



UNITED NATIONS
UNCTAD



NATIONAL POLICY WORKSHOP

Promoting Migrant and Refugee
Entrepreneurship in Uganda

9-10 FEBRUARY 2021

Kampala | Uganda



SUSTAINABLE
DEVELOPMENT
GOALS



Session I: Opening of the National Policy Workshop

Presentation

Needs Assessment Report Uganda: Inclusion in Uganda's Entrepreneurship Ecosystem



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Introduction

- Entrepreneurship is an important driver of economic growth through its contribution to job creation, innovation and stimulating competitiveness in the economy
- It is increasingly attractive because of:
 - capitalistic nature of economies
 - emerging economies such as BRICs have registered impressive economic growth because of innovative entrepreneurship programmes
 - donors are shifting development cooperation to private sector development
- Entrepreneurship development is considered as a catalyst for the attainment of the SDGs
- MSMEs are the drivers of economic growth in developing countries – contributing over 90% of private sector production and job creation

Background

- UNCTAD is implementing a technical cooperation project titled: **Promoting Refugee and Migrant Entrepreneurship in East Africa, the Andean region and the Middle East.**
- Uganda is one of the six target countries including Ecuador, Jordan, Turkey, Rwanda and Peru.
- UNCTAD aims to promote inclusive entrepreneurship that integrates migrants and refugees in the entrepreneurship ecosystem
- Involvement of migrants and refugees in entrepreneurship addresses inequalities faced by refugees, promotes social cohesion and tackles environmental challenges

Migrants and Refugees in Uganda

- Over 2 million migrants and refugees in Uganda who come from neighbouring countries such as South Sudan, DRC, Rwanda, Somalia and Eretria.
- Refugee settlements are concentrated in the North and South West regions of Uganda
- Uganda has a progressive refugee policy enshrined in the 2006 Refugee Act and the 2010 refugee regulations
- Generally the local economies are agriculturally based
- Many refugees are engaged in the local economy

Mapping Entrepreneurship Ecosystem in Uganda

- Uganda has been consistently ranked highly on entrepreneurial activity by the Global Entrepreneurship Monitor since 2003.
- More than a third of adults in Uganda are engaged in early stage entrepreneurial activity. E.g. total early-stage entrepreneurial activity score is 35.5% in 2014.
- The start-ups are driven by necessity rather than opportunity.

Mapping Entrepreneurship Ecosystem in Uganda Cont'd

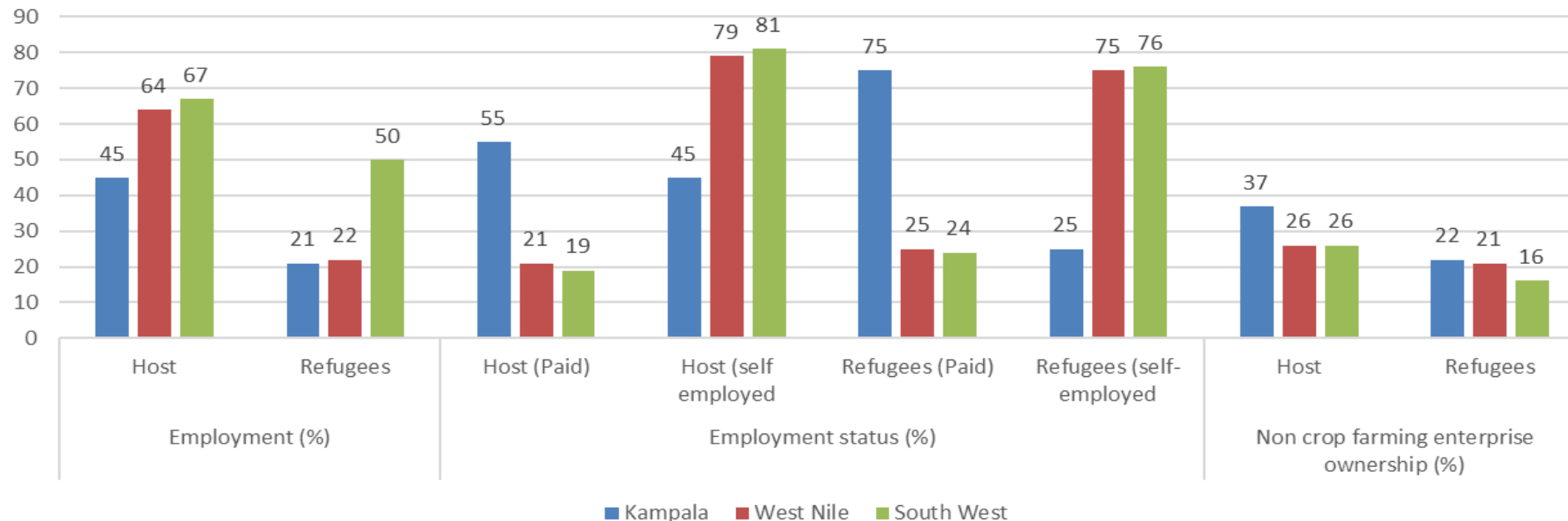
Table 1: GEM Entrepreneurship Indicators

Indicators	2014	2013	2012
Entrepreneurial intentions	60.19	60.72	79.08
Fear of failure rate	12.55	15.03	15.25
Established Business Ownership	35.94	36.09	31.25
Perceived opportunities	76.91	81.10	80.69
Perceived capabilities	84.86	83.84	87.69
Innovation	7.56	9.86	9.53

Mapping Entrepreneurship Ecosystem in Uganda Cont'd

- About a half (48%) of the refugee population in Uganda live in poverty, have limited resilience to shocks, limited capacity of local institutions to support the refugees, and low levels of human capital (World Bank, 2019)

Figure 1: Employment and enterprise ownership of refugees and host communities



Mapping Entrepreneurship Ecosystem in Uganda Cont'd

- Entrepreneurship is guided by the National MSMEs policy, Vision 2040, NDPs, Industrial policy
- MTIC is the line ministry with a Directorate on MSMEs – collaborating with other institutions such as MFPED, MoLG, UIA, URSB, UNBS, URA and NCC
- There are private sector institutions such as PSFU, UMA, USSIA, UWEAL, UFF, financial institutions and academic institutions
- There are incubators e.g. UIRI, Makerere University Food Technology and Business Incubator, Innovation village IMUKA,
- There are research institutions e.g. EPRC, IPA, Makerere University, Uganda National Entrepreneurship Development Institute (UNEDI), MUBS
- There are many financial institutions – both formal and informal
- Uganda has a Comprehensive Refugee Response Framework (CRRF) coordinated by OPM and facilitated by UNHCR

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Methodology

- The needs assessment was conducted using the UNCTAD's entrepreneurship policy framework focusing on the five pillars - **regulatory environment, entrepreneurship education and skills development, technology and innovation, accessing finance and awareness and networking**
- Targeted experts involved in entrepreneurship development initiatives and experts on each of the five pillars. A total of 40 interviews were conducted between August and November 2020.
- Used a KII guide and semi-structured questionnaires
- Conducted face-to-face interviews, phone interviews and emails.
- Synthesized findings in a report

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Entrepreneurship Policy Framework

Explore the Key Components of the Framework:



EPF Pillars I: Regulatory Environment

- Examine regulatory requirements for start-ups
- Simplicity of administrative processes of starting an enterprise
- Collaboration between institutions to promote exchange of information
- Obstacles for entrepreneurship creation
- Guide entrepreneurs through the start-up administrative process
- Enhance the benefits of formalization

EPF Pillars II: Entrepreneurship Education and Skills Development

- Business training programs offered outside formal education system
- Extracurricular entrepreneurial activities promoted in education institutions
- Mentorship schemes for starting a business
- Programs that integrate vulnerable people like migrants and refugees
- Programs that monitor the entrepreneurship of refugees and migrants
- Training programs that provide seed capital

EPF Pillars III: Facilitating Technology Exchange and Innovation

- Policies and campaigns that promote technology diffusion by SMEs or entrepreneurship
- Facilitation or support to SMEs in technology modernization
- Initiatives to promote digital literacy among migrants and refugee entrepreneurs
- Have universities and research institutions offered innovation or incubation programs in entrepreneurship?
- Availability of infrastructure that promotes innovations and technology exchange
- Capacity of SMEs to innovate

UNCTAD EPF Pillars – Access to Finance

- How easy is it for an enterprise to obtain credit?
- Are there measures to motivate financial institutions – formal and informal - to grant loans to enterprises or SMEs including for vulnerable groups such as migrants and refugees?
- Is there promotion of alternative and innovative sources of financing?
- Are there crowdfunding platforms that allow vulnerable people such as migrants and refugees to seek seed or growth capital?

EPF Pillars V: Awareness and Networking

- Are there public information platforms on business and trade opportunities
- Are there online platforms to connect migrants and refugees with diaspora networks?
- Does Government publish its support for entrepreneurship and other relevant information?
- Are there contests or events that publicly recognise entrepreneurs and their products and services? Do they include refugees?
- Are there programs to raise awareness among potential entrepreneurs about local business opportunities?
- Are there match-making portals to link potential entrepreneurs with business mentors, partners or investors?

Key Findings

Key Findings – Mapping Entrepreneurship Initiatives

- All surveyed entrepreneurship initiatives target MSMEs with special consideration for youth, women and vulnerable groups such as slum dwellers, migrants and refugees
- The support provided is diverse involving training, mentorship, advice, seed capital and loans and networking platforms
- Participants are not charged fees but incur indirect costs of transport and buying training materials.
- Most courses are short term, lasting a few days or weeks
- The Covid-19 pandemic disrupted all entrepreneurship development programmes halting some and causing the change in the design of many programmes

Key Findings – Regulatory Environment

Entrepreneurship regulatory requirements

- Simple regulatory requirements that are non-discriminatory
- Refugees have access to productive resources e.g. land.
- There is a one-stop centre for registration businesses at URSB which have regional offices located in 34 municipalities

Gaps

- Limited collaboration between government entities
- Online registration system is challenging especially to non-literate refugees
- Limited support to formalise businesses

Key Findings – Entrepreneurship Education and Skills Development

- Entrepreneurship education embedded in the formal education system at all levels.
- Existence of many entrepreneurship training program outside the formal system offered by associations, donor agencies, private institutions, Enterprise Uganda .
- Existence of entrepreneurship programmes targeting refugees especially in northern Uganda.
- Entrepreneurship training often blended with seed capital
- There are mentorship programmes and incubators that nurture entrepreneurs established by Universities (MUK, MUBS, UCU) and private institutions
- Refugees face a language barrier problem

Key Findings – Technology Exchange and Innovation

- Government supports incubators e.g. UIRI, Faculty of Technology at Makerere University
- Government funds research in agriculture e.g. NARO
- Government has enacted several legislative Acts and policies to support technology transfer e.g. Uganda Small and Medium Enterprise Policy (2015), National Science, Technology and Innovation Policy (2009).
- Support for technology and innovation through the Ministry of ICT and National Guidance

Gaps

- Failure of government to consume locally produced ICT products
- Lack of intellectual property rights support to innovators

Key Findings – Access to Finance

- Improvement in access to finance over the years with more targeting of SMEs
- SMEs access funds from various Platforms e.g. SACCOS, VSLA, self-financing groups.
- Promotion of digital finance e.g. mobile money – even in refugee settlements by e.g. Post Bank, Equity Bank, Stanbic Bank
- UNHCR has encouraged refugees to open up bank accounts

Gap

- High cost of finance
- Formal financial institutions sceptical to lend SMEs
- Without proper identification refugees cannot access credit - they require IDs or attestation letters

Key Findings – Raising Awareness and networking

- Availability of many support institutions – academic, training institutions, incubators and associations
- Several initiatives supporting refugees e.g. Settlement Transformative Agenda (STA), VNG International, ZOA Uganda, Norwegian refugee Council etc.
- Entrepreneurs participate in trade fairs and business events within the country and abroad.

Gaps

- Limited channels of sharing information
- Limited international partnerships

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