets was one of the main constraints to expansion of processing. In particular they cited low domestic consumption of their products as a constraining factor. One stakeholder reported that only about 30 per cent of nuts are actually collected.

In light of these constraints, this strategy addresses and makes interventions for: 1) Increased and sustainable nut production: While data has not been found to confirm the current levels of production and of export, this alone would tend to indicate that both production and export are for the moment extremely low. Overcoming the challenge of raising production thus is the utmost priority. 2) Enhanced product quality: Markets, especially export markets are very quality conscious. Any product destined for export must consistently be of the right quality. That quality must be what the market demands, not just what the exporter is able to supply. 3) Improved processing systems: A joint survey by the UEPB and UNBS found that quality was greatly compromised by poor processing systems, in particular use of non-stainless steel in vital parts of processing. If Uganda shea is to get into European and North American food and cosmetics chains, this short coming has to be overcome. 4) Improved and focussed market initiatives: Entering and maintaining a presence in an export market is a big challenge for enterprises, but especially small and medium enterprises (SMEs) that make up the bulk of players in this subsector. It will be vital to hand-hold these enterprises until they establish themselves. 5) Stabilising shea nut prices: The price the gatherer receives for their nuts has not yet proved a major issue, but many commodities suffer from unstable prices. And as interventions are made to raise production, gatherers potentially face the risk of price fluctuations. This phenomenon has the potential to undermine stability in supply and the natural and economic incentive to protect shea trees. 6) Providing a supportive policy environment: The current policies of the GoU place little importance to shea products, although the shea butter tree has been designated as endangered and earmarked for conservation.

For the successful implementation of this strategy a multi-sector approach is necessary. NEMA will coordinate implementation of the strategy, but there will be roles for other Ministries, departments and agencies like UEPB, the trade, industry and cooperatives ministry, the water and environment ministry, agriculture, animal industry and fisheries ministry among others. There will be roles for district local governments and for development partners including non-governmental organisations.

The implementation will require the commitment of financial and human resources that will mean an outlay of UGX 3,329 million over the five year period.

CHAPTER 1: Background

1.0. Introduction

1.1. The Uganda Export Promotion Board (UEPB) is the Uganda Government's agency charged with responsibility to spearhead the marketing of the country's goods and services in foreign markets. The agency's fundamental role is to facilitate and coordinate the development and promotion of Uganda's exports and its core functions include:

1. Provision of trade and market information services
2. Promotion and coordination of the development of exports
3. Provision of trade promotion services
4. Provision of customised advisory services
5. Input into Government export policies, strategies and plans.

1.2. The Kidepo Critical Landscape (KCL): Under the auspices of the Kidepo Critical Landscape project¹ Government of Uganda through Uganda Export Promotion Board (UEPB) in partnership with the National Environment Management Authority (NEMA), has adopted this strategy to develop and market overseas, Ugandan shea butter in a wider effort to conserve the savannah landscape in the northern/north-eastern region of the country.

1.3. Context: The KCL project seeks to strengthen protected area management within a landscape of 655,700 ha of savannah woodland. It encompasses eight protected areas under a range of management authorities, and aims to reduce threats to biodiversity in the landscape as a whole by putting in place sustainable use management practices for wild resources. The landscape includes the Kidepo Valley National Park which is home to about 86 mammal species. One component of the project supports sustainable use of buffer zones and critical habitats. To this end, sustainability thresholds are to be established by defining off-take rates for shea tree (*Vitellaria paradoxa*) harvesting; a management plan put in place and enforced; capacity of local governments built to ensure they have the competence and skills to monitor and enforce laws on sustainable harvests of shea trees; and measures to improve market access for shea products put in place. It is in that wider context that this export strategy has been formulated.

1.4. The shea butter tree is indigenous to Africa. Its fruit consists of a thin tart, nutritious pulp that surrounds a relatively large, oil-rich seed from which shea butter is extracted. The shea tree is a traditional food plant in northern and eastern Uganda. It has been claimed to have potential to improve nutrition, boost food supply during periods of food shortage, foster rural development, and support sustainable land care. In recent years, the tree which occurs mostly in the wild has been the focus of exploitation for charcoal as well as for building material.

1.5. The policy environment: Government of Uganda through UEPB in partnership with NEMA has elaborated this National Shea Export Strategy to guide plans and efforts to develop and promote value addition and export of Uganda's shea nut/butter products over the next five (5) years. The strategy by and large feeds into the general objectives of the National Development

¹ Full name: "Conservation and Sustainable use of Biodiversity in the Threatened Savanna Woodlands in the Kidepo Critical Landscape in North Eastern Uganda".

Plan, especially with respect to environmental conservation. Additionally, this strategy goes some way in implementing the presidential directive on the shea butter tree of October 2006 by which the Export Led Growth Unit in the President's Office was instructed to "treat these trees as a crop and protect them." Other agencies of state in the environment sector such as the National Forestry Authority have designated the tree as endangered and prioritised it for preservation, while the National Environment Management Authority has had a national strategy for the tree's conservation and sustainable use since 2015. It is in the context of this overall NEMA strategy that development and promotion of value added shea products was identified as a way of enhancing community awareness of the longer term economic benefits that could accrue from shea butter trees and the need to preserve and even domesticate the trees.

1.5.1. The National Development Plan (NDP II) is strong on both the importance of a sustainable exploitation of natural resources including forestry resources and expansion of the export base and earnings in order to reduce the trade deficit and for overall national development and poverty reduction. The NDP II states: "Given the importance of environment and natural resources in contributing to wealth creation and employment, there is need to maintain and manage a sustainable environment and natural resource base that is resilient to natural and manmade threats". And on export trade it says: "For Uganda, a small economy with low consumer purchasing power and agriculture as the dominant sector employing 72 percent of the total labour force, regional and international trade enables local producers to participate in the wider global value chains, access larger markets and increase productivity, efficiency and overall competitiveness in production".

1.5.2. The National Export Development Strategy (NEDS) which elaborates Uganda's action plan for the development and promotion of exports however, is silent on shea and shea products. This can be attributed to one of the main considerations that underlay the formulation of the NEDS, namely that for a product to be prioritised it had to be among the top performers at that time in terms of export revenues. Since shea butter products were at the time not among the top earners of export revenues, it was omitted from the list of priority products. That notwithstanding, the **National Trade Policy** (NTP) elaborated and adopted in 2008 states that one of its guiding principles is: "Creating opportunities for equal participation in trade, giving priority to the socially and economically disadvantaged groups in society such as youths, women and people with disabilities shall be an integral component of the Policy". Shea trade being so predominantly an undertaking by women is therefore at least peripherally supportive of the NTP.

1.5.3. The UEPB Mandate and Strategic Plan: This strategy falls within the mandate of the UEPB to promote the production and marketing of (all) exports. It fits in well with the NDP II's focus on a sustainable environment when exploiting natural resources for poverty reduction and though not explicitly prioritised in the NEDS is in tandem with the National Trade Policy in the sense that it aims to promote trade and is focused on a product in which a very marginalised group (women) is particularly active.

CHAPTER 2: The Shea Butter Tree and its Products

2.0. The shea butter tree

2.1. The shea butter nut: Shea butter is extracted from the nuts of the shea nut tree (*Vitellaria paradoxa*). Nearly 2 billion shea trees grow naturally on parklands in 21 African countries stretching from Senegal to South Sudan and to Uganda. Women living in rural communities individually collect the fresh fruits and the kernel is processed to extract a healthy vegetable oil known as “shea butter.” The shea tree grows mostly wild in the dry savannah belt that stretches from Senegal in the west to Sudan and can be found in Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Democratic Republic of the Congo, Ethiopia, Ghana, Guinea Bissau, Guinea Conakry, Ivory Coast, Mali, Niger, Nigeria, Senegal, Sierra Leone, South Sudan, Togo, and Uganda. Some literature has stated that the subspecies of the tree that is found in the West African region is rather different to that found in the Eastern parts of the continent – notably in South Sudan and in Uganda. The shea tree is a traditional food plant in many of the countries where it is found. It is said to have the potential to improve nutrition and boost food supply during periods of shortages of staples. The tree starts to bear fruit when it is 10 to 15 years old with full production attained at 20 to 30 years. Thereafter it can produce for another 200 years. The fruits ripen at 4 to 6 months. Protection of young shea trees is the most critical issue in the regenerative stability of the agro-ecosystem, as the developing tree can remain less than a meter in height for several years, and does not become productive (useful) until its 15th or 20th year. The wood of the shea tree is heavy, strong and termite resistant. It also makes excellent charcoal.



Figure 1: Shea tree distribution and habitat

Shea seeds germinate easily when fresh but lose that ability quickly. The seedlings grow a long taproot which enables drought resistance but also means they are difficult to transplant. Seeds are thus best planted *in situ*. Trees raised from seed mature quite slowly typically bearing their first fruits after 12 to 25 years and taking 30 to 50 years to reach full productivity.

2.2. Vegetative propagation: In principle, vegetative propagation could reduce that juvenile stage and boost the tree’s appeal greatly. So far experimentation in West Africa has not achieved it to any scale of success. Some success with cuttings has been achieved though methods are still challenging except with good skills and best facilities. Grafting can be inefficient and challenging but is another possibility. *In vitro* propagation has also been reported. These international experiences can be recommended – in fact are being tried in Uganda already – but policy makers and researchers are better advised to search the internet and then consulting other experts.

(Based on information from <https://www.nap.edu/read/11763/chapter/19#313>)

2.3. Grafting: Uganda's National Forestry Authority (NFA) has been experimenting on ways to propagate shea trees through techniques such as grafting. The NFA has further entered into a memorandum of understanding with Ngetta Zonal Agricultural Research and Development Institute (Ngetta ZARDI) to experiment on shortening the juvenile stage of the shea tree by developing seedlings in take the new technologies field. It is hoped that both the Ngetta initiatives can shorten tree to perhaps 15 years,



laboratory conditions and to from the laboratory to the grafting techniques and the the juvenile stage of the shea which is still a long time.

2.4. Average yield: On is 15 to 20 kilogrammes of optimum yields up to 45 Africa, a kilogramme of fruit

average, yield in West Africa fresh fruit per tree, with kilogrammes. Again in West gives approximately 400

grams of dry seeds. Shea butter finds application in the food and cosmetics industries. In the growing areas as we have seen, the pulp is eaten and supplements household food supplies. Butter extracted from its seeds is another important product. It is used for frying and for making sauces. It is also widely used to make skin creams. Shea nuts also play a very important role in traditional medicine. In the rest of the world and especially in the USA, Europe and Asia, shea nut butter is almost entirely used in manufacturing food items like chocolate, candies, margarine and bakery products, with only 3% to 5% of imports being used in the cosmetics and pharmaceutical industries. Shea nut butter is a very good substitute of cocoa butter, as their physical and chemical properties are very similar.

Based on (<https://en.wikipedia.org/wiki/Vitellaria#Description>)

2.5. Shea butter: Shea butter is an edible vegetable oil or fat, extracted from sun-dried kernels of the shea tree (*Vitellaria paradoxa* or *Butyrospermum paradoxum* or *parkii*) recorded as indigenous to 21 countries of sub-Saharan West, East and Central Africa. The main fatty acids of shea butter are oleic and stearic acid, with a higher proportion of the latter in the western African variety, giving it a higher melting point butter as compared to softer butters from variety *nilotica* found mostly in eastern Africa, including in Uganda. Shea is most highly valued for the symmetrical Tri-Acyl-Glycerol (TAG), Stearic-Oleic-Stearic (StOSt) rich fraction, prized for its melting properties when used as an ingredient in cocoa butter alternatives, baking products and margarines (CBI, Netherlands). The butter is also an emollient widely appreciated in skin moisturisers and formulation of other personal care products. Shea butter has a uniquely large fraction of un-saponifiable² fats (typically 5-7%).

² Saponification is the chemical process by which triglycerides (fats) are reacted with sodium or potassium hydroxide (lye) to produce glycerol and a fatty acid salt, called 'soap'.

CHAPTER 3: Shea Sector in Uganda

3.0. Shea butter trees in Uganda

3.1.1. The shea butter tree belt: In Uganda the shea butter tree belt stretches from Arua, Moyo and Nebbi districts of the West Nile region eastwards through Lira, Otuke and Alebtong; Agago, Pader and Kitgum; to Dokolo, Soroti, Amuria, Serere, Katakwi and Abim. Trees are also found in the Nakasongola district. (National Forest Authority: *National Strategy for the Conservation and Sustainable use of the Threatened Shea Butter Trees in Uganda*; 2015). The shea tree grows very slowly, yielding its first fruit harvest after many years. The trees grow wild and gatherers – mostly women and children – collect the nuts when they fall down for processing into shea butter for home consumption and to meet local market demand. The most important traditional uses are for cooking, dressing hair, protection against the weather and sun, and as a rub to relieve joint pains. The roots and bark are ground into a paste taken orally to relieve abdominal ailments. According to the Netherlands Centre for the Promotion of Imports from Developing Countries (CBI) the butter extracted from the shea tree subspecies *Nilotica* found in East Africa is different in its composition to that from the West African species. And in addition the physical characteristics are different.

3.1.2. Shea tree populations, yields: The number of shea butter trees in Uganda is not documented. In the KCL project area, the highest density of shea trees was reported in Agago, Kitgum and Otuke districts at over 34 trees per hectare (*Population Structure and Conservation Status of the Shea Butter Trees in Abim, Agago, Kitgum and Otuke Districts*, NFA, 2016). The above report also states that “While moderate shea tree populations of 15 to 34 shea plants per hectare were also witnessed, other reduced average shea densities of 1 to 14 stems per hectare (were) encountered across Morulem sub-county in Abim district ...” These findings however are not detailed enough to give a working estimate of the number of productive and juvenile trees in existence in Uganda.

3.2. Production, processing and trade

3.2.1. Potential and targeted production and export: As we have seen from Lovett and FAOSTAT, Uganda is among countries with potential to produce 70,000 to 300,000 tonnes of nuts per year. But that is if all areas where the tree exists are fully exploited. This strategy has the ambitious target to have 100,000 tonnes of nuts marketed by its fifth year from the districts covered by KCL. This translates into a potential total production of 30,000 to 35,000 tonnes of shea butter. If two-thirds of this amount is consumed domestically, then the export target is 10,000 to 12,000 tonnes of shea butter.

3.2.2. Processing – the traditional way: Traditionally, the dry kernels are crushed by being beaten with stones or wood. They are then grilled and pounded in mortars to extract the butter which is then boiled in water until the fresh shea butter rises to the surface. It is then scooped into gourds or clay containers and left to cool and set. Although these artisanal methods result in smaller output, no chemicals or synthetic agents are needed at any stage. Shea butter may also be extracted by pressing in an expeller type press which cuts 3-5 hours off the extraction time. Again, no chemicals or synthetics are needed. The end product of either method is raw or unrefined shea

butter. Typically, Ugandan shea is a brown oil which separates into the oil and stearin fractions. It can take 4-6 women a full day to produce 4-5 litres of oil, from 20 kg of nuts. Shelf life of the oil is from 1 to 3 weeks depending on the moisture content of the oil after processing.

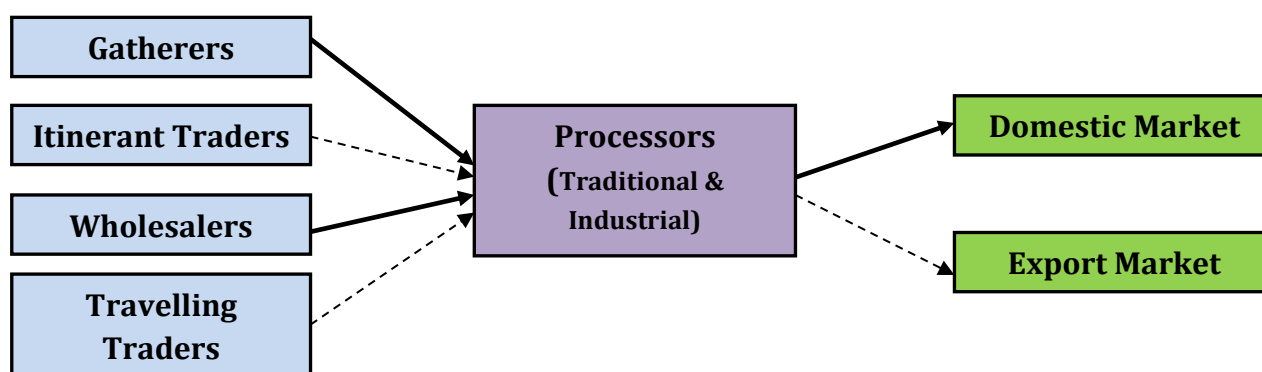
3.2.3. The cold press method: This is one of the methods that is used with improved processing techniques that was promoted in the region. Once the nuts have been dried to readiness for processing, they are ground into powder. After grinding, two processes are available - the hot and cold press. In the case of cold press, the powder is mixed with hot water and poured into a bag which is put in a container. It is hand pressed and the oil filters through the bag into a container. Using a method promoted by COVOL technology, women obtain a higher quality product and can produce about 4 litres in 30 minutes or up to 40 litres in one day.

3.2.4. Key industry stakeholders: The major stakeholders in the shea butter subsector include the gatherers, traders, processors and exporters who are directly involved in the value chain. Other interested stakeholders include district local governments (LGs) whose main interest is the social and economic development of the people and communities in their respective districts. In the GoU, the key ministries include: Ministries of Agriculture, Animal Industry and Fisheries; Trade, Industry and Cooperatives; Water and Environment; and Finance, Planning and Economic Development. Then there are central GoU agencies such as the National Environment Management Authority (NEMA) whose mandate includes protection of the environment generally; the National Forestry Authority (NFA) charged with conservation of forest resources; and the Uganda Export Promotion Board, (UEPB) whose responsibilities include the growth and diversification of exports. Also with a stake in the sector is the National Agricultural Research Organisation for what it can offer in terms of research and the Uganda National Bureau of Standards (UNBS) responsible for formulation and enforcement of quality and standards. Certain development partners and local and international non-governmental organisation are equally stakeholders in the sector for the support they give directly into projects and through working directly with local communities. The other interested stakeholders are the local communities active in the value chain as well as those citizens who at least for now depend on the shea tree for other products such as charcoal and builders' timber.

3.2.5. The shea value chain: The commercial shea butter value chain starts with the *gatherers* of mature nuts, who are mainly women and children. The nuts are gathered from trees on the family land or in the nearby bushes. Under previous donor supported initiatives, some organised shea gatherer groups such as Obang Atwelo Women's Group in Otuke District have emerged. Such groups gather the nuts, dry them usually on the ground and bulk sell to traders. The prices received for dry nuts range between UGX 1,200 to 1,500. The bulk of the nuts (some estimates put it as high as 80 percent) is processed traditionally and mostly consumed in the home. The *wholesale traders* are the next link in the value chain. They purchase both nuts from gatherers and gatherer groups and butter extracted by traditional processors. Their main role is to gather the nuts and butter and accumulate them at collection centres in urban area and trading centres. Some wholesalers are reported to have capacity to stock up to 10 tonnes of nuts and up to a tonne of butter. Wholesalers of traditionally processed shea butter are mainly village processors who operate with about 5 litres and sell the oil to retailers in urban areas, small trading centres or local markets. It is often difficult to differentiate between wholesalers and retailers of traditionally

processed shea butter as they perform similar activities and the quantities handled quite small. On the other hand, wholesalers of shea nuts sell mainly to village processors and small-scale processors of cold pressed shea butter or exporters to the international market. In fact, wholesalers serve as purchasing and assembling centres in rural areas and also act as commission agents for processing companies such as Guru Nanak, KF International, Blessed Organic and others. Average price when nuts are sold to processors ranges between UGX 1800 shillings to UGX 2200. The final major player in the chain is the *processor/exporter* before shea products enter the domestic or export markets.

Fig.: Simplified shea butter value chain



3.3. Export trade in shea butter products

3.3.1. Shea trade data: The ITC Trade Map data base has no data for export of shea-nuts (HS 120792). It also has no export data for shea butter nor a distinction between products such as cosmetics that contain shea butter. The same database does not include shea butter or shea butter products among export products by Uganda. It also has no countries listing these products among its imports. The Food and Agriculture database (FAOSTAT) has specific but extremely dated data on production and trade in shea nuts and shea butter. Nearly all countries listed by FAOSTAT as exporters of nuts are African – all West African. Uganda is therefore not listed. Moreover, the Uganda National Bureau of Statistics itself does not publish data on production or exports of shea nuts, shea butter or shea butter products. It is therefore not possible to determine what quantities are produced and or exported. That puts into sharp context the ambitious target that this strategy has set for itself: from virtually zero to 10 – 12,000 tonnes by Year 5.

3.3.2. Ugandan versus West African shea butter: According to a 2001 study (*Evaluating the Marketing Opportunities for Shea nut and Shea nut processed products in Uganda*, by R.S.B Ferris, C. Collinson, K. Wanda, J. Jagwe and P. Wright), chemical analysis of Shea butter extracted from nuts samples from four African countries (Uganda, Nigeria, Burkina Faso and Mali) were conducted by Ben Gurion University, Israel. Fatty acid analysis showed there is a high level of variability in Shea oils across Africa. The Ugandan sample had a 59% oleic acid content compared with 47% for Nigeria and only 39% for Burkina Faso. This variability in fatty acid profiles indicates that Shea Butter is not a single uniform product across the continent with for example Malian Shea more closely resembling cocoa butter and Ugandan Shea having more similarities with olive oil, due to its high oleic content. This variability suggests that Shea oil from Uganda could be targeted towards a particular niche market or industrial use. Additionally, if

reliable vegetative propagation techniques could be developed, clones of trees bearing that specific type of nuts with unique chemical constituents could also be selected and planted to produce a uniquely higher value crop. The Ugandan variety could for example be marketed as a cheaper competitor to olive oil. Ferris *et al* do not recommend marketing Uganda shea as a cocoa butter equivalent (CBE) as it is much too soft for that purpose.

Table 1: Fatty Acid Composition of Shea Butter

Main Component	Uganda	West Africa
Oleic Acid (Omega-9)	56-60%	44-50%
Stearic Acid	29-32%	40-44%

Source: (<https://www.cbi.eu/market-information/natural-ingredients-cosmetics/shea-butter>)

3.3.3. Quality of Ugandan shea: According to R.S.B Ferris *et al*, high quality of Ugandan shea is associated with dark brown oil, which is in their view the best visual indicator that nuts have been correctly roasted before oil extraction. Such oil reportedly has a better flavour and a much longer shelf life (lighter coloured oils have been known to become rancid within two weeks, whereas dark brown oil can last for several months). Given this finding, Ferris and his associates assert that consumers are generally willing to pay more for higher quality oil. However, traders know that they can sell darker oil much more quickly than the inferior lighter coloured oil. Quality therefore does have a market value. It is however noted that the national standard for shea used in cosmetics has yet to be developed.

3.4. Selected donor interventions in the sector

3.4.1. The Shea Project for Local Conservation and Development conceived in 1990, was an integrated conservation and development project which covered an area of over 160,000 square kilometres across northern Uganda, According to one project report, over 400 community-based groups were introduced to the project, their total membership representing over 10,000 farming households. From 1995, the project also known as COVOL developed working partnerships with NGOs working in southern Sudan and Tanzania. The Shea Project was based on the value of the nilotic shea-butter tree, *Vitellaria paradoxa* ssp. *nilotica* indigenous to northern Uganda and Southern Sudan. By reinforcing the economic value of the shea-butter tree through expanded markets, the Shea Project received an enthusiastic response from participating farmers, who became serious about protection of shea woodland - and serious as well about production of shea-butter. The project received funding from USAID from 1995 to 1997, with an expansion phase from 1998 to 2002 funded by USAID, the McKnight Foundation, and the EU INCO program, expanding its area of activity across northern and northeastern Uganda, including the districts of Lira, Pader, Katakwi, and Amuria, Abim, Gulu, Amuru and Kitgum. The Shea Project worked in partnership with the Northern Uganda Shea Processors Association (NUSPA), established under the project in 1997, a women-managed producer cooperative comprised of over 2,000 producers from over 50 producer groups. From 2002 to 2006, security conditions in northern Uganda deteriorated drastically, disorganising the NUSPA members and their communities. Accordingly, the Shea Project field offices were closed, and all processing equipment relocated to the Lira project office where production continued to the extent that shea nut could be gathered from the outlying areas. Despite these very difficult conditions, in 2006 the Shea Project and NUSPA were

able to establish an organic production system and obtained organic certification under USDA-NOP and EEC 2092/91 regulations.

3.4.2. Lutheran World Federation (LWF): In relation to the shea value chain LWF's point of focus is on climate change and environmental conservation. With the increasing need to promote environment sustainability in Uganda and ultimately contribute to SDG 7 (Access to energy for all) and 13 (combat climate change), LWF contributes to environmental conservation and restoration initiatives through promoting energy access for lighting and cooking in off-grid and bottom of the pyramid households. Moreover, LWF promotes tree growing and on-farm conservation of bio-energy resources and endangered tree species such as the Shea nut trees. LWF has been a valuable partner in programmes aimed at preserving the shea butter in areas covered by the KCL project.

3.4.3. UNDP/Global Environment Facility (UNDP/ GEF): NEMA on behalf of Government of Uganda is implementing the KCL project funded by GEF through UNDP. While the KCL's main goal is the conservation of the threatened shea butter tree, the sustainable exploitation of the shea nut and marketing of its products on global markets fits in well with that purpose. KCL has been working with local communities and DLGs to ensure the tree is protected, an essential element in any long term efforts to process and effectively market shea butter products.

CHAPTER 4: Shea Products in the Global Setting

4.0. World shea nut and butter production and trading

4.1.1. Global shea nut supplies: According to *Sub-Saharan Africa: Factors affecting Trade Patterns of Selected Industries*, a 2008 report of the US International Trade Commission, Sub-Saharan Africa (SSA) producers account for all global shea nut production and are the major source of global trade in unrefined shea butter. Most refined shea butter is produced in Europe, which is a major exporter of refined shea butter and related downstream products. Shea nuts and butter are used in the production of a variety of products, including vegetable fats and cosmetics. The report further estimates that 30–54 per cent of SSA shea nuts are exported. So if it is assumed that an average 500,000 tonnes are harvested annually, approximately 150,000–270,000 tonnes of nuts are exported with the remainder (approximately 30,000–350,000 tonnes) converted into 60,000–91,000 tonnes of crude or unrefined shea butter, of which about half (30,000 to 45,500) is exported.

4.1.2. Main suppliers: Estimates of the potentials of shea nut indicate that major producing countries are found in West Africa. Available data from FAOSTAT (2013) shows that Nigeria has the highest potential of shea nut production. Presently, it produces more than half of the total quantity of nuts which is processed and sold either locally or in the international market. Going by estimates from FAOSTAT (2013) and Lovett (2004), the African countries where shea trees grow can be grouped into 3 zones on the basis of their potentials for shea nut production per year: high production zone comprising of Benin, Burkina Faso, Cote D'Ivoire, Ghana, Mali, Nigeria, Sudan and **Uganda** that have potentials of producing 70,000-300,000 tons per year; average production zone comprising of Cameroon, Chad, Central African Republic, Guinea Conakry, Senegal and Togo with potentials of 10,000–70 000 tons per year and low production zones made up of the Democratic Republic of the Congo, Ethiopia, Gambia, Guinea Bissau, Niger and Sierra Leone with yearly production potentials less than 10 000 metric tons.

(<https://www.ocl-journal.org/articles/ocl/pdf/2014/02/ocl130026.pdf>)

4.1.3. Marketing of shea and its products is done both domestically and internationally. There are conflicting accounts on the quantities sold both in the local and international markets. For example, Lovett (2004) suggests that domestic markets consume about 55% of the total shea kernel and shea butter produced, while 45% is exported. Other estimates claim that over 75% of all kernels and shea butter produced in Sub Saharan Africa (SSA) is consumed within Africa. Important local markets include Accra, Abidjan, Abuja, Dakar, Bamako, Ouagadougou, Lomé, Cotonou, Lagos, Ibadan, Onitsha, Kano, Nouakchott, Banjul, Niamey and Conakry etc. Empirical observations indicate that, in some countries like Cameroon, the Democratic Republic of Congo, Central African Republic, all the butter produced is consumed locally. And according to USAID's West Africa Trade & Investment Hub, in 2012, an estimated 350,000 tonnes of kernels were exported from Africa, with a market value of approximately US\$120 million, while demand for West African shea butter rose by 1,200% over ten years to 2012.

4.1.4. Export market segmentation: According to many sources including the International Trade Centre, Global Shea Alliance and Food and Agriculture Organisation, the bulk of shea (80%+) of traded shea is exported as a raw commodity; only about 20% of the harvest is processed

in Africa and exported as shea butter. It is estimated that in 2007, six major companies in the international market in the European Union and the USA bought 60% of the nuts and half of the butter produced. Four major players control the refining of shea in the world market. They are, in order of capacity, Aarhus United in Denmark, Fuji Oil in Japan, Karlsham AB in Sweden and LodersCroklaan in Holland (Addaquay, 2004).

4.1.5. The largest market for shea butter is the food sector. The food industry mainly processes the butter into stearin, a cocoa butter replacement. In this sense it is more like a commodity competing with other cocoa butter replacers. It is estimated that globally, 90% of all shea exported from Africa is used in the food industry. In the cosmetics market, shea butter is used for its excellent emollient properties (softening the skin). It is found in body care and face care products, especially for treating dry skin areas. A small share of shea butter is also sold as a final consumer product. This is either to use it in do-it-yourself cosmetic products or to apply directly to the skin. The butter is rich in fatty acids and vitamins A and E.

4.1.6. The Harmonised Trade System (HTS) codes include shea although there is need for clarification. Shea nut trade may be officially listed under 120792 or 1207991000 but could also just be placed under 1207, making it difficult to differentiate from other oil-crops exported from Africa, for example palm or sesame. Moreover, imports into some European countries are often not listed. In the case of Denmark, shea butter was listed under the 151590 group, yet the specific category for shea butter is apparently now redundant. Various shea containing cosmetic products can be found under 33, and in soap products under 34 listed categories. So clearly, tracing shea butter trade statistics can be very challenging. In fact, a search on the ITC Trade Map showed only scanty statistic between 2012 and 2017. Only Nigeria was listed as an exporter of shea nuts. The same database did not provide a breakdown to show products containing shea butter. This most likely implies that the quantities and values of trade in this product are extremely small or statistically insignificant.

4.1.7. Shea butter categorisation for trade: As explained above, shea butter cannot be categorised under one specific HS code, making it difficult to analyse trade and other macro-economic statistics for it. The Global Shea Alliance's presentation *The Shea Industry's Economic Impact in Africa* quantifies the market for shea in terms of exports from shea-producing countries in Africa. The data combines shea nuts and shea butter where the total is given in shea nut equivalent tonnes (SETs). Total shea exports in 2011 amounted to 350,000 SETs. Mali was the leading producer, accounting for around 21% of total exports, closely followed by Burkina Faso (20%). Ghana (17%), Nigeria (13%) and Côte d'Ivoire (11%) also played a major role. A search for Uganda shea exports in a number of international trade databases yielded no results. The *Statistical Abstract* that the Uganda Bureau of Statistics publishes annually also gives no data on shea exports. It can therefore be assumed that for now, Uganda is not a significant player in the international shea nut/butter trade.

4.1.8. Leading markets. The leading export markets for SSA shea nuts are major processing countries, including Denmark, India, and the United Kingdom. Meanwhile, Europe, the United States, Japan, Russia, and India are the leading export markets for shea butter and downstream products. Most of the international trade is conducted by four large processing companies: Aarhus Karsham, LodersKralaan, 3F, and Ghana Specialty Fats. The leading export markets for SSA shea

nuts are major processing countries, including Denmark, India, and the United Kingdom. Meanwhile, Europe, the United States, Japan, Russia, and India are the leading export markets for shea butter and downstream products.

4.1.9. The European shea butter market is very competitive. Especially if one targets the food industry, one will face a lot of competition. If the target is the cosmetics industry there will still be a lot of competition from many suppliers, but this industry offers more opportunities to differentiate oneself from other suppliers. European cosmetics companies are interested in ethical shea butter with an interesting marketing story, supported by certification. (<https://www.cbi.eu/market-information/natural-ingredients-cosmetics/shea-butter>). The Ugandan exporters would therefore do well to differentiate their shea butter from what is offered by competing countries. The issue here though, is that Uganda is lagging behind West African countries such as Ghana and others in this area. Uganda in line with the European Union's unilateral offer (Everything-But-Arms Scheme) benefits from preferential entry of its products into the EU duty free and quota free. This preference, however also extends to West African countries such as Mali, Burkina Faso and others that are, like Uganda, classified by the United Nations as least developed.

4.1.10. Quantities imported into Europe: No European trade is recorded (in such databases as Trade Map) for shea nuts and butter specifically. Instead, imports of the butter are part of a larger product group with other fixed vegetable oils and fats. Because shea is exported in various forms (as nuts, butter, components and finished products), exports of shea are often calculated into Shea Nut Equivalent Tonnes (SETs). For example, it takes 3kg of shea nuts to produce 1kg of shea butter. To compare to total exports, this 1kg of shea butter is recorded in data as 3kg of shea nut equivalent. Data on production and exports of shea nuts and derivatives are limited and by most accounts, unreliable. Estimates on the total market size vary considerably.

4.1.11. The United States of America is the other major market for shea products. Most American cosmetic firms traditionally purchased refined shea butter from European processors, but there has been some shift toward purchasing shea directly from Africa in order to obtain product containing greater levels of its natural, healing qualities. This gives Uganda the opportunity to export directly to the United States and improving earnings from exports. At least one Ugandan company is already supplying modest quantities to this market.

4.1.12. Other markets: Approximately 80 per cent of shea exports are destined for Europe. However, according to *Shea Butter in Europe*, during 2001 to 2005, SSA exports of shea nuts to India increased from zero to 12,000 tonnes. These nuts are processed into butter and approximately 2,000 tonnes of the processed butter (stearin) exported from India, with nearly one-half going to the EU. The emergence of China as a major industrialising country also offers possibilities if sufficient quantities can be produced.

4.1.13. Factors affecting demand. The possibility to increase exports of shea depends on certain competitiveness factors. They are: 1) growing demand for cocoa butter equivalents (CBEs); 2) increased prices; 3) growing awareness of shea butter by consumers; 4) improved production triggered donor support for training and by new investments in processing capacity. The growing demand for CBEs is the result of increased global consumption of chocolate. The EU's new relaxation of the rules on CBEs in chocolates has greatly contributed to this. There is also growing

importance for European and American consumers of “stories” behind the product, especially in respect of cosmetics. The ingredients in the cosmetics often provide the basis for such “stories”. Shea butter has the potential for interesting marketing stories. Certification as “organic” or “fair trade” also adds to consumer appeal.

4.1.13. Popularity of natural ingredients. There is a strong public perception in Europe that natural ingredients are safer and healthier than synthetic substitutes. As a result, natural cosmetics sales grow more strongly than conventional cosmetics. This offers opportunities for shea butter, in both natural and conventional cosmetics. According to *Shea Butter in Europe*, certified natural cosmetics make up 45% of the European Union market, while the remaining 55% consists of near-natural cosmetics. Germany, France and the UK reportedly have the most natural product launches and a strong focus on innovation. At the same time, conventional cosmetics brands increasingly use natural ingredients at low percentages to make a marketing claim. Shea butter itself is an increasingly popular ingredient in cosmetics according to the publication.

4.1.14. Confectionery or cosmetics? Nearly 90 per cent of shea exported from sub-Saharan-Africa is destined for the confectionery/chocolate market in products such as cocoa butter equivalents (CBEs). In most of the European market, shea is primarily used in the edible food market and only a small portion is used in cosmetics. The United States and France are the primary markets for shea butter for use in cosmetics and natural products. Most industrial refining of shea for the U.S. market is completed in Europe, but several firms are beginning to process in the United States. U.S. imports in 2008 estimated at 2,500–8,000 tons of refined and unrefined butter annually.

4.1.15. Market entry conditions: Uganda at least as of now is classified as a least developed country (LDC). As an LDC, the country benefits from the Everything-But-Arms arrangement of the European Union. This is the arrangement whereby all products of the country with the exception of weapons and ammunitions are allowed for importation into the European Union on a duty free and quota free basis. The only proviso is that the product in question must meet the stringent quality and safety standards. In a similar manner, Uganda is a beneficiary to the Africa Growth and Opportunity Act (AGOA) of the United States of America that grants similar entry flexibility to Ugandan products to the American market. Other developed countries including Japan, Canada also grant preferential entry options to Ugandan products under their respective Generalised Schemes of Preferences or GSPs.

4.2. International alliances for shea butter

The importance of international networks especially for SMEs is encapsulated in this quote: “The international activities of small firms are hindered by their limited resources and capabilities and the fact that they cannot access comprehensive market research. Furthermore, in most cases, it is not feasible for them to hire experts who can assist them in their internationalisation efforts. This is particularly true of SMEs in developing countries, where relatively few entrepreneurs have international experience or a high level of management education. In order to go international, they must not only overcome their own lack of managerial expertise and knowledge of international markets, but also the limited support they can expect from local governments”. (*Export Consortia in Developing Countries: Successful Management of Cooperation Among*

SMEs: Fabio ANTOLDI, Daniele CERRATO and Donatella DEPPERU; Springer: 2011). That is one of the reasons many Ugandan businesses fail to enter and stay in global markets. This strategy elsewhere promises to make certain endeavours to enable export ready and near export ready enterprises utilise international alliances and networks.

One of the alliances proposed is via the International Trade Centre (ITC). The ITC is the successor of the International Trade Information Centre, which the General Agreement on Tariffs and Trade (GATT) established in 1964 “for the purpose of assisting the export promotion efforts of the developing countries” by providing them “with information on export markets and marketing, and to help them develop their export promotion services and train the personnel needed for these services.” The ITC and UEPB have been collaborators for a long time, so there is really nothing new there. What will be new is a renewed emphasis on utilising that long standing partnership to work for the shea subsector. The UEPB will be a conduit for the technical support that the ITC can provide, especially in respect to trade and market information. The ITC’s collaboration will also be sought when it comes to training and capacity building of stakeholders generally.

The Global Shea Alliance: As its website (www.globalshea.org) proclaims, the Global Shea Alliance “is a non-profit industry association with 450 members from 33 countries including women’s groups, brands and retailers, suppliers, and NGOs. Through public-private partnerships, the GSA promotes industry sustainability, quality practices and standards, and demand for shea in food and cosmetics”. The GSA members’ code of practice pledges among other things to: promote growth of the industry; adoption of best international business practices; good corporate governance; improvement of shea quality; payment of fair prices; transparency; and collaboration and participation. The GSA members have access to the premier business network within the shea industry. Members have access to the Business-to-Business platform, the market and industry information, and access to the latest research available.

CHAPTER 5: The National Export Strategy for Shea Butter

5.1 Introduction

The shea butter tree is one of the commonest trees to be found in the savannah woodlands from Uganda's north west all the way across to the north east. It is also native to more southerly regions of the country with some NEMA studies locating it as far south as the districts of Nakasongola and Pallisa³. Most of the shea butter nuts painstakingly collected by women and children are processed traditionally into butter or oil that is consumed at household level or sold in local markets. Very little if any of this butter/oil gets into the higher levels of the value chain. Currently, there are about six industrial scale processing companies that are considered export ready or nearly export ready with at least one actually exporting modest quantities to the US and EU markets. These processing companies are all SMEs with all the constraints that such enterprises face.

5.1.1 Objectives of the strategy: The ultimate goal of this strategy is the sustainable exploitation for export of value added shea products. The strategy has been formulated in circumstances where there is no reliable data on the subsector. Presently, tree populations, production, processing and export statistics are not available and so baselines have not been established against which to set realistic and measurable targets. As an initial activity, a rapid survey will be conducted to establish such baselines and if need be, adjustments will be made in the strategy production and export targets.

5.1.2 Principles: For decades now Uganda has pursued a liberal trade policy with interventions guided by the National Trade Policy adopted in 2007. The policy aims to support the wider national aspirations to reduce poverty and propel the country forward as a modern and prosperous trading nation. The policy is based on using domestic trade as a springboard for engagement in international trade; and on product and market diversification. The policy envisages pursuit of regionalism, bilateralism and multilateralism as key tenets of achieving its Vision. As a consequence, Uganda has entered into a number of regional integration arrangements, receives concessional market entry into a number of foreign markets and is a founding member of the World Trade Organisation (WTO). The National Shea Export Strategy is based on three broad principles – *sustainable production*, *quality consciousness* and *market focus*. The principle of sustainable production will seek to ensure that in promoting the export expansion for shea butter, the shea butter tree resource will serve present and future generations by remaining cognisant of the need to preserve the environment. Quality consciousness will seek to ensure that all stakeholders perform to the highest levels of quality management and standards and therefore receive the economic benefits by way of price, commensurate with their input. And market focus will ensure that scarce resources are used in a manner that yields the maximum for Uganda and for all involved stakeholders.

³ The tree is native to Nakasongola and Pallisa but has virtually been exploited out of existence by the charcoal trade.

5.2 Sector constraints and issues to address

The growth of the shea sector globally has been greatly hampered by a number of constraints which seem to surpass perceived benefits. These include amongst others:

5.2.1 Processing methods: though efforts are being made continuously to improve on the shea butter production methods, accessibility to these improved methods still remains low. Majority of the processors still use traditional techniques which are inefficient and lower the quantity and quality of shea butter available for sophisticated export markets. Traditional shea butter processing involves little mechanical input, heavy drudgery and high input of firewood, which has a direct effect on the quality of shea butter.

5.2.2 Tree regeneration and maturation: shea trees grow mostly in the wild and produce their first fruits after 10–15 years, with full production not setting in before trees are nearly 30 years old. Indiscriminate burning of bushes and cutting of trees coupled with population increase, insecurity, and expanding agricultural land clearing have led to woodland degradation in almost all districts where shea trees are found. Recent interventions by the Kidepo Critical Landscape project have created a level of awareness and the trees are beginning to be appreciated and protected more. Research on the domestication of the plant and development of improved cultivars for sustainable future performance is still limited. In some areas of Uganda, it has been reported that, land shortage and insecure tree ownership are some of the main challenges (Okiror et al., 2012). Other challenges include: lack of credit support, poor capacity building support and follow-up, need for organising producers, processors and marketers into efficient groups for greater performance and efficiency, absence of sustainable policy of promoting the industry, absence of reliable data base for planning programs of support, need for effective extension support. (<https://www.cbi.eu/market-information/natural-ingredients-cosmetics/shea-butter>)

5.2.3 Lack of markets: Stakeholders consulted indicated that lack of markets was one of the main constraints to expansion of processing. In particular they cited low domestic consumption of their products as a constraining factor. One stakeholder reported that only about 30 per cent of nuts are actually collected and that his own processor was operating below installed capacity.

5.3 Strategic issues to be addressed

This strategy has identified six broad issues to be addressed. A number require a short to medium time span while a few others are of a more long term nature. While the this strategy is to be implemented over a five-year period, the longer term issues are considered extremely important if the resource is to be sustainably exploited for the domestic and especially the foreign market.

5.3.1 Strategic issue 1: *Increased and sustainable nut production*: While data has not been found to confirm the current levels of production and of export, this alone would tend to indicate that both production and export are for the moment extremely low. Overcoming the challenge of raising production thus is the utmost priority. Allied to this is the need to inventory the resource base in order to aid both private and public sector planning and decision making.

5.3.2 Strategic issue 2: *Enhanced product quality*: Markets, especially export markets are very quality conscious. Any product destined for export must consistently be of the right quality. That

quality must be what the market demands, not just what the exporter is able to supply. Quality and standards consciousness must permeate the entire value chain if Ugandan shea is to get onto and compete in the global markets.

5.3.3 Strategic issue 3: *Improved processing systems*: This is related and reinforces strategic issue 2. A joint survey by the UEPB and UNBS found that quality was greatly compromised by poor processing systems, in particular use of non-stainless steel in vital parts of processing. If Uganda shea is to get into European and North American food and cosmetics chains, this short coming has to be overcome.

5.3.4 Strategic issue 4: *Improved and focussed market initiatives*: Entering and maintaining a presence in an export market is a big challenge for enterprises, but especially small and medium enterprises (SMEs) that make up the bulk of players in this subsector. It will be vital to hand-hold these enterprises until they establish themselves.

5.3.5 Strategic issue 5: *Stabilising shea nut prices*: The price the gatherer receives for their nuts has not yet proved a major issue, but many commodities suffer from unstable prices. And as interventions are made to raise production, gatherers potentially face the risk of price fluctuations. This phenomenon has the potential to undermine stability in supply and the natural incentive to protect shea trees.

5.3.6 Strategic issue 6: *Providing a supportive policy environment*: The current policies of the GoU place little importance to shea products. The Ministry responsible for the environment does prioritise the savannah regions and thus embrace the preservation of the shea tree as vital to environmental sustainability there. The products of the tree are nevertheless not prioritised in the National Development Plan or the National Export development Strategy. Filling this policy vacuum is crucial.

5.4 Strategic interventions to promote export of shea butter

To address the above constraints, this strategy has devised the following interventions for the development of the shea value chain in order to place Uganda on the shea export scene. It is appreciated that this value chain is peculiar in that it has an inordinately long pre-harvest stage. And therefore, if Uganda is to become a serious player in global markets over the long term, some interventions will on necessity not realise results in the life time of this strategy.

5.4.1 Enhanced and sustainable production: Since the global markets generally do not know Uganda as a significant producer and exporter of shea or shea products the first task of this strategy is to enhance production in a sustainable manner. Three interventions are to be made as follows:

5.4.1.1 Measures to conserve existing trees: Growing a new shea tree to maturity and peak production can take anything up to 25 years. Preservation of currently productive trees is vital. NEMA and its partners will seek to:

1. Sensitise communities on benefits of preserving and costs of destroying shea trees
2. Promote planting of other trees species as alternative sources of timber and firewood
3. Pass and enforce by-laws prohibiting the cutting of shea trees in all shea districts

4. Identify community based “volunteers” to promote shea tree preservation

5.4.1.2 Planting of new trees: In order for Uganda to be a significant player in an increasingly lucrative and competitive market there is need to make interventions that promote active planting of shea trees and not depend solely on the natural processes. NEMA and its partners will therefore:

1. Expand grafting work at the Kitgum NFA facility by raising its budget and personnel
2. Train and facilitate local investors in grafting techniques and nursery operation
3. Integrate shea trees into Operation Wealth Creation and distribute free seedlings

5.4.1.3 Boosting productivity of new shea trees: The maturation period of the shea tree is long and peak production may be realised as late as in the 25th year. Moreover scientific research finding applied to other tree crops has resulted in higher yield per tree and even altered for the better characteristics of the tree products. NEMA as a long term strategy will seek to enhance productivity of new shea trees through collaboration by these interventions:

1. Support research to enhance the desired properties of shea butter
2. Support research interventions focusing on:
 - a. Reducing maturation of trees to 10 to 12 years
 - b. Raising fruit and therefore nut yields per tree
 - c. Developing varieties with the desired chemical properties, e.g. higher oleic acid content
3. Guard and protect developed varieties from exportation to maintain market advantage.

5.4.1.4 The expected outcomes of interventions under 5.4.1.1, 5.4.1.2 and 5.4.1.3 include among others: increased and sustained availability of raw materials; increased and sustained supplies to international markets; increased earnings from shea trade; and a preserved natural environment.

5.4.2. Enhanced product quality: To participate competitively in the sophisticated global markets, Uganda must put onto the market products of the right quality and standard as the market requires. This calls for concerted efforts to promote quality all through the value chain. The first intervention in this connection will be:

5.4.2.1. To streamline shea nut handling and marketing and UEPB and its partners will:

1. Organise gatherers/farmers into viable cooperatives and or groups, including initial support to maintain governance structures
2. Sensitise members of cooperatives on quality and standards maintenance and enhancement through training
3. Empower the cooperatives to become the main buyers of members’ collections
4. Set up storage facilities at cooperatives and groups including setting up grading and stock management systems

It is expected that through these interventions, the gatherers will receive better prices for their nuts and hence increase their income; Ugandan shea butter and products will be internationally more competitive; and the country will earn higher levels of earnings from shea butter and its products.

5.4.3. Improved processing systems: In the previous section this strategy sought to enhance quality by streamlining nut gathering and marketing. This section of the strategy continues to

promote quality but from the processing stage of the value chain. In that regard, the strategy will seek to make interventions at three levels.

5.4.3.1. Improve processing systems at artisanal (traditional) level: the bulk of shea nuts are processed by traditional means and mostly for home consumption. However with the targeted increase in shea nut volumes, significant surpluses could be realised that in turn might find their way into processing and incorporation in domestically marketed or exported shea butter or shea butter products. In that eventuality, to ensure that such products are acceptable on international markets, this strategy will:

1. Identify local manufacturers of processing equipment who provide supply equipment to artisanal processors and work with them to utilise stainless steel in those parts where the nuts are actually processed.
2. Support cooperatives/groups to establish primary processing capacity of their own using appropriate machinery and equipment

5.4.3.2. Improve processing systems at secondary (industrial) level: Most of the little shea butter and shea butter products Uganda is putting onto international markets originates from industrial level operators. UEPB realises that the quality issues involved at that level are both internal and external to the enterprises involved. Ability to access loan facilities is one; high energy tariffs another. The fact that all of the enterprises are SMEs exacerbates their plight. UEPB will:

1. Encourage existing and potential processor/exporters to equally use equipment incorporating stainless steel. In particular the UEPB will avail processors with information on available loan facilities for agro-processors.

5.4.3.3. General: At the more general level, UEPB with its partners will:

1. Design and implement a campaign for quality and hygiene consciousness at all levels of the value chain – including:
 - a. Training of stakeholders
 - b. Preparation and distribution of reading materials on quality, standards and hygiene consciousness translated into local languages
 - c. Preparation and dissemination of best practices via audio and video media.

It is expected that through these measures and interventions, Ugandan shea and shea butter products will be more competitive on global markets; that the country will earn more from shea butter and shea butter products; and that cooperatives and gatherer groups will earn more for their members by participating at a higher level in the value chain.

5.4.4. Improved and focussed export marketing initiatives: The ultimate purpose of this strategy is to get Ugandan shea butter and shea butter products onto international markets. The strategy will achieve this through two main strategies.

5.4.4.1. Brand Ugandan shea butter – to differentiate it from other butters. To achieve this, UEPB and its partners will

1. Hire a branding specialist on a short-term contract (one year maximum) on brand development and promotion
2. Carry out a certified and internationally recognised analysis of Uganda shea butter and widely publicise the parameters thereof to differentiate it from other butters.

5.4.4.2. Support market entry initiatives of exporter enterprises or those enterprises considered nearly export ready. These initiatives will include:

1. Focusing marketing efforts onto markets and countries that grant preferential entry (the EU and USA for example)
2. Set up a shea export trade portal on the UEPB website and ensure it is updated on a weekly basis.
3. Work with the telecommunications companies to use mobile telephony to disseminate vital market information to stakeholders
4. UEPB to seek its own membership of the Global Shea Alliance or similar agency after thorough due diligence.
5. Exhibit Ugandan shea butter at appropriate trade fairs and use the country's missions abroad more effectively
6. Sponsor export ready and near export ready companies to membership of the GSA or similar organisation for five years, again after thorough due diligence.

Through strategies in 5.4.3 and 5.4.4, it is expected that Ugandan shea butter and its products will be presented on global markets as a distinctive brand and therefore differentiated from shea butter products from elsewhere. It is further expected that such shea will fetch better prices on the international markets thus earning all stakeholders enhanced incomes.

5.4.5. Stabilised shea nut prices: As already noted, there is yet no evidence that the price gatherers receive for their nuts is a serious impediment to production. But as the subsector develops wildly fluctuating prices could become disruptive affecting capacity utilisation by processors and the capacity of exporters to meet export orders. This latter effect has been detrimental to other commodity exports and could scuttle all other efforts on shea butter. To negate such a development, this strategy proposes one simple remedy – the **setting up of a price stabilisation facility (PSF)** at an appropriate time. The PSF would be small, as the volume of nuts is still small and would seek initial contributions from: GoU; district local governments, development partners. The cooperatives and their members would make contributions through a percentage on their own earnings. To actualise this, the initial activity is to commission a study by a financial expert to design the scheme and advise on how it is to operate and on how the funds available can be invested to grow the scheme. Ultimately the fund could prove a significant player in the sector and beyond.

This strategic intervention would have the effect to stabilise the price the shea nut fetches and provide predictable incomes for gatherers. This in turn would incentivise the gatherers to remain active in the value chain. As a consequence, the shea tree would be more and more appreciated as a long term economic asset.

5.4.6. Providing a supportive policy environment: It is a fact that shea butter is still a very small sector in the Ugandan economy. But it is certainly one that is vital to communities in areas of

Uganda where poverty levels are still high. Because it is still small, formulators of national and sector policies have tended to overlook it. The NPA and the NEDS have both excluded it from prioritisation. It is the policies on the environment and forestry that have found some place for the tree from which the product is made. To build on those environment related policies, the sustainable products of the shea tree need a level of prioritisation in other policies that have thus far excluded it. The strategy is to **present shea butter and shea butter products as of vital social and economic importance in the lives of some of the most marginalised communities in North and north eastern Uganda**. To that end, UEPB and its partners will:

1. Carry out research to determine the contribution of the shea value chain in the lives of the poor in shea districts
2. Lobby the various MDAs to integrate shea into their policy and strategy documents. The MDAs in question are those falling under Trade, Industry & Cooperatives; Water & Environment and Agriculture, Animal Industry & Fisheries; and National Planning Authority.

A supportive policy environment ensures that there is more investment in a sector and all players are incentivised to remain in the value chain. More investment by communities and firms further will lead to higher volumes, better quality and higher household and national earnings.

5.5. Immediate strategy targets

This strategy is designed for implementation over a period of 5 years. But as the development of the strategy progressed, it became imperative to look at the shea tree and products from a much longer perspective. This was largely influenced by the growth period of the shea tree in the wild but also by the realisation that developing and promoting a product in international markets requires a much longer period than just 5 years. The strategy therefore includes measures and actions of a short to medium term nature which are mostly realisable in that 5 year period or shortly thereafter along with others (notably research and tree planting) whose results are foreseen in a much longer time frame. Uganda is classified among countries with high production potential, capable of producing 70,000 to 300,000 tonnes of nuts per annum. With the foregoing in view, the following will be the key short to medium term targets under this strategy:

- i. Establishing accurately the baselines on which implementation and progress or otherwise will be assessed including establishing as accurately as possible the number of juvenile and mature shea butter trees in existence across the Ugandan shea belt. This will be important for public sector planning and for private sector investment decision making.
- ii. Nuts marketed: Given the reported potential, and the finding that the majority of nuts today do not enter the value chain, this strategy will target to realise 100,000 tonnes of nuts collected in year 5.
- iii. Production of butter: On the basis of the projected nut collection, butter production will be targeted at 30,000 to 35,000 tonnes by year 5.
- iv. Export of butter: Assuming that two-thirds of all butter produced will be consumed at domestic and household level, the export target is set at between 10,000 to 25,000 tonnes by year 5 and
- v. Export earnings: On the basis of an export price of US\$3,000 per tonne, the strategy target is to realise a minimum US\$30,000,000 in year 5.

Table 2: Matrix of Strategic Interventions

No.	Strategic Issue/Outcome	Actions/Strategies
1	<p>Enhanced and sustainable production</p> <p><u>Objective(s)/Expected Outcome(s):</u></p> <ol style="list-style-type: none"> 1. Increased and sustained availability of raw materials 2. Increased and sustained supplies to international markets 3. Earnings from shea trade increased 4. Natural environment preserved 	<p><u>Take measures to preserve existing trees</u></p> <ol style="list-style-type: none"> 1. Sensitise communities on benefits of preserving and costs of destroying shea trees 2. Promote planting of other trees species as alternative sources of timber and firewood 3. Pass and strictly enforce by-laws prohibiting the cutting of mature trees in all shea districts 4. Identify community based “volunteers” to promote shea tree preservation <p><u>Planting of new shea trees</u></p> <ol style="list-style-type: none"> 1. Expand grafting work at the Kitgum NFA facility by raising its budget 2. Train and facilitate local investors in grafting techniques and nursery operation 3. Integrate shea trees into Operation Wealth Creation and distribute free seedlings <p><u>Boost productivity of new shea trees</u></p> <ol style="list-style-type: none"> 1. Fund research directed at enhancing the desired properties of shea butter (long term) 2. Support research interventions focusing on: <ol style="list-style-type: none"> i. Reducing maturation of trees to 10 to 12 years (short to medium term) ii. Raising yields per tree (medium to long term) 3. Guard and protect developed varieties from exportation to maintain market advantage.
2	<p>Enhanced product quality</p> <p><u>Objective(s)/Expected Outcome(s):</u></p> <ol style="list-style-type: none"> 1. Higher income for shea gatherers’ households 2. Shea butter that is more competitive internationally 3. Higher export earnings from shea butter 	<p><u>Streamline nut handling and marketing</u></p> <ol style="list-style-type: none"> 1. Organise gatherers/farmers into viable cooperatives and or groups, including initial support to maintain governance structures 2. Sensitise members of cooperatives on quality and standards maintenance and enhancement through training 3. Empower the cooperatives to become the main buyers of members’ collections 4. Set up storage facilities at cooperatives and groups including setting up grading and stock management systems
3	<p>Improved processing systems</p> <p><u>Objective(s)/Expected Outcome(s):</u></p> <ol style="list-style-type: none"> 1. Shea butter that is more competitive internationally 2. Higher earnings from exportation of shea butter 	<p><u>Improve systems at artisanal processing level</u></p> <ol style="list-style-type: none"> 1. Identify local manufacturers of processing equipment and work with them to utilise stainless steel in those parts where the nuts are actually processed. 2. Support cooperatives/groups to establish primary processing capacity of their own using approved machinery and equipment

No.	Strategic Issue/Outcome	Actions/Strategies
	<p>3. Cooperatives and groups earn more by participating in some level of value addition.</p>	<p><u>Enhance systems at secondary processing level</u></p> <ol style="list-style-type: none"> 1. Encourage existing and potential processor/exporters to equally use equipment incorporating stainless steel <p><u>General</u></p> <ol style="list-style-type: none"> 1. Design and implement a campaign for quality and hygiene consciousness at all levels of the value chain – including: <ol style="list-style-type: none"> i. Training of stakeholders ii. Preparation and distribution of reading materials on quality, standards and hygiene consciousness translated into local languages iii. Preparation and dissemination of best practices via audio and video media.
4	<p>Improved and focused export marketing initiatives</p> <p><u>Objective(s)/Expected Outcome(s):</u></p> <ol style="list-style-type: none"> 1. Distinctive brand of Ugandan shea created 2. Uganda shea butter exposed to export markets 3. Uganda shea butter fetches a price in the market commensurate to its intrinsic quality 4. Higher returns for all players in the shea value chain 	<p><u>Brand Ugandan shea butter differentiated from other butters</u></p> <ol style="list-style-type: none"> 1. Hire a brand advisor 2. Carry out a certified and internationally recognised analysis of Uganda shea butter and widely publicise the parameters thereof to differentiate it from other butters. <p><u>Support market entry initiatives</u></p> <ol style="list-style-type: none"> 1. Focus marketing efforts onto markets and countries that grant preferential entry (the EU and USA for example) 2. Set up a shea export trade portal on the UEPB website and ensure it is updated on a weekly basis. 3. Work with the telecommunications companies to use mobile telephony to disseminate vital market information to stakeholders 4. UEPB to seek its own and other stakeholders' membership of the Global Shea Alliance 5. Exhibit Ugandan shea butter at appropriate trade fairs 6. Sponsor export ready and near export ready companies to membership of one international shea network for three years
5	<p>Stabilised shea nut prices</p> <p><u>Objective(s)/Expected Outcome(s):</u></p> <ol style="list-style-type: none"> 1. Price of shea raw material stabilised 	<p><u>Establish a price stabilisation facility</u></p> <ol style="list-style-type: none"> 1. Campaign for, promote and popularise a direct contribution to the facility by all the shea cooperatives from funds generated from their operations 2. Campaign for, promote and popularise a percentage contribution by all members of

No.	Strategic Issue/Outcome	Actions/Strategies
	<ul style="list-style-type: none"> 2. Farmers/gatherers' incomes stabilised 3. Farmers/gatherers incentivised to remain in the value chain and increase production 4. The shea tree better regarded (and therefore protected) as a long term economic asset 	<ul style="list-style-type: none"> the cooperatives deducted from proceeds of their sales 3. Seek commitments for contributions to the facility by third parties including: GoU (from an export development fund), District Local Governments, development partners. 4. Promote the facility to other sources such as NGOs, international buyer and networks involved in the shea value chain
6	<p>Supportive policy environment for shea nut and butter developed and implemented</p> <p><u>Objective(s)/Expected Outcome(s):</u></p> <ul style="list-style-type: none"> 1. Communities and firms incentivised to invest and stay in the shea value chain 2. Increased export of quality shea butter 	<p><u>Prioritise shea butter as a product of socio-economic importance</u></p> <ul style="list-style-type: none"> 1. Carry out research to determine the contribution of the shea value chain in the lives of the poor in shea districts 2. Lobby the various MDAs to integrate shea into their policy and strategy documents. The MDAs in question are those falling under Trade, Industry & Cooperatives; Water & Environment and Agriculture, Animal Industry & Fisheries; and National Planning Authority.

Table 3: Detailed Implementation Plan and Budget (Costs in Uganda Shillings)

No.	Strategic Issue & Intervention	Activities	Outputs/Outcomes	Inputs	Budget	Time Frame	Agency	
1. ENHANCED AND SUSTAINABLE PRODUCTION (UGX 498,600,000)								
1.1	Measures to preserve existing shea trees	1.1.1. Sensitise communities on benefits of preserving and costs of destroying shea trees	a) One workshop or seminar for 40 selected members of cooperatives per year for three years	Expert facilitators	15,000,000	Year 1	UEPB	
				Per diem for 8 GoU staff	9,600,000			
				Transport	12,000,000			
					Seminar facilities	3,000,000		
					Refreshments	7,500,000		
					Fuel (3 vehicles)	13,500,000		
			Administration costs	3,000,000				
		1.1.2. Promote planting alternative trees species for timber and firewood	10,000 seedlings procured, distributed and planted	Printing @ 200 each	10,000,000	Years 1,3	UEPB	
				Translators (4)	4,000,000			
				Distribution	1,000,000			
		1.1.3. Promote passage and strict enforcement of by-laws against shea tree cutting	Lobby and regularly engage with district local governments on the need for strong by-laws and their enforcement	Radio time	18,000,000	Years 1,2, & 3	UEPB	
				Newspaper space	36,000,000			
		1.1.4. Identify community based “volunteers” to promote shea tree preservation	Engage and train for 5 days, 2 volunteers in up to 25 sub-counties each as volunteer lobbyists for shea tree preservation	Procure seedlings	20,000,000	Years 1 & 2	NFA	
				Distribution costs	3,000,000			
				Administrative costs	2,000,000			
				Staff time, travel and per diem expenses (lump sum allocation for 5 years)	60,000,000	Years 1,2,3,4,5	UEPB, NFA	
				2 Trainers (for 10 days)	10,000,000	Year 1	NFA, DLGs	
				Training venue (5 days)	5,000,000	Year 1		
				Meals, refreshments	15,000,000	Year 1		
				50 Trainees’ allowances	52,500,000	Year 1		
				Per diem (3 staff , 7 days)	4,200,000	Year 1		
				Fuel (staff)	1,300,000	Year 1		
				Refreshments (training)	15,000,000	Year 1		

No.	Strategic Issue & Intervention	Activities	Outputs/Outcomes	Inputs	Budget	Time Frame	Agency
				Administration costs Volunteers' monthly expenses	2,000,000 90,000,000	Year 1 Years 1-5	
1.2	Planting of new trees	1.2.1. Expand grafting work at the Kitgum NFA facility by raising its budget	Increased availability of planting material	Engage with NFA	10,000,000	Years 1,2,3,4,5	NFA
		1.2.2. Train and facilitate local investors in grafting techniques and nursery operation	10 private nursery operators trained in grafting of shea	Identification of trainees Facilitation of training on cost share basis Administration cost	10,000,000 25,000,000 1,000,000	Years 1,2	NFA, UEPB
		1.2.3. Integrate shea trees into Operation Wealth Creation and distribute free seedlings	Shea seedlings distributed and planted	Lobbying of OWC	10,000,000	Years 1,2	UEPB, NFA, OWC
1.3	Boosting productivity of new trees	1.3.1. Fund research directed at enhancing the market desired properties of shea butter; reducing maturation of trees to 10 to 12 years; raising yields per tree	Market preferred shea clones produced Market advantage enhanced	Lobbying of NFA, NARO	10,000,000	Years 1,2	UEPB
		1.3.2. Take steps to guard and protect developed varieties from exportation to maintain market advantage	Uganda's intellectual property protected Uganda's market advantage protected	Engagement with state agencies concerned with export of plant species Strict regulation of distribution and surveillance of plant materials	20,000,000	Years 1,2,3,4,5, and beyond	UEPB, MAAIF, NFA, NARO, URA
2. ENHANCED PRODUCT QUALITY (UGX1,290,500,000)							

No.	Strategic Issue & Intervention	Activities	Outputs/Outcomes	Inputs	Budget	Time Frame	Agency
2.1	Campaign on Quality enhancement	2.1.1. Design a quality consciousness plan	Stakeholder awareness of quality enhanced Better quality shea produced and exported Shea fetches a higher price on global markets	Consultant hired to design campaign for quality consciousness	60,000,000	Year 1	UEPB
		2.1.2. Monthly radio programme			18,000,000	Years 1,2,3	UEPB
		2.1.3. Stakeholder training on quality		Trainer fees, hire of venues, meals, allowances for officials, transport, administration, etc.	203,000,000	Years 1,2,3,4,5	UEPB
		2.1.4. Procure quality related literature		Procure 4,000 brochures Distribution costs	1,000,000 500,000	Year 1	UEPB
		2.1.5. Procure and distribute a video on best practices		Consultant to produce video on best practices for the shea value chain Distribution of video	60,000,000 5,000,000	Year 1	UEPB
		2.1.6. Training of group leaders		Trainer fees, hire of venues, meals, allowances for officials, transport, administration, etc.	105,000,000	Years 1,2,3,4,5	DLGs UEPB
2.2	Streamline nut and handling marketing	2.2.1. Organise gatherers or farmers into viable cooperatives and or groups, including initial support to maintain governance structures	Viable gatherer groups (cooperatives) created	Registration of member organisations	5,000,000	Years 1,2,3	DLGs UEPB
		2.2.2. Train cooperatives members on networking, joint marketing, business ethics & basic export needs & techniques. Train leaders on	Awareness created and knowledge of group dynamics promoted; Leadership competences raised;	Two training workshops for members per year for up to 5 groups	230,000,000	Years 1,2,3,4,5	UEPB DLGs

No.	Strategic Issue & Intervention	Activities	Outputs/Outcomes	Inputs	Budget	Time Frame	Agency
		essential governance needs,& responsibilities,	Governance structures built	One training workshop per year for leaders of up to 5 groups	105,000,000		
		2.2.3. Empower the cooperatives to become the main buyers of members' collections	Financial capacity of groups and cooperatives enhanced	Three training sessions of group leaders in fund raising methods and in financial management	63,000,000	Years 2,3,4	UEPB DLGs
		2.2.4.Set up storage facilities at cooperatives and groups including setting up grading and stock management systems	Up to 5 stores established each with a capacity of 2 tonnes	Architectural designs Construction Equipment & furnishings Administration costs	25,000,000 300,000,000 100,000,000 10,000,000	Years 2,3,4	UEPB DLGs
3. IMPROVED PROCESSING FACILITIES (UGX53,000,000)							
3.1	Improve facilities at artisanal processing level	3.1.1. Identify local manufacturers of processing equipment and sensitise them on using stainless steel in those parts where the nuts are actually processed	Local manufacturers of processing equipment identified; sensitised; Quality of butter produced locally improved	Identify & register manufacturers Prepare & disseminate literature Visit processors for counselling Administration costs	5,000,000 1,000,000 36,000,000 6,000,000	Years 1,2,3	UEPB DLGs MTIC UNBS
		3.1.2. Support cooperatives /groups to establish primary processing capacity of their own using approved machinery and equipment	Database of available loan facilities developed and updated Cooperatives and groups establish own processing capacities	Collect and disseminate information on available loan facilities for agro-processing	5,000,000	Years 1,2,3,4,5	UEPB DLGs
3.2	Enhance standard of facilities at	3.2.1. Encourage existing and potential processors and exporters to equally use	Database of available loan facilities developed and updated	Collect and disseminate information on available loan facilities for agro-processing	Covered by 3.1.2	Years 1,2,3,4,5	UEPB DLGs

No.	Strategic Issue & Intervention	Activities	Outputs/Outcomes	Inputs	Budget	Time Frame	Agency
	secondary processing level	equipment incorporating stainless steel	Processors raise quality of shea produced and exported				
4. IMPROVED AND FOCUSSED EXPORT MARKETING (UGX689,950,000)							
4.1	Brand Ugandan shea	4.1.1. Hire a brand advisor	Uganda shea branded and differentiated from other sheas	Consultant's fees	75,000,000	Year 1	NEMA, UEPB
		4.1.2. Carry out a certified and internationally recognised analysis of Uganda shea butter and widely publicise the parameters thereof		Laboratory fees Publicity –(international media; Internet; Shea data portal on UEPB website; etc.)	100,000,000 200,000,000	Year 1 Years 2,3,4,5	NEMA, UEPB UNBS
4.2	Support to market entry initiatives	4.2.1. Exhibit Ugandan shea butter at appropriate trade fairs	Uganda shea exposed to potential global buyers 2 times per year	Exhibition space	33,000,000	Years 1,2,3,4,5	UEPB
				Air fares (5 people)	88,000,000		
				Freight (100 kg)	2,200,000		
				Per diem for 5 people for 5 days	33,000,000		
		4.2.2. Sponsor five export ready and near export ready companies (in addition to UEPB itself) to membership of one international shea network for five years (Global Shea Alliance is suggested)	Stakeholders benefit from global networking	Subscription fees (\$500x6x5x3,700)	55,500,000	Years 1,2,3,4,5	UEPB
				Attendance to Network activities per diems for 5 days a time)	27,750,000		
				Air fares (5x5x600x3,700)	55,500,000		
		4.2.3. Focus marketing efforts on selected markets	Exporters focus on key markets Database of information created and kept up to date	Establish and keep updated a database on key market requirements and on production and export	10,000,000	Years 1,2,3,4,5	UEPB

No.	Strategic Issue & Intervention	Activities	Outputs/Outcomes	Inputs	Budget	Time Frame	Agency
			Scarce resources optimally utilised	Keep key diplomatic missions involved and informed	10,000,000		
5. STABLE SHEA NUT PRICES (UGX216,900,000)							
5.1.	Establish a price stabilisation facility (PSF)	5.4.1 Commission study on modalities for the establishment and operation of a shea nut price stabilisation facility (PSF)	A price stabilisation mechanism put in place and running	Consultancy fees	75,000,000	Year 1	UEPB
		5.4.2 Contribute to the PSF		GoU contribution	75,000,000	Year 1	UEPB
		5.4.3 Campaign for, promote and popularise a direct contribution PSF by all the shea cooperatives from funds generated from their operations		Lobbying	10,000,000	Years 1,2,3,4,5	UEPB DLGs
		5.4.4 Campaign for, promote and popularise a percentage contribution by all members of the cooperatives deducted from proceeds of their sales		Sensitisation workshop (1)	13,450,000	Year 1	
		5.4.5 Seek commitments for contributions to the facility by third parties including: District Local Governments, development partners.		Lobbying	10,000,000	Years 1,2,3,4,5	UEPB DLGs
		5.4.6 Promote the facility to other sources such as NGOs, international buyer and		Sensitisation workshop (1)	13,450,000	Year 2	
				Lobbying	10,000,000	Years 1,2,3,4,5	UEPB DLGs
			Lobbying	10,000,000	Years 1,2,3,4,5	UEPB DLGs	

No.	Strategic Issue & Intervention	Activities	Outputs/Outcomes	Inputs	Budget	Time Frame	Agency
		networks involved in the shea value chain					
6. SUPPORTIVE POLICY ENVIRONMENT (UGX70,000,000)							
6.1	Promote the shea value chain as one of socio-economic significance	6.1.1. Carry out research to determine the contribution of the shea value chain in the lives of the poor in shea districts	Research report produced; Significance of the shea value chain established	Consultancy services	60,000,000	Year 1	UEPB DLGs
		6.1.2. Lobby the various MDAs to integrate shea into their policy and strategy documents. The MDAs in question are those falling under Trade, Industry & Cooperatives; Water & Environment and Agriculture, Animal Industry & Fisheries; and National Planning Authority.	Shea value chain accorded priority in sector and national priorities	Lobbying	10,000,000	Years 1,2,3,4,5	UEPB DLGs
7. MONITORING, EVALUATION & SUPERVISION (UGX410,000,000)							
7.1	Monitoring, evaluation and supervision	7.1.1. Baseline studies (at least 2)	Baseline and planning indicators including establishing the true number of trees in the shea zone	Consultancy services; administration costs	350,000,000	Year 1	UEPB
		7.1.2. Quarterly technical committee	Supervisory oversight; quarterly reports	Staff time; administration costs; member allowances	30,000,000	Years 1,2,3,4,5	UEPB

No.	Strategic Issue & Intervention	Activities	Outputs/Outcomes	Inputs	Budget	Time Frame	Agency
		7.1.3. Mid-term review	Review report; progress assessment at mid-point of strategy	Consultancy services, administration costs	55,000,000	Year 3	UEPM
		7.1.4. Final evaluation	Assessment of strategy implementation status at closure	Consultancy services; administration costs	75,000,000	Year 5	UEPB
GRAND TOTAL					3,328,950,000		

Table 4: Indicative Annual Work Plans (UGX Million)

YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
Activity	Budget	Activity	Budget	Activity	Budget	Activity	Budget	Activity	Budget
1.1.1. Sensitise communities on benefits of preserving and costs of destroying shea trees	89.10	1.1.1. Sensitise communities on benefits of preserving and costs of destroying shea trees	18.00	1.1.1. Sensitise communities on benefits of preserving and costs of destroying shea trees	25.50	-	-	-	-
1.1.2. Promote planting alternative trees species for timber and firewood	12.50	1.1.2. Promote planting alternative trees species for timber and firewood	12.50	-	-	-	-	-	-
1.1.3. Promote passage and strict enforcement of by-laws against shea tree cutting	12.00	1.1.3. Promote passage and strict enforcement of by-laws against shea tree cutting	12.00	1.1.3. Promote passage and strict enforcement of by-laws against shea tree cutting	12.00	1.1.3. Promote passage and strict enforcement of by-laws against shea tree cutting	12.00	1.1.3. Promote passage and strict enforcement of by-laws against shea tree cutting	12.00
1.1.4. Identify community based “volunteers” to promote shea tree preservation	123.00	1.1.4. Identify community based “volunteers” to promote shea tree preservation	18.00	1.1.4. Identify community based “volunteers” to promote shea tree preservation	18.00	1.1.4. Identify community based “volunteers” to promote shea tree preservation	18.00	1.1.4. Identify community based “volunteers” to promote shea tree preservation	18.00
1.2.1. Expand grafting work at the Kitgum NFA facility by raising its budget	2.00	1.2.1. Expand grafting work at the Kitgum NFA facility by raising its budget	2.00	1.2.1. Expand grafting work at the Kitgum NFA facility by raising its budget	2.00	1.2.1. Expand grafting work at the Kitgum NFA facility by raising its budget	2.00	1.2.1. Expand grafting work at the Kitgum NFA facility by raising its budget	2.00
1.2.2. Train and facilitate local investors in grafting techniques and nursery operation	18.00	1.2.2. Train and facilitate local investors in grafting techniques and nursery operation	18.00	-	-	-	-	-	-
1.2.3. Integrate shea trees into Operation Wealth Creation and distribute free seedlings	5.00	1.2.3. Integrate shea trees into Operation Wealth Creation and distribute free seedlings	5.00	-	-	-	-	-	-
1.3.1. Fund research directed at enhancing the market desired properties of shea butter; reducing	5.00	1.3.1. Fund research directed at enhancing the market desired properties of shea butter; reducing	5.00	-	-	-	-	-	-

maturation of trees to 10 to 12 years; raising yields per tree		maturation of trees to 10 to 12 years; raising yields per tree							
1.3.2. Take steps to guard and protect developed varieties from exportation to maintain market advantage	4.00	1.3.2. Take steps to guard and protect developed varieties from exportation to maintain market advantage	4.00	1,3,2, Take steps to guard and protect developed varieties from exportation to maintain market advantage	4.00	1.3.2. steps to guard and protect developed varieties from exportation to maintain market advantage	4.00	1.3.2. steps to guard and protect developed varieties from exportation to maintain market advantage	4.00
2.1.1. Design a quality consciousness plan	60.00	-	-	-	-	-	-	-	-
2.1.2. Monthly radio programme	6.00	2.1.2. Monthly radio programme	6.00	2.1.2. Monthly radio programme	6.00	-	-	-	-
2.1.3. Stakeholder training on quality	40.60	2.1.3. Stakeholder training on quality	40.60	2.1.3. Stakeholder training on quality	40.60	2.1.3. Stakeholder training on quality	40.60	2.1.3. Stakeholder training on quality	40.60
2.1.4. Procure quality related literature (4,000 brochures)	1.50	-	-	-	-	-	-	-	-
2.1.5. Procure and distribute a video on best practices	65.00	-	-	-	-	-	-	-	-
2.1.6. Training of group leaders	21.00	2.1.6. Training of group leaders	21.00	2.1.6. Training of group leaders	21.00	2.1.6. Training of group leaders	21.00	2.1.6. Training of group leaders	21.00
2.2.1 Organise gatherers or farmers into viable cooperatives and or groups, including initial support to maintain governance structures	1.67	2.2.1 Organise gatherers or farmers into viable cooperatives and or groups, including initial support to maintain governance structures	1.67	2.2.1 Organise gatherers or farmers into viable cooperatives and or groups, including initial support to maintain governance structures	1.66	-	-	-	-
2.2.2. Train cooperatives members on networking, joint marketing, business ethics & basic export needs & techniques. Train leaders on	67.00	2.2.2. Train cooperatives members on networking, joint marketing, business ethics & basic export needs & techniques. Train leaders on	67.00	2.2.2. Train cooperatives members on networking, joint marketing, business ethics & basic export needs & techniques. Train leaders on	67.00	2.2.2. Train cooperatives members on networking, joint marketing, business ethics & basic export needs & techniques. Train leaders on	67.00	2.2.2. Train cooperatives members on networking, joint marketing, business ethics & basic export needs & techniques. Train leaders on	67.00

essential governance needs, and responsibilities,		essential governance needs, and responsibilities,		essential governance needs, and responsibilities,		essential governance needs, and responsibilities,		essential governance needs, and responsibilities,	
-	-	Empower the cooperatives to become the main buyers of members' collections	21.00	Empower the cooperatives to become the main buyers of members' collections	21.00	Empower the cooperatives to become the main buyers of members' collections	21.00	-	-
-	-	2.2.4.Set up storage facilities at cooperatives and groups including setting up grading and stock management systems	127.00	2.2.4.Set up storage facilities at cooperatives and groups including setting up grading and stock management systems	154.00	2.2.4.Set up storage facilities at cooperatives and groups including setting up grading and stock management systems	154.00	-	-
3.1.1. Identify local manufacturers of processing equipment and sensitise them on using stainless steel in those parts where the nuts are actually processed	16.00	3.1.1. Identify local manufacturers of processing equipment and sensitise them on using stainless steel in those parts where the nuts are actually processed	16.00	3.1.1. Identify local manufacturers of processing equipment and sensitise them on using stainless steel in those parts where the nuts are actually processed	16.00	-	-	-	-
3.1.2. Support cooperatives /groups to establish primary processing capacity of their own using approved machinery and equipment	1.00	3.1.2. Support cooperatives /groups to establish primary processing capacity of their own using approved machinery and equipment	1.00	3.1.2. Support cooperatives /groups to establish primary processing capacity of their own using approved machinery and equipment	1.00	3.1.2. Support cooperatives /groups to establish primary processing capacity of their own using approved machinery and equipment	1.00	3.1.2. Support cooperatives /groups to establish primary processing capacity of their own using approved machinery and equipment	1.00
3.2.1. Encourage existing and potential processors and exporters to equally use equipment incorporating stainless steel	See 3.1.2	3.2.1. Encourage existing and potential processors and exporters to equally use equipment incorporating stainless steel	See 3.1.2	3.2.1. Encourage existing and potential processors and exporters to equally use equipment incorporating stainless steel	See 3.1.2	3.2.1. Encourage existing and potential processors and exporters to equally use equipment incorporating stainless steel	See 3.1.2	3.2.1. Encourage existing and potential processors and exporters to equally use equipment incorporating stainless steel	See 3.1.2
4.1.1. Hire a brand advisor	75.00	-	-	-	-	-	-	-	-

2.1.2. Carry out a certified and internationally recognised analysis of Uganda shea butter & Widely publicise the parameters thereof	100.00 50.00	4.1.2. Carry out a certified and internationally recognised analysis of Uganda shea butter; & Widely publicise the parameters thereof	- 50.00	4.1.2. Carry out a certified and internationally recognised analysis of Uganda shea butter; & Widely publicise the parameters thereof	- 40.00	4.1.2. Carry out a certified and internationally recognised analysis of Uganda shea butter; & Widely publicise the parameters thereof	- 40.00	4.1.2. Carry out a certified and internationally recognised analysis of Uganda shea butter; & Widely publicise the parameters thereof	- 20.00
4.2.1. Exhibit Ugandan shea butter at appropriate trade fairs	31.24	4.2.1. Exhibit Ugandan shea butter at appropriate trade fairs	31.24	4.2.1. Exhibit Ugandan shea butter at appropriate trade fairs	31.24	4.2.1. Exhibit Ugandan shea butter at appropriate trade fairs	31.24	4.2.1. Exhibit Ugandan shea butter at appropriate trade fairs	31.24
4.2.2 Sponsor five export ready and near export ready companies to membership of one international shea network for five years (Global Shea Alliance is suggested)	27.75	4.2.2.Sponsor five export ready and near export ready companies to membership of one international shea network for five years (Global Shea Alliance is suggested)	27.75	4.2.2.Sponsor five export ready and near export ready companies to membership of one international shea network for five years (Global Shea Alliance is suggested)	27.75	4.2.2.Sponsor five export ready and near export ready companies to membership of one international shea network for five years (Global Shea Alliance is suggested)	27.75	4.2.2.Sponsor five export ready and near export ready companies to membership of one international shea network for five years (Global Shea Alliance is suggested)	27.75
4.2.3 Focus marketing efforts on selected markets	4.00	4.2.3 Focus marketing efforts on selected markets	4.00	4.2.3 Focus marketing efforts on selected markets	4.00	4.2.3 Focus marketing efforts on selected markets	4.00	4.2.3 Focus marketing efforts on selected markets	4.00
5.1.1.Commission study on modalities for the establishment and operation of a shea nut price stabilisation facility (PSF)	75.00	-	-	-	-	-	-	-	-
5.1.2.Contribute to the PSF	75.00	-	-	-	-	-	-	-	-
5.1.3.Campaign for, promote and popularise a direct contribution PSF by all the shea cooperatives from funds generated from their operations Lobbying Workshop (leaders)	2.00 13.45	5.1.3.Campaign for, promote and popularise a direct contribution PSF by all the shea cooperatives from funds generated from their operations Lobbying	2.00	5.1.3.Campaign for, promote and popularise a direct contribution PSF by all the shea cooperatives from funds generated from their operations Lobbying	2.00	5.1.3.Campaign for, promote and popularise a direct contribution PSF by all the shea cooperatives from funds generated from their operations Lobbying	2.00	5.1.3.Campaign for, promote and popularise a direct contribution PSF by all the shea cooperatives from funds generated from their operations Lobbying	2.00

5.1.4.Campaign for, promote and popularise a percentage contribution by all members of the cooperatives deducted from proceeds of their sales Lobbying	2.00	5.1.4.Campaign for, promote and popularise a percentage contribution by all members of the cooperatives deducted from proceeds of their sales Workshop (Members) Lobbying	13.45 2.00	5.1.4.Campaign for, promote and popularise a percentage contribution by all members of the cooperatives deducted from proceeds of their sales Lobbying	2.00	5.1.4.Campaign for, promote and popularise a percentage contribution by all members of the cooperatives deducted from proceeds of their sales	2.00	5.1.4.Campaign for, promote and popularise a percentage contribution by all members of the cooperatives deducted from proceeds of their sales	2.00
5.1.5.Seek commitments for contributions to the facility by third parties including: District Local Governments, development partners.	2.00	5.1.5.Seek commitments for contributions to the facility by third parties including: District Local Governments, development partners.	2.00	5.1.5.Get commitments for contributions to the facility by third parties including: District Local Governments, development partners.	2.00	5.1.5.Get commitments for contributions to the facility by third parties including: District Local Governments, development partners.	2.00	5.1.5.Get commitments for contributions to the facility by third parties including: District Local Governments, development partners.	2.00
5.1.6.Promote the facility to other sources such as NGOs, international buyer and networks involved in the shea value chain	2.00	5.1.6.Promote the facility to other sources such as NGOs, international buyer and networks involved in the shea value chain	2.00	5.1.6.Promote the facility to other sources such as NGOs, international buyer and networks involved in the shea value chain	2.00	5.1.6.Promote the facility to other sources such as NGOs, international buyer and networks involved in the shea value chain	2.00	5.1.6.Promote the facility to other sources such as NGOs, international buyer and networks involved in the shea value chain	2.00
6.1.1.Carry out research to determine the contribution of the shea value chain in the lives of the poor in shea districts	60.00	-	-	-	-	-	-	-	-
6.1.2.Lobby the various MDAs to integrate shea into their policy and strategy documents. The MDAs in question are those falling under Trade, Industry & Cooperatives; Water &	2.00	6.1.2.Lobby the various MDAs to integrate shea into their policy and strategy documents. The MDAs in question are those falling under Trade, Industry & Cooperatives; Water &	2.00	6.1.2.Lobby the various MDAs to integrate shea into their policy and strategy documents. The MDAs in question are those falling under Trade, Industry & Cooperatives; Water &	2.00	6.1.2.Lobby the various MDAs to integrate shea into their policy and strategy documents. The MDAs in question are those falling under Trade, Industry & Cooperatives; Water &	2.00	6.1.2.Lobby the various MDAs to integrate shea into their policy and strategy documents. The MDAs in question are those falling under Trade, Industry & Cooperatives; Water &	2.00

Environment and Agriculture, Animal Industry & Fisheries; and National Planning Authority.		Environment and Agriculture, Animal Industry & Fisheries; and National Planning Authority.		Environment and Agriculture, Animal Industry & Fisheries; and National Planning Authority.		Environment and Agriculture, Animal Industry & Fisheries; and National Planning Authority.		Environment and Agriculture, Animal Industry & Fisheries; and National Planning Authority.	
7.1.1. Baseline studies (at least 2)	350.00	-	-	-	-	-	-	-	-
7.1.2. Quarterly technical committee	6.00	7.1.2. Quarterly technical committee	6.00	7.1.2. Quarterly technical committee	6.00	7.1.2. Quarterly technical committee	6.00	7.1.2. Quarterly technical committee	6.00
-	-	-	-	7.1.3. Mid-term review	55.00	-	-	-	-
-	-	-	-	-	-	-	-	7.1.4. Final evaluation	75.00
TOTAL	1,427.81	-	538.21	-	563.75	-	459.59	-	339.59

CHAPTER 6: Implementation Framework, Reporting, Monitoring and Evaluation

6.0 Implementation

6.1.1. Uganda Export Promotion Board: Overall coordination for implementing this strategy will be responsible for:

- i. Liaison with all GoU MDAs, DLGs, academic and research institutions, development partners, NGOs and private sector institutions for the effective implementation of the strategy
- ii. Integration of the strategy activities in its budget framework paper (BFP) and annual work plans
- iii. Lobbying other MDAs to equally include relevant activities in their BFPs and work plans
- iv. Mobilisation of resources for the successful and timely implementation of activities
- v. Capacity building for all stakeholders including DLGs for the provision of relevant services necessary for the implementation of the strategy.

6.1.2. National Forestry Authority: The NFA will be responsible for:

- i. Conservation and sustainable use of shea butter trees in the Central Forest reserve
- ii. Training and capacity building on sustainable management of shea butter trees
- iii. Supply of shea tree seedlings for community planting as well as seedlings for establishment of woodlots to provide communities with alternative sources of timber, building poles and fuel for cooking purposes
- iv. Periodic monitoring and inventory of shea butter tree populations
- v. Law enforcement for tree conservation on forest reserves

6.1.3. Ministry of Agriculture, Animal Industry and Fisheries:

- i. Will be responsible for ensuring shea butter trees are prioritised in its future strategies, programmes, and plans
- ii. Will ensure that necessary measures are put in place to prevent distinctive plant varieties developed in Uganda from being copied, exported or otherwise expropriated by entities and enterprises in competing countries

6.1.4. Ministry of Trade, Industry and Cooperatives:

- i. Will be responsible for ensuring that shea nuts and their products are prioritised in its future strategies, programmes and plans.
- ii. Designing and delivering training programmes for the better organisation of shea nut collectors and for efficient primary marketing of nuts

6.1.5. District Local Governments:

- i. The DLGs in the shea tree belt will ensure the enactment and strict application of by-laws for the conservation of shea tree species
- ii. Ensure the preservation and sustainable use of shea trees in local forest reserves, community and private forests
- iii. Mainstreaming relevant activities of the strategy into DLG plans
- iv. Liaison with the police, NFA and other stakeholders for the effective application of conservation laws and by-laws
- v. Promotion of awareness of the benefits of conservation and sustainable use of the shea tree and about this strategy generally
- vi. Training of law enforcement agencies and of community based volunteers for the conservation and sustainable use of the shea tree
- vii. Liaison with the private sector, NGOs and other development partners active in the shea value chain and in their districts

6.1.6. Operation Wealth Creation: Operation Wealth Creation along with the National Agricultural Advisory Service will jointly incorporate the distribution of shea seedlings in their programmes with respect to all the districts where shea is indigenous.

6.1.7. Research Institutions: These will as appropriate:

- i. Develop and support the transfer of technology in respect to processing shea into value added products
- ii. Develop planting materials with desired attributes necessary to differentiate Uganda originating shea products from those sourced from other countries

6.1.8. The Private Sector: Will

- i. Contribute investible resources for the expansion of processing capacity in their respective enterprises
- ii. Support and participate in awareness creating activities and exhibition activities under the strategy
- iii. Support local communities on post-harvest handling, value addition and quality consciousness
- iv. Ensure that collectors of shea nuts are appropriately and fairly compensated for the nuts delivered to their processing facilities.

6.2. Monitoring and Evaluation

This strategy is designed for an initial implementation period of 5 years. UEPB is responsible for coordinating overall monitoring, supervision and evaluation. In so doing it will collaborate with such institutions that are relevant including NFA, NEMA, DLGs and others. At the district level, the officials of the DLG will be responsible for monitoring specific aspects relevant to their specific mandate. These will include: the district agriculture, commercial, environment, and forestry officers. They will liaise with sub-county officers as appropriate. The main

monitoring indicators will be those outputs under each strategic issue or objective as will be established by studies under the strategy during the first year.

The strategy has been developed in a situation where little reliable information and data are available by way of baseline. As such, evaluating progress is going to be difficult. One proposed activity under this strategy is a consultancy or consultancies to determine the social and economic importance of the shea value chain to the communities concerned. This study's terms of reference will be designed in such a way that certain baseline data are collected. A separate study will be for the determination of the actual number of shea trees in the entirety of the shea tree belt. Mid-term and final evaluations will then be conducted during the third year and soon after the final year of implementation, respectively.

6.3. Reporting

UEPB as the main implementing entity will make quarterly reports which will be presented to the Office of Prime Minister (OPM). Copies of such reports will be availed to relevant government MDAs and development partners that will have committed resources for its implementation. The participating districts will make their respective reports to UEPB copied to NEMA with the District Commercial Officer as the focal point responsible. A format for such report will be developed by the UEPB. An annual report will also be compiled by the UEPB and distributed as described for the quarterly reports.

CHAPTER 7: The Uganda Export Promotion Board – A SWOT Analysis

The Uganda Export Promotion Board is **Uganda Export Promotion Board (UEPB)** is a public trade promotion organisation established by Parliamentary Statute No. 2 of 1996. It is regulated and supervised by the Ministry of Trade, Industry and Cooperatives. The fundamental role of this institution is to facilitate the development and growth of export trade in Uganda.. This institution is overseen by a board of directors drawn from government ministries, related public and private trade support institutions and major export sector associations. These include the Ministry of Finance, Ministry of Trade, Industry and Cooperatives, Ministry of Foreign Affairs; Uganda Investment Authority (UIA), Uganda National Chamber of Commerce and Industry (UNCCI); Uganda National Farmers Federation, Uganda Flower Exporters Association plus other private sector players. In total there are 12 members.

The UEPB is technically headed by an Executive Director. It is organised into three operational divisions: (a) Market Research and Product Development, (b) Management Information Systems, Trade Promotions and Public Relations and (3) the Finance and Administration Division. Each of these three divisions is headed by a divisional director and has at least three desk officers.

Strengths:

- 1) The UEPB is a long established public sector agency backed by a parliamentary statute
- 2) The oversight function provided by a board that has a mix of public and private sector stakeholder institutions with the private sector providing the chair
- 3) Long experience as a trade promotion agency
- 4) Strong international networking with agencies such as the International Trade Centre.

Weaknesses

- 1) Inadequate financial resources dependent on allocations from the national treasury that are often subjected to arbitrary cuts
- 2) Weak human resource base, exacerbated by the low budget rendering the institution unable to compete in the labour market with better funded public and private sector competitors

Opportunities:

- 1) A realisation that to emerge from an LDC to a middle income country, Uganda must become a strong export sector player which is only possible if export development and promotion efforts are stepped up especially at public sector level
- 2) In respect to shea, the virtually total lack of exploitation of the natural resource and its superior quality for the cosmetics industry in Europe and North America.

- 3) Government's reported intentions to rationalise its agencies and their functions, thus economising on scarce resources and freeing them for a better funded promotion agency.

Threats:

- 1) Dispersion of the export development and promotion mandate across different agencies of Government
- 2) Duplication of effort at Government level meaning that scarce resources have to be spread rather thinly.

CHAPTER 8: Conclusion

This is a five year strategy with the aim to increase awareness of Ugandan shea nut and shea butter products on the global markets. It also aims to create awareness domestically of the social and economic significance of the shea tree and shea nut products in the lives of some of the more marginalised communities in Uganda by calling on relevant MDAs to give shea a degree of prioritisation in their programmes. Finally, the strategy seeks to raise the level of available surpluses for export of shea products to at least 10,000 tonnes worth US\$30,000,000 by the end of the fifth year. But perhaps more importantly, the strategy seeks to lay the foundation for a sustainable shea export subsector spanning many years thereafter. The strategy actions are estimated to require just over UGX 3.3 billion to implement over the 5 year period.

Selected References

CBI: 2015; *Shea Butter in Europe*: CBI Fact Sheet

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NEMA: 2015; *National Strategy for the Conservation and Sustainable Use of the Threatened Shea Butter Trees in Uganda*

NFA, NEMA and UWA: 2016; *A Final Report for Inventory and Mapping of Shea Butter Trees in Abim, Agago, Kitgum and Otuke Districts on Population Structure and Conservation Status of Shea Butter Trees in Abim, Agago, Kitgum and Otuke Districts*

NFA, NEMA, and UWA: 2016; *Cost Benefit Analysis for Shea Butter Use Options in the Districts of Abim, Agago, Kitgum and Otuke – Final report*

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US Trade Commission: 2008; *Sub-Saharan Africa: Factors Affecting Trade Patterns of Selected Industries*; Second Annual Report

UK. https://www.cbi.eu/sites/default/files/market_information/researches/product-factsheet-europe-shea-butter-2015.pdf

<http://gasselconsult.net/shea/sheadocs/Guide%20Export%20Shea%20Butter.pdf>

<https://unbs.go.ug/attachments/menus/27/Uganda%20Standards%20Catalogue%20as%20at%2031%20%20December%202017.pdf>

<https://www.watradehub.com/en/sectors/international-trade/shea-and-cashew/>

Appendix 1 – Selected Ugandan Export Ready and Near Export Ready Companies

Disclaimer: Inclusion of any company, organisation or entity of any kind in this listing does not represent an endorsement or recommendation of that company, organisation or entity by the Uganda Export Promotion Board, or any agency of the Government of Uganda. Any enterprise seeking to do business with any of the listed entities is advised to carry out independent due diligence.

Blessed Organic

Covol Uganda Limited

Cropveti Farmers Centre

Guru Nanak Oil Mills, Lira

Nile Women Initiative

Organic Care Uganda Limited

Shea Beauty Company Limited

Shea House

Wings of Time

Appendix 2: Selected Importers of Shea Nuts and Shea Butter Products

Disclaimer: Inclusion of any company, organisation or entity of any kind in this listing does not represent an endorsement or recommendation of that company, organisation or entity by the Uganda Export Promotion Board, or any agency of the Government of Uganda. Any enterprise seeking to do business with any of the listed entities is advised to carry out independent due diligence.

Aarhus United, Denmark

Fuji Oil, Japan

Karlsham AB, Sweden

LodersCroklaan, Holland

Useful Internet sources (for marketing purposes)

<https://www.eworldtrade.com/importers/shea-butter-buyer/>

<https://importer.tradekey.com/shea-nuts-importer.html>

<http://www.globalshea.com/resources/directory/>

<https://www.infodriveindia.com/indian-importers/shea-nut-importers.aspx>