



Uganda Cooperative Transport Workshop Toolkit

Project Location: Kampala, Uganda

Project Start Date: November 2011

Project Duration: 3 weeks

Introduction:

It is widely recognised that poor physical access to local, regional and international markets is one of the significant barriers to greater agricultural productivity in sub-Saharan Africa. 81% of people in Uganda are agricultural supporters or producers. Cost effective, reliable, timely and fit for purpose transport is often not available for cooperatives that play such an important role in the economy of Uganda. A lack of timely transport is one of the reasons that devastating proportions of the harvest are wasted and why accessing markets is so challenging.

The Uganda co-operative movement is considered to be amongst the more successful co-operative movements in Africa. The Ugandan Cooperative Alliance (UCA) has emerged as a strong apex body, capable of leading and strengthening the movement further. It has also proved innovative, and helped the movement to diversify into new entrepreneurial areas.

An opportunity arose for Transaid to bring a number of co-operatives together to understand more about their transport issues. In conjunction with The Cooperative College UK, the Institute for Transport Studies at Leeds University, the Ugandan Cooperative Alliance (UCA) and representatives from over 15 cooperative unions (with a membership of hundreds of village-level co-operatives funded by the ILO Co-op Africa Programme), Transaid took part in an exploratory workshop in Uganda in November 2011.

As a result of this 2 day workshop, a cooperative transport toolkit was produced. This toolkit was based on the information and experiences shared in the workshop and highlights case studies and transport challenges as well as providing transport management guidelines and a number of practical tools and templates that cooperatives managing their own transport could use.

Methodology:

Despite adequate transport services being key to cooperative's success the issue of transport has been largely neglected. Cooperatives have been missing from the transport agenda and very little has been researched or written on the subject. Consequently the Cooperative College, UK, together with the Institute for Transport Studies at the University of Leeds and Transaid saw an opportunity for an exploratory workshop to bring together Cooperatives from Uganda to unpack transport issues and find common themes for a collective way forward.

The workshop was held in Kampala between the 22nd and 24th November 2011

The workshop involved-

- Collecting and sharing transport experiences, including challenges and innovations from Cooperatives
- Finding common themes and identifying opportunities for future collaboration on transport
- Providing participants with a brief overview to transport management best practices with a working session on basic costing for transport operations
- Helping to inform the development of a cooperative transport toolkit as a workshop output.

Each organisation that attended the workshop prepared a short presentation to outline their services and their transport issues; this resulted in a total of 11 case studies.

As a result of the workshops, three common themes emerged which the participants addressed through break out groups:

- Specialist transport equipment
- Community Transport and logistics
- Contracting transport/ managing private sector transport operators

Many of the cooperatives and unions in attendance were newly established and many had plans to develop their transport services during the next two to three years. A number of transport challenges were identified. These included:

- Poor profitability and inhibitions to economic growth
- Product damage and wastage
- Lack of availability of fit for purpose or correct size vehicles
- Poor infrastructure demonstrated by challenging terrain and poor road networks
- Problems of obtaining power where refrigeration is required for perishable goods
- Women' security and lack of community transport.
- Lack of bargaining power with transport providers.

All stakeholders in attendance identified a lack of appropriate transport at the right price as a major constraint for cooperatives in Africa.

From the presentations made during the workshop it was clear that transport was a major challenge for co-operatives. Hiring transport is expensive and the vehicles often do not meet their needs. An interactive session was held with the objective of increasing participants understanding of the key costs to consider when looking at running their own transport. It may be that for some cooperatives owning and managing their own transport is not the 'best' solution but the session aimed to help participants conduct a cost benefit analysis in order to compare what they are paying now against what it would cost to run the transport themselves. With this knowledge more informed decisions should be able to be taken by the co-operatives. The exercise was designed to give participants more experience of the types of costs to consider when running transport and therefore allow a stronger negotiating position with transport providers. The simple operating budget and crude cost per km calculation developed was intended to share approaches and concepts to start thinking in a more focused way about financial

management and transport and if cooperatives chose to, for them to go away and work on more detailed business plans.

Outcomes:

The workshop revealed that transport is a key issue for cooperatives and represents a number of complex challenges and opportunities. There is a need for more research on transport and cooperatives but it is clear that lack of transport is a barrier to accessing markets and that due to the enormous levels of wastage of perishable goods one that must be given more focused attention. As a result of the workshops conducted by Transaid, the cooperative transport toolkit was developed, which will be useful in the future for cooperatives managing their own transport use.

Conclusion:

A number of issues and conclusions/recommendations were decided upon-

An issue voiced by a number of cooperatives was the limited hire facilities for specialist hire vehicles, for example to transport fish, cows and milk. The road network was also cited as problematic. There is currently a lack of coordination of small scale farmers transport needs and recognition that coordinating these needs better and improving links with the Ugandan Transport Cooperative Union (UTCU) or the private sector could improve the transport services provided and allow economies of scale to be leveraged.

A common theme at the workshop was that many cooperatives plan to develop their own transport provision over the next 1-3 years. As a result there is an urgent need for planning and preparation over the next 12 months to make this transition as effective as it can be. The national transport policy is about to be written and this is an opportunity for the cooperatives to define both what they can offer in terms of a coordinated approach to transport to the government and to be clear about what the ask from the cooperatives is.

The workshop also highlighted that there was a growing demand in national markets and a rise of retailers and supermarkets. This also increases the need for cooperatives to work together to ensure prices are not driven down and to exploit opportunities for bulk and guaranteed.

The growth of the cooperative movement in Uganda represents significant potential as do the new emerging sectors in Uganda. If the cooperative movement is coordinated around issues of transport they can use shared resources for the benefit of all co-operators. There was a clear desire to coordinate better and to develop a simple system to allow transport needs to be captured and shared. Through improved coordination of cooperative transport activities it was felt that cooperative could identify and analyse combined needs to see where there are synergies. The reinvigoration of the UTCU and its service for the cooperatives was also seen as a potential way to catalyst change. Using the expertise of the UTCU contracts could be formalised, insurance processes introduced and crucially transport delays could potentially be minimised. Therefore, the development and delivery of training and capacity building programmes was considered important.

Furthermore, investigating the role of SACCOs in transport was highlighted and how they could potentially support at a community transport level as well as to support financing for recapitalization of equipment. Processing further up the value stream to reduce waste was seen as an opportunity.

Finally, the low tech community transport options should not be forgotten, especially from farm gate to local collection points. What can be done to address the issues of women carrying such large

quantities of products should be explored further. The 2012 year of cooperatives and the focus afforded to issues of cooperatives, resilience and sustainability should be exploited to ensure that transport is firmly on the development agenda.

Tools Utilised: Toolkit for UK Coop College- Uganda Cooperative Transport Workshop Toolkit, V3
Transaid Transport Management Self-Learning Manual (pdf format 1.8MB)
Transport Management: A Self-Learning Guide for Local Transport Managers of Public Health Services. Arlington, Va.: USAID | DELIVER PROJECT, Task Order 1

Partners: UK Coop College, ILO Coop facility, Uganda Co-operative Alliance, Institute for Transport Studies at the University of Leeds

About Transaid:

Transaid is an international UK development charity that aims to reduce poverty and improve livelihoods across Africa and the developing world through creating better transport. Transaid was founded by Save the Children and the Chartered Institute of Logistics and Transport. Our Patron is HRH The Princess Royal. Transaid specializes in the following:

- Building the capacity of public health authorities to provide effective, safe and cost efficient transport management systems to promote equitable access to primary health care services.
- Developing and improving logistics and supply chain systems to enhance the delivery of medicines, equipment and relief services to vulnerable communities.
- Promoting effective partnerships to support and enhance community participation in developing sustainable transport solutions in rural areas.
- Developing and delivering transport and logistics training and qualifications for public and private sector operators.

Transaid has the capacity and reach to lead projects throughout the developing world, but is equally capable of providing niche technical assistance to large scale health systems strengthening projects. Transaid maintains strong relationships with a number of leading international organizations including donor agencies such as DfID, DANIDA and USAID, and implementing organizations such as Health Partners International, Options Consulting, John Snow Inc. and Management Sciences for Health.

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