



# The Entrepreneurship and Enterprise Growth Landscape

## Uganda



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# Introduction

The purpose of the information presented in this report is to inventory different organizations in Uganda that could help build local capacity and catalyze and accelerate SME development and growth. The information includes specific activities, programs and services offered by these organizations and, where possible, shows their interconnectivity. The organizations inventoried offer specific services (i.e. technical assistance programs) to help entrepreneurial growth and enterprise development in Uganda. Organizations that are included are believed to have some type of sustained institutional capacity to maintain and/or grow their services (evidenced by such characteristics as having a fulltime presence in Uganda, permanent staff, institutional longevity and/or fee-for-service programs). This information has been compiled primarily via desk research and thus relies on resources available in the public domain.

The report includes a contextual overview of Uganda, which helps to shed light on some of the challenges and opportunities for SME development and poverty alleviation. This information puts into perspective some of the key sectors that have been the focus of enterprise development activities. The report also includes an overview of key donor programs, as they can often stimulate SME-related activities and also provide a sense of where large interventions in the SME landscape are occurring.

## Overview of Uganda

### Relevant History

The territory now known as Uganda was governed as a British protectorate encompassing a wide range of ethnic groups with different political systems and cultures. In 1962, it gained its independence. After the dictatorial regime of Idi Amin in the 1970s during which 300,000 opponents were killed, a guerrilla war, and human rights abuses under Milton Obote in the early 1980s that claimed at least another 100,000 lives, Yoweri Museveni came to power. He has been in power for 30 years and has brought relative stability and economic growth to Uganda.<sup>1</sup>



In 1986 the Lord's Resistance Army (LRA) formed as a rebel group in northern Uganda, where it operated until 2006 with the goal of overthrowing the government. For

<sup>1</sup> "The World Factbook," accessed March 3, 2016, <https://www.cia.gov/library/publications/the-world-factbook/geos/ug.html>.

decades it terrorized the countryside, killing and maiming civilians. At the height of the violence nearly 2 million people were displaced.<sup>2</sup> The movement, led by Joseph Kony, filled its ranks by forcibly recruiting fighters, particularly by kidnapping children and pressing them into service as soldiers or sex slaves. One UNICEF study found that at least 66,000 children had been abducted during the war.

Since 2006 the LRA has retreated to the border region of the Democratic Republic of Congo, the Central African Republic and South Sudan, where it still operates on a much smaller scale. Since its departure northern Uganda has enjoyed an economic resurgence, and over 95% of those in Internally Displaced Person camps have left to rebuild their lives. Since 2000 over 12,000 former fighters have escaped and been reintegrated, either through Uganda's Amnesty Commission or informally.<sup>3</sup>

Uganda has been on the OECD's fragile states list since 2008.

## Population, Poverty & Human Development

Uganda has a population of 37,101,745<sup>4</sup> with 19.5% of Ugandans living below the poverty line.<sup>5</sup> The country has reduced poverty by two thirds since the inception of the Millennium Development Goals (MDGs). As a result, households with higher income levels are better able to meet the direct and indirect costs of accessing education and healthcare, which has contributed toward meeting many of the other goals. Uganda's poverty reduction is credited to broad-based economic growth, enabled by strong macroeconomic management, public investment in infrastructure such as feeder roads and rural electrification, regional integration and trade, and rapid urban growth. There are, however, 6.7 million Ugandans who still live in poverty, and a further 14.7 million who remain vulnerable.<sup>6</sup> Some 84% of the population live in rural areas<sup>7</sup> and rely on subsistence agriculture.<sup>8</sup> The North and Northeast also lag behind the rest of the country, and rural areas have the highest concentrations of poverty.<sup>9</sup>

### **Poverty in Northern Uganda**

Many contend that the north of Uganda has not benefited from the country's upsurge of economic growth. Land conflicts (sometimes violent) have been a big issue, with former IDPs returning to find their traditional lands gone. In the Acholi sub-region, land

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<sup>2</sup> "The Lord's Resistance Army: Fact Sheet," U.S. Department of State, March 23, 2012, <http://www.state.gov/r/pa/prs/ps/2012/03/186734.htm>.

<sup>3</sup> Ibid.

<sup>4</sup> "The World Factbook."

<sup>5</sup> <http://data.worldbank.org/country/uganda>. 2012 Statistic. Accessed May 20, 2016.

<sup>6</sup> "Millennium Development Goals Report for Uganda 2015 Special Theme: Results, Reflections and the Way Forward."

<sup>7</sup> <http://data.worldbank.org/indicator/SP.RUR.TOTL.ZS>. Accessed May 21, 2016.

<sup>8</sup> <http://www.farmafrica.org/uganda/uganda>. Accessed May 21, 2016.

<sup>9</sup> Vera-Kintu Oling et al., "Uganda," *African Economic Outlook*, 2015, <http://www.africaneconomicoutlook.org/en/country-notes/east-africa/uganda/>.

is the most frequent cause of tension after issues relating to the war itself. Much of the land has traditionally been community-owned, a system that exposes returnees to eviction when someone comes to buy it. This also makes it hard for returnees to get loans from banks.<sup>10</sup> Many contend that there hasn't been enough support to IDPs trying to rebuild their livelihoods, and that most of the recovery has been in urban areas like Gulu, the main city in Acholi.<sup>11</sup> Decades of war have also eroded the traditional Acholi community (the main tribe in the area), including community support mechanisms. Many people still suffer from psychological trauma from the war and are unable to be productive.<sup>12</sup>

In 2007 the government launched a Peace, Recovery and Development Plan to stabilize the north and contribute to its economic recovery. But according to UNHCR, government programs have focused mainly on commercial agriculture and manufacturing and have had little impact on returnees.<sup>13</sup>

## Youth

With almost half of its people under the age of 15<sup>14</sup> (and 78% below the age of 30),<sup>15</sup> Uganda has one of the world's youngest populations. It has a very high dependency ratio, a population growth rate that generates 700,000 new labor market entrants every year,<sup>16</sup> and one of the highest youth unemployment rates in Sub-Saharan Africa (2011).<sup>17</sup> Officially 64% of the unemployed are aged 24 or younger,<sup>18</sup> although the actual number could be as high as 83% (as of 2013).<sup>19</sup> The incidence of poverty among young people is over 80%.<sup>20</sup>

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<sup>10</sup> "New Displacement in Uganda Continues Alongside Long-Term Recovery Needs" (Internal Displacement Monitoring Centre, January 23, 2014), <http://www.internal-displacement.org/assets/library/Africa/Uganda/pdf/201401-af-uganda-overview-en.pdf>.

<sup>11</sup> Samuel Okiror, "How the LRA Still Haunts Northern Uganda," IRIN, February 17, 2016, <https://www.irinnews.org/analysis/2016/02/17/how-lra-still-haunts-northern-uganda>.

<sup>12</sup> "New Displacement in Uganda Continues Alongside Long-Term Recovery Needs."

<sup>13</sup> Ibid.

<sup>14</sup> <http://www.worldbank.org/en/country/uganda/overview>. Accessed May 20, 2016.

<sup>15</sup> "YouthMap Uganda" (International Youth Foundation, October 2011), [http://www.youthpolicy.org/national/Uganda\\_2011\\_Youth\\_Mapping\\_Volume\\_1.pdf](http://www.youthpolicy.org/national/Uganda_2011_Youth_Mapping_Volume_1.pdf).

<sup>16</sup> <http://www.worldbank.org/en/country/uganda/overview>. Accessed May 20, 2016.

<sup>17</sup> "YouthMap Uganda."

<sup>18</sup> Gemma Ahaibwe and Swaibu Mbowa, "Youth Unemployment Challenge in Uganda and the Role of Employment Policies in Jobs Creation," The Brookings Institution, August 26, 2014, <http://www.brookings.edu/blogs/africa-in-focus/posts/2014/08/26-youth-unemployment-uganda-ahaibwe-mbowa>.

<sup>19</sup> "Economic Brief - Accelerating the AfDB's Response to the Youth Unemployment Crisis in Africa" (African Development Bank, 2013), [http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Economic\\_Brief\\_-\\_Accelerating\\_the\\_AfDB%E2%80%99s\\_Response\\_to\\_the\\_Youth\\_Unemployment\\_Crisis\\_in\\_Africa.pdf](http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Economic_Brief_-_Accelerating_the_AfDB%E2%80%99s_Response_to_the_Youth_Unemployment_Crisis_in_Africa.pdf).

<sup>20</sup> Ibid.

## *Human Development Indicators (HDI)<sup>21</sup>*

Low human development category

HDI rank: 163/188

### Key HDI Indicators:

Life expectancy: 58.5

Expected years of schooling: 9.8

Mean years of schooling: 5.4

GNI per capita (PPP): \$1,613

*Since 1980 Uganda's HDI value has increased at an average of about 1.56% per year. Life expectancy has risen dramatically since 1995, while GNI per capita has risen steadily since 1985. The HDI value has been moving sharply upward since 1995; however, Uganda's current HDI value is below the average for countries in the low human development category, and below the average for Sub-Saharan Africa.*

## Economy

Uganda aspires to be an upper middle income country by 2040.<sup>22</sup> The following statistics are from the World Bank 2014:<sup>23</sup>

GDP: \$27.00 billion

GNI per capita: \$670

The Ugandan economy is forecast to grow at a rate of approximately 5.9% in FY16/17. Growth will increase to 6.8% in FY17/18 and thereafter stay on an upward trajectory into the medium term, assuming major infrastructure projects are implemented as planned, and private investment intensifies with oil-related activities.<sup>24</sup>

However, the World Bank notes the following challenges to economic growth and overcoming poverty in Uganda:<sup>25</sup>

- Low levels of productivity of both agricultural and non-agricultural sectors
- Inappropriate urban development
- Slow development of infrastructure
- Limited availability of credit
- Persistently high rates of poverty in the northern region as a challenge to

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<sup>21</sup> "Human Development Report 2015" (UNDP), accessed March 4, 2016, [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/UGA.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/UGA.pdf).

<sup>22</sup> "Uganda Vision 2040," accessed May 23, 2016, <http://npa.ug/wp-content/themes/npatheme/documents/vision2040.pdf>.

<sup>23</sup> [http://data.worldbank.org/country/uganda#cp\\_gdp](http://data.worldbank.org/country/uganda#cp_gdp). Accessed May 20, 2016.

<sup>24</sup> <http://www.worldbank.org/en/country/uganda/overview>

<sup>25</sup> Ibid.

reducing regional inequality

### **World Economic Forum Global Competitiveness Index (GCI)<sup>26</sup>**

The World Economic Forum's Global Competitiveness Index (GCI) characterizes Uganda as a **factor-driven economy**.

The GCI identifies three specific stages, each implying a growing degree of complexity in the operation of the economy:

Stage 1: *Factor-driven* (based primarily on unskilled labor and natural resources) Companies compete on the basis of prices and sell basic products or commodities (with their low productivity reflected in low wages).

Stage 2: *Efficiency-driven* As wages rise with advancing development, countries move into the efficiency-driven stage of development, when they must begin to develop more efficient production processes and increase product quality. At this point, competitiveness becomes increasingly driven by higher education and training, efficient goods markets, efficient labor markets, developed financial markets, the ability to harness the benefits of existing technologies, and market size (both domestic and international).

Stage 3: *Innovation-driven* Countries are only able to sustain higher wages and a higher standard of living if their businesses are able to compete by providing new or unique products. At this stage, companies must compete by producing new and different goods using the most sophisticated production processes and through innovation.

### **Key Economic Sectors<sup>27</sup>**

The key economic sector for Uganda is agriculture. The majority of production is in coffee, tea, cotton, tobacco, cassava (manioc, tapioca), potatoes, corn, millet, pulses, cut flowers, beef, goat meat, milk and poultry, with coffee, tea, fish and fish products, cotton and flowers destined for export markets. 82% of the labor force is engaged in agriculture (with 13% in services and 5% in industry).

The country also has oil and minerals (including gold). Industrial production is focused on sugar, brewing, tobacco, textiles, cement and steel.

### **Key Factors for Doing Business**

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<sup>26</sup> Klaus Schwab, "Global Competitiveness Report 2015-2016" (World Economic Forum), accessed March 4, 2016, [http://www3.weforum.org/docs/gcr/2015-2016/Global\\_Competitiveness\\_Report\\_2015-2016.pdf](http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf).

<sup>27</sup> "The World Factbook."

The following section outlines factors for doing business in Uganda, including the ease of registering and conducting business, corruption, and relative safety and security.

### ***World Bank's Ease of Doing Business Ranking<sup>28</sup>***

Uganda ranks 122/189 countries with a score of 56.64, an improvement from 2014.

Uganda is listed as one of the top ten countries in the world in terms of overall improvements in 2014/15.

Indicators and ranking:

- Starting a business: 168

It takes 27 days to start a business, 15 procedures and 39.7% of income per capita. Paying taxes takes 209 hours per year, and the total tax rate is 36.5% of profit.

In 2014/15 Uganda introduced an online system for obtaining a trading license, and reduced business incorporation fees.

Uganda is one of the countries that showed the most improvement in terms of getting credit and credit information by expanding borrower coverage; the credit bureau now covers 5.3% of the adult population.

The most problematic factor for doing business is corruption, followed closely by tax rates. After these come access to financing, inadequate infrastructure, inflation and poor work ethic in the labor force. The least problematic factors are government instability/coups, and restrictive labor regulations.<sup>29</sup>

### ***Corruption<sup>30</sup>***

Corruption Perceptions Index 2015

Score: 25/100

Rank: 139/168

In 2012 the East African Bribery Index found Uganda to be the most corrupt country in East Africa, with a percentage value of 40.7%. Anti-corruption experts at the time attributed this to low political will to fight corruption, along with low salaries for civil servants. In addition, in recent years Uganda has been rocked by a number of high-profile corruption scandals, including one in 2012 in which 12 million euros in aid money, intended to assist recovery in northern Uganda, was embezzled by the Office of

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<sup>28</sup> "Doing Business 2016: Measuring Regulatory Quality and Efficiency" (World Bank Group), accessed March 4, 2016, <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB16-Full-Report.pdf>.

<sup>29</sup> Schwab, "Global Competitiveness Report 2015-2016."

<sup>30</sup> "Country Profiles: Uganda," *Transparency International*, accessed March 4, 2016, [https://www.transparency.org/country/#UGA\\_Chapter](https://www.transparency.org/country/#UGA_Chapter).



the Prime Minister. In the wake of the scandal several donors, including Ireland and DFID, temporarily suspended aid.

## Security & Safety

The US State Department remarks that “while faced with related issues associated with crime and terrorism, Uganda continues to improve its security situation by focusing efforts toward combating these activities.” While crime is generally under-reported, “most experts agree that crime is generally low in provincial towns and rural areas.” Common crimes are generally opportunistic rather than planned attacks, and while petty crime has risen in recent years, it is rarely violent. “Uganda does not have large organized crime elements”, the State Department adds.<sup>31</sup>

The biggest terrorism threat comes from al-Shabaab, and stems from Uganda’s support for and participation in the African Union Mission in Somalia. 2010 suicide bombings in Kampala killed 76 people, and an al-Shabaab cell in Kampala was disrupted in 2014 in the midst of an imminent attack. There have been no successful attacks since 2010, but the threat is ever present. Regional terror organizations include the Allied Democratic Forces (ADF) in Eastern DRC, which has made incursions into Western Uganda.<sup>32</sup>

There are occasional inter-tribal conflicts over land or resources; the British Foreign Office describes the Karamoja region as “largely lawless” and warns travellers to be cautious around the borders of the DRC and South Sudan, where clashes have been reported.<sup>33</sup>

## Development Issues

### Gender

According to the OECD Development Center’s Gender Index, Uganda ranks medium on gender equality. The Land Act of 2004 was meant to improve women’s access to land and grant them the right to manage property. But according to the IMF, 70% of women are employed in agriculture while only 20% own land. Women’s land rights are curtailed by customary law, and problems in accessing title deeds for land later lead to problems in accessing credit.<sup>34</sup>

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<sup>31</sup> “Uganda 2015 Crime and Safety Report,” OSAC, accessed March 7, 2016, <https://www.osac.gov/pages/ContentReportDetails.aspx?cid=17446>.

<sup>32</sup> Ibid.

<sup>33</sup> “Uganda Travel Advice,” *Gov.uk*, accessed March 7, 2016, <https://www.gov.uk/foreign-travel-advice/uganda/safety-and-security>.

<sup>34</sup> “Gender Equality in Uganda,” Social Institutions and Gender Index, accessed March 7, 2016, <http://www.genderindex.org/country/uganda>.

The 2013 Economist's Women's Economic Pathways to Empowerment Index encompasses regional research institutions and individual researchers in Africa, South Asia, Latin America and the Middle East, and generated over 800 papers and other research products. Its Opportunity Index incorporates data on five variables: labor policy and labor practice; access to finance; skills and training; women's legal and social status; and the general business environment. Against these measures, Uganda comes in 9th out of the 21 African countries ranked – below Tanzania, Kenya, and South Arica, but above Zambia, Nigeria and Ethiopia. Uganda ranks only 102nd out of a total of 128 countries ranked worldwide.<sup>35</sup>

## Environment

The National Environmental Management Authority hasn't released a State of the Environment Report since 2010. It found that "environmental degradation costs the national economy colossal amounts of money through otherwise avoidable expenditure on curative health care, water treatment, re-settlement of environmental refugees, emergency food aid and restoration of degraded ecosystems. These costs will increase in view of the exacerbating effects of climate change and increased vulnerability."<sup>36</sup>

Current environmental problems include soil erosion, declining soil fertility, deforestation, pollution (land, water and air), loss of biodiversity and over-harvesting of forests, fisheries and water resources. Uganda's rapid population growth is also posing a problem in terms of land fertility.<sup>37</sup>

The effects of climate change are already being felt, especially in terms of agriculture and water supply. Proposed alleviation measures include research and forecasting, water storage and disaster risk reduction. Although Uganda is well-endowed in terms of water resources, degradation of catchment areas has also led to problems in water supply and quality. This includes the degradation of wetlands, and of aquatic ecosystems that affect the supply of fish.<sup>38</sup>

In addition, there is some concern about protecting species, including apes (chimps and gorillas), as more land is cleared for agriculture,<sup>39</sup> as well as a need to focus on conservation via ecotourism.

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<sup>35</sup> "Gender Equality in Uganda: A situation Analysis and Scoping Report for the Gender Development Partners Group". March 2014.

[http://www.gsdrc.org/docs/IDEVREAN13007UG\\_Final%20Situation%20Analysis%20Report.pdf](http://www.gsdrc.org/docs/IDEVREAN13007UG_Final%20Situation%20Analysis%20Report.pdf)

<sup>36</sup> "State of the Environment Report for Uganda 2010" (Kampala: National Environment Management Authority, 2010), [http://www.nemaug.org/reports/national\\_state\\_report\\_2010.pdf](http://www.nemaug.org/reports/national_state_report_2010.pdf).

<sup>37</sup> Ibid.

<sup>38</sup> Ibid.

<sup>39</sup> Pana Kasoma, "Tackling Human-Wildlife Conflict In Uganda In Order To Improve Attitudes to Ape Conservation" (The Africa-Asia Workshop on Ape Conservation of Poverty Alleviation, Bogor, Indonesia, January 2012), <http://www.slideshare.net/CIFOR/tackling-humanwildlife-conflict-in-uganda-in-order-to-improve-attitudes-to-ape-conservation>.

## Micro, Small & Medium Sized Enterprises

The Ugandan Bureau of Statistics categorizes MSMEs based on the fulfillment of two of the three following criteria: employees, capital investment and annual sales turnover.<sup>40</sup>

From the MSME Policy 2015:<sup>41</sup>

Category	# of Employees	Asset Value
Micro	Up to 5 employees	assets not exceeding 10 million shillings
Small	5-49 employees	assets of 10 million – 100 million shillings
Medium	50-100 employees	assets of 100 – 360 million shillings

For a comparison of MSME definitions in different East African countries, see p.31 of the Micro, Small and Medium Enterprise Policy Strategy 2015.<sup>42</sup>

According to a report produced by B-Space, the sector is comprised of 1,100,000 enterprises, with 70% of them being characterized as micro, 20% as small and 10% as medium.<sup>43</sup>

Most MSMEs in Uganda are small, informal and family-run. They only register and formalize when they need to obtain external financing, get an operating license, open bank accounts or separate business from personal finances.<sup>44</sup> MSME's contribute about 90% of private-sector production.<sup>45</sup> Most are engaged in trade, agricultural processing and services.<sup>46</sup>

Formal MSME's (those that are registered and operational) account for about 81.5% of the self-employed labor force. Many are informally-run family-owned businesses established within the past seven years.<sup>47</sup> Forty-nine percent of MSMEs are in the service sector, 33% are in commerce and trade, 10% are in manufacturing and 8% are in other sectors.<sup>48</sup> The MSME sector employs 2.5 million people, accounting for

<sup>40</sup> "Uganda Micro, Small and Medium Enterprise (MSME) Policy" (Ministry of Trade, Industry and Cooperatives, June 2015).

<sup>41</sup> Ibid.

<sup>42</sup> Ibid.

<sup>43</sup> Msiime, Stanley and Baasha, Davis (B-Space). A report for Oxfam Novib Impact Investments. "Mapping the Impact investment Space in Uganda". Accessed May 20, 2016.

<sup>44</sup> "Small and Medium Enterprises Business Guide" (Uganda Investment Authority, March 2008), [http://www.iceida.is/media/pdf/SME\\_GUIDE\\_FINAL\\_COPY.pdf](http://www.iceida.is/media/pdf/SME_GUIDE_FINAL_COPY.pdf).

<sup>45</sup> Ibid.

<sup>46</sup> "Our SME Activities," Uganda Investment Authority, accessed March 14, 2016, <http://www.ugandainvest.go.ug/services/our-sme-activities/#more-73>.

<sup>47</sup> Ibid.

<sup>48</sup> "Uganda Micro, Small and Medium Enterprise (MSME) Policy."

approximately 90% of the entire private sector and contributing 20% to the GDP.<sup>49</sup>

On the other hand, there is rapid decline in competitiveness of MSMEs, which suffer from a mortality rate of over 40 percent per annum.<sup>50</sup> One study characterizes the local private sector as having “small and new as perennial features”, which reduces the credibility of firms as potential business partners, increases financial insecurity and further constrains the competitiveness of local SMEs. The study notes that at the same time, the entry of better-financed regional and international firms into the Ugandan market is on the rise.<sup>51</sup>

### ***Global Entrepreneurship Monitoring***

Uganda has participated in the past in the Global Entrepreneurship Monitor (GEM) study through Makerere University. The following key facts have been extracted from the 2014 Global Report.<sup>52</sup>

- The average entrepreneur in Uganda is a female, 18-34 years of age, with at least secondary education and working in the consumer service sector.
- Overall, Ugandans have high aspirations, positive attitudes towards entrepreneurship and low levels of fear of failure.
- Entrepreneurship is concentrated in small and micro businesses, with only 2% expecting to employ 20 or more people in the next five years.
- The biggest enabler of entrepreneurship in Uganda is its internal market dynamics.
- The most significant constraints are unsupportive government policies, in terms of bureaucracy and taxes, and lack of financing.

## **Rates of Entrepreneurship**

According to a 2013 survey, Ugandans are some of the most entrepreneurial people in Sub-Saharan Africa, a characteristic most concentrated in the country’s 1.8 million informal firms.<sup>53</sup>

Total early-stage Entrepreneurial Activity (TEA) stands at 35% in Uganda, a number that reflects individuals either in the process of starting a new business or already running one. Perceived opportunities – the percentage who believe there is occasion to start a venture in the next six months in their immediate environment – is at 76.9%, while those

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<sup>49</sup> Ibid.

<sup>50</sup> Trust Africa. Africa. “Promoting Alternative Finance for SMEs in Uganda.” August 2013. Accessed May 20, 2016.

<sup>51</sup> Ibid.

<sup>52</sup> Donna Kelley, Slavica Singer, and Mike Herrington, “GEM Global Report” (Global Entrepreneurship Monitor, 2015).

<sup>53</sup> Rebecca Namatovu and Samwel Dawa, “Supporting Africa’s Young Entrepreneurs: Uganda” (Global Entrepreneurship Monitor, 2013).

who believe they have the required skills, knowledge and experience to start a new venture stands at 84.9%. These numbers are all unusually high by African standards, on a continent that already has the highest TEA rates in the world.<sup>54</sup>

## Access to Local Finance

Local finance is available to qualifying SMEs via microfinance institutions, SACCOs and banks. However, accessing credit by SMEs in Uganda is still difficult as interest rates hover above the 20% mark.

### *Microfinance and SACCOs*

The Association of Microfinance Institutions of Uganda (AMFIU) has 95 members. These include SACCOs, co-ops and a few banks.<sup>55</sup> Most MFIs lend up to 13-26 million Ugandan shillings, but the typical size of the loan is 2.6 million shillings or less<sup>56</sup>.

### *Commercial Banks*

There are 25 licensed commercial banks in Uganda -- a list dominated by international and pan-African banks. Uganda's banking sector is led by three foreign banks: CFC Stanbic, Standard Chartered and Barclays. Kenyan banks (KCB, Equity and Diamond Trust) are also quite active. Only two Ugandan banks – Crane Bank and Centenary Bank – occupy leading positions.<sup>57</sup>

An African Development Bank Group survey<sup>58</sup> conducted in 2011-2012 with a handful of banks revealed the following findings:

- Uganda had the lowest number of banks (25%) with separate units managing SMEs. (All the banks in Kenya and Zambia had separate units managing SMEs, while 75% of the banks in Tanzania reported having dedicated SME units.)
- Uganda's banks cited reliable information as the largest hindrance to SME lending.
- The issue of collateral is a significant factor in Uganda, with 50% of the banks mentioning the lack of adequate guarantees as an obstacle to SME

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<sup>54</sup> Kelley, Singer, and Herrington, "GEM Global Report."

<sup>55</sup> "The Uganda Microfinance Directory" (Association of Microfinance Institutions of Uganda, 2015), [http://www.amfiu.org.ug/images/docs/carol/directory%202015\\_16%20for%20web.pdf](http://www.amfiu.org.ug/images/docs/carol/directory%202015_16%20for%20web.pdf).

<sup>56</sup> Mango Fund. "Business Loans Opportunities in Uganda."

<https://static1.squarespace.com/static/544e5899e4b0cfe049001dc7/t/5487075ee4b0e80cdb3b6ff7/1418135390109/Business+loans+opportunities+in+Uganda.pdf>

<sup>57</sup> "Uganda: Foreign Banks Dominate," African Business Magazine, January 11, 2012, <http://africanbusinessmagazine.com/uncategorised/uganda-foreign-banks-dominate/>.

<sup>58</sup> African Development Bank Group Working Paper Series. Bank Financing to Small and Medium Enterprises in East Africa: Findings of a Survey in Kenya, Tanzania, Uganda and Zambia.

lending.

- The majority of the Ugandan banks mentioned that although most SMEs own property, such property could not be considered acceptable security since in most cases it had not been surveyed and did not come with any title deed. They mentioned that this was the case for both urban and rural property, although the problem was more common with rural-based SMEs.
- Know Your Customer (KYC) procedures were also considered an issue for SMEs.

There are a small number of banks that have focused SME finance offerings. They include:

**Centenary Bank.** Centenary Bank was set up with a focus on banking services to serve economically disadvantaged people, especially in rural areas, and contribute to the overall economic development of the country. To reduce business risk, the bank has diversified its activities to include lending to small and medium enterprises as well as to large corporations. Although Centenary Bank is a licensed full-service commercial bank it can be (and often is) described as a “Commercial Micro Bank.”<sup>59</sup>

[www.centenarybank.co.ug](http://www.centenarybank.co.ug)

**DFCU.** DFCU was set up in 1964 by the Government of Uganda and CDC (the United Kingdom’s DFI). In 2000, DFCU started commercial banking through its subsidiary DFCU Bank and through CDC’s the bank has been able to support SMEs. The bank also has support from FMO and NorFund and a partnership with Rabobank for agriculture financing.

[www.dfugroup.com](http://www.dfugroup.com)

**Diamond Trust Bank.** IFC has granted a subordinated loan to the bank strengthen Diamond Trust Bank Uganda’s capital base and increase in lending to SMEs.

[www.dtbu.dtbafrica.com](http://www.dtbu.dtbafrica.com)

### *International Support*

The African Guarantee Fund (AGF), officially launched in 2012, is a pan-African non-bank financial institution founded by the Danish International Development Agency (DANIDA) and the Spanish Agency for International Cooperation and Development (AECID), in partnership with the African Development Bank (AfDB). The primary mandate of AGF is to facilitate access to finance to SMEs by sharing potential risk with financial institutions, as well as providing capacity development to financial institutions in appraising SMEs. They host the Africa SME Champions Forum, which includes

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<sup>59</sup>[http://siteresources.worldbank.org/FSLP/Resources/JGiles\\_presentation.ppt](http://siteresources.worldbank.org/FSLP/Resources/JGiles_presentation.ppt)

matchmaking between SMEs and financing institutions.

[www.africanguaranteefund.com](http://www.africanguaranteefund.com)

### **Mobile Money<sup>60</sup>**

Mobile money services are transforming the financial services sector in Uganda, creating and extending a platform for basic payment services and savings to millions of Ugandans who were previously excluded from the formal financial services industry. The number of mobile money subscribers has grown from about 10,000 in 2009 to 14.2 million in 2013, representing about 80% of Uganda's adult population. In 2012, mobile money transactions totaled 11.7 trillion shillings.

### **Investment Clubs**

Investment clubs are a financing option in Uganda. An investment club is a group of less than 100 people who pool their money to invest in ventures they deem profitable.<sup>61</sup> DFCU bank offers an investment club account<sup>62</sup> and there is an Investment Clubs Association of Uganda (ICAU).<sup>63</sup>

### **Impact Investment**

The GIIN produced a report on "The Landscape for Impact Investing in East Africa" in August 2015. The following information is from the Uganda chapter.<sup>64</sup>

"Uganda has a growing economy and is a primary target for impact investors. Most impact investors active in the region work in Uganda, and as impact investors diversify beyond Kenya, Uganda is perceived to be a primary destination. Most impact investors interviewed felt there were no significant country-specific impediments to impact investing in Uganda, but rather that the primary challenge was a less favorable business environment than they perceive in Kenya. Impact investors see considerable potential, and as the country continues to grow, they expect the general business environment to improve, presenting more opportunities to drive social change through sustainable social enterprises. Furthermore, non-DFI impact investors view Uganda as the country with the second highest potential in the region after Kenya, and expect it to grow in size and importance, following the same trajectory Kenya did several years ago."

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<sup>60</sup> Msiime, Stanley and Baasha, Davis (B-Space). A report for Oxfam Novib Impact Investments.

"Mapping the Impact investment Space in Uganda". Accessed May 20, 2016.

<sup>61</sup> <http://www.ugandainvest.go.ug/investmentclubs/>. Accessed May 20, 2016.

<sup>62</sup> <https://www.dfcugroup.com/investment-club-account/>. Accessed May 20, 2016.

<sup>63</sup> <http://www.ugandainvest.go.ug/investmentclubs/>. Accessed May 20, 2016.

<sup>64</sup> "The Landscape for Impact Investing in East Africa." Uganda Chapter. August 2015.

[https://thegiin.org/assets/documents/pub/East%20Africa%20Landscape%20Study/06Uganda\\_GIIN\\_eas tafrica\\_DIGITAL.pdf](https://thegiin.org/assets/documents/pub/East%20Africa%20Landscape%20Study/06Uganda_GIIN_eas tafrica_DIGITAL.pdf)

### *Key Facts and Figures from The Landscape for Impact Investing in East Africa Report*

- Uganda is the second largest impact investing market in East Africa, after Kenya.
- There are at least 119 impact capital vehicles active in Uganda, managed by some 82 non-DFI impact investors—nearly as many as in Kenya.
- At least US\$54 million has been committed specifically to investments in Uganda.
- Excluding DFI activity, there have been at least 139 impact deals in Uganda resulting in more than US\$300 million disbursed, representing more than 20% of all investment activity in East Africa overall.
- Within East Africa, Uganda boasts the second highest number of deals and second largest amount of capital disbursed in support of social and environmental impact— and the market is expected to continue to grow.

## Government Institutions Supporting MSMEs

The following Ugandan institutions have specific roles supporting MSMEs.

### **Directorate of MSMEs / The Ministry of Trade, Industry and Cooperatives**

The Ministry of Trade, Industry and Cooperatives is tasked with coordinating, supporting, developing and promoting the implementation of the MSMEs development policy strategic framework for 2015-2025. The Directorate of MSMEs is a new Directorate under the Ministry of Trade, Industry and Cooperatives. Following Cabinet approval of the MSME Policy, the Ministry received funding for the Directorate of MSMEs to begin the Industrial Cluster Program for Micro, Small and Medium Enterprises in the 2016/17 financial year, and funding has been provided to the Uganda National Board of Standards to support MSMEs in acquiring quality marks and product certifications. Funding also includes a budget for the recruitment of staff.<sup>65</sup>

[www.mtic.go.ug](http://www.mtic.go.ug)

### *Objectives of the Uganda Micro, Small and Medium Enterprise (MSME) Policy*<sup>66</sup>

Objective 1: To provide an enabling environment through policy, as well as a legal and institutional coordination framework

Objective 2: To promote research, product/process development, innovation, value addition and appropriate technologies, including ICT

<sup>65</sup> <http://www.mtic.go.ug/index.php?/The-Project/msme-directorate/>. Accessed May 20, 2016.

<sup>66</sup> [Uganda Micro, Small and Medium Enterprise \(MSME\) Policy Booklet](#).



Objective 3: To promote product and service standards for quality assurance  
Objective 4: To support access to markets and business information services  
Objective 5: To increase access to credit and financial services  
Objective 6: To enhance capacity building for entrepreneurship, vocational, business and industrial development skills  
Objective 7: To enhance gender equity, inclusiveness and environmentally friendly businesses for sustainable development

### **Uganda Investment Authority**

Uganda Investment Authority (UIA) is a statutory agency mandated to initiate and support measures that enhance investment in Uganda and advise government on appropriate policies conducive for investment promotion and growth. It is a semi-autonomous government agency which drives national economic growth and development in partnership with the private sector. As an investment promotion agency, UIA mainly markets investment opportunities; promotes packaged investment projects; ensures local and foreign investors have access to information, especially about the business environment, so as to make more informed business decisions; and offers business support, advisory and advocacy services. One of its six objectives is to offer support to SMEs, which it does directly and in conjunction with partners to train entrepreneurs. It also manages an online SME database.

[www.ugandainvest.go.ug](http://www.ugandainvest.go.ug)

### **Microfinance Support Centre**

The Microfinance Support Centre (MSC) facilitates access to affordable financial services and strengthens management capacities of microfinance institutions and SMEs. The shareholders are the Minister of Finance, Planning and Economic Development, the Minister for General Duties (Office of the Prime Minister), and the Minister of State for Finance, Planning and Economic Development (Microfinance).

MSC is under the direct supervision of the Ministry of Finance, Planning & Economic Development. It provides the policy framework for the provision of rural financial services, and business development support services to microfinance institutions and their respective clients. It is supported by the Government of Uganda, the African Development Bank, and Islamic Development Bank.

[www.msc.co.ug](http://www.msc.co.ug)

### **Private Sector Institutions Supporting MSMEs**

The following are both Ugandan and international private sector institutions based in Uganda that are supporting MSMEs.

#### **American Chamber of Commerce Uganda**

The American Chamber of Commerce Uganda (AmCham Uganda) is a non-profit

organization that was founded in December 2008 by American investors in Uganda, with membership open to American companies, multinationals, and local companies having strong business ties with the United States. AmCham hosts frequent business breakfasts and sundowners, almost monthly, which are attended by both American and Ugandan entrepreneurs. One of the goals is to boost Uganda's economy by the interaction of American entrepreneurs with Ugandan entrepreneurs, particularly in the agricultural sector, which is Uganda's largest potential income earner. The Chamber recently hosted the Generation AgriPreneur Summit and Expo.

[www.amchamuganda.co.ug](http://www.amchamuganda.co.ug)

### **Private Sector Foundation Uganda (PSFU)**

PSFU is Uganda's apex body for the private sector. It is made up of 185 business associations, corporate bodies and the major public sector agencies that support private sector growth. Since 1995 PSFU has served as a focal point for private sector advocacy and capacity building, and continues to sustain a positive dialogue with government on behalf of the private sector. From its inception, PSFU has been the government's implementation partner for several projects and programs aimed at strengthening the private sector as an engine of economic growth. Such programs include: the implementation of the Business Uganda Development Scheme (BUDS), the BUDS-Energy for Rural Transformation (ERT), Private Sector Competitiveness Projects, the Business Uganda Development Scheme (BUDS - DFID) supported by UKAID through the Department for International Development (DFID), the Business Uganda Development Scheme - Northern Uganda Agriculture Livelihoods Recovery Programme (BUDS – ALREP) supported by European Union, and the Competitiveness and Enterprise Development Project (CEDP) supported by the World Bank.

[www.psfuganda.org](http://www.psfuganda.org)

## **International Development Support for the MSME Sector**

The following international donor organizations are providing support for the sector.

*Note: In addition to the corruption scandal described above that led to the suspension of development aid, in 2014 Uganda enacted legislation that could punish homosexuality with life imprisonment. The law was subsequently annulled by the Constitutional Court on technical grounds. However, due to the proposal of such legislation (and also widespread corruption), Sweden currently avoids cooperation with the Ugandan government. Sweden now channels support through civil society organizations and international organizations.<sup>67</sup> (There may be other countries that have suspended their funding for similar reasons.)*

### **Department for International Development (DFID) – United Kingdom**

Uganda is one of DFID's target countries. The top priorities are: improving the quality of

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<sup>67</sup> <http://www.sida.se/English/where-we-work/Africa/Uganda/Our-work-in-Uganda/>

essential services and protecting the most vulnerable; increasing growth through investment in infrastructure, financial services, business development and trade; supporting recovery in the North; and improving maternal health and government accountability. DFID does not have any stand alone programs for Uganda, but funds the likes of the Northern Uganda Youth Empowerment Project and the SPRING Accelerator through its “funding schemes”.

[www.gov.uk/government/world/organisations/dfid-uganda](http://www.gov.uk/government/world/organisations/dfid-uganda)

### **Ministry of Foreign Affairs, The Netherlands**

Although there is no centralized information the Netherlands’ country strategy for Uganda, they are heavily invested in supporting initiatives related to agricultural development, agricultural finance and food security. The majority of this funding supports initiatives of Dutch NGOs and platforms.

[www.government.nl/topics/international-relations/contents/uganda](http://www.government.nl/topics/international-relations/contents/uganda)

### **United States African Development Foundation (USADF)**

The USADF awards small grants (up to US\$250,000) for technical assistance and capacity building to grassroots organizations, cooperatives and community enterprises that strengthen local institutions and achieve lasting impact. The Uganda country program was established in 1992 and consists of 24 projects with a total commitment of US\$4.1 million. The Uganda program focuses on agricultural grower and producer cooperatives in marginalized areas, as well as Feed the Future sector alignment.

[www.usadf.gov](http://www.usadf.gov)

### **United States Agency for International Development (USAID)**

Uganda benefits from traditional USAID development programming. Specifically in relation to enterprise growth and development, USAID’s Partnering to Accelerate Entrepreneurship (PACE) Initiative<sup>68</sup> aims to catalyze private-sector investment into early-stage enterprises, and identify innovative models or approaches that help entrepreneurs bridge the “pioneer gap.” It has a number of grantees that work in East Africa, including Intellectap Advisors, Open Capital Advisors and Jibu. USAID is also sponsoring individual organizations such as the Yunus Social Business Foundation. The USAID Development Credit Authority<sup>69</sup> provides partial credit guarantees to mobilize local financing in Uganda.

[www.usaid.gov/uganda](http://www.usaid.gov/uganda)

### **The World Bank**

The World Bank has recently completed its consultation on their Uganda country strategy from 2016-2021, which is under development. The number one takeaway from the consultation was that agriculture is a key priority as it is seen as the sector that

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<sup>68</sup> [www.usaid.gov/PACE](http://www.usaid.gov/PACE)

<sup>69</sup> <https://www.usaid.gov/what-we-do/economic-growth-and-trade/development-credit-authority-putting-local-wealth-work>

will drive poverty reduction.<sup>70</sup> The World Bank also has an ongoing Competitiveness and Enterprise Development Project for Uganda to improve the competitiveness of enterprises by providing support for: (i) the implementation of business environment reforms, including land administration reform; and (ii) the development of priority productive and service sectors. The project includes a component on business registration and business licensing reforms, and a grant facility to implement Business Development Services (BDS).<sup>71</sup>

[www.worldbank.org/en/country/uganda](http://www.worldbank.org/en/country/uganda)

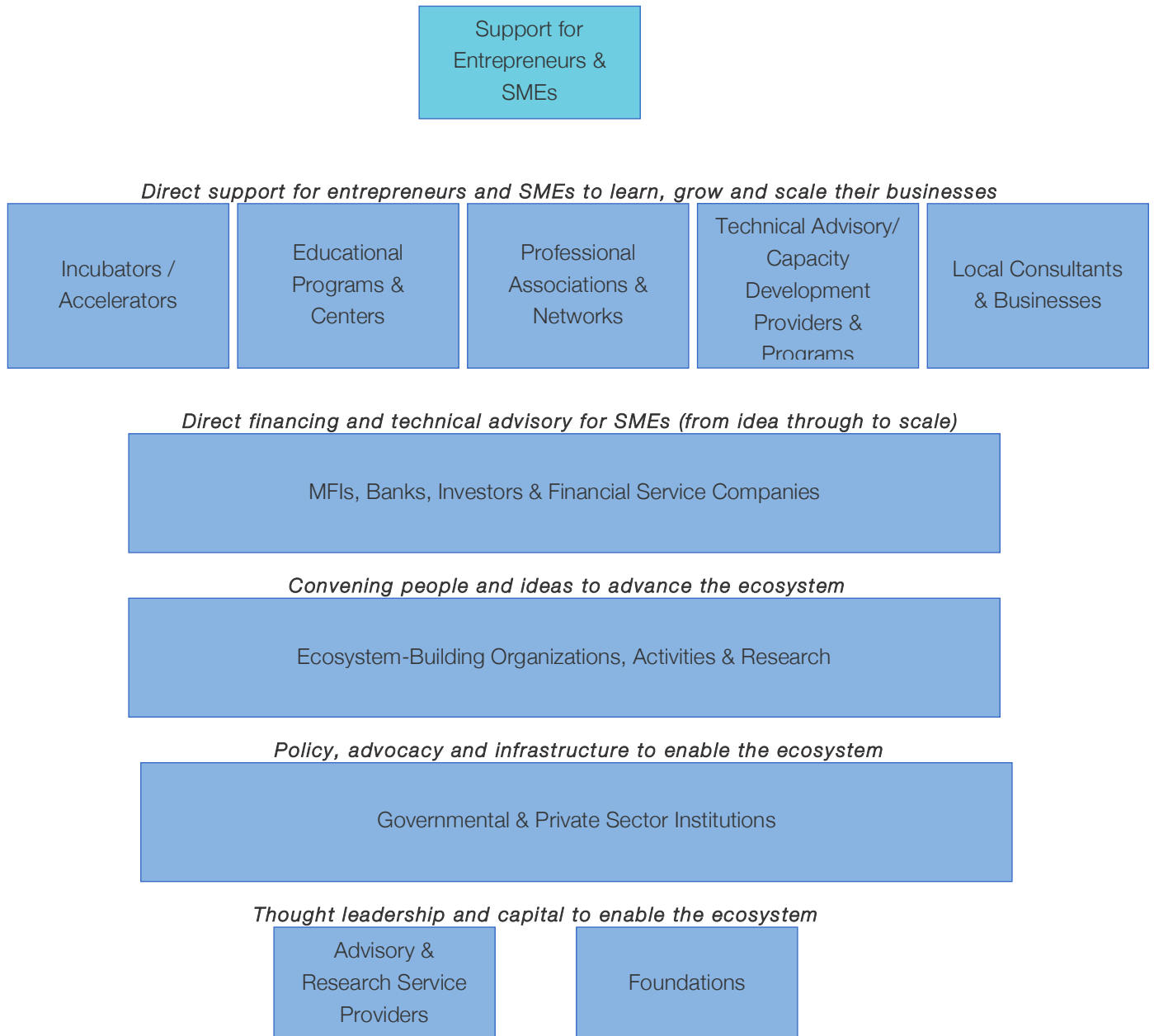
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<sup>70</sup> <https://consultations.worldbank.org/consultation/uganda-country-partnership-framework-cpf>. Accessed May 20, 2016.

<sup>71</sup> <http://www.worldbank.org/projects/P130471/competitiveness-enterprise-development-project-cedp?lang=en>

# The Ecosystem

## Ecosystem Map



## Ecosystem-Building Organizations, Activities & Research

*The following organizations and initiatives are conveners and/or platforms that share best practice across the sector (in person or virtually), conduct research, and/or host convenings.*

### Consortiums & Platforms

#### AfriLabs

AfriLabs is a pan-African network of 40 technology innovation hubs in 20 countries. It was founded in 2011 to build a community around rapidly emerging tech hubs -- spaces that serve as physical nexus points for developers, entrepreneurs and investors. AfriLabs is working through these spaces to build an innovation infrastructure that will encourage the growth of Africa's knowledge economy by supporting the development of start-ups, technology and innovation. They facilitate knowledge sharing and collaboration, and focus on capacity and financial sustainability of hubs. Uganda-based members include Hive Colab and Outbox Hub.

<http://www.afrilabs.com>

#### ANDE East Africa Chapter

The Aspen Network of Development Entrepreneurs (ANDE) is a global network of organizations that propel entrepreneurship in emerging markets. ANDE supports its 200+ members primarily through knowledge sharing and networking, but also provides training, research and funding, and coordinates advocacy and education. The East Africa Chapter is the largest chapter in the ANDE network and is based in Nairobi; it brings together ANDE members supporting small and growing business in East Africa, who then work with their members to identify common challenges that can be addressed collectively. The Chapter is now hosting more events in Uganda, which have included a networking happy hour and a session focused on investment.

<http://www.andeglobal.org/?page=EastAfrica>

#### Financial Sector Deepening Uganda

Financial Sector Deepening Uganda (FSDU) is an independent, not-for-profit organization established in 2014. They support innovation, conduct research and help promote and improve policy, laws and regulation that shape the financial sector. Their objective is a deeper, broader and more inclusive financial sector in Uganda, with the ultimate aim of improving the livelihoods of Uganda's low-income households through a market development approach. FSDU is a part of the FSD Network -- an alliance of the two regional "FSDs" in South Africa and Kenya and seven national FSDs that aim to reduce poverty through financial sector development in sub-Saharan Africa.

<http://www.fsduganda.or.ug/>

## VC4Africa

VC4Africa is the largest online community of entrepreneurs and investors dedicated to building companies in Africa. Entrepreneurs have access to free online tools, mentorship opportunities and private deal rooms. Investor Pro Account users (their revenue model) can set up intelligent alerts, follow progress, conduct due diligence and connect directly with entrepreneurs. The community has members in 159 countries and meet-ups have been hosted in more than 50 cities around the world. They operate as a peer-to-peer network and champion an open source approach. The core vision behind the project is that VC4Africa is only a platform within a larger social movement. Argidius, Doen Foundation and Hivos are the founding community partners.

<https://vc4africa.biz>

## Work & Event Spaces

### @The HUB Kampala

@The HUB Kampala is a collaboration space for creative, like-minded enterprising people. The workspace offers daily, weekly and monthly work and meeting space for freelancers, independent consultants, entrepreneurs, designers, artists and journalists, as well as resources, community and visibility to their member businesses. Note that they are not a member of the Hub global community, and are currently in transition looking for a new space.

<http://thehubkampala.com/>

## Events & Convenings

### Scaling Social Business in East Africa Symposium

The Scaling Social Business in East Africa Symposium was held in Uganda in 2015. It gave insight into and potential solutions for the financial and organizational challenges that many entrepreneurs in East Africa are facing today. The program focused on entrepreneurs with an interest in social businesses, impact investors and representatives of multinationals, government, financial institutions and non-governmental organizations. It served as a platform to share best practices, as well as common bottlenecks and challenges. ICS (a Dutch non-profit) and Ka Tutandike Uganda (a child-focused community based organization) hosted the event, in partnership with Ashoka East Africa, INSEAD, Kulika Uganda, the Royal African Society and the British Council.

<http://www.scalingsocialbusiness.com>

## Incubators and Accelerators

*The following organizations provide space and/or product development, incubation, training and mentoring. This includes fixed-term cohort style accelerators as well as individual business development service providers that have a formalized curriculum. The list also includes organizations that lead a design and/or prototyping venture incubation process.*

### Enterprise Uganda

Enterprise Uganda was established under a framework of the UNDP Enterprise Africa regional initiative and is supported by a consortium of local and international donors, including UNDP Uganda, Enterprise Africa, UNCTAD, Norway, Sweden and the Government of Uganda. Its concept is based on UNCTAD's Empretec Programme Model, which is designed to provide an integrated and comprehensive range of business support services for SMEs using a hands-on approach. Enterprise Uganda offers business development services (BDS) such as entrepreneurship training, business advisory and counseling services, information, business planning, marketing, technology, business linkages, and other services to assist both start ups and existing businesses to resolve their problems and prepare for growth. Preference is given to companies with growth potential and special attention is given to women entrepreneurs. Enterprise Uganda has been a local host for Global Entrepreneurship Week. They are a member of Youth Business International and run the Northern Uganda Youth Entrepreneurship Project in conjunction with YBI (funded by DFID). They also host the Grow Movement in Uganda, which matches entrepreneurs with volunteer business consultants from around the world who work together for 6 months over Skype and mobile, identifying ways to improve the business, increase profitably and create employment. They have also administered a mentorship program sponsored by Stanbic Bank Uganda aimed at providing advisory services, basic book keeping and accounting practices and mentoring support for SMEs.

<http://enterprise.co.ug/>



## FinAfrica

FinAfrica Limited is a not-for-profit incubation, training and advisory center established in Uganda in 2009. It works to empower small businesses with entrepreneurship skills by providing a packaged service incorporating office infrastructure, business skills training, and advisory and mentorship services for business development. They have been designated as Uganda's Cisco Entrepreneur Institute and run 4-8 week workshops using their material and techniques on starting and growing businesses and the entrepreneurial mindset. They also work with a team of affiliate consultants and partner firms on assignments centered on accelerating business solutions to development challenges in Uganda.

<http://finafrica.org/>

## GrowthAfrica

GrowthAfrica, a regional accelerator based in Nairobi, has expanded to Uganda. The acceleration program will run for 6 months and will equip entrepreneurs with skills and knowledge on business and growth strategies, business models, and access to investment. Once they become a part of GrowthAfrica's alumni network, the entrepreneurs will continue to receive individualized support and strategic advice. Growth Africa also works with the Spring Accelerator. In addition to the cohorts, Growth Africa offers market and investment linkages and advisory services. For investors, they offer deal origination, due diligence, structuring and technical assistance.

<http://growthafrika.com/>

## Hive Colab

Hive Colab is an innovation hub, collaboration space and incubator for the technology community in Uganda. They offer in-person and virtual incubation. The virtual incubation program is aimed at reaching out and supporting growth oriented rural entrepreneurs in Uganda. The goal of this program is to enable innovative entrepreneurship for sustainable, inclusive growth and employment without physical presence. The program offers the benefits of business incubation beyond the major cities to rural populations without physical presence, different tools and business models that can lead to future sustainability for rural entrepreneurs and interactions between rural and urban entrepreneurs. The program focuses on ICT and mobile, climate technologies and agribusiness innovation. For in-house and virtual incubation, they offer consulting and mentoring services. They have a relationship with the Spring Accelerator and Women in Technology Uganda.

<http://hivecolab.org/>

## Inclusive Business Accelerator

The Inclusive Business Accelerator (IBA) is a partnership between BoPInc, SNV and VC4Africa. They aim to connect entrepreneurs to different players in the ecosystem through a matchmaking platform for founders, business coaches, impact investors, NGOs, governments and anyone who is interested in the growing inclusive business space. They also have a localized program called IB Accelerator Local. It is designed to create local platforms of

inclusive business advisory services to identify, incubate and accelerate business solutions to development challenges. They are currently building such a platform in Uganda within B-Space, who serves as the local partner. They also do research on inclusive business and inclusive investment and have a Business Academy that provides online executive courses on inclusive business-related topics.

<https://iba.ventures/>

### Outbox Hub

Outbox helps new and upcoming African entrepreneurs interested in using technology to build high growth companies with workspace, mentorship and training programs. Through partnerships, they help entrepreneurs raise money for their ventures and access markets. They also work with students, developers, researchers and organizations to build inclusive communities that entrepreneurs can tap into for talent and collaboration. Outbox hosted the Women Passion program (WOPA) in 2014 -- an experiential-based learning program that seeks to train up to 100 girls in entrepreneurship and computer programming.

<http://www.outbox.co.ug>

### SEED

SEED was founded at the 2002 World Summit on Sustainable Development by UNEP, UNDP and IUCN, based on the understanding that the promotion of social and environmental entrepreneurship is pivotal for sustainable development and poverty reduction. They provide financial awards, capacity building and leveraging of local business development providers, as well as research and policy. They support businesses at all stages of growth with different levels of support, selecting awardees on an annual basis. SEED also offers self-help tools that help enterprises prioritize and address their most urgent needs, along with a one-on-one advisory service a 3-day in-country workshop, and webinars. SEED has a strong network and through it promotes profile building of awardees. Uganda has one of the largest applicant pools with over 100 applications in both 2015 and 2016.

<https://www.seed.uno/>

### SPRING Accelerator

SPRING is an accelerator working with growth-oriented businesses on innovations that can transform the lives of poor and vulnerable girls aged 10-19 living across East Africa and South Asia. SPRING businesses receive nine months of technical expertise, including Human-Centered Design boot camps, investment-readiness support and mentorship. In return businesses commit to finding innovative ways to reach adolescent girls with products and services that meet their needs, all determined, formed and tested by girls themselves. Spring is currently recruiting its second cohort in East Africa and has local support in Uganda. It is funded by DFID, the Nike Foundation and USAID.

<http://springaccelerator.org/>

## Tech 4 Development

Tech 4 Development partners with clients in the design, testing and marketing of innovative digital solutions and business models across East Africa. They engage with end-users from the very beginning and work in close partnership with their clients, usually in small teams that are complemented by top local developers, UX designers and subject-matter experts. They specialize in tech, SME and agribusiness. They run a 10-week Lean Innovation Venture program, where they deploy multi-disciplinary local expert teams to explore and build solutions around a particular business and development challenge using design thinking and lean startup methods. The first Lean Innovation Venture, which started in February 2016 in Uganda, explores digital business opportunities in the area of m-Commerce for SMEs. They are now in the process of incorporating a Ugandan company that will steer this business in the future. Tech 4 Development also provides research and consulting services in the areas of SME development, supply chain integration, agribusiness and adoption of ICTs.

<https://tech4development.com/>

## Tony Elumelu Foundation

The Tony Elumelu Foundation is an African-based, African-funded philanthropic organization. Founded in 2010, they support entrepreneurship in Africa by enhancing the competitiveness of the African private sector. They support a 12-month entrepreneurship program for 1,000 entrepreneurs from the continent through online toolkits and mentoring, as well as in-person at the Boot-camp and Entrepreneurship Forum. These entrepreneurs work with a mentor and receive US\$5,000 seed funding; they can then qualify for additional funding. There are over 60 entrepreneurs from Uganda in the 2016 class (second after Nigeria) as well as a Kampala networking chapter. The organization is also active in promoting their idea of Africapitalism — the belief that Africa's private sector can and must play a leading role in the continent's development.

<http://tonyelumelufoundation.org/>

## Unreasonable Institute East Africa

Unreasonable Institute East Africa, based in Kampala, accelerates the growth of early stage companies in East Africa. They focus on for-profit and financially sustainable non-profit businesses across diverse sectors, with positive social/environmental impact integrated into their models. Every year, a cohort sourced from Uganda, Kenya, Tanzania and South Sudan spends five weeks in Kampala, during which they get support from staff and mentors with a focus on growth. Unreasonable has a network of 550+ funders that investment-ready businesses can tap into. They also commit to long-term support for the companies. Since late 2013, they have run two programs with 21 companies who have gone on to raise over \$5 million in funding.

<http://unreasonableeastafrika.org/>

## VentureLabs East Africa

Venture Lab was founded by CleanStar Ventures, a venture development partnership that harnesses business and technology innovation in frontier markets. Founded in 2007, CleanStar has explored, incubated and launched ventures in India, Brazil and Africa using the process embedded in VentureLabs East Africa. They have a heavy R&D focus in both urban and rural settings focused on sustainable agriculture, urban / rural infrastructure, and consumer technology with a lab-based approach, and bring together global and local networks of entrepreneurs, developers, research partners and investors to explore, incubate and launch innovations. These are designed to deliver venture returns, along with systemic social and environmental change. The incubation process lasts between 6 and 18 months, depending on the complexity of the venture. Towards the end of incubation, they decide whether or not to launch the venture. Launched ventures are established as a separate company, with the IP and know-how generated through the exploration and incubation phases vested in that company, and the founding equity shared between VentureLabs East Africa, co-founding team members and co-founding partners. The new company is formally launched on closure of a Series A capital round from the platform's investor network. The Kampala lab also runs as a co-working space for innovative start-ups and small companies. A like-minded, entrepreneurial community, members are central to the VentureLabs network, but work independently of the venture development process.

<http://venturelabseastafrica.com/>

## Village Enterprise

Village Enterprise is an organization that started in Silicon Valley and is focused on lifting rural Africans out of extreme poverty. They claim to have started more than 33,000 businesses (mostly at the micro-enterprise level) and have trained more than 136,000. They seek to have their model adopted by NGOs, microfinance institutions and governments. Their new Village Enterprise Incubator model that they are rolling out tests, verifies, and disseminates new innovations to alleviate poverty. They intend to work with the business owners and mentor network they have built, and the process culminates annually with the Village Enterprise Innovation Summit, where Village Enterprise staff gathers to assess whether each pilot under evaluation should be implemented on a larger scale. They then seek others willing to test prototypes and deploy research through their incubator, which also offers technical assistance to partners seeking their expertise in microenterprise development. Their focus areas are environmental protection, rural youth, women's empowerment, financial inclusion and value chain linkages.

<http://villageenterprise.org/>

## Yunus Social Business Foundation Uganda

Yunus Social Business Foundation Uganda (YSB Uganda) is an organization established to address pressing social and environmental problems in Uganda in a financially sustainable manner. It offers social businesses business development services, financing and related technical support. YSB Uganda is part of a network of YSB initiatives in seven other countries

whose headquarters are in Germany. It runs a three-month program, which includes workshops, tailored support, mentors and linkages to service providers. The most promising social businesses get the opportunity to pitch to the YSB Investment Committee, and potentially receive funding ranging from US\$50,000-350,000. YSB Uganda receives funding from USAID.

<http://www.yunussb.co.ug/>

## Education Programs & Centers

*The following organizations are universities and education centers that focus on developing entrepreneurship skills and/or offer entrepreneurship programs. They may offer incubation services to students as well.*

### The Business Development Centre

The Business Development Centre, certified by Regent University, offers training, coaching and incubation services for entrepreneurs. Their 10-week flagship seminar, “Developing an Entrepreneur”, blends classroom lecture with fieldwork. At the end of the training each student has a business plan that has been evaluated and judged by experts. They also offer short courses and incubation services including brainstorming and refining business ideas, physical space, accounting and payroll, and they provide specialized consulting services.

<http://bdcuganda.com/>

### Makerere University

Makerere University is one of the oldest universities in Africa. Through its respective colleges and affiliated programs, it has a number of initiatives related to entrepreneurship. Makerere was one of the first institutions to trial the STEP (Student Training for Entrepreneurial Promotion) program, which was created by the Leuphana University of Lüneburg. Makerere also helped to found Uganda Gatsby Trust (UGT) in 1994, aiming to bring research into the small business sector, which was spun off into a small business finance program in 2005. Gatsby sponsored a review of UGT in 2010, which found the spin-off was the most successful part of UGT’s activities (although it’s unclear whether it is still active). The business school has also participated in the Global Entrepreneurship Monitor (GEM) research. They host the Food Technology and Business Incubation center, which includes skills training for SMEs, and the Renewable Energy Business Incubator (REBI) funded by the Nordic Development Fund. Makerere has significant funding from Sida (Swedish development cooperation) for research and development related to poverty reduction.

<http://www.mak.ac.ug>

<http://ftbic.mak.ac.ug/>

<http://energyincubator.org/>

### Management and Training Advisory Centre (MTAC)

The Management and Training Advisory Centre has campuses throughout the country and offers short courses, diplomas and certificate courses on management topics and entrepreneurship skills.

<http://www.mtac.ac.ug/>

### Uganda Technology and Management University Centre For Entrepreneurship and Business Development

At least 1/3 of Uganda Technology and Management University graduates are expected to become successful entrepreneurs with ten years of leaving university. The Centre for Entrepreneurship and Business Development was set up to ensure that students and graduates of Uganda Technology and Management University continuously receive support before and after graduation. In the early stages of their education, students are encouraged and supported to develop the ideas they are passionate about into business ideas, and later into business proposals. While still at university, students are exposed to communities, industry and the general public to identify problems/challenges and turn them into business ideas. The Centre focuses on developing entrepreneurial individuals prepared for sustainable business development in the knowledge economy, through action-based pedagogy and experiential learning. Students in each year of study go through an annual Entrepreneurship and Business Development Contest, and the top five in each year are given "Business Excellence Awards." The university is in the process of setting up a venture capital fund, and the Centre also periodically runs a certificate course in entrepreneurship and business development.

<http://www.utamu.ac.ug/entrepreneurship-and-business-development>

## Professional Associations & Networks

### UWEAL

The Uganda Women Entrepreneurs Association Limited (UWEAL) is an organization whose main objective is to support women entrepreneurs through the provision of business development services and advocating for enabling environments that meet the specific needs of women in Uganda. They provide training and offer topical breakfasts, an annual conference, a mentoring program, and an investment club via a SACCO.

<http://www.uweal.co.ug/>

*(More up-to-date information is available on the [UWEAL Facebook Page](#))*

### Uganda Small Scale Industries Association (USSIA)

The Uganda Small Scale Industries Association (USSIA) is a registered membership organization formed in 1979 in order to enhance the industrial development of small-scale industries. USSIA, in partnership with other SME developing agencies, runs business management and entrepreneurship skills trainings.

<http://www.ussia.or.ug/>

## Technical Advisory / Capacity Development Providers & Programs

### Human Capital Focused Service Providers

#### African Management Initiative (AMI)

The African Management Initiative (AMI) combines an online learning platform with tailor-made training packages for SMEs in East Africa, with the potential to expand the model continent-wide. They take business school content and contextualize it in accessible form for entrepreneurs and middle managers in growing businesses. Participation rates and (self-reported) satisfaction are high. They are developing an approach to measuring observable behavior change (through 360 reviews) and are measuring revenue growth in directly-supported businesses. The courses are online and most are taught by African business professors using African case studies. Courses themselves are free, but they charge for certificates. They also offer offline workshops (Learning Labs) and provide customized training for organizations. Hive CoLab is teaming up with AMI to offer AMI Learning Labs, a series of practical management workshops tailored for African managers and entrepreneurs.

<http://www.africanmanagers.org/>

#### African Management Services Company (AMSCO)

African Management Services Company (AMSCO) is a pan-African organization that provides integrated human capital development solutions to private and public businesses across Sub-Saharan Africa. Established in 1989 in the Netherlands, AMSCO grew out of the African Training and Management Services (ATMS) Project, a joint initiative of the International Finance Corporation (IFC), the United Nations Development Programme (UNDP) and the African Development Bank (AfDB) to provide critical management and technical skills to indigenous enterprises in sub-Saharan Africa. AMSCO has, over 26 years, evolved to become the leading advisory solutions provider, working to address the issue of market systems and capacity failures through management and skills development. AMSCO offers four services: recruitment, expatriate management, training and development, and development and advisory solutions (DAS).

<http://www.amsco.org>

#### CEDA International

Century Entrepreneurship Development Agency (CEDA) International is a not-for-profit organization specializing in leadership, mentoring and entrepreneurship development. The organization's vision is to create a new generation of women leaders who are economically independent and socially responsible. The organization was started in 2007 out of the need to bridge the leadership and employment gaps among youth and women in Uganda. It provides

employment and job creation skills to youth (both girls and boys), women, community groups, persons with disabilities, and people living with HIV/AIDS. Included in their program offerings is the Women Entrepreneurship Development Initiative (WEDI) to help under-privileged communities improve their livelihoods.

<http://ceda-uganda.org/>

## PUM

PUM is a Netherlands-based organization with 38 years of experience and a network of 265 representatives in 70 countries around the world who connect directly with entrepreneurs, business support organizations and local partners. They work with 3,000 senior experts who share their knowledge on a one-on-one basis, either through short-term and repetitive advisory missions in the field or through online coaching activities. They have a local Ugandan presence and Uganda features among their “top five” countries in terms of the number of projects in 2015, with 47 projects.

<http://www.pum.nl>

## International NGOs

The following are international NGOs with strong programming on enterprise development that have specific programming in Uganda and/or a long-established office in the country.

### Engineers Without Borders (EWB) Canada

Engineers Without Borders Canada invests in ventures that will drive innovations to change the systems that cause and perpetuate poverty. Their ventures receive financial support, volunteers and professional mentorship. Their fellows are installed in Ugandan organizations, including the Mango Fund and Numida Technologies.

<https://www.ewb.ca>

### The Global Alliance for Clean Cookstoves

The Global Alliance for Clean Cookstoves is working with the Government of Uganda through the Ministry of Energy and Mineral Development and partners, such as the Uganda National Alliance on Clean Cooking (UNACC), to reach three million households or 15 million people with access to clean cooking technologies and services by 2017. Exposure to cookstove smoke contributes to 13,000 premature deaths every year in Uganda and affects 35 million people within the country. The Alliance is providing support to the World Bank and the Government of Uganda by providing a range of enterprise capacity building products to actors along the value chain. Ugandan stakeholders have benefitted from the Pilot Fund, and the Alliance is also supporting the growth of testing center partners in Uganda to serve manufacturers throughout the East African region. The Alliance is supporting innovation and improvements in the performance of locally made stoves to revitalize the sector and ensure that local buy-in continues to grow, helping enterprises with business development and



carbon finance instruments while working towards mainstreaming the cookstoves agenda throughout relevant ministries and policies.

<http://cleancookstoves.org/>

## GOAL

Goal is an international NGO operational in 19 developing countries with an annual turnover of US\$200 million. GOAL began working in Uganda in 1979 and has a team of 114 committed staff who manage an annual operating budget of 4.7 million euros (2015) and reach approximately 300,000 people in remote and rural areas of Uganda. Employing a market-based approach across the focus areas of health and livelihoods, GOAL Uganda's country programming aims to build resilience and support socio-economic development. GOAL uses a mixture of direct implementation and partnerships with national and international civil society organizations, the private sector, local government and communities. Included in livelihoods programming are employment opportunities, entrepreneurship, business start-ups and agricultural development. GOAL works with small and medium businesses in developing countries as key catalysts to the creation of employment and income generation for vulnerable communities. Currently it provides market linkages and technical assistance, and facilitates access to credit for key local businesses. GOAL is currently exploring entering the impact investing space, taking an equity stake and /or providing loans to SMEs that are crucial for the development of key business sectors.

<https://www.goalglobal.org/>

## GVEP International

GVEP (Global Village Energy Partnership) International provides strategic, technical, financial and operational support to early-stage energy businesses, which employ technologies including energy efficient cookstoves and briquettes, solar lighting and home systems, biogas, and mini-grid electrification. They support local micro-enterprises of varying degrees of sophistication, helping them to access financing and market partnerships. They also support larger, more sophisticated businesses, leveraging a team who have previously worked in other successful commercial, finance and technology ventures. GVEP has a local Ugandan office.

<http://www.gvepinternational.org/>

## SNV

SNV is a Dutch development NGO focused on agriculture and energy, and water, sanitation and hygiene. SNV has been present in Uganda since 1989 and currently supports interventions in 108 districts across the country with over 100 local partners. They run the Youth Employability through Enterprise and Skills Development (YES) program in the West Nile region (see Youth Programming section of this report), as well as a Leadership Enhancement Programme (LEAP+) targeting leaders of local organizations and enterprises and offering them opportunities to strengthen competencies related to business management and societal and personal leadership. They work in the agriculture and dairy sectors. SNV are among the founders of B-Space and the Inclusive Business Incubator, and are partners with AgriProfocus

Uganda and Agri-Financing Uganda.

<http://www.snv.org/>

### Swisscontact

Swisscontact is the business-oriented independent foundation for Switzerland's international development cooperation. Represented in 29 countries with around 900 employees, it has been promoting economic, social and environmental development since 1959. In Uganda Swisscontact provides targeted support for SMEs around programming that includes information, education and training; access to markets; financial services; and environmental initiatives to reduce environmental impact and improve living standards.

<http://www.swisscontact.org/>

### TechnoServe

TechnoServe is a nonprofit organization operating in 29 countries. They work with enterprising men and women in the developing world to build competitive farms, businesses and industries. TechnoServe has a local office in Uganda. Some of their projects have included connecting vulnerable girls with successful businesswomen, and providing them with mentorship and training in trades like tailoring and agriculture as a part of Citi Foundation's African Youth and Women's Business Development Programme; the Strengthening Rural Youth Development through Enterprise (STRYDE) program sponsored by The MasterCard Foundation; and the program Women Mean Business, which aims to empower women in the Kampala area with the knowledge and skills they need to grow thriving businesses.

<http://www.technoserve.org/>

### **Support for Agri-business Development**

A number of development NGOs that have depth in agriculture—supporting strengthening producer organizations, developing value chains and enabling market access—are active in Uganda. They are supporting work on export and cash crop value chains as well as local market production of agriculture, dairy and livestock. These organizations include: Catholic Relief Services (CRS), Cordaid, Farm Africa, Hivos, ICCO, Mercy Corps, Land O'Lakes Development, Self-Help Africa, and SNV. (Note that many of these NGOs also cover other issues such as health, sanitation, and disaster relief.)

Standards systems for sustainable agriculture that offer capacity development support—Fairtrade, Rainforest Alliance and Utz Certified—are also active in Uganda, supporting capacity building, production and supply chain development for coffee, tea, vanilla and flowers.

Specific organizations worth highlighting are as follows.

**The Agricultural Business Initiative (aBi) Trust** is a multi-donor entity devoted to private sector agribusiness development. The Trust was jointly founded by the governments of Denmark and Uganda; other development partners include USAID, the EU, Sweden, Belgium, the Embassy of the Netherlands, UKAid and KfW. The Trust supports agribusiness development in the private sector in achieving the objective of the Government of Uganda's Competitiveness and Investment Climate Strategy (CICS). This involves supporting market-driven enterprises using a value chain approach for specific commodity groups, including maize, pulses, coffee, oilseeds, horticulture and dairy. Both technical and financial support is offered for improved efficiency, effectiveness and competitiveness around value chain development (with a focus on value chain actors and non-financial service providers), sanitary and phytosanitary (SPS), quality management systems (QMS), financial services development (FSD) supporting agribusiness development (with a focus on the relationship between financial service providers and value chain actors), and a Gender for Growth (G4G) Fund piloting innovative gender equality approaches in agriculture.

<http://abi.co.ug/>

**Afri Banana Products** is a for-profit agribusiness incubation company formed as a consortium. The consortium is led by Kyambogo University, with FREVASEMA, Excel Hort Consultants Ltd, Adaptive Seed Company Ltd, Ecofriendly Innovations Development Centre and Green Heat Ltd as its members. Afri Banana Products focuses on banana sector value-chain development. The incubator aims at up-scaling innovations to improve entrepreneurial skills, marketing value chains with an emphasis on capacity building for increased production, development of SMEs, training in entrepreneurship and agribusiness at B.Sc. and M.Sc. levels, linking of research innovations to agri-business, and marketing bananas and their value-added products. This is achieved through training and mentoring, identification and/or development of viable research innovations and linkage to agribusiness, information generation and dissemination, community mobilization and market linkages, and provision of business services to incubated SMEs.

<http://www.afribananaproducts.com/>

**AgriProFocus Uganda** has developed an online network that links different stakeholders in the agribusiness sector. The network includes farmers and farmer organizations, traders, input suppliers, processors and exporters, national and international agencies, knowledge institutions and government agencies. They aim to link, support and influence private sector development in Ugandan agriculture. The network members are intended to meet, do business and learn from each other. Through this knowledge base, they can also access information from the 12 other countries where AgriProFocus operates. They also provide business brokering, facilitate communities, and provide a platform for learning.

<http://agriprofocus.com/uganda>

**AGRA**, formed in 2006, is an alliance led by Africans with roots in farming communities across the continent. All of their work is conducted through partnerships—with farmers, farmer organizations, community leaders, agricultural researchers, national and local governments, businesses, civil society groups, philanthropies, international organizations and donor countries. In the space of SMEs, they support business development services for African-owned agribusinesses. They help local agribusiness attract investments to make capital improvements—such as purchasing new milling machinery and expanding warehouse space. They link traders to farmers and farm organizations to create business opportunities for smallholder growers as well as partner with AECF. Between 2007 and 2015 they have made 58 grants in Uganda valued at \$US31.4 million, which includes activities from funding PhDs and advancing R&D in seed development through to production, post harvest, and marketing activities. They launched a finance fund with Kilimo Trust and Stanbic. <http://agra.org/>

#### **The Consortium for Enhancing University Responsiveness to Agribusiness**

**Development Limited (CURAD)** is a public-private partnership initiative promoted by Makerere University, the National Union of Coffee Agribusinesses and Farm Enterprises Limited (NUCAFE), the National Agricultural Research Organization (NARO), the University of Copenhagen (UC) and NIRAS International. CURAD is one of the six agribusiness incubators in Africa supported by the Forum for Agricultural Research in Africa under the UniBRAIN facility, with funding from DANIDA. CURAD is a non-profit company established to support profit-oriented agribusinesses, with the aim of producing innovative young entrepreneurs and agribusiness leaders to champion productivity and profitability of agricultural enterprises that can spin off new enterprises. This is an agribusiness innovation incubator geared towards the creation of jobs and boosting incomes within the agricultural sector in Uganda, and has been piloted with the coffee value chain during its the first four years. <http://curadincubator.org/>

**EASE AGR** is an agribusiness service provider dedicated to helping farmers' cooperatives and small and medium agro-industries advance towards efficiency in production, better incomes and ultimately autonomy in commercial farming. They share information with clients regarding sector growth opportunities and insights from their experiences in order to transform them into profitable businesses, bringing in technical expertise on how to meet industry standards. Their main objective is to create opportunities and catalyze processes for value addition in a range of soft commodities and agricultural products, including but not limited to coffee, sesame, maize, soy bean, sunflower, cassava and rice. <http://easeagr.com/>

**IFDC**, an American non-profit established in October 1974, is known for its expertise in fertilizers that service developing countries. Their CATALIST-Uganda program aims to

sustainably commercialize smallholder agriculture through improved productivity and market development, resulting in marketable surpluses that raise farm incomes in Uganda and increase regional food security for the wider East Africa and Great Lakes Region. Their 2SCALE project is the largest agribusiness incubator in Africa, working with farmers and small-scale entrepreneurs in eight countries including Uganda. They build networks that connect farmers, buyers and intermediaries, enabling them to create and grow new businesses. They also build local agribusiness capacity by providing technical assistance and brokering partnerships with financial institutions and business support services, as well as working with private firms, helping them find business opportunities for sourcing products from, or selling agro-inputs to, smallholder farmers in Africa. Both programs are funded by the Netherlands.

<https://ifdc.org/>

**Uganda Agribusiness Alliance (UAA)** is a not-for-profit multi-stakeholder partnership and membership-based organization conceived in 2014 to catalyze sustainable investment and growth in the agricultural and agri-allied industry in Uganda. UAA's purpose is to unite all those involved in the industry to best optimize their ability to profitably and sustainably pursue the many global opportunities that present themselves. They intend to influence policy-making, inform business decisions, encourage entrepreneurial activity, share best practices, facilitate collaboration, and engage stakeholders beyond commercial objectives. They offer a service called the "Growth Oriented Agribusiness Accelerator" (GOAA), focused on scaling-up existing small and medium-sized agricultural enterprises along the agricultural value chains by providing expert, tailored business development services that make it simpler for agribusiness owners to access the support they need to grow their enterprises. The GOAA experts will work with agricultural entrepreneurs to prove their business models, build a financial track record, manage business processes, raise their credit rating and achieve a scale that makes the enterprise less risky and more attractive for investors and funders.

<http://www.ugandaagribusinessalliance.com/>

**Uganda Development Trust (UDET)** is a consulting firm that provides business development services (BDS) directly to grassroots community groups and SMEs engaged in businesses that are aimed at creating gainful employment and sustainable market outlets for smallholder farmers in Uganda. UDET is the strategic partner of the United States African Development Foundation (USADF), and also manages an AGRA Markets Access Program in Uganda. They offer technical guidance to SMEs to build their management systems through regular training, developing clear and realistic project implementation plans, participatory monitoring and evaluation management information systems, linking them to financial institutions for funding and assisting them to identify and procure appropriate processing machinery.

<http://www.udet.co.ug/>

## Youth-Focused Programming<sup>72</sup>

Almost 30% of young Ugandans are actually engaged in the early stages of setting up and running a business. However, young Ugandans display a lack of knowledge about government and other schemes that would help them in their entrepreneurial ambitions. In addition, Uganda's young people are under-educated and ill-equipped to manage commercial enterprises beyond the one person start-up phase.

**Connect 2 Implement Development (C2idev)** aims to empower young people between the ages of 18 – 30 to launch and grow businesses. Through an established curriculum, on-the-ground training and insights from successful participants, C2idev participants learn business fundamentals to develop their concepts, as well as best practices for market launch and execution, and they gain assistance with crafting a business plan for future financial investments. The most promising ideas generated through C2idev are funded by the organization or through local and international investors. C2iDev is a winning project of the World Bank Group's 2015 Youth Innovation Fund and is executed by team members from the World Bank Group, International Monetary Fund (IMF), Inter-American Development Bank (IDB) and the African Development Bank (AfDB).

<http://www.c2idev.org/>

**Educate!** provides youth with skills training in leadership, entrepreneurship and workforce readiness along with mentorship to start real businesses at school. Educate!'s solution is a relevant, skills-based model of education that leads to improved livelihoods for youth through formal employment or business ownership, increased business and job creation, improved community participation, and improved 21st century business/employability skills. They aim to create impact across all levels of education systems by implementing their model directly in schools, advising governments on national education policy and curriculum reform, and building capacity among teachers to implement government reforms. Educate!'s course is taught by practically trained mentors. With support from an Educate! trained mentor and teacher, students form business clubs and launch enterprises in a team setting. Scholars are then mentored through the challenges they face in starting enterprises and community initiatives. Teachers are also trained through their Experience Association.

<http://www.experienceeducate.org/>

**Junior Achievement**, the global NGO, focuses on young people by educating and empowering them through experiential learning in financial literacy, work readiness and entrepreneurship. They are active in Uganda, most recently promoting an alumni network. (Further information is unavailable because of malware on the Uganda chapter website).

<http://www.jaworldwide.org>

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<sup>72</sup> Namatovu and Dawa, "Supporting Africa's Young Entrepreneurs: Uganda."

**The Northern Uganda Youth Empowerment Project** has been implemented since June 2013 by Enterprise Uganda and **Youth Business International (YBI)** with funding from the Department for International Development (DFID). Its key objective is improving the livelihoods of 10,800 youth in Northern Uganda using a household empowerment approach that provides mindset change training, business follow up and personalized support. The project targets youth aged 18-35 in the Greater North, covering the five regions of Acholi, West Nile, Lango, Teso and Karamoja.

NUYEP

<http://www.youthbusiness.org>

### **SNV Uganda’s “Youth Employability through Enterprise and Skills**

**Development” (YES)** funded by the EU, is focused on the West Nile region of Uganda. SNV provides coaching, training and mentorship to youth, most of whom are either unemployed or uneducated. By working with Business, Technical and Vocational Education and Training (BTJET) institutions, the project helps rural youth in the West Nile region to develop their vocational and technical skills and provides them with the opportunity to escape from low-skilled and low-paid work. The goal is to improve service delivery and enable a more focused and coordinated approach toward relevant skills training at training institutes. Two manuals – “Entrepreneurship and life skills” and “Farming as a business and good agronomic practices” – have been developed, and instructors and staff were trained and developed work plans for rolling out the program in their respective institutions.

YES Project

**The Youth Entrepreneurship Facility** is part of the International Labour Organization. The facility exists to support emerging and existing young entrepreneurs to succeed in their business ventures. The YEF was originally funded by DANIDA, which created the infrastructure (tools, trainings, events, etc.) for the facility. The EU has continued the program in Uganda through another round of funding. Its main activities include media campaigns; curricula for business; technical, vocational and educational institutes; training of instructors and teachers; evaluation support for youth employment, entrepreneurship programs and impact evaluation clinics; business plan competitions and grants; capacity building for grantees and BDS providers; and tailored entrepreneurship training and value chain workshops. They also host Green Business Plan competitions.

<http://www.yefafrika.org/>

## Other Organizations

### Bead for Life

Bead for Life is a business training and fair trade organization focused on Uganda. They sell handcrafted jewelry made by their target entrepreneurs. Their beading program trains women

on business skills while rolling paper beads and creating fair trade products that are sold online. While in the program, women increase their income through the sale of their products, which gives them a start on their own business which they then receive coaching and mentoring to launch. They also run a “Street Business School”, a 6-month entrepreneurial training program for women.

<https://www.beadforlife.org/>

### Challenges Group

The Challenges Group is a collection of international social enterprises and a charity (Challenges Worldwide) headquartered in Scotland. It exists to unlock the potential of markets, making them more inclusive and efficient. Since starting operations in 1999 the Challenges Group has built up a suite of services that they deliver directly, through partners and via their Challenges Marketplace (CM) database. They are currently focused on a specific portfolio of 600 growth businesses in Zambia, Uganda and Ghana, driven by a focus on women’s economic empowerment and a youth development delivery mechanism.

Enterprises only enter CM once they have been through the 3-month Challenges Worldwide on-boarding process. Challenges’ local staff then verify the data each enterprise plugs into CM on a quarterly basis. This trusted platform of “real time” data enables CM to connect trade and investment as well as ongoing incubation, acceleration and growth services to each enterprise in the system, connecting them to consulting and capital. Challenges Worldwide, their partner, is an educational charity which delivers business support and conducts market research through volunteering. They run the Challenges: ICS (International Citizen Service) program for 18-25 year olds delivered by respected development organizations, led by VSO and funded by the UK government.

<http://challenges-group.com/>

### Mara Foundation

The Mara Foundation, funded by the Mara Group as a social enterprise, is focused primarily on mentorship and other BDS activities for African entrepreneurs. They are developing an online suite of offerings, as well as a six-month one-to-one mentorship for young entrepreneurs in Kenya, Uganda, Tanzania and Nigeria. They are also developing programs focused on women, such as Women’s Venture Xchange-Africa. This initiative is in partnership with the U.S. State Department, the Case Foundation and the Global Entrepreneurship Network, and will serve as an exchange and mentorship program for high-potential women entrepreneurs around the continent. Through existing networks and connections, the pilot programs (in Nairobi and Kampala) will test the validity of the concept by selecting four female founders to spend one month developing their businesses more rapidly through collaboration and access to a new entrepreneurial ecosystem. (The Mara Foundation’s LaunchPad, which included physical space and venture capital for incubation, closed in late 2013.)

<http://www.mara-foundation.org/>



## Women in Technology Uganda

Women in Technology Uganda is a non-profit founded and registered in Uganda in 2012. It aims at empowering, inspiring and training the next generation of Ugandan female leaders, businesswomen and technologists. Their programs encompass personal development, leadership, life skills, health, business skills, job linkages and smart loans. The goal is to create a community of exemplary women ready to taken on careers in technological fields, reducing the gender gap and readying businesswomen to create strong and growing SMEs. They offer a multitude of programs including a Career, Leadership and Life Skills Program (CLSP), a three-month training program that engages young women from underserved communities who are not in any income generating activity, training them in STEM, entrepreneurship, leadership and life skills. Women in Technology Uganda is a feeder program for Hive Colab. They also offer technology-focused educational programs to young girls, such as coding and an internship program.

<http://witug.org/>

## Local Consultants

The following are organizations providing consulting services directly to SMEs and provide services to investors and development agencies. Most of these organizations have physical presence in Uganda.

## B-Space

B-Space, founded in 2013, is a non-profit enterprise comprising a network of associates headquartered in Kampala, working on assignments centered around building impact coalitions and accelerating business solutions to development challenges in Uganda. Oxfam, SNV Uganda and the IB Accelerator Consortium (BoP Innovation Center, SNV, Venture Capital for Africa and Neyenrode Business School) founded B-Space based on the need for inclusive business advisory and incubation services in Uganda. They provide services such as market and consumer intelligence and analysis and inclusive business strategy for firms, investors and development agencies.

<http://bspace.co.ug/>

## FIT Uganda

FIT Uganda Limited is a business development consulting company established in 1997. They provide capacity building and facilitation support to SMEs across Uganda, with a strong focus on agribusiness. They work through both the public and private sectors to support service companies, NGOs, governments and donor programs working with the SME sector. They collaborate with partners in socially responsive strategies to support and facilitate sustainable development through access to market programs, enterprise development, business linkages, feasibility assessments and setting up investments in new and innovative business services specifically targeting the micro and small enterprises.

<http://www.fituganda.com/>

### Intellectap

The Intellectual Capital Advisory Services (Intellectap) is an organization committed to economic and social development. The company was founded in 2002 in India with the sole purpose of connecting markets, people and capital to ensure growth of businesses, as well as accelerate entrepreneurship and innovation. They host the Sankalp Forum and initiated the Intellectap Impact Investment Network (I3N) in India, forming an angel network of high net worth individuals and institutions seeking to invest in early-stage enterprises through Intellectap. They are bringing an ecosystem-based approach to accelerating small and growing businesses to Ethiopia, Kenya, Rwanda, Tanzania and Uganda. (Note: no local office in Uganda).

<http://www.intellectap.com/>

### IRIS Consulting and Training

IRIS Consulting and Training is a Ugandan business development services (BDS) company. IRIS' mission is to grow enterprises in order to grow wealth, focusing on MSMEs and providing training, motivational tools, mentoring/coaching, investment linkages and networking opportunities. Through collaborative arrangements with national and international partners they deliver BDS solutions applicable locally but in keeping with international standards.

[IRIS Facebook Page](#)

### Open Capital Advisors

Open Capital Advisors (OCA) is a management and financial consulting firm that supports high-growth businesses and investors. Over the last five years, it has supported 130 engagements, of which 80 are enterprises based in East and Southern Africa. Its enterprise support includes both pure consulting arrangements and capital raises. The other 50 engagements are work with investors, development actors and corporates. It has helped raise US\$50 million for SME clients, with an average of just over US\$1 million per raise and ticket size starting as low as US\$50,000. It has also hired and trained more than 25 local university graduates to work with the OCA team, who earn their revenue through delayed payment for consulting services offered. For investors, multinationals, donors and large organizations, OCA leverages its knowledge of African operations to create innovative structures and strategies, manage existing portfolios, analyze value chain opportunities and perform in-depth market assessments. Their headquarters are in Kenya, but they are in the process of opening up an office in Uganda.

<http://opencapitaladvisors.com/>

### SMJR Consult

SMJR Consult focus on SMEs, MSMEs and community-based organizations, with a view to enabling them to identify and apply strategies that provide significant breakthroughs in their operations, thus empowering them to unleash their full potential. They provide business

development services such as strategic planning, financial management, market and sales advisory services, value chain development and business skills training. They work directly with small businesses as well as doing capacity development and facilitating organizations.

<http://www.smjrconsult.com/>

### Stalworth Consulting Group

Stalworth Consulting Group (SCG) is committed to development, technology and innovations, and offers a variety of strategy and advisory services across sectors. They specialize in SMEs with a tech focus and serve as technology advisors providing advisory services, impact management and metrics design, evaluations, strategic planning and project management. They also offer high-level strategic, policy and project advice to the leadership of key institutions, corporations and governments that are shaping emerging technologies in Africa.

<http://scg.ug/>

## Financiers

The organizations featured in the next sections are all financiers that provide a significant capacity building component as a complement to their finance offering.

### Microfinance

#### BRAC

BRAC works in 12 countries, and has developed support services in the areas of human rights, social empowerment, education and health, economic empowerment and enterprise development, livelihood training, environmental sustainability and disaster preparedness. Launched in 2006, the Uganda program is BRAC's largest and fastest scale-up in Africa. There are currently programs operating in microfinance, small enterprise, agriculture, poultry and livestock, health, education, youth empowerment and adolescent livelihood, as well as a focused youth initiative in Northern Uganda. Their Small Enterprise Programme (SEP) offers loans to entrepreneurs seeking to expand small businesses or to create new employment opportunities and provide new services. SEP is supported by the main microfinance platform, and operates through 90 branches in 39 districts. It focuses on companies too large for microloans but without enough collateral to be eligible for commercial banks.

<http://www.brac.net/>

#### Centenary Bank

Centenary Bank started as an initiative of the Uganda National Lay Apostolate in 1983 as a credit trust. It began operations in 1985, mainly serving economically disadvantaged people especially in rural areas. Since 1993 it has been registered as a fully-fledged commercial bank, and is now the leading microfinance commercial bank in Uganda with 1,200,000 deposit clients (representing a third of the banking population in Uganda) and 130,000 loan

clients (the highest number of borrowers in Uganda's industry). Centenary Bank's ownership comprises the Catholic Dioceses of Uganda, the Uganda Catholic Secretariat, the International Solidarity for Development and Investment (based in France; 11.6%) and the Stichting Hivos – Triodos Fonds in the Netherlands. They are a member of the Global Alliance on Banking on Values. As part of their offerings they provide educational programs for SMEs on financial literacy.

<https://www.centenarybank.co.ug>

### ENCOT

Enterprise Support and Community Development Trust (EnCOT) is an indigenous rural community development and microfinance NGO founded in 2006. They provide their clients with pre- and post-disbursement trainings focused on business skills.

<http://encot.org/>

### Entrepreneurs Financial Centre (EFC)

Entrepreneurs Financial Centre (EFC) is a relatively new microfinance institution in Uganda. Having had success in Zambia and Tanzania, they opened in Uganda in 2012. Their objective is to contribute to the development of Uganda's private sector by providing increased access to financial services by the underserved micro and small entrepreneurs (MSEs) market segment. This is a model supported by Développement International Desjardins (DID), leveraging the experience of Desjardins Group, a cooperative financial group in Canada.

<http://efcug.com/>

Other reputable microfinance organizations operating in Uganda include FINCA Uganda, Finance Trust Bank, Opportunity Uganda, and Pride Microfinance Uganda.

## Impact Investors/Funds

### BPI

BPI Uganda (the local company of Business Partners International, based in South Africa) is a specialist risk finance company that provides customized financial solutions, sectorial knowledge, mentorship, and other added-value services for formal SMEs. They offer both equity and debt along with a technical assistance program and mentors.

<http://www.businesspartners.co.za/>

### Grofin

Grofin is a development financier specializing in financing and supporting small and growing businesses (SGBs) across Africa and the Middle East. They combine patient capital and specialized business support to grow emerging market enterprises, advising borrowers on management, marketing, financial planning and reporting. They have a local office in Uganda, where their investments have included a dental clinic, a real estate company and a mobile

money agency.

<http://www.grofin.com/>

### Mango Fund

Mango Fund is an impact investment fund that seeks to encourage economic development in emerging economies by getting behind local entrepreneurs, especially those that are performing value addition activities. They seek to support the “missing middle” – entrepreneurs that are too big for microfinance institutions, but too small to access loans from the banking sector. The fund was established in 2011 and currently has offices in the United States and Uganda. Their consulting services package includes process management, strategic implementation, marketing, financial management and human resources development. They offer loans and equity, ranging from USD\$5,000 to \$50,000, and finance purchases of both assets and working capital depending on the specific needs of potential clients. A majority of their clients operate in manufacturing or agri-business.

<http://www.mangofund.org/>

### Oxfam Novib Impact Investments

Oxfam has initiated Oxfam Novib Impact investments through which it provides financing to inclusive SMEs – profitable businesses demonstrating a clear positive impact on the lives of small farmers, women and youth living in poverty. Oxfam’s ONII initiatives in Uganda include two major activities: (i) providing Impact investments to qualifying inclusive SMEs, and (ii) providing business incubation support to 10 SMEs that require strengthening as a means to access financial support. This pilot is transitioning into Oxfam’s Inclusive Investments proposition, which includes a local staff person in Uganda.

<http://www.inclusive-investments.com/>

### VisionFund Uganda

VisionFund Uganda (an initiative of World Vision) began operations in 1997. The goal was and is to serve low-income business owners living in areas where World Vision operates. They take a “credit with education” approach, which means that alongside the loans, they offer clients business training and technical knowledge to help their businesses succeed. Clients typically work in commerce, agriculture or manufacturing.

<http://visionfunduganda.org/>

## Matchmaking Services

*The following organizations link investors with SMEs.*

### BiD Network

BiD Network’s mission is to increase economic development by mobilizing capital and know-how to SMEs in emerging markets. Through their international network of partners, their

business competitions and their online platform, they identify businesses with a financing need of between US\$10,000 and US\$500,000 and match them with finance using their network of financiers, which include business angels, SME funds, private foundations and banks. BiD Network also offers advisory services on how to set up deal flow sourcing, mentoring, investor services and business angel networks in developing markets. They have operations in Uganda and are hosting an investor trip to the country in 2016, offering impact investors a chance to explore opportunities in Uganda.

Their sister organization, Bidx, has developed a web-platform to manage online communities of entrepreneurs, mentors and investors within specific countries, regions, cities or sectors. They host IFDC's CATALIST-Uganda program (featured in this report under Agri-Business support).

<http://www.bidnetwork.org/>

## Financial Access

Financial Access acts on behalf of the existing owners, investors, sponsors or management of their client institutions to provide access to financing, be it debt, equity, or some combination of the two. As financial advisers on a transactional basis, they support all phases in a financing process, including deal assessment and investment readiness, due diligence, partner/investor identification, financing structure and execution. They work with development finance institutions (DFIs), as well as private institutional investors (private equity investors, specialist funds, hedge funds) and banks in their core markets of Africa and South-East Asia, and in their sector specializations of financial services, agribusiness and renewable energy.

<http://www.financialxs.com/>

## Other

## Angels Initiatives

Angels Initiatives raises capital from individual and institutional investors that allows them to provide financing to micro, small and growing businesses in East Africa. They refer to their investors as Capital Partners, and offer a combination of tailored financing and management support that is based on the stage of growth of their customers.

<http://angelsinitiatives.org/>

## **Agri-Focused Financing**

Many organizations and institutions are trying to address the finance gap for agribusinesses. Below are a sampling of different organizations, funds and initiatives to strengthen the finance offering throughout the supply chain.

**AgDevCo**, is a specialist agriculture impact investor that has established a Smallholder Development Unit (SDU) to work with Ugandan farmers to increase their productivity and strengthen their ties with local agribusinesses. This initiative is in partnership with

The MasterCard Foundation. Activities include providing training and better quality inputs to farmers, implementing mobile technology solutions and brokering long-term purchase contracts.

<http://www.agdevco.com/>

**Agri-Financing Uganda** is a program that aims to strengthen the capacity of committed financial institutions to improve their practical sector knowledge, design relevant agri-finance products and provide them with adequate credit monitoring and risk mitigation tools. They are planning the introduction of an agri supply chain platform that they will offer to financial institutions on a “managed services” basis, and will work with the agricultural sector to identify promising emerging farmers, producer associations, cooperatives, aggregators and agri-businesses with the objective of creating, maintaining and disseminating a pipeline of bankable commercial propositions. The program will thus work both on the supply and demand sides, offering technical assistance and new technologies in financial infrastructure and risk management, and setting up multi stakeholder initiatives. Agri-Financing Uganda is an initiative of Financial Access and its partner SNV, together with the Embassy of the Kingdom of the Netherlands.

<http://www.agri-financing.com/uganda/>

**aBi Finance Limited** is the investment arm of aBi Trust that provides financing for agribusiness development. aBi Finance focuses on risk management and return on investment in order to ensure the sustainability of aBi Trust. aBi Finance products are targeted at SMEs and include lines of credit, an agribusiness loan guarantee and a construction guarantee fund.

<http://abi.co.ug/>

**Financial Access Commerce and Trade Services Uganda (FACTS)** was founded in 2015 by Financial Access, a firm which provides advisory services to financial institutions including capacity building, MSME banking, financial restructuring and risk management tools). FACTS introduces factoring services to SMEs, their large suppliers and small-scale clients, specifically targeting the food supply chain and agriculture sector. FACTS is funded by the Dutch Good Growth Fund (DGGF), which has committed early-stage loans and grant funding, divided into a seed capital investment and a technical assistance grant, to support the launch and rollout of the FACTS financing businesses focused on agricultural supply chains in Kenya and Uganda.

<http://www.factsafrica.com/>

**The Small and Medium Agribusiness (SMA) Development Fund** is an initiative of the European Union Delegation in Uganda to contribute to the development of Uganda's agriculture and to the improvement of rural livelihoods, incomes and food security. The project's purpose is to support the development of SMEs engaged in agribusiness by improving access to business development services and to long-term

finance. The fund will invest in commercially viable enterprises with strong growth potential that empower smallholder farmers in Uganda to increase their revenue and improve livelihoods. At time of inception, the fund was anticipated to be USD\$30 million, with the EU contributing 10million euros. The SMA Development Fund will provide, through a matching grant scheme, business development services (BDS) to improve corporate governance and the technical, managerial and marketing capacities of small and medium enterprises (investees and potential investees), and to strengthen their upward (market) and downward (smallholder farmers) linkages. The BDS facility will amount to around 3 million euros (entirely funded by the EU/European Development Fund).

<http://eeas.europa.eu/>

**The Maendeleo Agricultural Enterprise Fund (MAEF)**, a project of **FarmAfrica**, works to identify, stimulate, and scale up SMEs that serve or engage smallholder farmers. The fund acknowledges that support is needed not only for small-scale farmers, but also for the rural SMEs that buy produce from small-scale farmers and supply goods to them. MAEF invests in these agricultural-sector SMEs by providing working capital and support in agronomy, business and marketing.

<http://maef-farmafrica.org/>

**Pearl Capital Partners** is a specialist agriculture investment firm with offices in Kampala that has been investing in small and medium sized East African agribusinesses since 2006, offering specialist expertise that creates high-growth agribusinesses. They administer portfolio management on behalf of the African Agricultural Capital Fund (AACF), a US\$25 million agricultural fund that was launched in September 2011; the African Seed Investment Fund (ASIF), a \$12million seed fund formed in August 2010; and the original investment company, African Agricultural Capital Ltd (AAC), formed in 2005 with US\$9 million in equity subscriptions. African Agricultural Capital Ltd was established by Gatsby, Rockefeller and Volksvermogen of Belgium to address the “funding gap” – a lack of small business finance holding back a large number of high-potential enterprises in Africa. They invest between US\$250,000 and US\$2.5 million in growing agricultural small and/or medium-sized businesses. The latest fund, AACF, has been invested in eight new agricultural businesses and has target return expectations of around 15% annual compounded return.

<http://pearlcapital.net/>

**Root Capital** is an agricultural impact investor whose clients are farmers associations and private businesses that help build sustainable livelihoods by aggregating hundreds, or even thousands of rural producers in Africa and Latin America. Root Capital provides loans ranging from US\$50,000 to US\$2 million to rural small and growing businesses, especially those businesses not currently reached by commercial lenders. Their Financial Advisory Services program provides targeted financial management training to current and prospective clients so they have the financial management skills



they need to grow and sustain their businesses. Their Catalyze strategy is to conduct R&D, study impact at the household and business levels, and look for ways to increase impact as well as share learning from their work with like-minded peers so as to build the common standards and practices necessary for the industry to thrive and scale.  
<http://www.rootcapital.org>

**Voxtra** is a Kenya-based agriculture-focused impact investment fund which invests in Kenya, Tanzania and Uganda as their core investment areas. The East Africa Agribusiness Fund invests for profit in companies whose success is tightly linked to improving the livelihoods of smallholder farmers. Investments range in size from US\$500,000 to US\$3,000,000, and they hold investments for periods of 3-7 years. They actively support their portfolio companies to deliver on their growth plans by providing strategic advice and operating a technical assistance facility funded by the Norwegian Agency for Development Cooperation.  
<http://voxtra.org/>

## Foundations

There are many international foundations involved in Uganda. Those noted below have the deepest engagements in the country.

### Aga Khan Foundation

The Aga Khan Foundation (AKF), alongside its sister AKDN agencies, has implemented innovative, community-driven solutions to development challenges for more than 45 years. AKDN has had a long engagement in Uganda, spanning over 70 years, with significant new expansion over the last decade. Their activities extend from infrastructure projects that are providing electricity to Uganda to early childhood education programs. In every endeavor, the aim is to meet the needs of Uganda's development with projects that have demonstrable, measureable outcomes in empowering individuals to improve their quality of life and offer more sustainable solutions to poverty than aid alone. One those agencies is the Aga Khan Fund for Economic Development (AKFED), dedicated to promoting entrepreneurship and building economically sound enterprises in the developing world.

<http://www.akdn.org/>

### MasterCard Foundation

The MasterCard Foundation's focus is helping economically disadvantaged young people in Africa find opportunities to move themselves, their families and their communities out of poverty and into a better life. They fund and partner on work with themes that include financial inclusion, youth livelihoods and agri-entrepreneurship. They finance AgDevCo's Smallholder Development Unit, they partner with TechoServe on the Scale the Strengthening Rural Youth Development through Enterprise (STRYDE) project, and they also have a Fund for Rural Prosperity that has grantees in Uganda.

<http://www.mastercardfdn.org/>

## Segal Family Foundation

Segal Family Foundation works with over 180 organizations working across 20 countries in Sub-Saharan Africa, including 34 organizations in Uganda. They support African-led, grassroots NGOs, focusing on smaller and younger organizations that address adolescent sexual and reproductive health and productive youth with grants of around \$50,000. Their grantees include Unreasonable East Africa, Educate! and Women in Technology Uganda.

<http://segalfamilyfoundation.org>

*Note: Other foundations such as The Rockefeller Foundation, Small Foundation, and DOEN Foundation are all actively funding organizations and projects in Uganda.*

## Other Organizations Worth Noting

### *Franchising and Agent Model Social Enterprise Examples*

#### **Jibu**

Jibu uses a franchising model for African entrepreneurs to launch drinking water businesses. They provide seed-financing for business-in-a-box franchises designed to make drinking water affordable and convenient for the under-served.

<http://jibuco.com/>

#### **Living Goods**

Living Goods supports networks of “Avon-like” health entrepreneurs who go door to door to teach families how to improve their health and wealth, as well as selling life-changing products such as simple treatments for malaria and diarrhea, safe delivery kits, fortified foods, clean cookstoves, water filters and solar lights. By combining the best practices from business and public health, they help lower child mortality and create livelihoods for enterprising women.

<https://livinggoods.org/>

#### **Solar Sister**

Solar Sister is a solar and clean energy (mainly clean cookstoves) company that uses a direct sales network of women to sell its products in rural areas. It was founded in 2009 by an American former investment banker and started in Uganda, though they have since expanded to Tanzania and Nigeria. The company sells start-up kits to women that include inventory, training and marketing support. The women they work with make between \$10 and \$200 a month.

<https://www.solarsister.org/>

## *SME Financial Track Record Companies*

### **Numida Technologies**

Numida generates financial track-records for small African businesses, enabling them to make evidence-based decisions and access growth financing. They are supported by Unreasonable East Africa and Engineers Without Borders Canada.

<http://www.numidatech.com/>

### **Open SME Profile**

Open SME Profile is an open-source rating software aimed at developing profiles of SMEs in Uganda. SMEs can build profiles and attract investment. For investors, NGOs and governments, the software makes it easier to spot SMEs for investment, access profiles and identify the business development service needs of specific SMEs. The data can also be used for analytics and credit ratings. Profiled SMEs are accessible at a fee, though users can access anonymous and categorized geo-referenced data by providing contact details and secured credentials. Open SME Profile is supported by the likes of B-Space, SNV, Agri-Financing Uganda and EASE AGR.

<http://www.opensmeprofile.org/>

# Analysis

## Mapping

The following “maps” segment the ecosystem by different parameters.

Map I: The Ecosystem by type of organization. This distinguishes between those that directly and indirectly support entrepreneurs and SMEs.





Map II: Stage of Business Support. This map shows what stage of business growth different incubator and accelerator programs are supporting.

Map III: Specialized Programming. This map orients different organizations around various thematic focuses.





### Map I: Ecosystem by type of Organization

Incubators / Accelerators (17)	Technical Advisory / Capacity Development Support (23)
<p>Afri Banana Products The Consortium for Enhancing University Responsiveness to Agribusiness Development Limited (CURAD) FinAfrica Enterprise Uganda GrowthAfrica Hive Colab Inclusive Business Accelerator Outbox SEED SPRING Accelerator Tech 4 Development Tony Elumelu Foundation Uganda Agribusiness Alliance (UAA) Unreasonable Institute East Africa VentureLabs East Africa Village Enterprise Yunus Social Business Foundation Uganda</p> <p><u>WorkSpaces (1)</u> @The HUB Kampala</p>	<p>African Management Initiative (AMI) African Management Services Company (AMSCO) AGRA aBi Trust Bead for Life CEDA International Challenges Group Connect 2 Implement Development (C2idev) Engineers Without Borders Canada FarmAfrica GOAL GVEP International Global Alliance for Clean Cookstoves IFDC Junior Achievement Mara Foundation PUM SNV Swisscontact TechnoServe Uganda Development Trust Uganda Agribusiness Alliance Women in Technology Uganda</p>
Education Programs & Centers (4)	Professional Networks & Associations (2)
<p>The Business Development Centre Management and Training Advisory Centre (MTAC) Makerere University Uganda Technology &amp; Management University</p>	<p>The Uganda Women Entrepreneurs Association (UWEAL) Uganda Small Scale Industries Association (USSIA)</p>
Local Consultants (8)	Financiers (16)
<p>B-Space EASE AGR FIT Uganda Intellectap IRIS Consulting &amp; Training Open Capital Advisors SMJR Consult Stalworth Consulting Group</p>	<p>aBi Finance Limited AgDevCo Angels Initiatives BRAC Centenary Bank ENCOT Entrepreneurs Financial Centre FACTS Grofin BPI Uganda Mango Fund Oxfam Novib Impact Investments Pearl Capital Partners Root Capital Vision Fund Uganda Voxtra <u>Matchmakers (2)</u> BiD Network Financial Access</p>
Platforms & Consortiums (5)	
<p>AfriLabs AgriProfocus Uganda ANDE East Africa Chapter Financial Sector Deepening Uganda VC4Africa</p>	
Foundations (3)	Other Institutions (5)
<p>Aga Khan Foundation MasterCard Foundation Segal Family Foundation</p>	<p>American Chamber of Commerce Uganda Directorate of MSMES / The Ministry of Trade, Industry and Cooperatives Microfinance Support Centre Private Sector Foundation Uganda Uganda Investment Authority</p>

Map II: Stage of Business Support for Acceleration Services

				
	Seed	Start-up	Early	Expansion/ Growth
	<i>Idea stage, pre-cash flow</i>	<i>Product development begins and initial operations established</i>	<i>Generating revenue, but usually pre-profit</i>	<i>Generating a sustainable profit and ready to scale through investment in new facilities, entry into new markets, etc.</i>
Enterprise Uganda				
FinAfrica				
GrowthAfrica				
Hive CoLab				
Inclusive Business Accelerator				
Outbox Hub				
SPRING Accelerator				
Tech 4 Development				
Unreasonable Institute East Africa				
VentureLabs East Africa				
Village Enterprise				
Yunus Social Business Foundation Uganda				

*Map III: Specialized Programming*

<p><b>Agriculture</b></p> 	<p>aBi Finance Limited  aBi Trust  AgDevCo  Afri Banana Products  AGRA  AgriProFocus Uganda  FACTS  FarmAfrica  IFDC  Pearl Capital Partners  MasterCard Foundation  Root Capital  SNV  Uganda Agribusiness Alliance  Voxtra</p>
<p><b>Women</b></p> 	<p>Bead for Life  CEDA International  Challenges Group  Mara Foundation  TechnoServe  UWEAL  Women in Technology Uganda</p>
<p><b>Youth</b></p> 	<p>C2idev  Educate!  Enterprise Uganda (member, Youth Business International)  Junior Achievement  MasterCard Foundation  Segal Family Foundation  SNV  TechnoServe</p>
<p><b>Tech</b></p> 	<p>AfriLabs  Hive Colab  Outbox Hub  Stalworth Consulting Group  Tech 4 Development  Venture Labs East Africa  Women in Technology Uganda</p>

## SWOT

<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Many organizations focused on incubation services and entrepreneurship training.</li> <li>• Strong entrepreneurial spirit and activity.</li> <li>• New policy unveiled in 2015 signaling government support, coordinated implementation and funding.</li> <li>• Participation in the Global Entrepreneurship Monitor to track trends.</li> <li>• Some level of coordination with certain actors serving as coordinators and catalysts (e.g.--SNV, B-Space, Unreasonable East Africa, Enterprise Uganda).</li> <li>• Successful Kenyan organizations moving into Uganda (GrowthAfrica, Open Capital Advisors).</li> <li>• Strong interest from impact investors.</li> <li>• Strong focus on agriculture with funding support and financing options for growing agribusinesses.</li> </ul>	<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Little trajectory of growth for micro or small businesses.</li> <li>• Pipeline of SMEs ready to grow is small.</li> <li>• Many “in and out” training services—programming lacking long-term thinking and support (particularly around mentorship).</li> <li>• Lack of financing supply particularly from the local banks.</li> <li>• Little innovation in the banking space in terms of SME products and services.</li> <li>• Acute poverty in the North and lack of land rights reform holds back opportunities.</li> </ul>
<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Continued spaces for dialogue and coordination (e.g.—annual symposia).</li> <li>• Leverage ANDE’s increased capacity for further coordination especially along the growth trajectory.</li> <li>• Innovation in the banking sector (potentially with Centenary Bank, DFCU or Diamond Trust).</li> <li>• More coordination in the agribusiness and youth development space (many actors and financiers, but are they synced up?).</li> <li>• Development of a strong SME hub or replication centers in the North.</li> <li>• “Marketing” of Uganda as the entrepreneurship and innovation hub of East Africa (as opposed to Kenya).</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Furthering the inequality gap: Kampala area succeeds (where many of the incubation and acceleration services are based) and the North (which is the most poverty-stricken area) gets left behind.</li> <li>• Continued corruption impeding donor money flows and shaking confidence.</li> <li>• Lack of talent to move the sector forward.</li> <li>• Banking sector continues with business as usual, and SME financing gaps persist.</li> </ul>



# Conclusions

There is a growing enterprise support ecosystem in Uganda, made up of a large group of actors supporting entrepreneurship, venture creation and small business growth. The ecosystem is made up of a number of established and new Ugandan organizations and institutions, well-established international NGOs, successful endeavors from Kenya that are moving into Africa, and a growing impact investing community. There is strong support for agribusiness, which is seen as the driver for business growth, as well as a focus on youth, since Uganda has one of the world's youngest populations.

There is emerging coordination of the ecosystem in Uganda. This can be seen through a handful of collaborative initiatives and organizations that are “destinations” for project implementation. The Scaling Social Business Symposium is one such example-- in 2015 this event brought thought-leaders from the ecosystem together. That type of event or similar symposia (e.g—a country specific Sankalp Forum) should continue to further the evolution of the ecosystem. Further cluster coordination (agribusiness, youth, energy) would also be helpful to ensure coordination.

The entrepreneurship and SME pipeline needs to be nurtured. There is a high entrepreneurial spirit and high levels of entrepreneurial activity in the country, as the Global Entrepreneurship Monitor survey indicates. The number of Ugandan applicants and awardees for competitions such as SEED and the Tony Elumelu Foundation Entrepreneurship Programme is impressive. These early-stage entrepreneurs need to be cultivated and their businesses need the support to grow and scale.

It is very positive to see the Ugandan Government's Micro, Small and Medium Enterprise Policy Strategy, released in 2015, which creates a mandate for the government in terms of implementation and coordination, and also provides government funding for enabling environment activities for SME development and growth. Engagement with the government, as well as monitoring their progress on implementation will be important. It will be interesting to see if the government establishes an enabling environment that encourages and enables the commercial banking sector to develop fit for purpose products and strategies for financing SMEs.

The lack of finance for SMEs in Uganda is an issue that needs to be solved. It is an issue for most developing countries, but the lack of solutions for solving the issue in Uganda in particular is concerning. The commercial banks need to be supported to find ways to lend to the sector. Yet is an abundance of financing for agriculture—funds and supply chain finance (coming via international sources)—but not for other sectors.

If financing and talent can be addressed, there is no doubt that Uganda has the entrepreneurial spirit, population and natural resources to become an SME powerhouse.

## Organizations Profiled

Organization	Organization Type
@The HUB Kampala	Incubator/Accelerator
aBi Finance Limited	Financier
aBi Trust	Capacity Development Provider
Afri Banana Products	Incubator/Accelerator
African Management Initiative (AMI)	Capacity Development Provider
African Management Services Company (AMSCO)	Capacity Development Provider
AfriLabs	Platform/Consortium
Aga Khan Foundation	Foundation
AgDevCo	Financier
AGRA	Capacity Development Provider
AgriProFocus Uganda	Platform/Consortium
American Chamber of Commerce Uganda	Private Sector Institution
ANDE East Africa Chapter	Platform/Consortium
Angels Initiatives	Financier
B-Space	Consultancy
Bead for Life	Capacity Development Provider
BiD Network	Matchmaking Service
BPI Uganda	Financier
BRAC	Financier
The Business Development Centre	Educational Center
CEDA International	Capacity Development Provider
Centenary Bank	Financier
Challenges Group	Capacity Development Provider
Connect 2 Implement Development (C2idev)	Capacity Development Provider
The Consortium for Enhancing University Responsiveness to Agribusiness Development Limited (CURAD)	Incubator/Accelerator
Directorate of MSMES / The Ministry of Trade, Industry and Cooperatives	Government Agency
EASE AGR	Consultancy

ENCOT	Financier
Engineers Without Borders Canada	Capacity Development Provider
Enterprise Uganda	Incubator/Accelerator
Entrepreneurs Financial Centre (EFC)	Financier
FACTS (Financial Access Commerce and Trade Services Uganda)	Financier
FarmAfrica	Capacity Development Provider
FinAfrica	Incubator/Accelerator
Financial Access	Financier
Financial Sector Deepening Uganda	Platform/Consortium
FIT Uganda	Consultancy
Global Alliance for Clean Cookstoves	Capacity Development Provider
GOAL	Capacity Development Provider
Grofin	Financier
GrowthAfrica	Incubator/Accelerator
GVEP International	Capacity Development Provider
Hive Colab	Incubator/Accelerator
IFDC	Capacity Development Provider
Inclusive Business Accelerator	Incubator/Accelerator
Intellectap	Consultancy
IRIS Consulting & Training	Consultancy
Jibu	Franchise Social Enterprise
Junior Achievement	Capacity Development Provider
Living Goods	Agent Model Social Enterprise
Makerere University	Educational Center
Management and Training Advisory Centre (MTAC)	Educational Center
Mango Fund	Financier
Mara Foundation	Capacity Development Provider
MasterCard Foundation	Foundation
Microfinance Support Centre	Government Agency
Numida Technologies	SME
Open Capital Advisors	Consultancy

Open SME Profile	SME
Outbox Hub	Incubator/Accelerator
Oxfam Novib Impact Investments	Financier
Pearl Capital Partners	Financier
PUM	Capacity Development Provider
Root Capital	Financier
SEED	Incubator/Accelerator
Segal Family Foundation	Foundation
SMJR Consult	Consultancy
SNV	Capacity Development Provider
Solar Sister	Agent Model Social Enterprise
SPRING Accelerator	Incubator/Accelerator
Stalworth Consulting Group	Consultancy
Swisscontact	Capacity Development Provider
Tech 4 Development	Incubator/Accelerator
TechnoServe	Capacity Development Provider
Tony Elumelu Foundation	Incubator/Accelerator
Uganda Agribusiness Alliance (UAA)	Incubator/Accelerator
Uganda Development Trust (UDET)	Capacity Development Provider
Uganda Investment Authority (UIA)	Government Agency
Uganda Small Scale Industries Association (USSIA)	Professional Association
Uganda Technology & Management University	Educational Center
Unreasonable Institute East Africa	Incubator/Accelerator
Uganda Women Entrepreneurs Association Limited (UWEAL)	Professional Association
VC4Africa	Platform/Consortium
VentureLabs East Africa	Incubator/Accelerator
Village Enterprise	Incubator/Accelerator
Vision Fund Uganda	Financier
Voxtra	Financier
Women in Technology Uganda	Capacity Development Provider
Yunus Social Business Foundation Uganda	Incubator/Accelerator

