MINISTRY OF FINANCE, PLANNING
AND ECONOMIC DEVELOPMENT

PRIVATE SECTOR ENGAGEMENT STRATEGY FOR THE UGANDA REFUGEE RESPONSE

(2024/25 – 2028/29)

OCTOBER 2024

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THE REPUBLIC OF UGANDA

MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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Abbreviations and Acronyms

Table 1 showing acronyms and definitions.

Acronyms	Definition	Acronyms	Definition
ACDP	Agriculture Cluster Development Project	**FDPs**	Forcibly Displaced Persons
AfDB	African Development Bank	**FGDs**	Focus Group Discussions
AU	African Union	**FITSPA**	Financial Technologies Service Providers Association
B2B	Business to Business	**FSDU**	Financial Sector Deepening Uganda
BDS	Business Development Services	**FSME**	Federation of Small and Medium-Size Enterprises
BOU	Bank of Uganda	**GCR**	Global Compact on Refugees
BUBU	Buy Uganda Build Uganda	**GDP**	Gross Domestic Product
CBI	Cash-Based Interventions	**GoU**	Government of Uganda
CBOs	Community Based Organizations	**GROW**	Generating Growth Opportunities and Productivity for Women
CRRF	Comprehensive Refugee Response Framework	**ICT**	Information and Communications Technology
CSOs	Civil Society Organizations	**IEC**	Information, Education and Communication
CSR	Corporate Social Responsibility	**IFAD**	International Fund for Agricultural Development
CWG	Cash Working Group	**IFC**	International Finance Corporation
DANIDA	Danish International Development Agency	**IGAs**	Income Generating Activities
DCO	District Commercial Officer	**ILO**	International Labor Organization
DEA	Directorate of Economic Affairs	**INGO**	International Non-Government Organizations
DFIs	Development Finance Institutions	**INVITE**	Investment for Industrial Transformation and Employment
DLGs	District Local Governments	**ITIS**	Integrated Transport Infrastructure and Services
DOR	Department of Refugees	**JLRIP**	Jobs and Livelihoods Integrated Response Plan
DPG	Development Partner Group	**KIIs**	Key Informant Interviews
DPO	District Production Officer	**KOICA**	Korea International Cooperation Agency
DRDIP	Development Response, Displacement Impact Project	**KYC**	Know Your Customer
EASP	Electricity Access Scale-up Project	**LRSWG**	Livelihoods and Resilience Sector Working Group
EIB	European Investment Bank	**MAAIF**	Ministry of Agriculture, Animal Industry and Fisheries
EU	European Union	**MFIs**	Micro Finance Institutions
FAO	Food and Agriculture Organization	**MNOs**	Mobile Network Operators
FDIs	Foreign Direct Investments	**MEMD**	Ministry of Energy and Mineral Development
MoES	Ministry of Education and Sports	**STA**	Settlement Transformation Agenda
MoFA	Ministry of Foreign Affairs	**TVET**	Technical Vocational Training and Education
MoFPED	Ministry of Finance, Planning and Economic Development	**UCC**	Uganda Communications Commission
MoGLSD	Ministry of Gender, Labor and Social Development	**UCSATP**	Uganda Climate Smart Agriculture Transformation Project

Acronyms	Definition	Acronyms	Definition
MoH	Ministry of Health	**UDAP**	Uganda Digital Acceleration Project
MoJCA	Ministry of Justice and Constitutional Affairs	**UDB**	Uganda Development Bank
MoLHUD	Ministry of Lands, Housing and Urban Development	**UDC**	Uganda Development Corporation
MoTIC	Ministry of Trade, Industry and Cooperatives	**UECCC**	Uganda Energy Credit Capitalization Company
MoWT	Ministry of Works and Transport	**UFZA**	Uganda Free Zones Authority
MSC	Microfinance Support Centre	**UIA**	Uganda Investment Authority
MSMEs	Micro, Small and Medium-Sized Enterprises	**UIRI**	Uganda Industrial Research Institute
MTE	Mid-Term Evaluation	**UMA**	Uganda Manufacturers Association
NBI	National Data Transmission Backbone Infrastructure	**UMRA**	Uganda Microfinance Regulatory Authority
NDP	National Development Plan	**UNBS**	Uganda National Bureau of Standards
NGOs	Non-Government Organizations	**UNCDF**	United Nations Capital Development Fund
NITA	National Information Technology Authority	**PPP**	Public-Private Partnership
NPSDS	National Private Sector Development Strategy	**PSD**	Private Sector Development
NSLED	National Strategy for Local Economic Development	**PSE**	Private Sector Engagement
NSQP	National Standards and Quality Policy	**PSES**	Private Sector Engagement Strategy
OECD-DAC	Organization for Economic Development – Development Assistance Committee	**PSFU**	Private Sector Foundation Uganda
OPM	Office of the Prime Minister	**PWDs**	People With Disabilities
OSBP	One Stop Border Posts	**RESI**	Refugee Employment and Skills Initiative
PDM	Parish Development Model	**RHDs**	Refugee Hosting Districts
PPDA	Procurement and Disposal of Public Assets	**RLP**	Refugee Law Project
MDAs	Ministries, Departments and Agencies	**UNDP**	United Nations Development Program
SACCOs	Savings and Credit Co-operatives	**USMID**	Uganda Support to Municipal Infrastructure Development
SDG	Sustainable Development Goals	**USSIA**	Uganda Small Scale Industries Association
SIMPO	Security Interest in Movable Property	**UWEP**	Uganda Women Entrepreneurship Program
SIMPR	Security Interest in Movable Property Registry System	**VSLAs**	Village Savings and Loans Associations
WBG	World Bank Group	**USAID**	United States Agency for International Development
UNHCR	United Nations High Commissioner for Refugees	**USD**	United States Dollar
UNICEF	United Nations Children's Fund	**WFP**	World Food Program
UNIDO	United Nations Industrial Development Organization	**YLP**	Youth Livelihoods Program
UNRA	Uganda National Roads Authority	**Y-O-Y**	Year-on-Year
URA	Uganda Revenue Authority	**ZOA**	Zionist Organization of America
URSB	Uganda Registration Services Bureau		

Foreword

With the New York Declaration on Refugees and Migrants (2016) and the adoption of the Global Compact on Refugees (GCR, 2018), United Nations (UN) member states have committed to ease the burden on refugee hosting countries and enhance refugee protection, integration and self-reliance globally. As a pilot country of the Comprehensive Refugee Response Framework (CRRF), Uganda aims at transitioning from handling the refugee situation as a state responsibility to a more inclusive and cooperative approach that created shared responsibilities for refugee response among refugees, private sector, international organisations, and civil society.

Uganda is host to the largest number of refugees and asylum seekers in Africa (**1.5 million in the previous years but currently 0.78 million as per the UBOS National Population and Housing Census, 2024**) and hosts a continued influx of asylum seekers and refugees from several countries including South Sudan, Democratic Republic of the Congo, Burundi, Rwanda, Somalia, among other African countries. While refugees are integrated in Uganda's national development plans, the Government of Uganda recognizes the need to attract more private sector participation to drive the shift of refugees towards self-reliance and boost their resilience. Investments by the private sector are central to facilitating the economic growth in refugee hosting areas, with potential to benefit both the refugees and host communities.

The Private Sector Engagement Strategy is a framework with an integrated strategic planning and performance management system that clearly communicates a vision, mission and strategic objectives to the private sector and other stakeholders. It provides a system for prioritizing initiatives and interventions and using strategic performance measures and targets to measure progress, through a 5-year period. It summarizes key strategies that will drive progress in the efforts to enhance private sector participation and engagement in the refugee hosting districts over a five-year period.

The goal of increasing private sector engagement in RHDs cannot be achieved through siloed efforts by stakeholders. Collective effort is required from the Government, Development and Humanitarian Partners, the private sector, and other stakeholders, to step-up all forms of resource mobilization and innovative partnerships and solutions. Therefore, I encourage the key stakeholders responsible for the implementation of this Strategy to include the interventions under their jurisdiction in their respective Programme Implementation Action Plans and their institutional strategic plans for their implementation under NDP IV.

I encourage you to read the entire Strategy for your information. In case of any further contributions and observations, please do not hesitate to give us your feedback by directly contacting me or the Head, Secretariat for PSD Programme, 7th floor, Crested Towers, telephone 0414 707508/0772644546, email: anthony.mwanje@finance.go.ug.

For God and My Country

Hon. Matia Kasaija (MP)
Minister of Finance, Planning and Economic Development
Chairperson, Private Sector Development Programme Leadership Committee

Foreword

Currently, Uganda's refugee response is at crossroads with about 1.8 million refugees and still counting due to the ongoing conflicts in some neighbouring countries. The Ugandan non-camp policies of settling refugees, provides for the right to work, access to land for farming, equal access to government-services and aims at empowering refugees. While Uganda remains committed to its progressive refugee policies, the increasing number of refugees against reducing financial support is overstretching the sustainability of the model.

There is a growing recognition in Uganda and worldwide, that we need to change our approach to responding to refugee crises. The Global Compact on Refugees and the Comprehensive Refugee Response Framework (CRRF) outline new ways of working. This includes strengthening the engagement of the Private Sector in the refugee response to enhance resilience and self-reliance of refugees and host communities.

Whereas Uganda emphasises a private sector led economy, Districts where refugees are hosted are disadvantaged, with less incentives for private sector attraction, which calls for deliberate actions to address the bottlenecks to increased private sector attraction. Therefore, the development and roll-out of the Private Sector Engagement Strategy, is an important milestone in achieving a more sustainable, development-oriented approach to the refugee response.

I therefore thank the Ministry of Finance, Planning and Economic Development (MoFPED), for taking the lead with Private Sector Foundation Uganda (PSFU), in developing the Private Sector Engagement Strategy for Refugees and Host Communities. I call upon all actors in Uganda's refugee response and especially those in the Livelihoods and Resilience sectors to support the new strategy so that refugees become self-reliant and are able to contribute to the Economy of Uganda. I also ask Government Agencies in the sectors of Private sector promotion to support the implementation of the strategy by addressing the bottlenecks that limit private sector attraction and engagement in the Refugee Hosting Districts.

For God and My Country.

Eng. Hilary Onek (MP)

MINISTER FOR RELIEF, DISASTER PREPAREDNESS AND REFUGEES

Acknowledgements

The concept of self-reliance lies at the core of Uganda's model of hosting refugees. This is in line with the Global Compact for Refugees and its Comprehensive Refugee Response Framework, that underscores the importance of refugees' self-reliance and resilience. Better access to appropriate and sustainable livelihoods, more growth and skills opportunities, and building resilient and responsive institutions, does not only help both refugee and host communities to better cope with shocks and stresses. It also promotes long-term peaceful co-existence between refugees and host communities and sustainable development of the country as a whole.

The Private Sector Engagement Strategy is a framework with an integrated strategic planning and performance management system that clearly communicates a vision, mission and strategic objectives to the private sector and other stakeholders. It summarizes key strategies that will drive progress in the efforts to enhance private sector participation and engagement in the refugee hosting districts over a five-year period.

The plan was developed through a consultative process led by the Secretariat for Private Sector Development under the Ministry of Finance, Planning and Economic Development (MoFPED), and supported by the CRRF Secretariat. It was guided by a multi-stakeholder task team including Ministries, Departments and Agencies (MDAs) and partners. It is based on the input of district and community leaders, Development Partners, Humanitarian Partners, Non-Governmental Organisations (NGOs), Civil Society Organizations (CSOs), financial institutions and representatives of private sector associations.

As the Technical Head of the Private Sector Development Programme, I take the opportunity to acknowledge all the stakeholders that contributed towards the development of this Strategy. Specifically, I extend my sincere gratitude towards GIZ and World Bank for the funding and active participation in the development of this Strategy. In the same spirit, special appreciations go to the PSES Reference Group members (MFPED, OPM/CRRF, MoGLSD, PSDU, PSFU, UNHCR, GIZ and WB), the consultant (Deloitte), PSD Programme Institutions and PSD Programme Secretariat staff for their dedicated efforts towards the drafting, validating, quality assuring and finalising this Strategy.

I am looking forward, to a conducive business climate that leverages the private sector as a catalyst for resilience and economic empowerment of refugee and host communities.

Ramathan Ggoobi,
Permanent Secretary/Secretary to the Treasury
Chairperson, Private Sector Development Programme Working Group

Executive Summary

Background

With the New York Declaration on Refugees and Migrants (2016) and the adoption of the Global Compact on Refugees (GCR, 2018), United Nations (UN) member's states have committed to ease the burden on refugee hosting countries and enhance refugee protection, integration and self-reliance globally. As a pilot country of the Comprehensive Refugee Response Framework (CRRF), Uganda aims at transitioning from handling the refugee situation as a state responsibility to a more inclusive and cooperative approach that created shared responsibilities for refugee response among refugees, private sector, international organisations, and civil society.

Uganda is host to the largest number of refugees and asylum seekers in Africa (over 1.5 million) and hosts a continued influx of asylum seekers and refugees from several countries including South Sudan, Democratic Republic of the Congo, Burundi, Rwanda, Somalia, among other African countries. While refugees are integrated in Uganda's national development plans, the Government of Uganda recognizes the need to attract more private sector participation to drive the shift of refugees towards self-reliance and boost their resilience. Investments by the private sector are central to facilitating the economic growth in refugee hosting areas, with potential to benefit both the refugees and host communities.

The concept of self-reliance lies at the core of Uganda's model of hosting refugees. This is in line with the Global Compact for Refugees and its Comprehensive Refugee Response Framework, that underscores the importance of refugees' self-reliance and resilience. Better access to appropriate and sustainable livelihoods, more growth and skills opportunities, and building resilient and responsive institutions, does not only help both refugee and host communities to better cope with shocks and stresses. It also promotes long-term peaceful co-existence between refugees and host communities and sustainable development of the country as a whole.

As a co-convenor of the Global Refugee Forum 2023 (13-15 December 2023 in Geneva, Switzerland), Uganda pledged to create up to 300,000 viable economic opportunities for refugees and host communities by 2027 by including refugees in agricultural value chains, increasing agricultural production and productivity, enabling private sector investments, promoting graduation and market systems development approaches, increasing access to formal and non-formal vocational skills training, promoting the development of market relevant skills and employment creation. The Private Sector Engagement Strategy is a key tool and driver for the implementation of this pledge.

The Private Sector Engagement Strategy for the Uganda Refugee Response

The Private Sector Engagement Strategy for the Refugee Response in Uganda (2023/24 – 2027/28) summarizes key strategies that will drive progress in the efforts to enhance private sector participation and engagement in the refugee hosting districts over a five-year period. The plan was developed through a consultative process led by the Ministry of Finance, Planning and Economic Development (MoFPED), Private Sector Development Secretariat and supported by the CRRF Secretariat. It was guided by a multi-stakeholder task team including Ministries, Departments and Agencies (MDAs) and partners. It is based on the input of district and community leaders, Development Partners, Humanitarian Partners non-governmental organisations (NGOs), Civil Society Organizations (CSOs), financial institutions and representatives of private sector associations. Qualitative data was also gathered through Focus Group Discussions (FGDs) held in a sample of refugee hosting districts and neighbouring cities.

The strategy is informed by literature review of several reports, research papers and studies that shed light on the current landscape. This data provided insights into ongoing efforts to increase private sector engagement, and stakeholders' feedback validated and informed the perceptions, experiences, and expectations for private sector engagement in the refugee hosting districts. A full-day strategy Visioning Workshop was held with a mix of stakeholders representing the private sector, Government, Development and Humanitarian Partners, NGOs, and refugees. In the course of this workshop, the vision, mission, goals, and strategic objectives were developed to serve as building blocks for the strategic roadmap.

The strategy is designed to cascade throughout the relevant established structures at national and district level and serves as an overarching guide for allocating the resources needed to achieve the strategic outcomes derived from the strategy development process. Stakeholders will use this plan to transform strategies into actions, then actions into results. For each strategic objective, an action plan is articulated at a high level. Routine measurement and review of progress toward the set objectives will be important, in addition to evaluating how each objective's strategies should be adjusted and improved.

Key Pillars of the Strategy

The Private Sector Engagement Strategy (PSES) is driven by four strategic themes/pillars. These themes are guided by the strategic vision and mission and are the basis for the objectives and prioritised initiatives that will be the focus of strategic implementation over the next five years. The strategy-on-a-page illustrated below highlights a summary of the PSES.

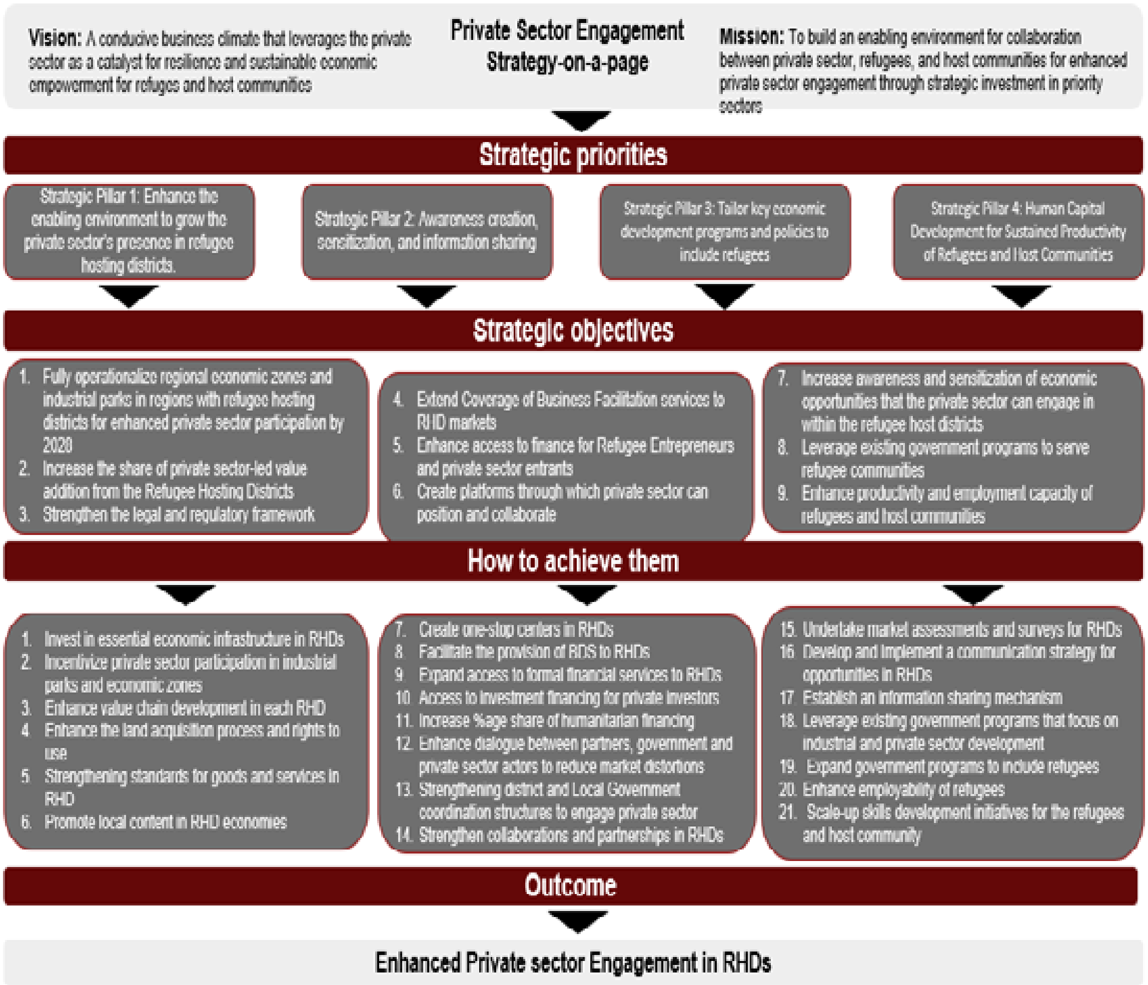

Figure 1: Strategy on a Page

Strategy Implementation

The implementation of the strategy will be overseen by the Government of Uganda through the Secretariat for Private Sector Development (PSD) department at the Ministry of Finance, Planning and Economic Development (MoFPED), in close collaboration with Private Sector Foundation Uganda, CRRF Secretariat and other key stakeholders. The strategy will be disseminated across the country to all relevant stakeholders, to ensure buy-in and ownership of the joint responsibility to be invested in getting the private sector to a point where it can seamlessly catalyse the change needed in the refugee hosting areas.

The Government will lead efforts to create an enabling environment for private sector engagement, through the Secretariat activities and convening of key stakeholders. This will include working with Local Government Authorities to improve business environments in their respective refugee hosting districts by cascading the adoption of legal and policy reforms from national to local level implementation. Government will play a central role in convening and fostering strong partnerships with development and humanitarian partners and private sector to create public-private dialogue around relevant strategic interventions. This will include engagements with industry bodies such as the Uganda Investment Authority, Private Sector Foundation Uganda, Federation of Small and Medium Enterprises, Uganda Chamber of Commerce and Industry, Uganda National Bureau of Standards, and other relevant stakeholders.

A number of opportunities exist for collaboration between Development Partners, Humanitarian Partners and the private sector, such as:

- *Public-private partnerships:* Build partnerships between the private sector and humanitarian partners like United Nations High Commissioner for Refugees (UNHCR) and the World Food Program to collaborate in the trade and commerce sector; enhanced private and public sector participation in parish-based associations, SACCOs and other trade groups; partnerships with business incubator hubs targeting refugee hosting districts; and PPP investment in Information and Communication Technology (ICT) infrastructure in refugee hosting districts, with emphasis on strategic priority areas.
- *Humanitarian Partners will enhance the role of financial inclusion in refugee hosting districts by strengthening cash-based interventions.* Increasing adoption of cash-based interventions (CBI) has proved to facilitate self-reliance of communities by driving a shift from 'hand-out' approaches to a market-based economy. UNHCR and WFP are already leading in CBI approaches, and these should be further leveraged by other humanitarian partners working in close partnership with commercial banks with presence in refugee hosting districts, telecoms, Agent Banking Company, Interswitch and other bank remittance channels.
- *Development Partners and Development Finance Institutions (DFIs) have a role to play in de-risking investment projects in refugee hosting districts to attract private sector engagement* – given the risk-profile associated with such engagements. Projects that target refugees and Forcibly Displaced Persons (FDPs) will often have a higher risk profile because of lack of similar prior investment operations, unproven returns or unappealing risk-return ratios, or uncertainty in relation to the business model, environment, or investment conditions. As such, investments by DFIs and Development Partners will be key in implementing the strategy as this will create markets and crowd-in investments.
- *Collaboration with Private Sector Foundation Uganda (PSFU) and other private sector/ business associations to shape strategically aligned programs* with joint commitments, targeting the refugee hosting districts. PSFU for instance, is already a key stakeholder in a number of relevant sector working groups. PSFU has strong convening power and a mandate to build the private sector and shape relevant partnerships in the country. In addition, PSFU together with Government of Uganda is implementing a number of projects targeting refugee and host communities.

1. Introduction

Background and Rationale

Uganda is currently the largest-refugee hosting country in Africa with approximately 1,561,634 (as of 30th June 2023) refugees and asylum seekers, and the third largest globally with an influx of refugees fleeing from South Sudan (57%), Democratic Republic of the Congo (32%), Burundi (3%), Rwanda (1%), Somalia (4%), and other African countries (1%). The refugee response is led by the Office of the Prime Minister (OPM) and is supported by the United Nations High Commission for Refugees (UNHCR). These Ministries, Departments and Agencies (MDAs) are guided by the open-door refugee policy framework including the 2006 Refugee Act and the 2010 Refugee Regulations, which grant refugees the right to work, freedom of movement, access to land upon arrival, and ability to start a business and enjoy financial independence, as well as the establishment of refugee settlements rather than refugee camps. These regulations enable refugees to live typically like nationals except for participation in politics. With the New York Declaration on Refugees and Migrants (2016) and the adoption of the Global Compact on Refugees (GCR) (2018), United Nations (UN) members states have committed to ease the burden on refugee hosting countries and enhance refugee protection, integration, and self-reliance globally. As a pilot country of the Comprehensive Refugee Response Framework (CRRF), Uganda aims at moving from emergency-focused humanitarian focus to a more inclusive and cooperative multi-stakeholder approach that places the humanitarian-development-peace nexus and self-reliance for both refugees and host communities at its centre.

The introduction of the Global Compact for Refugees and the CRRF has broadened the stakeholder basis for refugee responses worldwide. Similar to the Uganda model of hosting refugees, these international frameworks emphasise on resilience and self-reliance of refugees. In Uganda, the CRRF is structured along five pillars, the third of them being Resilience and Self-reliance.

In line with the new ways of working outlined in the GCR and the CRRF, the private sector is recognised as an important partner in achieving the goal of refugee and host community self-reliance. According to the United Nations Capital Development Fund (UNCDF), private sector is defined as: "non-state, for-profit economic entities that influence and steer local, national, and international markets. It is for profit and is not state controlled. This may include small businesses, multinational companies, corporate foundations, social enterprises, financial institutions, and industry associations operating in formal and informal markets and excludes non-governmental organisations (NGOs), independent foundations, and civil society groups".

In Uganda, the private sector generates 77% of formal jobs, contributes 80% of the county's Gross Domestic Product (GDP), funds 60% of all investments, employs approximately 2.5 million people and provides more than 80% of domestic government revenues[1] ultimately making the private sector the engine of economic growth. This also holds true for refugee-hosting areas which have been identified as potential markets by several studies[2].

Private Sector Engagement (PSE) is a strategic approach to working with businesses to achieve development or humanitarian outcomes. It can involve consulting, collaborating, or partnering with the private sector through PSFU to leverage their resources, expertise, or networks for greater impact and sustainability. PSE can also involve mobilizing private finance for development, such as blended finance instruments. PSE is seen as a way to advance the Sustainable Development Goals (SDGs) by 2030. The roles the private sector can play in humanitarian assistance and development cooperation are varied – it can be supplier, investor implementer, and/or funder.

1 Third National Development Plan 2020/21-2024/25.
2 The International Finance Cooperation (IFC) Consumer and Market Study, 2021 revealed that household consumption expenditure in refugee hosting districts stands at $485 million annually.

To shift refugees towards self-reliance and boost their resilience, the Government of Uganda (GoU) is focused on finding the best ways to integrate refugees into the local and national economies. The engagement of the private sector is critical for a successful and sustainable multi-stakeholder refugee response. It is for these reasons, that the CRRF Steering Group, the highest CRRF decision-making body, has discussed private sector engagement early on. These discussions included the Private Sector Foundation Uganda (PSFU), the apex body of the private sector in Uganda, a member of the CRRF Steering Group. To further enhance private sector engagement in the Uganda refugee response, the Ministry of Finance, Planning and Economic Development has been tasked to develop a Private Sector Engagement Strategy to create opportunities for refugees and host communities.

Strategy Development Process

The development of this strategy was led by MoFPED (PSD Secretariat) with support from the CRRF Secretariat (Office of the Prime Minister), It was guided by a multi-stakeholder task team of the Department for Refugees (OPM), Ministry of Local Government, UNHCR, the Development Partners' Group (represented by the Co-Chairs World Bank and Sweden) and International Labour Organisation (ILO). The methodologies and deliverables leading to this strategy were developed jointly by the consultants and the strategy development task team.

To develop this strategy, a **Route to Market** approach was adopted as the overarching guiding framework to determine the commercial prospects for scaled private sector engagement in the Refugee Hosting Districts (RHDs). This framework uses the perspective of a potential investor looking to enter a new market and blends in some of the nuances that are present in refugee hosting communities that may influence the business environment. Such efforts include interventions led or supported by the Government, Development and Humanitarian Partners, access to finance, land availability, and disposable incomes, to name a few.

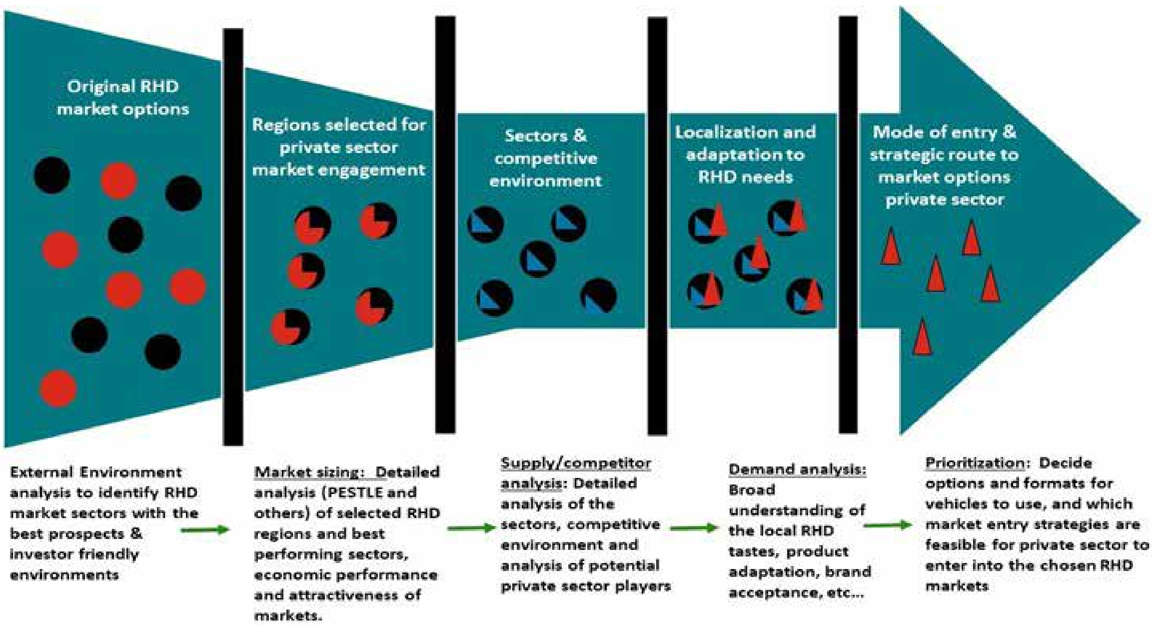

Figure 2: Route to Market Framework

The development of the Private Sector Engagement Strategy followed a highly consultative process involving a mixed -method approach for gathering relevant data. Literature at global, regional, national and sub-national level was reviewed, including strategic documents and reports by GoU and partners such as The Refugee Act (2006) and the 2010 Regulations, the Global Compact on Refugees and CRRF; the National Development Plan III and programme implementation action plans; sector response plans developed in line with the CRRF (with a focus on the Jobs and

Livelihoods Integrated Response Plan) and the Settlement Transformative Agenda II (STA II)[3] ; the National Strategy for Local Economic Development, the Uganda National Private Sector Development Strategy, and others. A full list of documents reviewed is provided in Appendix 3.

A total of 73 Key informant interviews (KIIs) were carried out with key stakeholders, including Ministries, Departments and Agencies (MDAs), district and political leaders, community leaders, Development and Humanitarian Partners, NGOs, Civil Society Organizations (CSOs), financial institutions and representatives of private sector associations. Qualitative data was gathered through Focus Group Discussions (FGDs) with Local Entrepreneurs, Civil Society Organizations (CSOs), Community Based Organizations (CBOs), Non-Governmental Organizations (NGOs), Women and Youth Groups, SACCOs, and Refugee community representatives.

To complement insights drawn from the literature review and KIIs, field visits were carried out in three Refugee Hosting Districts (RHDs) and a sample of refugee settlements i.e., Isingiro (Nakivaale settlement), Kikuube (Kyangwali Settlement) and Madi-Okollo (Rhino camp); and four cities within close proximity to the Refugee Hosting Districts, i.e., Arua, Mbarara, Hoima and Kampala. While in the field, 40 key informant interviews (KIIs) were conducted at district and community level and eleven (11) Focus Group Discussions across the sampled Refugee Hosting Districts. A total of thirty-Six (36) enterprises from neighbouring urban districts and sixteen (16) Kampala based businesses were also covered in the sample.

Quantitative surveys were administered to Small and Medium-sized Enterprises (SMEs) with a focus on profiles of businesses in each sampled refugee hosting district, level of private sector engagement in the refugee hosting district, identifying areas of growth, market potential, buying behaviours in refugee hosting district, demand and supply factors, and the impact of government policies and programs on private sector development. For cities close to the sampled refugee hosting districts, the survey questionnaire unpacked the level of awareness on business opportunities in refugee hosting district, barriers to entry, potential partnerships, and rationale for not engaging in business with refugee hosting district, among others.

Other consultative meetings were held in Kampala to complement data collection and insight generation, including feedback from the technical and political leadership of all refugee hosting districts (which was done at the District Engagement Forum held on April 19, 2023).

Information was consolidated into a comprehensive Situational Analysis report that highlighted the current refugee realities in the sampled districts, market potential and sector attractiveness in each of the sampled refugee hosting districts and neighbouring cities, existing and upcoming programs/interventions of relevance to private sector engagement, talent and labour potential, competitive business factors of interest, an understanding of the current and potential private sector ecosystem and how it can be leveraged, and enablers and barriers to private sector participation, among others.

A multi-stakeholder Visioning Workshop hosted by MoFPED, aimed at validating findings from the Situational Analysis Report and identified a collective vision and mission as well as the priority initiatives to be outlined in the strategy. This informed the revised draft of the Private Sector Engagement Strategy aligning to NDP III and other crucial national plans. The strategy incorporates an implementation plan, a results framework and financing framework and was validated with Government, partners and the private sector. Feedback from the various validation sessions with several stakeholder groups was incorporated to produce the final Private Sector Engagement Strategy 2024/25 – 2027/28, with 2023/24 as a transition year into the draft strategy.

3 With support from the Japan International Cooperation (JICA), the Settlement Transformative Agenda II Agenda is aimed at achieving self-reliance and local settlement for refugees and promoting social development in refugee-hosting communities. It integrates the refuge agenda into National Development Plans.

Linkage with other National and Sectoral Development Plans

This strategy provides a guide for private sector engagement in the Uganda refugee response and targets an important niche market. At the same time, it operates in a broader framework of policy guidelines and existing national and sectoral strategic plans that already have initiatives in place to improve livelihoods and local economic development. It is important for this strategy to align and add value to existing efforts and investments made to drive private sector involvement in economic development activities. Such synergies have been built into the strategy with input from the stakeholders engaged during the strategy development process.

Linkage to the National Development Plan III

The Private Sector Engagement Strategy for the Refugee Response in Uganda 2023/24 – 2027/28 is closely linked to the Uganda National Development Plan III. The strategy seeks to involve private businesses in supporting refugee integration and development initiatives. This aligns with the goals of the National Development Plan III which emphasizes inclusive and sustainable economic growth. The private sector is seen as the engine of growth and the engagement of the private sector in the refugee response brings on board private sector led and market-based approaches to create jobs and stimulate locally led development. The Private Sector Engagement Strategy seeks to enhance and formalize the participation of the private sector in refugee hosting districts, which is in line with the aspirations of NDP III of reducing informal businesses to 45% by 2024/25. The Private Sector Engagement strategy also focuses on implementing a tiered procurement framework by government and partners geared towards increasing the participation of local firms in public contracts contributing to the aspiration of the NDP III target of 50% participation of local firms in public contracts.

The Private Sector Engagement Strategy leverages initiatives aligned with the goals and objectives of the Private Sector Development (PSD) Programme, and the Manufacturing, Integrated Transport Infrastructure Services Programme, Human Capital Development Programme and Community Mobilization and Mindset Change Programme in the NDP III. By harnessing the resources and expertise of the private sector, the Private Sector Engagement Strategy is focused on creating employment opportunities, enhancing local economies, and promoting social cohesion within the refugee hosting districts.

Linkage to the Jobs and Livelihood Integrated Response Plan

This strategy is also closely aligned with the Jobs and Livelihoods Integrated Response Plan for Refugees and Host Communities (JLIRP) that aims to promote self-reliance and decrease dependency on humanitarian aid among refugee populations. The private sector has a crucial role to play in achieving these objectives by creating employment opportunities for refugees, improving access to markets and skills development, and fostering economic integration which align to ***Pillar 4***: Increasing access to market relevant skills training to enhance employability and job creation of Refugees; ***Pillar 3:*** Increasing agricultural productivity, production, and marketable volumes and ***Pillar 2:*** Enabling entrepreneurial led development and market growth systems. By supporting access to quality skills and affordable investment finance for the private sector, private sector players can be facilitated to expand enterprises to refugee hosting districts which would have a cascading effect on the opportunities available for refugees to generate income and become more self-reliant. This not only improves their economic well-being but also enhances their dignity and resilience.

Linkage to the Uganda National Private Sector Development Strategy

In line with the aspiration of creating inclusive economic growth and a vibrant and competitive private sector under the current Uganda National Private Sector Development Strategy (2022/23 - 2026/27), the Private Sector Engagement Strategy is premised on sustainable inclusion of refugees and host communities in local economies and local development programs, and cascades initiatives from the Private Sector Development Strategy (2022/23 - 2026/27) to refugee contexts. The Private Sector Engagement Strategy more specifically views refugee hosting districts as potential markets for private sector participation. It employs private sector perspectives into the context of the refugee hosting environment and leveraging already existing and potential/upcoming Government, Development and Humanitarian Partner programs and interventions to reduce the cost of doing business, unlocking potential economic sectors, and creating an enabling environment for private sector investments. In the spirit of boosting investor confidence and accelerating industrialisation as stipulated in the Private Sector Development Strategy (2022/23 - 2026/27), the implementation of the Private Sector Engagement Strategy will provide the required impetus to boost investor confidence and industrialization through infrastructure development and maintenance, enhancing the legal and regulatory environment, and through value chain development through agro-industrialization in the refugee hosting districts.

Linkage to the Uganda National Strategy for Local Economic Development

The strategy is also closely linked to the Uganda National Strategy for Local Economic Development (NSLED) 2021/22 - 2024/25 which seeks to attract new investments in local governments to which the Private Sector Engagement Strategy will contribute through initiatives like packaging incentive programs and enhancing the enabling environment to attract the private sector to invest in local governments that host refugees. Through the implementation of the NSLED, investment profiles of various local governments were developed. The Private Sector Engagement Strategy builds on the investment profiling work of the NSLED by seeking to focus on priority sectors with business opportunities that are attractive and scalable, for the private sector's participation. The one-stop concept is enshrined in the NSLED as one of the critical interventions to strengthen the legal and regulatory environment. This is consistent with the Private Sector Engagement Strategy, which will foster the much needed technical and financial support required to set up regional one stop centres in the refugee hosting districts.

2. Situational analysis

Uganda currently hosts more than 1.5 million refugees. Most of these refugees live in twelve (12) Refugee Hosting Districts (RHDs) across Northern, Western, South-Western, and Central Uganda. 51% of these refugees are women and 56% of the refugees are aged 17 years and below[4].

Uganda's popular progressive and generous refugee policy has enabled refugees to live with dignity, independence, and normality within the hosting communities with the help of Government, Development and Humanitarian Partners. However, unresolved conflicts in the Great Lakes region have escalated the refugee numbers in refugee hosting districts and protracted the refugee response in Uganda, creating a need for proper planning regarding welfare and access to social services, especially considering the vulnerability of the refugee population. This has created the need for government and global refugee response bodies to devise sustainable solutions, among which is the current movement towards the humanitarian-development nexus, focused on refugee self-reliance and resilience.

The refugee hosting districts in Uganda lack a diverse private sector. They are dominated by sole proprietorships and micro-sized enterprises that operate with low levels of organisation, low capital, low levels of technology, and businesses that often operate on temporary premises. The private sector in refugee hosting districts is largely characterized by agricultural and small retail and service businesses. Subsistence agriculture is the main economic activity for refugees: in Western Uganda, around 79%-95% consider agriculture as their main economic activity, compared to 70%-84% of the households in Northern Uganda. A larger portion of host community households consider agriculture as their primary source of livelihood compared to refugee households in both the Northern (84% to 38%) and Western (83% to 79%) regions of Uganda[5]. This is largely due to the small plots of land that refugees have access to in comparison to hosts. Average land size for refugees who have access to land is 0.5 acres compared to 2 acres for host communities around the settlements. Consequently, refugees in the settlements cannot rely on crop production to sustain their families alone. They also seek employment and are mainly agricultural casual laborers or operate small businesses like food stores, retail kiosks, barber shops, restaurants, salons, etc.

However, refugees' access to employment, and their ability to start businesses is hindered by various obstacles including discrimination, limited integration and social networks, limited access to formal financial services[6], and limited documentation[7]. Subsequently, refugee vulnerabilities have persisted: majority of refugee households are highly dependent on humanitarian assistance, with 72% reporting food assistance as their household's main source of food[8]. The situation is aggravated by dwindling donor funding for the refugee response in Uganda while refugee numbers increase. Therefore, efforts to build refugee self-reliance and resilience through the engagement and facilitation of private sector entry in refugee hosting districts needs to be accelerated for a sustainable refugee response.

The Government of Uganda, Development and Humanitarian Partners are committed to shifting refugees towards self-reliance and the increase in private sector engagement in refugee hosting districts has been highlighted as a key enabler to achieve this aim. Increasing private sector activity in these districts will improve their economies and create opportunities for refugees and host communities. Since 2015, Uganda has developed several policies, laws and regulations that have the potential of accelerating private sector engagement in refugee hosting districts. These include but are not limited to the 2015 Public-Private Partnership (PPP) Act, Micro, Small and Medium Enterprises (MSME) Policy 2015, National Agricultural Extension Policy 2016, National Seed Policy 2018 and Buy Uganda Build Uganda Policy (BUBU).

4 Government of Uganda, Office of the Prime Minister, Uganda Refugees & Asylum Seekers as of 30-Jun-2023
5 REACH. 2021. Markets & Livelihoods Assessment: Lamwo and Isingiro districts. USAID.
6 Loiacono and Vargas, "Improving Access to Labour Markets for Refugees: Evidence from Uganda," July 2019.
7 RIRC, "Financial Integration in Displacement: Pilot Findings from Yumbe and Kampala," June 2022.
8 International Rescue Committee (IRC), "An Analysis and Evaluation of Refugee Related Policies and Legislation," May 2022.

These policies embed private sector perspectives and facilitate private sector bold plays in refugee hosting districts.

Several studies have proved that refugee hosting districts have strong market potential. The estimated household consumption expenditure in refugee hosting districts stands at more than $485 million annually[9]. The purchasing power of the refugee population is enhanced by remittances which supplement humanitarian assistance.

Previously, Private Sector Engagement for Refugee Response in Uganda was characterised by individual and siloed efforts leading to duplication in initiatives, among others. With the development of this strategy, Private Sector Engagement for Refugee Response may not be business as usual as it introduces new dimensions for the Private Sector in RHDs. These include:

1. National approach to Private Sector Engagement in Refugee Response: The Private Sector Engagement Strategy provides a framework including guidelines and modalities for Private Sector Engagement and interactions between all stakeholders concerned.
2. Co-ordinated mechanism to Private Sector Engagement: The Private Sector Engagement Strategy provides a co-ordination mechanism to superintend over the implementation of the strategy thus enabling different stakeholders to have a unique contribution towards Private Sector Engagement.
3. Information access to businesses: The Private Sector Engagement Strategy provides a framework for creating awareness of businesses opportunities present in RHDs through dedicated channels of information and mechanisms for information exchange.
4. Financing mechanism: The strategy provides a framework for funding its implementation. Moreover, funding of the strategy is largely covered by existing Government programmes which fast tracks implementation. In addition, the strategy also provides a framework for businesses to access affordable financing through various funding mechanisms.
5. Strengthened district and Local Government structures; The Private Sector Engagement Strategy provides initiatives aimed at strengthening the capacity of district level offices to exercise their mandate in support of Private Sector Engagement.
6. Self-reliance and Sustainability: In line with the third pillar of the CRRF namely resilience and self-reliance, the Private Sector Engagement Strategy provides a framework for joint humanitarian, development and Government programming for Private Sector Engagement.

However, private sector engagement in refugee hosting districts has been constrained by several structural and systemic impediments which include:

1. Infrastructural constraints like poor road networks, limited access to electricity especially in the West Nile region, water shortages particularly in some refugee settlements like Rhino Camp in Madi-Okollo district and Kyangwali in Kikuube district, and poor mobile network connectivity in some areas which raise the cost of doing business[10].
2. Inadequate access to affordable finance for both refugees and host communities. The refugee hosting district population accesses financial services mainly through informal finance providers like Village Savings and Loans Associations (VSLAs) which can only provide micro loans. Additionally, formal financial institutions do not have sufficient coverage in refugee hosting districts and have limited tailored financial packages to the refugee hosting district population. This is coupled with the lack of assets owned by refugees and host communities to pledge as collateral to back credit applications from financial institutions. Refugee hosting district populations therefore cannot access adequate and affordable credit for substantial investments.
3. Private sector players perceive refugees as frequently mobile beyond their settlements which could potentially escalate the risk of doing business with refugee communities.

9 Consumer and Market Study in Southwest and West Nile Refugee Hosting Areas in Uganda- the International Finance Corporation, 2021

10 Field visits were conducted by the Deloitte team to RHDs in Northern Uganda (Madi-Okollo and Arua districts), Western Uganda (Kikuube and Hoima districts) and South-western Uganda (Isingiro and Hoima districts). This was for purposes of this strategy.

4. Access to land is a key barrier for refugees in the settlements. Agriculture is their main source of livelihood, but they do not have sufficient land to produce enough for both home consumption and commercial production. Legally, refugees cannot own land permanently as stipulated by the 1995 Constitution of the Republic of Uganda. They can only access land through leasehold agreements or by renting land. Majority do not have the funds to initiate these transactions. Relatedly, refugees are restricted to the small portions of land allocated to them in the settlements by the government.

5. Unfavourable local and national tax regime: Several refugees and host community businesses engaged during the field visits noted that the local tax regime in refugee hosting districts is unclear and unfavourable. A few cases were cited where more than one local authority collected the same tax from one individual. At a national level, some private sector associations indicated that the tax regime affects business growth by increasing operational costs for businesses. Additionally, tax incentives for private sector investment in refugee hosting districts are not available. This could cushion business profitability amidst a potentially long payback period associated with investing in refugee hosting districts.

6. Limited information and awareness about opportunities in refugee hosting districts for potential private sector investors which makes it difficult for interested parties to establish the potential consumer base, potential risks, competition dynamics, market size and segmentation. Relatedly, business communities outside the refugee settlements are generally unaware of the business opportunities presented in the refugee setting, such as consumer goods, energy, telecommunication, among others. Private businesses need access to market data to inform their investment decisions. This requires the existence of a strong knowledge base and evidence-based data about the market potential, investment feasibility, competitive environment, and potential risks. Such information is currently not readily available.

7. There is a high level of informality in the RHDs. Most businesses are micro or small, with less than five employees and they typically engage in retail trade. Due to fear of attracting taxes, many businesses are not registered with the local government. This has the effect of limiting their ability to attract partnerships with medium to large scale companies, that are formalized. To leverage existing opportunities with such large companies, the formal business registration is important for the micro and small businesses to engage in trade effectively.

8. Based on stakeholder interviews and literature review, non-legal barriers to entry for the private sector include restrictive procurement procedures employed by key actors such as development and humanitarian partners. This could result in the low participation or elimination of smaller private businesses with limited capacity to meet such requirements.

9. According to Deloitte's field study12 in the RHDs and stakeholder interviews, there are distortions to local markets from traditional humanitarian resources. This manifests in form of price fluctuations for similar goods and items that are also distributed by humanitarian partners to beneficiaries (refugees and host communities) within the RHDs. As outlined in section 8.2 of this Private Sector Engagement Strategy, humanitarian partners are encourages to adopt market approaches that support private sector players to maximise opportunities with RHDs. Similarly, humanitarian partners will shall increase adoption of cash-based interventions (CBI) to facilitate self-reliance of communities by driving a shift from 'hand-out' approaches to a market-based economy.

10. Other constraints include language barriers, perceived security concerns, a culture of aid dependency which makes refugees reluctant to spend and deters them from seeking economic opportunities, regulatory complexities associated with refugee settlements such as access to permits for private sector, and the bureaucratic processes of setting up a business in refugee hosting districts, among others.

It is evident that significant investment in strengthening the enabling environment will be critical to facilitating private sector engagement in refugee hosting districts through a multi-stakeholder approach.

SWOT Analysis

This high-level SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis summarizes the current situation regarding private sector engagements within the RHDs. This SWOT is not aligned to a specific stakeholder perspective but rather provides perspectives on the potential and current situation of private sector participation in refugee hosting districts from multiple stakeholders.

Strengths

- The legal and regulatory landscape for the private sector in Uganda is strong.
- The current political environment in Uganda is stable.
- Presence and support from OPM , local government, UNHCR, humanitarian and development partners, (I)NGOs, and international financial institutions.
- The focus on private sector development and interventions to activate private sector engagement are evident (CRRF Secretariat, PSD Strategy II (2022/23 – 2026/27), NDP III strategic focus and others – strong national prioritization is key
- Establishment of infrastructure in and around RHDs e.g roads such as Atiak to Adjumani road, national broadband infrastructure to support ICT, etc.

Opportunities

- Government focus in the NDP III on a private sector led growth model through initiatives such as PDM
- Expanded market from regional blocs such as the East African Community
- Collaboration with development partners and iNGOs to co-develop solutions for private sector engagement.
- Existing Investment opportunities in RHDs in sectors such as renewable energy, financial services, housing and sanitation, arts and crafts production, developing retailer supply channels, plastic recycling, education.
- Growth of the Oil and Gas sector which presents opportunities for value chain participation in RHDs

Weaknesses

- Infrastructure related costs that raise the cost of doing business in RHDs.
- Lack of awareness and information among the private sector about the opportunities in RHDs
- Limited access to power especially the entire West Nile region
- Limited access to affordable finance which constrains investment
- Hand-out mindset in refugees and host communities which limits their economic productivity
- Inefficiencies in business operations due to low adoption of modern technology
- Weak data systems that do not support adequate planning
- Language barrier in RHDs with a mix of many nationalities
- Negative attitude and mindset of the host communities towards refugees which limits refugee access to employment and business opportunities
- Limitations in refugee skills and their employability is considered a challenge

Threats

- Geo-political tensions in developed economies that have significant influence on global prices and create logistical bottlenecks
- Insecurity around the Sub-Saharan African region that may likely worsen the refugee situation
- Uncertainty in the Ugandan economy as a result of declining real GDP growth and fluctuating inflation rate
- Political conflict in neighboring countries has also constrained cross-border trade which constrains private sector growth in RHDs.

Figure 3: SWOT Analysis

3. Vision, Mission, and Strategic Direction

3.1 The strategic framework

The Private Sector Engagement Strategy is a framework with an integrated strategic planning and performance management system that clearly communicates a vision, mission and strategic objectives to the private sector and other stakeholders. It provides a system for prioritizing initiatives and interventions and using strategic performance measures and targets to measure progress, through a 5-year period. The Private Sector Engagement Strategy framework is illustrated below.

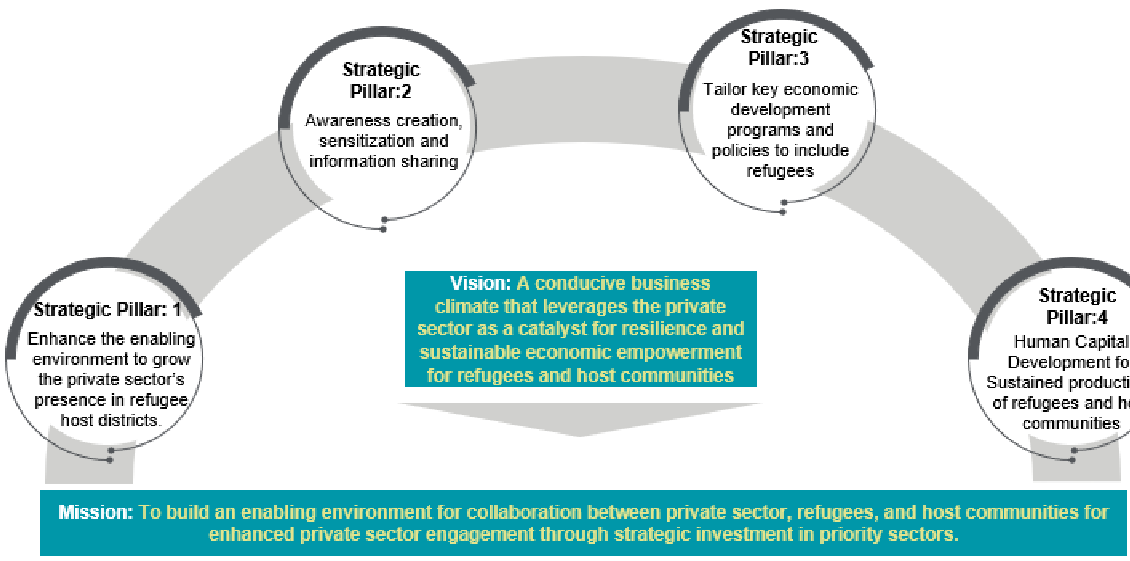

Figure 4: Private Sector Engagement Strategy framework

The strategic plan for fiscal years 2024/25 to 2027/28 prioritizes investments in initiatives that will position the private sector as a catalyst to the enhancement of resilience and sustained self-reliance of host and refugee communities in refugee hosting areas in Uganda. This plan is built around five strategic pillars and nine strategic objectives that will each be delivered through initiatives that are prioritized in a strategic roadmap.

Realising sustained economic/business activity in refugee hosting regions is no small feat and requires a multi-sectoral approach, the right level of investment, as well as commitment and ownership by all relevant actors to achieving the end goal – a more conducive business environment that includes the participation of host and refugee populations.

3.2 Guiding principles of the Private Sector Engagement Strategy

Stakeholders engaged in the implementation of this strategy will need to consider the guiding principles below that take into consideration the different nuances and diverse nature of the stakeholders involved in the implementation of strategic initiatives.

1. **Inter-agency collaboration and coordination** involving private sector actors, public sector, Development and Humanitarian Partners to create shared responsibility, accountability and ownership of the strategy and its outcomes including a commitment to adapt modalities of working to facilitate Private Sector Engagement by adopting market-based approaches and cash-based interventions.

2. **Prioritization of resources for investments** that enhance critical infrastructure to unlock potential sectors. De-risking of investments in refugee hosting districts should be emphasized, especially for essential initiatives with the potential to scale market activity, such as enabling access to finance, market access, and access to essential infrastructure such as roads, water, electricity infrastructure and technology.

3. **Mindset change** for increased participation of refugees and host communities in commercial transactions with private sector actors. Market-based interventions that leverage livelihoods, resilience and are attractive/of interest to the private sector will be prioritized.

4. **Leave no one behind:** This principle focuses on recognizing, sharing, and mitigating risks for all partners. Targeting the most vulnerable populations through private sector engagement requires great risk-taking for all stakeholders. Partners must therefore ensure that selected solutions minimize risk for all involved, incentivize investment, and ensure sustainable development for those furthest behind.

5. **Do no harm:** All stakeholders involved in Private sector Engagement for Refugee Response must establish mechanisms that prevent and respond to any harm caused to refugees and host communities. As the private sector, and Government/partners may have different approaches, regular and close exchange and learning between stakeholder groups has to be ensured. Special consideration need to be paid to the following:

- **Safeguarding the humanitarian principles**: Private sector engagement need to follow a rights-based approach and safeguard the protection of refugees.
- **Assessment of risks and mitigation measures**: Potential risks of private sector engagement needs to be assessed. Due diligence procedures need to be conducted with regards to humanitarian principles, human rights approaches and prevention of sexual exploitation.
- **Inclusivity and non-discrimination** in interventions between refugees and host communities for holistic and sustainable results. Development interventions in RHDs should promote social cohesion amongst refugee and host community.
- **Adoption of Best-Practice:** This principle emphasizes the adoption of best-practice approaches of private sector engagement in forced displacement contexts that have been tried and tested by key actors such as UNHCR and the World Bank Group. Some examples include the Charter of Good Practice on the role of the private sector in economic integration of refugees, the UN (New York) Declaration for Refugees and Migrants, the Global Compact on Refugees, and UN Integration Handbook among other key instruments.

3.3 Theory of Change (ToC)

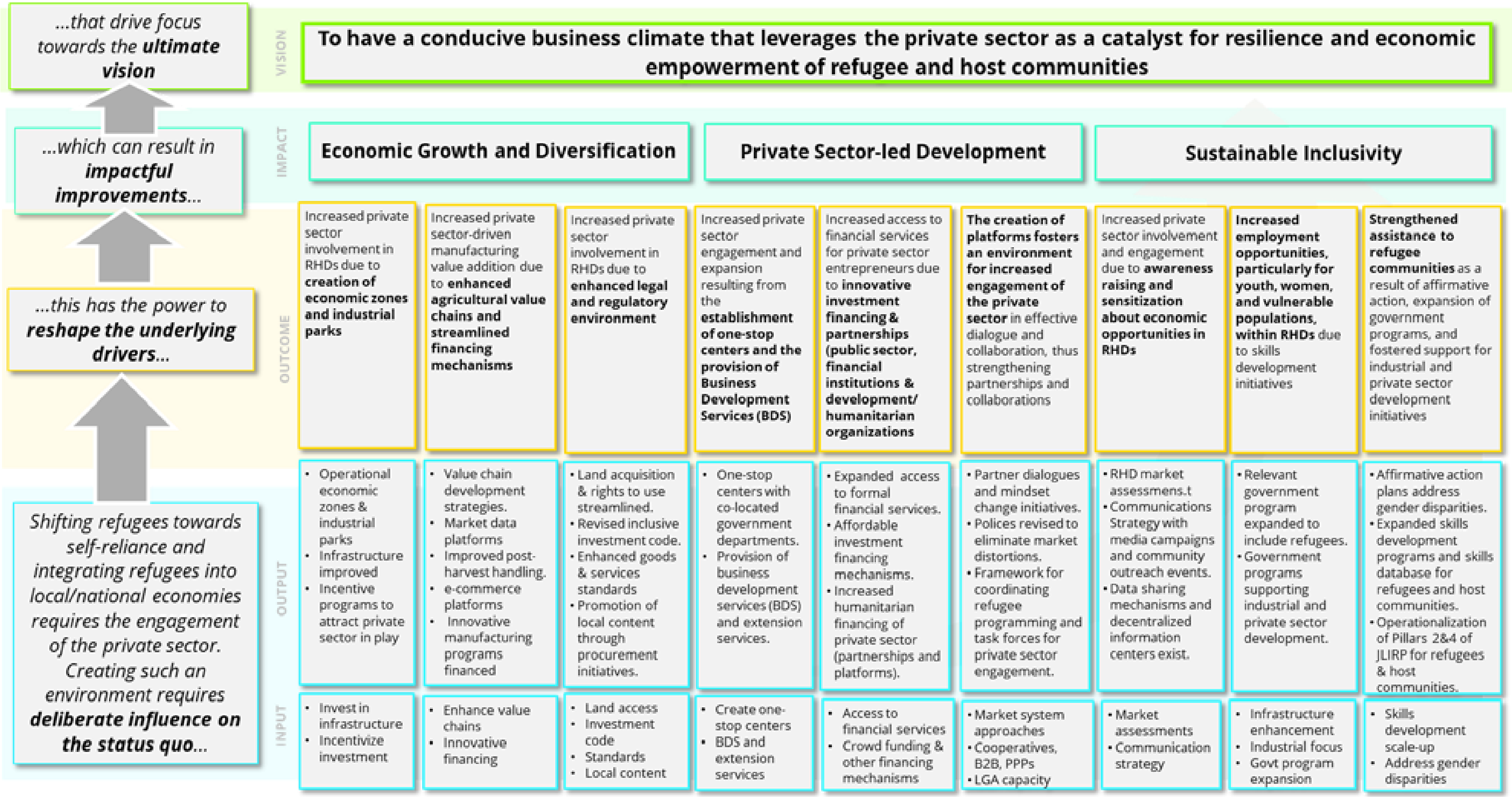

Figure 5: Theory of Change for the Private Sector Engagement Strategy

Assumptions behind the Theory of Change (ToC)

1. **Infrastructure Development:** The ToC assumes that infrastructure development, including roads, utilities, and telecommunications, proceed as planned in existing Government programs to support private sector growth.
2. **Financing the Strategy:** The ToC assumes that private sector will co-invest with the government, development and humanitarian partners to achieve the outcomes of the strategy.
3. **Policy Implementation:** The theory assumes that policy changes and enhancements aimed at promoting private sector engagement will be developed within the lifetime of the strategy and effectively implemented and enforced.
4. **Market Demand:** The theory assumes that there is sufficient demand for private sector products and services from refugee hosting districts in the local and regional markets.
5. **Access to Information:** The theory assumes that businesses and entrepreneurs have access to the necessary market intelligence, trade data, and business development resources to make informed decisions.
6. **Access to Finance:** The ToC assumes that formal financial institutions envisage refugee hosting district businesses as profitable market segments.
7. **Workforce Skills:** The theory assumes that the existing and new skills development programs are innovatively delivered to effectively equip refugees and host communities with the necessary skills for meaningful employment and entrepreneurship.
8. **Market System Approach Acceptance**: The ToC assumes that partners in development cooperation will be willing to embrace market system approaches and transition away from traditional aid-focused models.
9. **Security:** The theory assumes that the security situation within the refugee hosting districts remains stable and does not significantly disrupt private sector activities.

3.4 Market factors in Refugee Hosting Districts (RHDs)

Field Assessments were carried out in three (3) sample refugee hosting districts (Isingiro, Kikuube and Madi-Okollo) to understand the demand and supply side market factors that might impact how businesses/private sector players interact with refugee hosting markets and influence their decision-making. Factors considered included: sectors likely to drive significant private sector engagement, market size, expenditure patterns, cost of doing business, impact of COVID-19, information about business opportunities in refugee hosting districts, and availability of skilled labour, among others. The assessment was tailored to understand how appealing or favourable the market environment is for private sector players and investors from neighbouring trade hubs and urban districts. Below is a summary of insights on market factors from the districts assessed.

Isingiro District

Agriculture stood out as the most prominent economic sector in Isingiro followed by financial services, hospitality and tourism, and manufacturing and production. Isingiro is one of the older refugee hosting districts and has a higher level of household expenditure than most. With an estimated population of 616,700 including 184,704 refugees, Isingiro's estimated average household expenditure is USD 43 for the refugee population and USD 37 for the host community[11], making refugee settlements attractive for private sector businesses. This aligns with the fact that the 35 businesses surveyed12 in the field assessment in Isingiro ranked higher in revenue figures in comparison to those in Kikuube and Madi-Okollo, with 83% of businesses registering an annual turnover of between UGX 100 – 200 million.

There is ease of doing business in Isingiro owing to the abundance of low-cost semi-skilled labor, availability of raw materials especially for winery and dairy businesses, and stable telecom infrastructure and networks. However, a range of barriers to market entry exist that need to be addressed, including limited access to finance, fear of the high risks associated with setting up permanent business structures on government-owned land, uncertainty of the permanence of refugees in the area, and substandard infrastructure (especially roads).

11 IFC consumer and market study in southwest and west Nile refugee hosting areas in Uganda 2021

A brief study of businesses in the neighbouring urban district of Mbarara revealed that while 70% of the respondents were aware of the existing opportunities in Isingiro, several reasons prevented them from establishing themselves in the refugee hosting district. These included concerns over security and stability, lack of market information, insufficient financial resources, uncertainty about the business environment, and infrastructure gaps in Isingiro district.

Madi-Okollo

Madi-Okollo is a rural district, dependent primarily on small scale agriculture. Many businesses in Madi-Okollo are also engaged in agri-business, selling mainly sim-sim, retail trade in household essentials, charcoal burning, and fishing. Based on a field study[12] that sampled 36 businesses in the district, 50% register an annual turnover of between UGX 10 - 50 million. The private sector has an opportunity to leverage first-mover advantages in Madi-Okollo in virgin sectors such as construction, hotel and lodging, cage fishing, agro-processing, provision of irrigation facilities, wholesale trade, and financial services. However, demand is low. 54% of the businesses surveyed reported moderate demand for their goods and services. This is due to the high poverty levels which limits purchasing power. Poverty levels in the district have continued to remain high with a poverty index counting at 65% as compared to the national poverty index of 31%[13].

The economic prospects of the district can be accelerated with investments that utilize River Nile as a resource and by activating the two industrial parks already zoned around the district i.e., Nebbi and Rhino Camp. Madi-Okollo also has great untapped tourism potential with a rich tourism portfolio including Ajai game reserve, Lake Onji (crater lake), caves, and low plains and rolling hills sitting 900m above sea level.

The cost of doing business in Madi-Okollo is quite high owing to the underdeveloped infrastructure, high taxes and duties, and the cost of key resources including land, water, and raw materials. Additionally, there is inadequate access to finance, partly arising from the limited integration between refugees and host communities; both groups operate in silos hence the existence of small informal savings groups.

Among the businesses engaged in the neighbouring urban district of Arua, 56% of the respondents were aware of the existing business opportunities in Madi-Okollo and Yumbe districts, but similar to the businesses engaged in Mbarara, they noted a number of major deterrents including lack of market information, uncertainty about the business environment, infrastructure gaps in the neighbouring refugee hosting districts, and regulatory and legal barriers.

Kikuube

Kikuube district is still largely underdeveloped. Based on a field study12 that sampled 31 businesses in the district, economic activity happens at a small scale, with most businesses being retail/wholesale shops dealing in general merchandise, generating annual turnover of less than UGX 10 million, and employing less than five permanent staff. Agriculture is the district's most prominent economic activity, and the sector is perceived to have the highest growth potential. Other key economic activities include financial services, retail, and construction. With a steadily growing population of over 450,000 people including refugees, demand for various goods and services is high. Current demand in Kikuube mostly lies in general merchandise, with 100% of the businesses in the retail/wholesale sector reporting high demand for their goods in the field assessment. Construction materials and services are also growing in demand as people set up commercial and residential structures in high numbers. Drilling of oil in the Kingfisher oil field, in combination with the completion of Hoima International Airport, are expected to create a further influx in the population of Kikuube in the foreseeable future.

The cost of doing business in Kikuube is considered favorable due to the availability of low-cost semi-skilled labor, accessibility of raw materials (especially farm produce), and abundance of space to set up commercial structures. However, a number of infrastructural impediments exist: access roads are underdeveloped, electricity network coverage is still low, water shortage is an issue both in the settlement and host communities, and the telecom network is inconsistent (good in the towns but poor elsewhere). Limited access to affordable credit also exposes the population to exploitation by money lenders, middlemen and large produce buyers who tend to exploit farmers by offering credit at unfavourable terms. Refugees particularly grapple with the scarcity of land for

12 Deloitte field study to assess Private Sector Engagement in RHDs 2023
13 Madi-Okollo District Local Government Development Plan III 2020/21 – 2024/25

commercial production, given that they are assigned only small portions by the government and lack the funds to access more land from the locals.

In the neighbouring urban district of Hoima, the city is a vibrant urban area bustling with economic activity in various sectors. Financial service providers, hotels, food markets, retail trade, entertainment, and transport companies are some of the major businesses in the city. Some of the country's biggest private sector players are fully operational in the area e.g., Centenary Bank, Stanbic Bank, Total Energies, Shell, Airtel, MTN and others. Among the businesses engaged in Hoima City, 57% of the respondents were well informed about the existing business opportunities in Kikuube. Similar to findings from Mbarara and Arua, respondents cited limited infrastructure in the refugee hosting districts, perceived social and cultural barriers, lack of market information, inadequate access to finance, and regulatory complexities, as the key deterrents to setting up their businesses in the refugee hosting district.

Additional key insights from each representative district are highlighted in Appendix 4.

3.4 Sector approach to Private Sector Engagement

A number of factors need to be examined when deciding on the prospects of a market: whether there is likely to be strong business activity and a market for private sector products and services, whether private sector actors are likely to want to move in or invest in refugee hosting districts, what is the best vehicle/ mode to enter into the market, and what is the best "route to market" strategy to win in the market (in this case the refugee hosting districts). Following extensive research and consultations with a broad range of stakeholders, six sectors stood out as important for private sector engagement: Agriculture, Tourism and Hospitality, Financial Services, Energy, Human Capital (Health and Education) and Trade and Commerce. This selection is based on several factors, including their economic performance in the refugee hosting areas, the opportunities they offer for private sector involvement (such as value addition, limited access in areas of high demand for services/products) and availability of growth enablers in prominent sectors. The figure below shows the existing business opportunities by sectors, as identified by several stakeholder groups and literature sources.

Business Opportunities Identified

Some of the key business opportunities identified from our field visits and literature review in the prominent sectors

Agriculture

- Value addition across different value chains in different RHDs. Processing and packaging are the biggest value addition opportunities identified.
- Agricultural inputs e.g., equipment, seeds, fertilizers etc.
- Commercial farming (Contract farming)
- Warehousing and storage
- Specialized transport, sales agents

Tourism & Hospitality

- Training and capacity building e.g., training tour guides, waiters etc.
- Developing regional cultural centers for artisanal businesses and to show case the tourism and cultural heritage
- Tourism infrastructure like lodging facilities, banking etc.
- Service delivery like transport etc.

Financial Services

- Mobile financial Services
- Digitizing the VSLAs
- Microfinancing
- Fintechs
- Agent banking
- Remittance services
- Forex Bureaus

Energy

- Solar services including solar home systems
- Clean cooking solutions (stoves)
- Brickettes and energy generated from garbage and alternative cooking fuel sources.

Human Capital (Health and Education)

- Emergency management services e.g., emergency medical support, checks, supply of malaria test kits etc.
- Supply of goods and services. Private institutions e.g., vocational and tertiary schools providing health and education services
- Employment opportunities; health workers, teachers etc.

Trade and Commerce

- Retail and trade in household items
- Artisanal Crafts businesses
- Small scale manufacturing and production
- Logistics and warehousing.

Figure 6: Prominent potential sectors for Private Sector Engagement in RHDs.

3.5 Strategic focus for FY2024/25 – 2028/29

Strategic themes were derived from the discussions held during the Strategy Visioning Workshop, and further deliberated to form Four Strategic Pillars that shape the focus of this strategy. The strategic objectives and actionable initiatives outlined in this section were developed to make each of the pillars a reality and are mapped in the strategy implementation roadmap that will be monitored to ensure that the intended strategic implementation is achieved. The figure below is a summary of the strategic pillars/themes, objectives, and initiatives.

Strategic Pillar 1: Enhance the enabling environment to grow the private sector's presence in refugee hosting districts.

The restrictive enabling environment substantially constrains the level of private sector engagement in refugee hosting districts. Enabling environment includes general infrastructure services that support connectivity and transportation, legal, policy and regulatory environment, access and cost of finance, land acquisition processes, among others. Strategic interventions will be tailored to the unique contexts of each refugee hosting district rather than a "one size fits all". This will require an assessment of the market attractiveness of all the refugee hosting districts for private sector players and investors to participate (excluding the three districts already assessed during the situational assessment phase i.e., Madi-Okollo, Isingiro, and Kikuube). This will result in more targeted investment of efforts and resources to priority sectors, business opportunities, and possible areas of improvement in each district.

Strategic objective 1: Fully operationalize regional economic zones, industrial parks and cross border trade points in regions with refugee hosting districts for enhanced private sector participation by 2028

GoU's pledge as part of the Global Refugee Forum is to create up to 300,000 viable economic opportunities for refugees and host communities by 2027 by including refugees in agricultural value chains, increasing agricultural production and productivity, enabling private sector investments, promoting graduation and market systems development approaches, increasing access to formal and non-formal vocational skills training, promoting the development of market relevant skills and employment creation. This is to be achieved by, among other things, developing and implementing an incentives regime for the refugee hosting districts and declaring them as special economic zones in order to stimulate investment and trade of at least 240,000 refugees by 2027. While the Uganda Investment Authority (UIA) plans to establish twenty-five (25) regional industrial parks across the country, there are currently six (6) operational industrial and business parks, of which three (3) are government owned, with the other three (3) established under Public Private Partnerships (PPPs). An analysis of the refugee hosting districts ' current situation established that the economic zones and industrial parks within refugee hosting districts and their catchment areas are yet to be fully activated (currently only land for the planned establishment of industrial and business parks has been acquired in Madi-Okollo, Isingiro and Nebbi).[14] These zones are deficient of sufficient enabling infrastructure like road networks, telecommunications networks, broad band infrastructure, and utilities like water. Consequently, very few private sector investors have established businesses in these areas.

The aim of this objective is to ensure that investors enjoy economies of scale, operate competitively, and integrate refugee and host communities in value chains and engage them as business partners. More investment is needed to increase job creation and economic growth in the refugee hosting districts which is impeded by resource constraints and infrastructural deficiencies.

Madi-Okollo for instance, largely depends on Arua for the supply of basic goods like food, fuel, and services like banking. The cost of doing business in Madi-Okollo is high due to infrastructure challenges. Transportation costs are escalated as a result of limited means available to the public due to the poor condition of the road network. Mainly motorcycles, and a few lorry trucks are often known to make stopovers at specific locations and times during the day.

14 Industrial Parks Summary Report- January 2024 from Uganda Investment Authority.

There is evidence of technological advancement in the refugee hosting districts, particularly in relation to internet access, connectivity, and infrastructure, and this is backed by the increased presence of mobile network operators like MTN Uganda and Airtel. However, respondents engaged during the visits to some of the refugee hosting districts noted limitations in the telecommunication network coverage due to limited optical fibre penetration.

The establishment of special economic zones and industrial parks in RHDs is expected to address social and economic needs by serving as hubs for industrial activity and attracting businesses while contributing to the development and stability of the refugee-hosting regions. Fully operationalizing regional economic zones and industrial parks is essential for unlocking the regions' economic potential and attracting and retaining investments to establish industries in the refugee hosting districts. This will be achieved through two key initiatives.

Strategic initiative 1.1: Invest in essential economic infrastructure including roads, telecommunications, and utilities, to enhance accessibility and connectivity and reduce the cost of doing business within the Refugee Hosting Districts.

Several RHDs are inundated with infrastructure hurdles including underdeveloped road network, limited electricity coverage, insufficient clean and safe water supply systems, and limited telecommunications infrastructure. Through the Uganda Support to Municipal Infrastructure Development (USMID) Program, Government is strengthening infrastructure within 8 RHDs by making districts and community access roads motorable for easy mobility and access by refugees and host communities. Furthermore, economic infrastructure in RHDs is envisaged to be financed under DRDIP 2. Similarly, through the Electricity Access Scale-Up Project (EASP), access to stable, reliable and affordable power to RHDs will be activated through the $124 Million funding envelope earmarked for RHDs. Through the Uganda Energy Credit Capitalization Company (UECCC), Government will also prioritize and incentivize private sector investment in energy access under the EASP project. Finally, Government will continue implementing phase five (5) of the National Backbone Infrastructure project with support from the World Bank funded Uganda Digital Acceleration Project- GovNet (UDAP-GovNet) which is aimed at extending last mile broadband connectivity to MDAs including district local governments. This creates an opportunity for Public - Private Partnership with Mobile Network Operators (MNOs) to leverage the National Data Transmission Backbone Infrastructure (NBI) to extend their networks to RHDs without necessitating heavy initial investment.

This initiative will focus on getting the right investments into the refugee hosting districts to ease the accessibility and connectivity issues raised by the various stakeholders – and with a focus on unlocking the potential for strategic sectors that offer business opportunities to attract scalable private sector involvement. This will be done through public-private-partnerships (PPP) for last mile infrastructure development in strategic locations of refugee hosting districts; and by leveraging existing funding envelopes to intentionally resource efforts for operations and maintenance of existing enabling infrastructure in earmarked locations within the refugee hosting districts.

Strategic initiative 1.2: Incentivize private sector participation in industrial parks and economic zones.

There is limited presence of significant private sector investment in the zoned parks despite the variety of fiscal and non-fiscal incentives offered to local and foreign private investors by the government. These incentives are aimed to spark economic activity without stifling domestic revenue mobilization aspirations. The low uptake of these incentives can be attributed to lack of awareness of the available incentives by potential investors, and unfavourable terms and conditions for qualification. The government will directly engage potential investors through media campaigns and conferences to raise awareness of the available incentives and facilitate conversations with potential investors on how incentives can be structured more attractively to increase uptake. Existing mappings of available incentives such as Uganda Revenue Authority's (URA) Tax Incentive Guide will be disseminated, and a comprehensive map of all other incentives, guarantees, and subsidy regimes across government programs will be developed to enable a gap analysis and identify opportunities for enhancement. This is envisaged to attract both local investors and Foreign Direct Investments (FDIs), and corporate social responsibility (CSR) initiatives.

Strategic objective 2: Increase the share of private sector-led value addition from the Refugee Hosting Districts

GoU as co-convenor of the Global Refugee Forum pledged to create up to 300,000 viable economic opportunities for refugees and host communities by 2027. Specifically, under this strategic objective, this will be achieved by increasing sustainable agricultural productivity from the current average of 50% to 75% of the yield potential by 2027 through promoting climate smart agricultural practices and strengthening market development and a system approach for sustainable value chains in RHDs. Given that agriculture is the most prominent source of livelihood for RHD populations, agro industrialization stands out as an opportunity for value chain development for priority agricultural products in each of the refugee hosting areas and creates synergies with the Government's import substitution agenda. Transforming agro-value chains through private sector-led industrialization will be pivotal in building a resilient refugee and host community economy and will produce forward and backward linkages with other sectors. This will be achieved through collaboration efforts between the government, Development and Humanitarian Partners, non-governmental organisations, and private sector associations such as the Private Sector Foundation Uganda (PSFU), Uganda National Chamber of Commerce and Industry, and Uganda Manufacturers Association (UMA), among others. The concept of "inclusive value chains", which places emphasis on identifying possible ways in which small-scale farmers can be incorporated into these value chains is expected to extract greater value from the chains and promote more participation from the refugee and host communities. The following strategic initiatives will be pursued to realize this objective.

Strategic initiative 2.1: Enhance value chain development in line with Agricultural value chain clusters in each Refugee Hosting District (RHD).

There is an overwhelming body of evidence that enhancing value chain development in RHDs has a potential impact on the household incomes for refugee households. Given that agriculture is a major source of livelihood in RHDs, value chain development in line with Uganda's agricultural zoning plans is expected to yield food security within RHDs and also creates opportunities for trade. Poor post-harvest handling techniques, a major deterrent to the competitiveness of agro produce, will be addressed through targeted campaigns and training in sustainable agricultural practices e.g., climate smart practices, modern farming techniques and investing in common user infrastructure like cold chain storage facilities, siloes, and others. The World Bank funded Uganda Climate Smart Agriculture Transformation Project implemented by Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) will be an important interface for extension services and value addition investments in RHDs that will need to engage with private sector actors. The $50 Million dollar funding envelope earmarked for RHDs under this project will facilitate agricultural transformation in RHDs.

The Government will collaborate with the private sector, Development and Humanitarian Partners to improve market linkages for refugee products through investments in agricultural market construction and developing a refugee specific and centrally managed e-commerce platform for goods and services from the refugee hosting districts, among other initiatives of relevance. Development Partners will continue channelling their support to agro industrialization for value addition, input sourcing, skilling in modern farming techniques and market systems development.

Strategic initiative 2.2: Design and finance innovative manufacturing programs targeted at Refugee Hosting Districts through the Uganda Development Corporation (UDC) and other actors within Government.

The Government will prioritize investments in innovative manufacturing programs through UDC. This will be done through increased budget support to UDC to extend its investment portfolio and pipeline of projects to include investments in new or already existing enterprises in RHDs that have high potential for growth and scale-up in the RHD economies, in addition to the creation of employment opportunities for refugees and host communities, payment of taxes and levies to expand the Government revenue base, and creation of demand within the market.

In addition, this presents an opportunity for UDC to collaborate with private investors through Public-Private-Partnerships by setting up a Fund to support innovative local firms such as youth innovation hubs with start-up funding, and capacity strengthening, among others. UDC's financing will be focused on priority sectors that are identified as key for private sector engagement in RHDs, including agriculture, human capital development, tourism and hospitality, trade and commerce, energy, and financial services.

Strategic objective 3: Strengthen the legal and regulatory framework.

The legal and policy regime for the refugee response in Uganda has generally been lauded as conducive. This notwithstanding, engaging private sector to expand their presence in the RHDs necessitates policy reforms to streamline regulations that currently create bottlenecks for private sector participation at scale. The legal, policy and regulatory framework needs to be reviewed and harmonized to address issues related to business facilitation, access to employment, access to land, and access to finance, among others.

Strategic Initiative 3.1: Enhance the land acquisition process and rights to use for private sector investors and refugee businesses.

Land access is a subject in various discussions across the country, and a series of land reforms are currently being implemented by the government with a focus on increasing the security of land tenure. For host communities, for example, although customary land agreements are formally recognized in Uganda, financial and legal institutions often do not respect customary land certificates in the same way as they do individualized land deeds. This affects access to financial capital and access to credit because it may mean that land held under customary arrangements is not accepted as collateral.

From a refugee perspective, the main concern is the quantity of land they have access to, which on average tends to be no larger than 0.5 acres, significantly less than the average of two (2) acres that host communities have access to. Refugees, therefore, have to rent land from host communities which tends to be expensive and often, rent agreements with hosts are not well honoured by the hosts. Therefore, the land question in RHDs needs to be addressed through formalization of land access agreements between host communities and refugees to improve security of tenure; sensitization on land tenure arrangements, other relevant options for both hosts and refugees; and promotion of peaceful co-existence between refugees and host communities.

From the private sector perspective, there is no clarity on land ownership and there is limited guidance regarding the process of acquiring land in the refugee hosting districts. Land in the settlements is mostly owned by the Government of Uganda in the South-West and customary owned in the West Nile. This has discouraged large private sector players (who prefer to set up permanent and semi-permanent structures) from investing in the settlements because of the uncertainty surrounding land ownership and its long-term repercussions on businesses. Government will explore avenues to increase leasing land formally to private sector investors whose operating models involve organizing farmers into groups to utilize the land for agricultural production on a contract basis. Through the Uganda Support for Municipal Infrastructure Development (USMID) project under the Ministry of Lands, Housing and Urban Development (MoLHUD), Government will continue to enhance formal land titling for host community members in lands close to settlements. This will allow for better clarity on leasing and sharecropping arrangements between refugees and host communities.

Strategic Initiative 3.2: Strengthening standards for goods and services to boost local participation in procurements by the private businesses based in Refugee Hosting Districts

In line with the Vision 2040 aspirations of developing industries that utilize local potential, and the NDP III focus on increasing local content participation in local procurements, strengthening the standards of goods and services offered by RHD-based locals will alleviate the proliferation of substandard goods and inputs that do not meet national procurement standards. Government, through the Uganda National Bureaus of Standards (UNBS) and with support from Development and Humanitarian Partners, will commit funding and champion the operationalization of the National Standards and Quality Policy (NSQP) within the RHD context. Additional collaboration will come from other MDAs including Uganda Industrial Research Institute (UIRI), Uganda National Bureau of Standards (UNBS), and private sector associations.

Some of the key activities to operationalize standards strengthening will include sensitization of farmers about post-harvest handling, enrolment of businesses in supplier development programs, and standards improvement programs that aim to boost capacity to compete primarily in the local market with plans to compete in foreign markets in the future.

Strategic Initiative 3.3: Promote Local Content in RHD economies.

The government has made significant strides to support local content through national policies and legislations such as the Buy Uganda Build Uganda (BUBU) policy, the National Local Content Bill, 2022 for Oil and Gas, and the Public Procurement and Disposal of Public Assets Act (PPDA) which all focus on enhancing the visibility of local talent and locally manufactured goods in competition with foreign ones. This is in tandem with the localization agenda that Development Partners are prioritizing for future sustainable programming. However, the implementation of local content has been slow in some of the sectors identified as prominent for private sector engagement in RHDs, including infrastructure, financial services, agriculture, and professional services. The Government will implement a tiered procurement framework and influence development partners and humanitarian organizations to adopt similar framework to provide opportunities for local and refugee-owned business participation in procurements. The Government will also lead the development of tailored initiatives in promoting local content, subcontracting local agencies with presence in RHDs and applying a margin of preference for local firms in infrastructure projects in RHDs, among other options. However, to promote competitiveness in RHD economies, Government will also continue to facilitate operations of international firms in RHDs including untied aid programs from Development and Humanitarian Partners that include local markets as well as international markets across East Africa and the wider Africa. The private sector shall also play an active role in mainstreaming local content in private sector activities through associations, umbrella bodies and the apex body like PSFU.

Strategic objective 4: Extend Coverage of Business Facilitation services to RHD markets.

The aim of this objective is to extend the reach and services of key MDAs that support business facilitation including the Uganda Registration Services Bureau (URSB), Uganda Investment Authority (UIA) and Uganda Revenue Authority (URA) to the refugee hosting districts. Bringing services closer to the RHDs is expected to ease the cost of doing business, increase compliance to government policies and regulations and provide access to business development services to resident and private sector entrants into RHDs. This will be achieved through the following initiatives:

Strategic Initiative 4.1: Create one-stop centres in the Refugee Hosting Districts where Business facilitation Departments and Agencies can co-locate with private sector and humanitarian and development agencies to support businesses.

The one-stop centre concept is intended to facilitate a single access point for information and compliance services within RHDs in a bid to improve coordination among MDAs that support business facilitation like URA, URSB, UIA, among others, in addition to reducing lead time and bureaucracies in securing licenses and permits for investors. Government will commit funding to the Uganda Investment Authority, the lead implementer of one-stop centres, to establish and operationalize centres at regional level i.e., one in South-West and another in West-Nile, drawing lessons from the one-stop centre for investors located at the Uganda Business Facilitation Centre in Kampala. These centres will also house private sector representatives to facilitate business, other relevant MDAs, and representatives from Development and Humanitarian agencies where necessary. Government will continue leveraging the virtual one-stop centre, i.e., the e-biz platform, to complement the physical one-stop centres where necessary. For maximum adoption and usage of the virtual one-stop centre, a sensitization and awareness campaign will be undertaken. Key to note is that the establishment of one-stop centres in RHDs can start with piloting 2 centres: one in the South-West and one in the West-Nile region.

Strategic Initiative 4.2: Facilitate the provision of Business Development Services to RHD businesses and extension services that support various productive sectors in RHDs.

Private sector businesses in RHDs are largely Micro, Small and Medium-sized Enterprises (MSMEs) with informal status, limited business and managerial skills, and they require significant business training and support to develop their capacity to become competitive enough to engage with established private sector investors. They also struggle with access to markets, long term financing and have limited access to services for formalization of business.

Through the implementation of the National Business Development Services (BDS) Strategy Framework 2022-2025, strategic pillars of critical importance to driving up the scale of private sector engagement in the refugee hosting districts include pillars around improved coordination of BDS service providers, increasing public sector funding to BDS and developing capacity of private sector BDS service providers. All these will be scaled up in refugee hosting districts.

Strategic objective 5: Enhance access to finance for refugee entrepreneurs and private sector entrants

Enhancing access to finance for refugee entrepreneurs and private sector investors in refugee areas is crucial to fostering economic growth and empowerment within these communities. Access to affordable finance is a major deterrent to business growth and private sector expansion into RHDs. However, enhanced access to finance is just one piece of the puzzle. It is equally important to address the underlying challenges that hinder financial inclusion like lack of proper documentation to secure credit financing by refugees, and limited access to financial services by refugee and host communities, to name a few. Current funding to RHD interventions is mainly backed by Development and Humanitarian Partners, which also creates distortions in the credit market despite the justification by some microfinance and formal financial institutions that having aid programs helps de-risk and link demand with supply in the RHD context. This objective seeks to provide a coordinated approach to financing between private sector, Development and Humanitarian Partners and Government, to de-risk investments and ensure sustainability of commercial financing models. It also seeks to provide access to innovative and blended financing solutions, products and instruments with diverse return horizons and risk appetites.

Strategic Initiative 5.1: Expand access to formal financial services to RHDs.

Formal financial institutions are not adequately serving businesses and entrepreneurs in RHDs. This is partly because they have not established sufficient infrastructure to reach RHD populations with diverse tailored financial products beyond micro loans. Refugees and host communities lack collateral to obtain finance from formal financial institutions[15] and mainly access funding through loans from informal means such as Village Savings and Loans Associations (VSLAs) and Savings and Credit Cooperative Organizations (SACCOs) which do not provide sufficient credit to capitalize and grow businesses. Government, through the Uganda Registration Services Bureau (URSB) will continue facilitating lenders to register their security interests through the Security Interest in Movable Property Registry System (SIMPR) as an avenue to de-risk lending to refugee and host communities. This will enable refugees and host communities to use their movable assets as collateral for bigger loans from formal financial institutions.

Government will extend incentives through subsidies to Fintechs[16] operating in RHDs to facilitate the digitalization of VSLAs and SACCOs to provide last mile financial solutions to refugees and host communities, to supplement the already existing tailored financial products and services for refugees from both microfinance and financial institutions. These subsidies will also apply to remittance and money transfer service companies who play a crucial role in facilitating financing of the refugee community. Government will de-risk credit financing to refugees by streamlining the legal requirements for alternative identification documentation in Know Your Customer (KYC) processes for financial institutions. This will be done through standardization and digitalization of refugee identity documents for easy interoperability and acceptance by financial institutions. Government will also provide access

15 U-Learn: Exploring challenges faced by formal refugee-owned businesses in Uganda- May 2023
16 Fintechs (financial technology companies) are companies that use applications and software/technology to deliver financial services.

to the National Data Transmission Backbone Infrastructure (NBI) to Mobile Network Operators (MNOs) to extend their network and coverage to the RHDs and reduce the cost of investment to financial institutions to optimize digital financial services such as agent banking, mobile money, money transfer services, and to provide last mile financial solutions to RHD unbanked locations.

Strategic Initiative 5.2: Facilitate access to affordable investment financing for private investors.

Private sector initiatives focused on financial inclusion and long-term solutions for refugees require significant investment. Consequently, investing in refugee hosting districts poses significant financial risks, uncertainty of revenue, long pay back periods and high start-up capital costs, which call for supplementary financing. Current funding approaches have revolved around debt financing from financial institutions, grants from philanthropic and humanitarian organizations, impact investing and contracting to deliver programs and services as implementation partners for humanitarian organizations.[17] To raise the private sector's investment appetite, innovative and flexible financing options will be explored, such as sustainability bonds, impact investment funds, result based funding, loan guarantees, revolving funds, seed funding, venture capital and Village Agent models to attract investments and support the growth of businesses. Government through the Uganda Development Bank (UDB) and Bank of Uganda (which is getting financed under the INVITE project by World Bank) will continue providing financing to private businesses that are establishing or extending their presence within the RHDs.

Strategic Initiative 5.3: Increase the percentage share of humanitarian financing by the private sector through crowd funding through leveraging rebates to private sector

This initiative will seek to crowdsource investments from private sector participants, not only with a focus on investments that yield returns, but also for investments geared towards humanitarian and other social causes. Government will complement efforts made by humanitarian partners like UNHCR by exploring avenues to attract large private sector players including multinationals, and high net worth individuals who have a focus and resources earmarked for such investments. Through collaboration with the private sector and development partners, platforms that connect businesses to potential investors and financial institutions will be created to facilitate collaborative capital raising and increase opportunities for businesses to secure financing.

Strategic objective 6: Create platforms through which private sector can position and collaborate

The goal of increasing private sector engagement in RHDs cannot be achieved through siloed efforts by stakeholders. Collective effort is required from the Government, Development and Humanitarian Partners, the private sector, and other stakeholders, to step-up all forms of resource mobilization and innovative partnerships and solutions. There is potential for partnerships and collaborations between the private sector and entities like international and local NGOs as a major motivator for businesses outside RHDs to expand into the refugee hosting regions[18]. Similarly, Government is a potential source of opportunities for the private sector in RHDs.

One of the principles governing the implementation of PPPs in the Public Private Partnerships Act of 2015 is the stimulation of growth and development by harnessing private sector innovation and efficiency. There is, therefore, an opportunity to create regular dialogue involving Government, Development and Humanitarian Partners, private sector actors and NGOs to enable joint planning for private sector development. The initiatives below will enable collaborations and partnerships that foster private sector development in the RHDs.

17 International Finance Corporation (IFC) and Bridge span Group; Private Sector & Refugees Pathways to Scale, 2021

18 Field visits were conducted by the Deloitte team to RHDs in Northern Uganda (Madi-Okollo and Arua districts), Western Uganda (Kikuube and Hoima districts) and South-western Uganda (Isingiro and Hoima districts). This was for purposes of this strategy.

Strategic initiative 6.1: Enhance dialogue between partners and private sector actors to reduce market distortions.

Humanitarian agencies are shifting from an emergency response model to a development model with the aim of helping refugees build their livelihoods. However, refugee reliance on aid is unlikely to end in the foreseeable future due to high numbers of refugee children, women with high care burdens, and people with special needs who will remain humanitarian aid dependent. Therefore, dialogues will be facilitated between the private sector, Development Partners and Humanitarian Partners to determine how best the much-needed aid can continue to be availed to refugees while transitioning others towards self-reliance with minimal market distortion. One identified measure so far is the shift from material aid to cash programming, which has already been successfully adopted by some humanitarian partners, most notably the World Food Program (WFP). WFP provides cash-based transfers (CBT) to refugees residing in refugee settlements in West Nile and the South-Western regions of the country. Refugees enrolled for CBT receive UGX 31,000 (US$ 8.46) per person per month, to meet the minimum caloric requirements of 2,100 kcal per person per day[19]. This amount is based on how much it costs refugees to buy WFP's in-kind food basket on the local market. WFP is in the process of digitizing the cash-based transfers from cash in hand to an agency banking model and mobile money to deliver assistance with an aim of increasing financial inclusion and access to other financial products such as loans and savings. The transition to cash-based interventions by WFP has boosted local economies, developed local markets, increased agricultural production, and increased the number of Financial Service Providers in the target areas. The United Nations High Commissioner for Refugees (UNHCR) is also currently piloting cash-based programming. Cash based programming stimulates economic activity and has a multiplier effect that potentially boosts refugee and host community earnings. More development and humanitarian partners will be engaged to transition to cash-based programming. However, consideration must be given to possible challenges such as diversion of funds where refugees may misuse cash aid meant for developmental purposes such as purchasing agricultural to alternative uses.

Refugee reliance on handouts is a hurdle to the development of market systems. Mindset-change management activities such as educational seminars for refugees will be implemented to enable refugees to enhance their livelihoods and to become self-reliant. This will require putting an enabling environment for business in place as an incentive for refugees to engage in economic activity.

Strategic Initiative 6.2: Strengthening District and Local Government coordination structures to engage with private sector actors.

District Local Governments in refugee hosting districts need to be empowered with adequate resources and capabilities to enable private sector growth. Some District Local Governments in refugee hosting districts do not possess sufficient records of the businesses in their jurisdiction; their business registers are outdated, incomplete, or non-existent in some cases[20]. By extension, Development and Humanitarian Partners also lack access to credible private sector records within refugee hosting districts. Planning for and partnering with the private sector is therefore difficult due to lack of reliable business registers that government and development and humanitarian partners can use to back decision making.

In the District Local Government structure, the District Commercial Officer (DCO) and the District Production Officer (DPO) are responsible for driving commercial activity and increasing production in their districts, including the refugee settlements. These offices will be supported to digitize and maintain their business registers and other relevant data (e.g., data on commercial, industrial, and cooperative related investments) that can be collected, analysed, utilized for decision making, and disseminated to other possible end users.

19 Meeting Needs and Empowering People - WFP's Cash-based food assistance in Uganda, World Food Programme

20 Field visits were carried out in a sample of RHDs in Northern Uganda (Madi-Okollo and Arua districts), Western Uganda (Kikuube and Hoima districts) and South-western Uganda (Isingiro and Hoima districts) to assess the current situation of private sector involvement in RHDs and what each district presents in terms of opportunities for enhanced private sector engagement. These are some of the findings.

The DCO and DPO will work closely with settlement commandants and the Office of the Prime Minister (OPM) to establish credible registers for businesses within the settlements. Conditional grants to the DCO and DPO offices will be expanded to strengthen their capacity and facilitate other activities that will enable private sector development e.g., developing strategic plans for private sector growth, purchasing modern production machinery, extending grants to small businesses to enable growth, and others.

Strategic Initiative 6.3: Strengthen collaborations and partnerships for catalytic private sector engagement in RHDs.

The private sector in RHDs needs to be supported to develop partnerships and associations and link with existing associations that collectively advocate for private sector actors like PSFU, USSIA, FSME. Cooperatives offer such a platform, and enable businesses to increase their access to markets, financing, advancement in modern technology, and access to Business Development Services, among others. Cooperatives in refugee hosting districts mainly exist in form of small memberships, informal, and under-resourced associations that operate primarily in the agricultural sector. The Ministry of Trade, Industry and Cooperatives (MTIC), among other stakeholders including Development and Humanitarian Partners, District Local Governments (DLGs), local entrepreneurs, and existing business associations will be engaged to drive formation and capacity development of business networks, associations, and blended cooperatives in the refugee hosting districts. This will enable local producers to have a higher bargaining power as a collective unit, gain better access to markets, and pooled resources to overcome high fixed costs, and overcome other barriers including exploitation from middlemen. Blended cooperatives of refugees and hosts is a way for financial institutions to mitigate risks of movement of refugees as is currently being implemented under the village revolving fund under DRDIP. Government will also directly engage and collaborate with these cooperatives through its various programs to eliminate obstacles to business and drive private sector development.

The private sector, Development and Humanitarian Partners, NGOs, and Government each possess unique expertise, capabilities, and resources that can be leveraged through collaborative partnerships for development of refugee hosting districts. For example, UNHCR is developing a system to pool livelihood data that will enable different actors to implement their projects in a more coordinated and collaborative manner, especially by providing guidance on how to select program beneficiaries.

A platform will be established at national level to bring together these actors and refugee and local community leaders to facilitate regular dialogues, resource-sharing, and joint planning. The platform will also enable the private sector, and these multiple stakeholders collaborate in establishing refugee programs that address constraints to private sector development in a way that avoids duplication and overlap of efforts.

To further facilitate private sector engagement, community-based task forces will be created to address challenges specific to private sector development and to identify opportunities for economic growth. The composition of these task forces will include representatives from various stakeholder groups such as OPM, DLGs, cooperatives and associations, local entrepreneurs, among others. The task forces will establish help desks and will become key points of contact for development partners by providing them with information on potential private sector partnerships in their development activities. The help desks will also be sources of market information for potential investors and local entrepreneurs, helping them make informed decisions.

Strategic Pillar 2: Awareness creation, sensitization, and information sharing.

There are several investment opportunities in the refugee hosting districts, but the private sector is largely unaware of the opportunities available to them, which impacts investments into these areas. Although the Uganda Investment Authority (UIA) has developed investment profiles for each refugee hosting district, they are not widely disseminated and accessible to private sector investors. Feedback received during the field visits highlighted critical information gaps in several areas, such as: limited knowledge of demographic profiles of refugees, viable business cases in refugee hosting district, incentive programs available, existing partnership modalities between private sector and humanitarian partners, to name a few. Refer to section 3.4 and Appendix 4 of this strategy for market factors and key insights from RHDs. Proactive approaches will be taken to assess markets in RHDs and identify the investment hotspots and opportunities. A communication strategy will be established to facilitate the dissemination of relevant information to the private sector, refugees and host communities. This will supplement and reinforce existing efforts to avail information on investment opportunities in RHDs, in addition to UIA 's district investment profiles, and the various market studies done by Development and Humanitarian Partners to address this information disequilibrium.

Strategic objective 7: Increase awareness and sensitization of economic opportunities that the private sector can engage in within the refugee hosting districts

The private sector lacks access to comprehensive information on economic opportunities in RHDs. With readily available and credible information about investment opportunities in RHDs, more private sector actors will be attracted to engage in the different sectors. To achieve this objective, the initiatives below will be undertaken.

Strategic Initiative 7.1: Undertake market assessments, surveys on trends, market dynamics and economic outlook for each refugee hosting district to map out opportunities.

Existing literature on market conditions in RHDs is insufficient and mostly outdated. With support from Development and Humanitarian partners, regular market assessments will be carried out in each RHD to establish the nuanced market dynamics, taking into consideration market size, competitive landscape, customer behaviours, disposable income, availability of skilled labour, and the existing barriers to entry and growth of private businesses, among other relevant datasets. This information will be used to update and supplement existing documents like the District Investment Profiles by Uganda Investment Authority with clear indication of investment hotspots and value chains for each RHD.

Strategic Initiative 7.2: Develop and implement a Communication Strategy for private sector opportunities in the Refugee Hosting Districts

The Communication Strategy will establish mechanisms to efficiently build awareness and sensitize the private sector, refugees, and host communities about the available information regarding the investment climate in RHDs, using principles of strategic communications. Targeted media campaigns will be designed, and community outreach programs will be deployed around topical themes such as business development, marketing, entrepreneurship, among others. An investor survey will also be carried out to ascertain demand for information and facilitate targeted dissemination of information and communication for potentially interested private sector actors.

Strategic Initiative 7.3: Establish an information sharing mechanism between the government, private sector, refugees, and host communities.

There is currently no platform through which Government, private sector, partners, refugees, and host communities can share information and ideas concerning private sector engagement in the refugee response. A series of ad hoc forums running in parallel are currently in place but are so far not sufficient to serve the information needs of the wider stakeholder groups. A decentralized knowledge centre, accessible at district level will be established to act as a repository of information on the business environment from different stakeholder sources, and a source of information to provide businesses with market intelligence, trade data, and business development information.

Humanitarian partners such as UNHCR have critical data that can potentially be used to develop business models in refugee contexts. UNHCR has a refugee database which contains socio-economic information of all registered refugees in Uganda. This includes bio data, demographics, income level, education level, employment status and health information. In addition, UNHCR has conducted a skills mapping of all refugees including profiling in terms of skills and level of education among others. Such information needs to be widely shared with the respective interested private sector actors. Refugee and host community exchanges will also be activated to facilitate information sharing and collaboration for business development.

Strategic Pillar 3: Tailor key economic development programs and policies to include refugees.

Several national development programs are present in all RHDs but a few of them include refugees. In view of the protracted refugee crisis, programs designed to benefit nationals in RHDs can also be leveraged to extend critical development services to refugees, through affirmative action. Leveraging existing national development programs will reduce the burden of mobilizing new resources and the administrative burden of implementing new programs; and will promote shared prosperity between refugees and host communities. This pillar focuses on leveraging existing economic development programs to address enabling environment bottlenecks that affect the scale of private sector engagement in refugee hosting districts.

Strategic objective 8: Leverage existing government programs to serve refugee communities

This objective seeks to scale up ongoing country programs that target enhancements in infrastructure, private sector development and industrialization in refugee hosting districts. These programmes include: the Uganda Digital Acceleration Project (UDAP) under the National Information Technology Authority (NITA-U), Agriculture Cluster Development Project (ACDP II), Investment for Industrial Transformation and Employment (INVITE) project, the Uganda Support for Municipal Infrastructure Development (USMID) project, Development Response, Displacement Impact Project (DRDIP), Generating Growth Opportunities and Productivity for Women Enterprises Uganda (GROW) project, Electricity Access Scale Up project, and the Uganda Climate Smart Agriculture Transformation Project. Possible, modifications to existing programs with no specific refugee focus will be considered to make them more refugee inclusive. These include programs like the Parish Development Model, Emyooga, and the Uganda Women Empowerment Program (UWEP).

Strategic Initiative 8.1. Leverage existing government programs that will enhance enabling infrastructure for the private sector.

Government will continue delivering programs such as Uganda Digital Acceleration Project (UDAP), Development Response to Displacement Impacts Project (DRDIP), Uganda Climate Smart Agriculture Transformation Project (UCSATP) that have interventions targeting refugees. Critical interventions to onboard private sector players through these programs will be supported by mainstreaming private sector engagement as a cross cutting theme on these programs. These programs offer certain opportunities for private sector participation, a few of which are outlined below. These programs can be leveraged by the private sector in the following ways:

Table 2: Summary of Government Programs with interventions targeting refugees.

Program	Program Focus Areas	Private sector engagement opportunities
Development Response, Displacement Impact Project (DRDIP)	• Supporting investments in social services and economic infrastructure and building the capacity of Local Government units • Environmental management activities • Investment in traditional and non-traditional livelihoods. • Support to national and local level project coordination activities.	• Entry of innovative private sector businesses to support livelihoods. • Collaboration with Government to supply economic infrastructure. • Unlocking economic opportunities in social sectors. • Link village revolving funds with formal financial institutions.
Digital Acceleration Program (UDAP)	• Expand access to high-speed internet in selected areas including refugee hosting districts. • Improve efficiency of digital service delivery in selected public sector. • Strengthen the digital inclusion of selected host communities and refugees.	• Expand access to high-speed internet in selected areas to facilitate digital financial services and related business opportunities.
Agriculture Cluster Development Project (ACDP II)	• Raising on-farm productivity, production, and marketable volumes of selected agricultural commodities (maize, beans, rice, cassava and coffee).	• Improvement in the agricultural practices from subsistence farming to commercialised farming where private sector plays as an off-taker, and an input provider, among others.

Strategic Initiative 8.2: Leverage government programs that focus on industrial transformation and private sector development.

The Investment for Industrial Transformation and Employment (INVITE) project aims to create private sector-led manufacturing jobs and increase incomes across Uganda. It also aims to create sustainable employment and viable market opportunities by encouraging investment along Uganda's growth corridors. This will be done by easing liquidity constraints to Micro, Small, and Medium Enterprises (MSMEs) in the manufacturing and exporting sectors, supporting the provision of new loans to this market segment, and supporting private sector investment in viable and sustainable supply chains, including Refugee Hosting Districts (RHDs), through local currency financing. Private sector players through their apex body, Private Sector Foundation Uganda will be able to access funding to create new productive and transformative assets projected to have a multiplier effect on the business activity in RHDs and provide employment to both the refugees and host communities.

Strategic Initiative 8.3: Expand the Parish Development Model, Presidential Initiative on Wealth and Job Creation (Emyooga), Youth Livelihood program (YLP) and Uganda Women Empowerment Program to include refugee populations.

Government programs that aim to create wealth, employment and increase household incomes for Ugandans will be reviewed to identify opportunities where refugees can be included to enhance their livelihood in a manner that creates shared prosperity with host communities. The table below profiles the potential programs that refugee entrepreneurs can benefit from.

Table 3: Summary of Potential Government Programs where entrepreneurs can benefit.

Program	Focus Areas	Potential impact on private sector for the refugee response
Presidential Initiative on Wealth and Job Creation (Emyooga)	• Increased employment/ job opportunities. • Increased access to specialized financial services to rural areas particularly to women/ youth/Persons with Disabilities (PWDs). • Improved household income of the project beneficiaries. • Enhanced entrepreneurial capacity of different categories through sensitization, skilling, and tooling.	• Increased labour and skills for refugees. • Increase in the purchasing power of households to afford goods and services. • Potential for collaborations and partnerships with existing refugee entrepreneurs. • Expansion of refugee supplier base for private sector enterprises.
The Parish Development Model Program (PDM)	• Production, storage, processing, and marketing. The government plans to roll out digital platforms for provision of farm inputs (e-vouchers), extension services (e-extension) and quality certification (e-certification), at parish level. • Infrastructure and economic services. Public and private sector institutions will be mobilised to provide services at parish level. • Financial inclusion. This aims to improve access to financial services among informal economy players. • Social services like primary health care, education, access to clean water, transport, and communication. • Mindset change and cross-cutting issues like gender, environment, and disability. • Parish based management information system. The government plans to implement an integrated system to support community profiling, data collection, analysis, tabulation, storage, and dissemination, at parish level.	• Increase in commercial agriculture through: • Building infrastructure and systems that support processing and marketing of Uganda's agricultural products. • Better coordination of refugee farmers with host community farmers through area-based commodity clusters • Increased participation of private sector in extending business management training to farmers. • High quality yields that are attractive to markets • Increase in the purchasing power of refugees

Program	Focus Areas	Potential impact on private sector for the refugee response
Youth Livelihood Program	• To provide youth with marketable vocational skills and toolkits for self-employment and job creation. • To provide financial support to the youth to establish Income Generating Activities (IGAs). • To provide the youth with entrepreneurship and life skills as an integral part of their livelihoods. • To provide youth with relevant knowledge and information for attitudinal change (positive mind set change).	• Equipping refugee youth with marketable skills, entrepreneurship, and life skills, providing them with financial support, and relevant knowledge on attitude change will spur their productivity, provide readily available skills and labour for the private sector.
Uganda Women Entrepreneurship Program (UWEP)	• To strengthen the capacity of women for entrepreneurship development • To provide affordable credit and support access to other financial services to enable women establish and grow their business enterprises. • To facilitate women's access to markets for their products and services. • To promote access to appropriate technologies for production and value addition. • To strengthen program management and coordination	• Increased labour and skills available to the private sector. • Increase in purchasing power of women, enabling them to afford private sector goods and services. • Potential for collaborations and partnerships with women entrepreneurs. • Expansion of the supplier base for private sector enterprises.

Strategic Pillar 4: Human Capital Development for Sustained Productivity of Refugees and Host Communities.

Many initiatives have been undertaken by the Government, Development and Humanitarian Partners to strengthen the capacity of refugees and host communities through business development interventions such as training in modern agricultural practices, vocational skilling in welding, carpentry, and other skills. However, the mismatch between the labour market opportunities and skills supply is still prominent, evidenced by the low levels of employability by refugees. This pillar seeks to enhance human capital development through innovative approaches to capacity development geared toward enhancing entrepreneurship, employability, and productivity.

Strategic objective 9: Enhance productivity and employment capacity of refugees and host communities.

By enhancing the productivity and employment capacity of refugees and host communities, refugees and host communities will be more attractive and employable by the private sector. They will be more empowered and independent enough to contribute to their own economic well-being and to the economy. This will necessitate a formal approach that includes legal and regulatory barrier reforms to enable labour market integration and entrepreneurship opportunities for refugees. Furthermore, enhanced productivity and employment will reduce the likelihood of social tensions with host communities, as refugees become less of an economic burden and more of an asset to the communities in which they reside. This will be achieved through the following initiatives.

Strategic Initiative 9.1: Enhance the employability of refugees by addressing gaps in employment-related regulatory frameworks in Uganda.

Enhancing the employability of refugees could alleviate the economic burden of hosting them. Refugees in Uganda have a lower labour force participation rate (42%) compared to 69% for host communities. Similarly, refugees have lower employment and higher unemployment rates than nationals in host communities. Only 29% of refugees are actively employed compared to 64% of nationals in host communities. Refugees who are seeking employment are less likely to find it and the unemployment rate for refugees (31%) is higher than host communities (7%)[21] and the

21 T. Beltramo, J. Fix, and I. Sarr. 2021. Uganda Knowledge Brief: Using Socioeconomic Data to Promote Employment Solutions for Refugees in Uganda. UNHCR The UN Refugee Agency

proportion of refugee employment in Uganda is created by other refugees of the same nationality[22]. However, employability of refugees especially with the formal private sector is stifled by the current labour laws that do not provide sufficient clarity on requirements for employment of refugees, lack of documentation indicating their education and skills, language barriers, complex work permit processes for refugees and limited acceptance of their qualification, among other things.

Government will undertake efforts to align refugee-related policies with labour market policies to overcome legal and regulatory barriers to employment and create an environment of fair working conditions and no exploitation for refugees. A notable barrier includes lack of clarity around the accreditation and certification of non-Ugandan qualifications for refugees seeking employment in Uganda due to information asymmetry on the acceptable papers, process of accreditation and certification and special waivers. This is also the same for transference of professional skills and qualifications to facilitate employment and skills transfer. To this end, Government will leverage UNHCR's integration framework/handbook on training and employment of refugees that provides guidelines and good practices drawn from a broad range of host countries' experiences and adapt the same for the Ugandan context.

As some refugee entrants to Uganda come with prior education and certifications, the Government will expedite the development of the Certification of Prior Learning Framework under the Uganda Secondary Expansion Project to recognise prior education including refugee prior education. Relatedly, the private sector, through associations will play an active role in influencing employers to consider prior learning, bridging initiatives like supplementary on-the-job training and provision of ad hoc assessments where there is no documentary proof. Affirmative action programs for refugee women will also be extended by Government in the education system, especially the ones skilling and getting educated in business related disciplines.

Strategic Initiative 9.2: Scale-up skills development initiatives for refugees and host communities

Skilling is a major pre-cursor to job creation and employability in a variety of sectors and several development partners and humanitarian organizations have implemented numerous skilling initiatives for refugees and host communities, especially in vocational trades. However, there is a mismatch between the skills in demand and the vocational training the populations in RHDs receive[23]. Accessibility to vocational skilling centres is not evenly spread across RHDs and many Government and Development Partner-funded training institutes offer courses in a selection of traditional occupations (e.g., bricklaying, carpentry, hairdressing, tailoring, mechanics)[24] which are saturated. In-demand skills such as cereal farming, horticulture farming, biogas construction and solar system installation are not offered at the Technical Vocational Education and Training (TVET) institutions. Therefore, Government, Development Partners and Humanitarian Partners will focus on enhancing skilling interventions, targeting in-demand skills, and enhancing the coverage and affordability of vocational institutions to ensure access to appropriate skilling geared to addressing the skills mismatch.

Government will also carry out skills assessments within RHDs to establish current skills levels and gaps to enable evidence-based planning to meet the demands of the private sector labour market through programs like the Uganda Skills Development Project. This will culminate into the creation of a skills data base, that will be made accessible to private sector players and the development of innovative mentoring and internship programs with private sector actors that match skills acquisition to market demand. Government, with support from the private sector, Development and Humanitarian Partners will continue delivering gender-based skills improvement programmes like the Uganda Skills for UWEP, Youth Livelihood Program, PDM, GROW, INVITE programs, and other projects in the pipeline. Through a multi-stakeholder approach, Government will take proactive approaches to operationalize Pillar 2 (*enabling entrepreneurial led development and market growth system*) and Pillar 4 *(Increasing access to market relevant skills training to enhance employability and job creation*) of the Jobs and Livelihoods Integrated Response Plan (JLIRP) for refugees and host communities.

22 A. Betts, I. Chaara, N. Omata, and O. Sterck. 2021. Refugee Economies in Uganda: What difference does the self-reliance model make? Refugee Studies Centre, University of Oxford.

23 P. Munduga, D. Bukenya, A. Mukasa, N. 2019. Mutaremwa. Enhancing Employability of Youth, Women, and Girls in West Nile Refugee Settings using Incluvsive Vocational Education and Training. Africa Non-Profit Chore (ANCHOR).

24 International Labour Organization (ILO). 2022. Occupations and skills assessment for youth in selected refugee settlements of Isingiro, Arua, and Madi Okollo districts in Uganda

4. Implementation framework

Table 4: Implementation Framework.

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
Strategic Pillar 1: Enhance the enabling environment to grow the private sector's presence in Refugee Hosting Districts									
Objective 1: Fully operationalize regional economic zones, industrial parks and cross border trade points in regions with Refugee Hosting Districts for enhanced private sector participation by 2028									
Initiative 1.1: Invest in essential economic infrastructure, including roads, telecommunications, and utilities, to enhance accessibility and connectivity and reduce the cost of doing business within the Refugee Hosting Districts									
A	Engage in public – private partnerships (PPP) for last mile infrastructure development in industrial parks and economic zones of Refugee Hosting Districts	RHD infrastructure enhanced through PPPs						UIA, UFZA, Ministry of Works and Transport, MoFPED (PPP Unit), UNRA, OPM, LGs	UIA
		Paved roads (Km)						Ministry of Works and Transport, UNRA, OPM, LGs	Ministry of Works and Transport
B	Leverage existing funding envelopes to Intentionally resource efforts to improve the enabling infrastructure i.e., road and telecom infrastructure in earmarked locations within RHDs	Funding envelopes cascaded to improve infrastructure in RHDs						PWG, MoFPED, MoWT, UNRA, NITA-U, MoICT, MoEMD, UECCC, OPM, Civil Society, LGs	PWG
		RHD infrastructure in fair/good condition						Ministry of Works and Transport, UNRA, OPM, LGs	Ministry of Works and Transport
Initiative 1.2: Incentivize private sector participation in industrial parks and economic zones									
A	Operationalize tax incentives, guarantees and subsidy regimes across government programs to attract investors to set up businesses within industrial parks and economic zones in the RHDs	Incentive and guarantee programs designed and activated to attract private sector participation.						URA, UIA, LGs, PSFU	URA
		Private Business establishments set up in industrial parks							
Objective 2: Increase the share of private sector-led manufacturing value addition from the Refugee Hosting Districts									
Initiative 2.1: Enhance value chain development in line with the agricultural value chain clusters in each RHD									
A	Create market information platforms and enhance existing ones	Market information platforms created and accessible by RHD farmers						MoTIC, MAAIF, UIA, MOFPED, PSFU	MoTIC

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
B	Construct permanent structures for agricultural markets	Permanent market structures constructed in each RHD						MoLG, MoTIC, MAAIF	MoLG
C	Strengthen agricultural extension service delivery to improve agricultural production and productivity through training in good agronomic practices and post-harvest management.	Post-harvest handling campaigns, trainings, and demonstrations conducted for each value chain						MAAIF, MoLG. MoTIC	MAAIF
D	Incentivize private sector off takers	An incentive program for Private sector off takers developed and activated						MAAIF, MoLG. MoTIC, PSFU	MAAIF
E	Fostering market linkages for farmers and MSMEs with suppliers and buyers of produce	Public procurement contracts with RHD suppliers signed and activated						MAAIF, MoLG. MoTIC, PSFU	MAAIF
		Increased market access to RHD farmers							PSFU
F	Scale-up existing partnerships between private sector and refugee farmers	Partnerships between private sector and refugee farmers signed and activated						MAAIF, MoLG. MoTIC	PSFU
G	Investing in common user infrastructure e.g., cold chain storage facilities and silos, equipment and post-harvest handling facilities that enhance growth and expansion.	Common user infrastructure installed in strategic locations of RHDs						MAAIF, MooFPED, PSFU	MAAIF
H	Develop an e-commerce platform for RHD products.	A functional E-commerce platform for RHD products developed.						MoTIC, NITA (U), MoICT, PSFU	MoICT

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
Initiative 2.2: Design and finance innovative manufacturing programs targeted at Refugee Hosting Districts through the Uganda Development Cooperation (UDC) and other actors within government									
A	Capitalize UDC to undertake innovative Research and Development for Manufacturing in RHDs	UDC Capitalized to support Manufacturing programmes in RHDs						UDC, BOU, INVITE, MoFPED	UDC
B	Develop an Asset financing program for agro industrialization in RHDs	Asset Financing program for agro industrialization developed and operationalized						UDC, BOU, INVITE, MoFPED	UDC
Objective 3: Strengthen the legal and regulatory framework									
Initiative 3.1: Enhance the land acquisition process and rights to use for private sector investors and refugee businesses									
A	Review legal framework to streamline acquisition of land rights by private sector players and or refugee businesses in customary land tenure systems.	Legal framework facilitates access to land.						MoLHUD, MoJCA, Parliament, OPM	MoLHUD, MoJCA
Initiative 3.2: Strengthening standards for goods and services to boost local participation in procurements by private businesses based in Refugee Hosting Districts									
A	Implement National Standards and Quality Policy (NSQP) and National Standards and Quality Policy Implementation Plan (NSQPIP) in refugee contexts to address issues of standards and quality that affect local and foreign markets of goods and services produced	Goods and services in RHDs meet national and regional quality standards.						UNBS, MoTIC	UNBS
		Enhanced market penetration of goods and services from RHDs							
B	Develop standards improvement programs for refugee contexts through Uganda National Bureau of Standards (UNBS).	Custom standards improvement programs for refugee contexts developed and executed.						UNBS, MoTIC, UIRI	UNBS

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
Initiative 3.3: Promote local content in RHD economies									
A	Implement a Tiered procurement framework by government agencies and humanitarian organizations that provides opportunities for local and refugee-owned businesses' participation	Increased participation of local and refugee-owned business in procurement by government agencies and humanitarian organization bids.						PPDA, MoFPED, MoTIC	PPDA
Objective 4: Extend coverage of Business Facilitation services to RHD markets									
Initiative 4.1: Create one-stop centres in the Refugee Hosting Districts where Business facilitation Departments and Agencies can co-locate with private sector and humanitarian agencies to support businesses									
A	Review laws and policies that impede formalization and heighten the cost of compliance e.g., the UNBS Act to include affirmative action for RHDs, Meteorological Act, Legal, Trade License Act (reviewing the rates and payment terms), etc.	Improved legal, policy and regulatory regime governing formalization of businesses						MoTIC, UIA, URSB, URA, UNBS, NIRA, LGs, OPM, MoFPED, PSFU	MoTIC, PSFU
		Increase in formal businesses established in RHDS.							MoTIC, PSFU
B	Carry out awareness and sensitization on the benefits of formalization.	Awareness and sensitization campaigns on the benefits of formalization in RHDs							MoTIC, PSFU
C	Map and zone out catchment areas for the one stop centres	One-stop centres established with co-located government departments providing business development services (BDS) and extension services						UIA, URSB, URA, UNBS, NIRA, LGs, OPM, MoFPED, PSFU	UIA
D	Develop IEC materials (translated in various languages) to enhance the utilization of virtual one stop centres within RHDs	IEC materials on virtual one stop shops in RHDs developed and disseminated						UIA, URSB, URA, UNBS, NIRA, LGs, OPM, MoFPED, PSFU	UIA, PSFU

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
Initiative 4.2: Facilitate the provision of Business Development Services (BDS) to RHD businesses and Extension services that support various productive sectors in RHDs									
A	Build capacity of Local Government BDS providers to support the RHD business	Quality and impactful BDS service provided to RHD enterprises						MoTIC, UIA, URSB, URA, MoFPED, PSFU, Enterprise Uganda, MSC	MoTIC, PSFU
B	Providing Business Development services for (Training, Mentorship, Advisory services, Linkages, Incubation, Exposure visits)								MoTIC, PSFU
C	Enhance the capacity of MoTIC to monitor and implement the National BDS Framework								MoTIC
Objective 5: Enhance access to finance for refugee entrepreneurs and private sector entrants									
Initiative 5.1: Expand access to formal financial services to Refugee Hosting Districts									
A	Activate partnership for credit guarantee, and the use of Security Interest in Movable Property (SIMPO) – movable assets collateral under URSB's existing chattel security	Increased use of Security Interest in Movable Property (SIMPO) – movable assets collateral under URSB's existing chattel security						URSB, FSDU, MoTIC, UMRA, URA, Financial Institutions, BoU, Development Partners	URSB
B	Enhance digital infrastructure coverage to facilitate mobile banking and digital financial services and interoperability.	MNO broadband infrastructure extended to each RHD						NITA-U, UCC, MoICT, MNOs and FITSPA, BOU	NITA-U, UCC, MoICT
		Increase in Financial Service Providers in RHDs							NITA-U, UCC, MoICT
C	De-risk credit financing to refugees ((e.g. legalizing alternative documentation to support refugee Know Your Customer (KYC))	Increase in number of refugees and host communities accessing credit from formal financial institutions.						BOU, OPM, NIRA, NITA-U, UBA	BoU

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
Initiative 5.2: Facilitate access to affordable investment financing for private investors									
A	Develop and implement innovative financing mechanisms/credit schemes such as loan guarantees, and venture capital to attract investments and support the growth of businesses.	Private investors accessing innovative financing mechanisms						MoFPED, Development Partners Group, Uganda Bankers Association	MoFPED
Initiative 5.3: Increase the percentage share of humanitarian financing by the private sector through crowd funding by leveraging rebates to private sector									
A	Foster partnerships between the public sector, private financial institutions, humanitarian and development organizations to leverage resources and expertise to expand funding options available to the private sector operating in Refugee Hosting Districts	Funding partnerships between public sector, financial institutions and development organizations signed and activated						MoFPED Development Partners Group, Uganda Bankers Association, PSFU	MoFPED
B	Create platforms that connect businesses to potential investors and financial institutions, fostering collaboration and increasing opportunities for businesses to secure financing	Crowdsourcing platforms for RHD investment financing created						MoFPED, UIA, DPG, PSFU	MoFPED
Objective 6: Create platforms through which private sector can position and collaborate									
Initiative 6.1: Enhance dialogue between partners and private sector actors to reduce market distortions									
A	Influence humanitarian and development partners to embrace market system approaches	Development partner programs in RHDs designed and implemented with market system approaches						MoTIC, PSFU	MoTIC
B	Conduct Policy dialogues with partners on market distortions	Policy dialogues on market distortions conducted						MoTIC, PSFU	PSFU
		Revised policies aimed at eliminating market distortions							PSFU

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
C	Engage development partners to transition to cash programming	Reduction in non-cash aid given to refugees and host communities						CRRF, OPM, DPG	CRRF OPM, DPG
D	Implement mindset change to address over-reliance on handouts by refugees	Mindset change initiatives targeting refugees implemented						CRRF, OPM, DPG	MoGLSD
Initiative 6.2: Strengthening district and Local Government coordination structures to engage with private sector actors									
A	Support capacity strengthening/ facilitation of district level offices (District Commercial Office-DCO and District Production Office-DPO) offices and private sector umbrella bodies in Refugee Hosting Districts to better serve the needs of private sector actors.	Capacity strengthening initiatives for district level offices (District Commercial Office-DCO and District Production Office-DPO) and private sector umbrella bodies in Refugee Hosting Districts						RHD Local Governments, OPM, MoLG	OPM, MOLG
B	Expand the Conditional Grants given to DCO and DPO offices	Mobilization strategy to increase Conditional Grants given to DCO and DPO offices in place						MoFPED, MoLG	MOLG
C	Support digitization and maintenance of business registers.	Business registers at district level digitized						MoTIC, NITA-U, MoICT	NITA (U) / MoICT
Initiative 6.3: Strengthen collaborations and partnerships for catalytic private sector engagement in RHDs									
A	Strengthen Cooperatives as platforms for private sector engagement and collaboration with government programs	Existing and new cooperatives formalized in RHDs.						MoTIC, PSFU, Other private sector associations	MoTIC
B	Facilitate Business-to-Business (B2B), and Public-private-partnerships (PPPs), partnerships with humanitarian actors	Increased Business-to-Business (B2B), and Public-private-partnerships (PPPs), and private sector partnerships with humanitarian actors						MoTIC, PSFU, Other private sector associations, MoFPED	PSFU

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
C	Establish a platform that brings together government bodies, NGOs, private sector representatives, and refugee and local community leaders to facilitate regular dialogues, resource-sharing, and joint planning for private sector development.	Collaboration platform for private sector development, resource sharing and joint planning created						OPM, PSFU, Other private sector associations, MoFPED	OPM
D	Facilitate clustered and non-overlapping refugee programming of partners to address duplication	Rationalization map for partner support across RHD intervention areas conducted						OPM, MoFPED, DPG	OPM
E	Institute private sector community champions to facilitate private sector engagement	Mobilization plan for establishing private sector community champions developed						PSFU, MoFPED, LGs, other private sector umbrella organisations	PSFU
		Private sector champions recruited and active							PSFU
F	Create task forces composed of representatives from different stakeholder groups to address specific challenges or opportunities related to private sector engagement.	Framework for coordinating task forces for private sector engagement created						MoFPED, PSFU	MoFPED
		Taskforces actively deployed							MoFPED
Strategic Theme 2: Awareness creation, sensitization, and information sharing									
Objective 7: Increase awareness and sensitization of economic opportunities that the private sector can engage in within the Refugee Hosting Districts									
Initiative 7.1: Undertake market assessments, surveys on trends, market dynamics and economic outlook for each refugee hosting district to map out opportunities									
A	Map market attractiveness for investment potential in all RHDs	Mapping exercise for market attractiveness conducted.						UIA, Uganda Free Zone Authority	Uganda Free Zone Authority
		Investment opportunities clearly identified.							Uganda Free Zone Authority

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
Initiative 7.2: Develop and implement a communication strategy for private sector opportunities in the refugee hosting districts									
A	Develop a comprehensive Communications Strategy for Private sector engagement in RHDs	A Communications Strategy for private sector engagement in place						MoFPED, PSFU	PSFU
B	Disseminate the Communications Strategy	Popular versions (IEC materials) available						MoFPED, PSFU	PSFU
C	Deploy campaigns to create awareness and sensitize the private sector, refugees, and host communities on the investment climate in the Refugee Hosting Districts	Private sector players (including refugee entrepreneurs) equipped with extensive knowledge and information to make investment decisions.						MoFPED, PSFU, UIA,	PSFU
		Awareness campaigns on RHD investment climate conducted						MoFPED, PSFU, UIA, OPM, DPGs	PSFU
Initiative 7.3: Establish an information sharing mechanism between government, private sector, refugees, and host communities									
A	Establish and activate refugee and host community exchanges	Refugee and host community exchange embedded in the National SME Portal						UIA, LGs, DPGs, OPM, MoTIC, PSFU, Enterprise Uganda	UIA
		Improved social cohesion among refugees and host communities						OPM, LGs, DPGs, UNHCR	OPM
Strategic Theme 3: Tailor key economic development programs and policies to include refugees									
Objective 8: Leverage existing government programs to serve refugee communities									
Initiative 8.1: Leverage existing government programs that will enhance existing infrastructure for private sector									
A	Fast track the implementation of the existing infrastructure projects in RHDs	Existing government and donor backed projects targeting RHDs activated						Ministry of Works and Transport, MoFPED, NITA, UCC, Ministry of Education, MoH	Ministry of Works and Transport
Initiative 8.2: Leverage government programs that focus on industrial and private sector development									
A	Fast track the implementation of the INVITE project in RHDs	INVITE Project activated in RHDs						MoFPED	Ministry of Works and Transport

#	Intervention/ Activity Description	Output	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	Key Implementing Agencies	Lead organization
Initiative 8.3: Expand government programs (PDM, Emyooga, UWEP) to include refugee population									
A	Implement affirmative action initiatives for refugees in the relevant government programs.	Affirmative action program for refugee inclusion in PDM, Emyooga, UWEP developed and activated						MoFPED, Microfinance Support Centre, UMRA, MoGLSD, DPGs	MoFPED
Strategic Theme 4: Capacity Strengthening									
Objective 9: Enhance productivity and employment capacity of refugees and host communities									
Initiative 9.1: Enhance employability of refugees									
A	Implement recognition of prior learning/skills recognition for incoming refugees through waivers.	Vetting mechanisms for prior learnings/ skills of incoming refugees established						MOES, MoGLSD, DIT, PSFU	MOES
B	Review the labour laws to address refugee employment legislations	Undertake a needs assessment to establish skills gaps withing refugee and host communities, in line with existing economic needs						MOES, MoGLSD, OPM, PSFU	MOES
		Design a program to upskill refugees and host communities						MOES, PSFU	MOES
		Provide scholarships to refugees and host communities						UNHCR, PSFU, OPM	UNHCR, PSFU
Initiative 9.2: Scale-up skills development initiatives for the refugees and host community									
A	Enhance coverage and affordability of vocational institutions to refugee hosting district populations.	Increased number of vocational institutions (private) in Refugee Hosting Districts						MOES, MoFPED, MoGLSD, DPGs, OPM, LGs, Private Sector Umbrella Associations (education sectors biased)	MOES
		Capacity improvement plans for vocational institutions in Refugee Hosting District						MOES, MoFPED, MoGLSD, DPGs, OPM, LGs	MOES

5. Prioritization of Initiatives

The strategic initiatives under each of the strategic pillars have been evaluated along two criteria i.e., the value the initiative is expected to realize upon implementation (ranked on scale of 1-3, 1 being low and 3 being high) and the level of complexity/ ease of implementation i.e., how easy it is to implement, time and resources needed and risks associated (ranked on scale of 1-3, 1 being low and 3 being high). It is expected that all the strategic initiatives in this strategy will be implemented over three-time horizons i.e., short term- within one year , medium term - within 2 years and require some form of investment and build on the success of short-term initiatives and long term - beyond 2 years and their transformational outcome will be realized in the long term.

Table 5: Time horizons for the implementation of all strategic initiatives.

Short term **Medium term** **Long term**

Pillar	Objectives	Initiatives	
Pillar 1: Enhance the enabling environment to grow the private sector's Presence in Refugee Hosting Districts	Objective 1: Fully operationalize regional economic zones, industrial parks and cross border trade points in regions with Refugee Hosting Districts for enhanced private sector participation by 2028	1.1	Invest in essential economic infrastructure, including roads, telecommunications, and utilities, to enhance accessibility and connectivity and reduce the cost of doing business within the Refugee Hosting Districts.
		1.2	Incentivize private sector participation in industrial parks and economic zones.
	Objective 2: Increase the share of private sector-led manufacturing value addition from the Refugee Hosting Districts	2.1	Enhance value chain development in line with the agricultural value chain clusters in each RHD.
		2.2	Design and finance innovative manufacturing programs targeted at Refugee Hosting Districts through the Uganda Development Corporation (UDC) and other actors within Government
	Objective 3: Strengthen the legal and regulatory framework	3.1	Enhance the land acquisition process and rights to use for private sector investors and refugee businesses
		3.2	Strengthening standards for goods and services to boost local participation in procurements by private businesses based in Refugee Hosting Districts
		3.3	Promote local content in RHD economies
	Objective 4: Extend coverage of Business Facilitation services to RHD markets	4.1	Create one-stop centres in the Refugee Hosting Districts where Business facilitation Departments and Agencies can co-locate with private sector and humanitarian agencies to support businesses
		4.2	Facilitate the provision of Business Development Services (BDS) to RHD businesses and Extension services that support various productive sectors in RHDs

Pillar	Objectives	Initiatives	
	Objective 5: Enhance access to finance for refugee entrepreneurs and private sector entrants	5.1	Expand access to formal financial services in Refugee Hosting Districts
		5.2	Facilitate access to affordable investment financing for private investors
		5.3	Increase the percentage share of humanitarian financing by the private sector through crowd funding by leveraging rebates to private sector
	Objective 6: Create platforms through which private sector can position and collaborate	6.1	Enhance dialogue between partners, government and private sector actors to reduce market distortions
		6.2	Strengthening district and Local Government coordination structures to engage with private sector actors
		6.3	Strengthen collaborations and partnerships for catalytic private sector engagement in RHDs
Pillar 2: Awareness creation, sensitization, and information sharing	Objective 7: Increase awareness and sensitization of economic opportunities that the private sector can engage in within the Refugee Hosting Districts	7.1	Undertake market assessments, surveys on trends, market dynamics and economic outlook for each refugee hosting district to map out opportunities
		7..2	Develop and implement a communication strategy for private sector opportunities in the Refugee Hosting Districts
		7.3	Establish an information sharing mechanism between government, private sector, refugees and host communities
Pillar 3: Tailor key economic development programs and policies to include refugees	Objective 8: Leverage existing government programs to serve refugee communities	8.1	Leverage existing government programs that will enhance enabling infrastructure for private sector
		8.2	Leverage government programs that focus on industrial and private sector development
		8.3	Expand government programs (PDM, Emyooga, UWEP) to include refugee population
Strategic Pillar 4: Capacity Strengthening	Objective 9: Enhance productivity and employment capacity of refugees and host communities	9.1	Enhance employability of refugees
		9.2	Scale-up skills development initiatives for the refugees and host community

Prioritisation Matrix

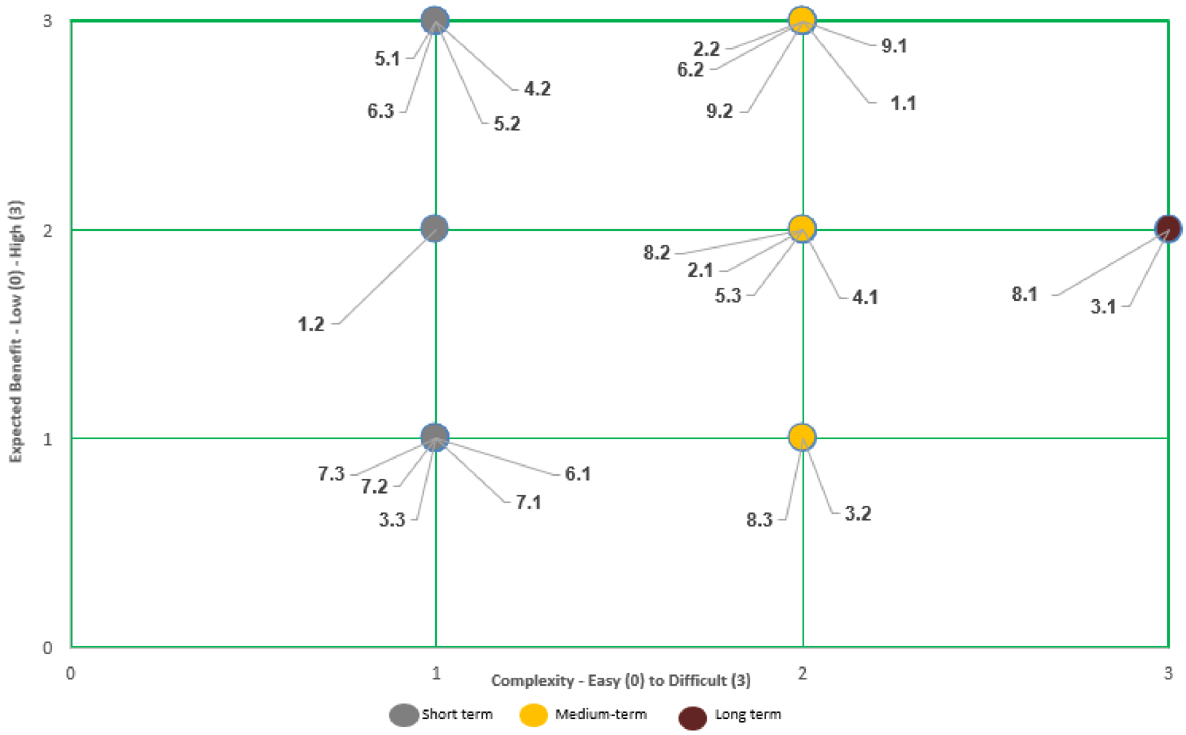

Figure 7: Prioritisation Matrix for all strategic initiatives in the strategy

*Already funded under ITIS Programme under NDP III

6. Financing Strategy

Financing the PSE Strategy will require direct or indirect co-financing between Government of Uganda, Development and Humanitarian partners, private sector as well as other non-state actors for example NGOs. The overall cost of financing the PSE Strategy over five years is **UGX 308,301,900,000** with potential funding from a plethora of partners as indicated in Table 5 below.

Table 6: Financing Strategy

Strategic Pillar 1	Objective	Initiative	Estimated Budget (UGX)	Potential Funding sources/partners
Strategic Pillar 1: Enhance the enabling environment to grow the private sector's presence in Refugee Hosting Districts.	**Objective 1:** Fully operationalize regional economic zones, industrial parks and cross border trade points in regions with Refugee Hosting Districts for enhanced private sector participation by 2028.	Invest in essential economic infrastructure, including roads, telecommunications, and utilities, to enhance accessibility and connectivity and reduce the cost of doing business within the Refugee Hosting Districts.	0*	GoU, World Bank, IFC, UNDP, AU, AfDB, Private sector, KOICA, UNIDO
		Incentivize private sector participation in industrial parks and economic zones	0*	
		Incentivize private sector participation in industrial parks and economic zones	800,000,000	
	Objective 2: Increase the share of private sector-led manufacturing value addition from the Refugee Hosting Districts	Enhance value chain development in line with the agricultural value chain clusters in each RHD	46,960,000,000	GoU, IFAD, FAO, Wold Bank, Mastercard Foundation, EU, Netherlands, Norway, WFP, UNIDO
		Design and finance innovative manufacturing programs targeted at Refugee Hosting Districts through the Uganda Development Corporation (UDC) and other actors within Government.	120,000,000,000	
	Objective 3: Strengthen the legal and regulatory framework	Enhance the land acquisition process and rights to use for private sector investors and refugee businesses	3,000,000,000	GoU, UNHCR, RLP, ZOA, World Bank, USAID, UNDP, DANIDA
		Strengthening standards for goods and services to boost local participation in procurements by private businesses based in Refugee Hosting Districts	4,750,000,000	
		Promote local content in RHD economies	120,000,000	

Strategic Pillar 1	Objective	Initiative	Estimated Budget (UGX)	Potential Funding sources/partners
	Objective 4: Extend coverage of Business Facilitation services to RHD markets	Create one-stop centres in the Refugee Hosting Districts where Business facilitation Departments and Agencies can co-locate with private sector and humanitarian agencies to support businesses	28,105,000,000	GoU, World Bank, EU, IFAD, UNDP, KOICA, AfDB, AU, WFP, Denmark, Sweden, Private sector, IFC, ILO, PSFU
		Facilitate the provision of Business Development Services (BDS) to RHD businesses and Extension services that support various productive sectors in RHDs	14,000,000,000	
	Objective 5: Enhance access to finance for refugee entrepreneurs and private sector entrants	Expand access to formal financial services to Refugee Hosting Districts	30,200,000,000	GoU. UNCDF, UNDP, IFC, World Bank, EU, AfDB, UNHCR, Brac International
		Facilitate access to affordable investment financing for private investors	10,000,000,000	
		Increase the percentage share of humanitarian financing by the private sector through crowd funding by leveraging rebates to private sector	1,200,000,000	
	Objective 6: Create platforms through which private sector can position and collaborate	Enhance dialogue between partners, government, and private sector actors to reduce market distortions	6,180,000,000	GoU, Private sector, UNDP, World Bank, FAO, IFAD, Brac International, UNHCR, WFP,PSFU
		Strengthening district and Local Government coordination structures to engage with private sector actors	15,363,900,000	
		Strengthen collaborations and partnerships for catalytic private sector engagement in RHDs	7,208,000,000	

*Already funded under ITIS Programme under NDP III

Strategic Pillar 1	Objective	Initiative	Estimated Budget (UGX)	Potential Funding sources/partners
Strategic Pillar 2: Awareness creation, sensitization, and information sharing	**Objective 7:** Increase awareness and sensitization of economic opportunities that the private sector can engage in within the Refugee Hosting Districts	Undertake market assessments, surveys on trends, market dynamics and economic outlook for each refugee hosting district to map out opportunities	2,000,000,000	GoU, UNHCR, IFAD, PSFU
		Develop and implement a communication strategy for private sector opportunities in the Refugee Hosting Districts	2,155,000,000	
		Establish an information sharing mechanism between government, private sector, refugees and host communities	1,050,000,000	
Strategic Pillar 3: Tailor key economic development programs and policies to include refugees.	**Objective 8:** Leverage existing government programs to serve refugee communities	Leverage existing government programs that will enhance enabling infrastructure for private sector	0*	GoU
		Leverage government programs that focus on industrial and private sector development	0**	
		Expand government programs (PDM, Emyooga, UWEP) to include refugee population	800,000,000	
Strategic Pillar 4: Capacity Strengthening for Sustainable Human Capital Development	**Objective 9:** Enhance productivity and employment capacity of refugees and host communities	Enhance employability of refugees	12,400,000,000	GoU, ILO, UNHCR, War Child Holland, ZOA, UNICEF, USAID, Mastercard Foundation
		Scale-up skills development initiatives for the refugees and host community	12,000,000,000	
TOTAL			**308,301,900,000**	

*Will be embedded in Government Program budgets
**Already budgeted for under INVITE

7. Risks and assumptions

The PSE Strategy is based on numerous assumptions that pose potential risks to the success of the strategy, if not mitigated. Proactive risk management will be essential at all stages of implementation of the strategy. The following is an analysis of anticipated risks to the strategy implementation.

Risk Ratings: High Medium Low

Table 7: Analysis of some of the anticipated risks to the PSE implementation

Strategic Pillars	Assumptions	Risks	Likelihood	Impact	Risk rating
Pillar 1. Enhance the enabling environment to grow the private sector's presence in Refugee Hosting Districts. Pillar 2. Awareness creation, sensitization, and information sharing.	1. There is commitment of funding to refugee hosting district infrastructure development by GoU, humanitarian and development partners. 2. Existing funding envelopes have sufficient budget for refugee hosting district infrastructure maintenance and upgrade. 3. The private sector is attracted to existing incentives to set up in industrial parks. 4. Willingness for large private sector entities to invest do business with refugee communities. 5. Short to medium payback period for fund investments in RHD communities. 6. Policy and legal reviews are finalized within the strategy lifespan. 7. Willingness for current RHD enterprises to formalize. 8. Financial institutions are willing to adopt measures directed towards de-risking lending to refugees. 9. Affinity to digital financial services by refugee hosting district communities. 10. Private sector is willing to enter large contracts with refugee groups e.g., for supply of inputs and raw materials etc.	Reduced budgetary allocation to infrastructure development due to resource constraints.	Low	High	High
		Resistance to change of land ownership rights by hosts i.e. leasing land formally to private sector investors	Medium	High	High
		Low investments made by private sector in RHDs	Medium	High	High
		Reluctance by the private sector to formalize businesses.	High	High	High
		Reluctance of financial institutions to adopt government measures aimed at de-risking lending to refugees and SMEs in RHDs.	Low	Medium	Medium
		Supply risk- Limited or sub-optimal production and supplies from refugees and host community to private sector operators.	Medium	Medium	Medium

Strategic Pillars	Assumptions	Risks	Likelihood	Impact	Risk rating
Pillar 3. Tailor key economic development programs and policies to include refugees	1. There is political will. 2. Program reviews are finalized within the strategy lifespan.	Limited political will to pursue changes in policies and laws.			
		High lead time - Change of policies and laws in Uganda takes time, which may have an impact on the implementation of policy related strategies.			
Pillar 4. Human Capital Development for Sustained productivity of refugees and host community	1. The private sector is willing to employ refugees and nationals on the same terms. 2. There is social cohesion between refugees and host communities.	Civil strife between private sector, host communities and refugees because of refugees being more skilled than hosts			
		Limited rate of employment for refugees by the private sector.			

8. Institutional Arrangements

8.1 Strategy governance

The Technical Committee that guided the development of the strategy will continue as the Technical Working Group with responsibility for steering strategy implementation. The membership of this committee includes MoFPED (Private Sector Development Secretariat), OPM (Department for Refugees and CRRF Secretariat), MoLG, UNHCR, the Development Partners Group, Humanitarian INGOs, ILO, PSFU (representing the private sector) and key MDAs under the Programme Working Group for Private Sector Development. Additional members will be co-opted to the committee as needed.

The Technical Working Group will be anchored at the PSD Secretariat (MoFPED) and will report to the Private Sector Development Working Group (through the PSD Secretariat) and the CRRF Steering Group (through the CRRF Secretariat). The PSD Secretariat will be supported by the CRRF Secretariat to steer the strategy.

8.2. Roles and responsibilities in the Implementation of the strategy

The successful implementation of the strategy calls for close collaboration and delineated roles and responsibilities by various stakeholders including development cooperation amongst development partners, humanitarian partners, government, and the private sector. Concerted efforts by these key actors can effectively unlock bottlenecks for private sector engagement and lead to sustainable results.

Government: The government will lead efforts to create an enabling environment for private sector engagement, through the Secretariat activities and convening of key stakeholders. This will include working with Local Government Authorities to improve business environments in their respective refugee hosting districts by cascading the adoption of legal and policy reforms from national to local level implementation. Government will play a central role in convening and fostering strong partnerships with development and humanitarian partners and private sector to create public-private dialogue around relevant strategic interventions. This will include engagements with industry bodies such as the Uganda Investment Authority, Private Sector Foundation Uganda, Federation of Small and Medium Enterprises, Uganda Chamber of Commerce and Industry, Uganda National Bureau of Standards, and other relevant stakeholders.

Government with close coordination with UNHCR, should develop a set of principles that govern private sector engagement by development and humanitarian partners in RHDs. These principles can be adopted locally, based on the *Charter of Good Practice on the Role of the Private Sector in Economic Integration of Refugees* that was developed on how the private sector can facilitate refugee integration into host community economies and how policymakers and practitioners can enable the private sector to play a stronger role in economic integration of refugees. This document will be a benchmark for local principles.

PSD Secretariat: The secretariat will coordinate a whole-of-government approach across relevant MDAs to familiarize key agencies on their role in the implementation of the strategy.

Development Partners: Development Partners and Development Finance Institutions (DFIs) have a role to play in de-risking investment projects in refugee hosting districts to attract private sector engagement – given the risk-profile associated with such engagements. Projects that target refugees and Forcibly Displaced Persons (FDPs) will often have a higher risk profile because of lack of similar prior investment operations, unproven returns or unappealing risk-return ratios, or uncertainty in relation to the business model, environment, or investment conditions. As such, investments by DFIs and Development Partners will be key in implementing the strategy as this will create markets and crowd-in investments. Development Partners will also play a critical role in providing RHD-centric analysis of feasibility for investment, risks (including risk premiums), and business competition data that will form concrete overviews and interest for attracting (including ranking) private sector to refugee hosting districts. Development Partners should dedicate resources toward such diagnostics as they will strengthen the case for private sector engagement – outside social impact and Corporate Social Responsibility (CSR) with commercial viability based on consumer information, demand and supply which will reduce ‘risk perception’ around investing in refugee hosting districts and strengthen interest in these markets.

Development partners also have a key role to play in forging public-private partnerships with Government and private sector that will lead to scalable interventions. For example, the WBG launched a Refugee Investment and Matchmaking Platform[25] in September 2018 to mobilize the private sector and philanthropic support for refugees and their hosts. Similarly, the Government of Netherlands funded the PROSPECTS Partnership implemented by the International Labour Organization (ILO), the United Nations Children’s Fund (UNICEF), UNHCR, the World Bank and IFC aimed at shifting the paradigm from a humanitarian to a development approach in responding to forced displacement crises.

Humanitarian Partners: Humanitarian Partners will play a critical role in private sector engagement by adopting market-based approaches that support private sector players to leverage market limitations in RHDs into opportunities while complimenting already existing protection-based interventions. This will be achieved for example through linking livelihoods and resilience programs to private sector players who can be guided by humanitarian actors to provide products and services for emergency response. This could also include the Livelihood and Resilience Working Group (LWRG) designing interventions that are linked to market/private sector. Humanitarian Partners are well positioned to identify opportunities for the private sector based on their on-ground knowledge of the basic needs of refugees and host communities and can facilitate market opportunities for the private sector to support resilience and livelihood initiatives.

Humanitarian Partners will also enhance the role of financial inclusion in refugee hosting districts by strengthening cash-based interventions. Increasing adoption of cash-based interventions (CBI) has proved to facilitate self-reliance of communities by driving a shift from ‘hand-out’ approaches to a market-based economy. UNHCR and WFP are already leading in CBI approaches, and these should be further leveraged by other humanitarian partners working in close partnership with commercial banks with presence in refugee hosting districts, telecoms, Agent Banking Company, Interswitch and other bank remittance channels. Through the Cash Working Group, UNHCR will emphasize the adoption of such tools effectively. Cash interventions are not only more cost-effective, but they increase refugees’ purchasing power and subsequently lead to higher demand for goods and services in the local markets, ultimately crowding-in the local private sector[26.]

Private Sector: Private sector investment in refugee hosting districts have the potential to increase formal and informal employment opportunities for both refugee and host communities. The private sector will act as a catalyst for demand creation and will stimulate the supply of goods that meet national and international standards. Private sector shall also provide on-demand products and services such as affordable financial services, as enablers to business success.

The figure below summarizes the key implementing actors aligned to contribute to each of the strategic objectives of the strategy.

25 Private Sector for Refugees (worldbank.org)

26 https://www.unhcr.org/people-forced-to-flee-book/wp-content/uploads/sites/137/2021/10/Weiyi-Wang-and-Ozan-Cakmak_Private-Sector-Initiatives-in-Forced-Displacement-Contexts.pdf.

Figure 8: Projected Contribution of Key stakeholders to PSE Strategy Implementation

9. Strategy Monitoring and Evaluation

Strategy Monitoring

The Private Sector Engagement Strategy will be continuously monitored to ensure that the planned interventions are executed in line with the agreed schedules by the respective agencies. Monitoring of the strategy will follow participatory and results-based monitoring approaches, guided by the results framework to determine progress from time to time. A Strategy Monitoring Committee will be constituted, resourced and accorded specific Terms of Reference. The committee will comprise of representatives of respective MDAs, Development Partners, Humanitarian Partners, and private sector representatives. Quarterly progress reviews of the strategy shall be convened for ongoing planning and learning.

Evaluation and Learning

Evaluations will be carried out for the purpose of learning and accountability by all stakeholders. The evaluation of the strategy will be guided by specific evaluation questions that will be developed by the Strategy Monitoring Committee. The strategy will be subjected to a Mid-Term Evaluation (MTE) based on the Organization for Economic Development – Development Assistance Committee (OECD-DAC) evaluation criteria that assesses the relevance, efficiency, effectiveness, coherence and sustainability of the strategy mid-way it's implementation. The results of the Mid-Term Evaluation, complemented by the priorities in the National Development Plan (NDP III) or advanced versions of the same (e.g. NDP IV) will inform the refresh of the strategy for the remaining period of implementation.

An independent outcome evaluation will also be carried out to measure the overall achievement of strategy outcomes, what worked during implementation and what needs to improve in the development and implementation of a subsequent Private Sector Engagement Strategy. Annual progress reviews will serve as platforms for interim evaluations, forecasting the likely strategy outcomes and providing guidance on course correction to meet the desired outcomes. All evaluation work will consider the use of surveys, Focus Group Discussions and Key Informant Interview as minimum approaches to soliciting public opinions on the performance of the strategy.

Reporting

Reporting will take the form of quarterly progress reports, annual performance reports and any other ad-hoc reporting schedules that will arise from various stakeholder groups.

9. Next Steps

Following the finalization of the strategy, the following critical actions will be undertaken by the Strategy Technical Working Group to ensure a coordinated and timely implementation of strategic initiatives.

Strategy Dissemination

Strategy dissemination will be guided by a cost-based dissemination plan (road map) that will be developed and implemented by the Strategy Technical Working Group. The launch of the strategy will kick off dissemination activities and is envisaged to be done in Kampala. This will comprise of Ministries, Departments, Agencies (MDAs), Development and Humanitarian Partners and Private Sector Associations, Kampala-based INGOs/NGOs; and representatives from the refugee community based in Kampala, at minimum.

The Private Sector Engagement Strategy will not be implemented through a 'one size fits all' approach but rather based on the context of each refugee hosting district. Therefore, to optimize buy-in and ownership of the strategy, dissemination activities will primarily be done through workshops with various stakeholder groups from national, regional, district and community level. These workshops will target district leaders, refugee representatives, NGOs and CBOs, political leaders, settlement command chains, cooperatives, selected private enterprises (including a few from the urban-based neighboring cities), representative teams from the CRRF Committee and PSD, and representatives from relevant Ministries, Departments and Agencies (e.g. UIA, URA, URSB).

Dissemination is anticipated to happen during the transition period (April – June 2024) with the five-year strategy effectively beginning by July 2024.

Set up of the Technical Support Structures

The operationalization of the strategy will be driven by the PSD Secretariat with support from the CRRF Secretariat and guided by the Strategy Technical Working Group. The PSE Strategy will be implemented in close liaison with the private sector and other relevant stakeholders. The PSD Secretariat will coordinate the implementation and monitoring of the PSE strategy, refresh the strategy, periodically generate insights to drive impactful implementation decisions as well as manage and enhance performance to enable the achievement of set goals.

The set up of the Secretariat will take the form of a Strategy Execution Office, with the following roles and functions:

- Ensuring that all projects are aligned to the strategic objectives of the Private Sector Engagement Strategy
- Checking that strategic implementation is measurable and focused on outcomes
- Aligning decision making and appropriate governance structures for all strategic interventions
- Identification of competency requirements to execute the projects tagged to strategic initiatives
- Management of intervention impact in close collaboration with the relevant stakeholders
- Provide visibility across the portfolio to manage dependencies, risk and outcomes
- Ensure an efficient project portfolio lifecycle aligned to the overall strategy implementation plan. A typical project lifecycle is illustrated below.

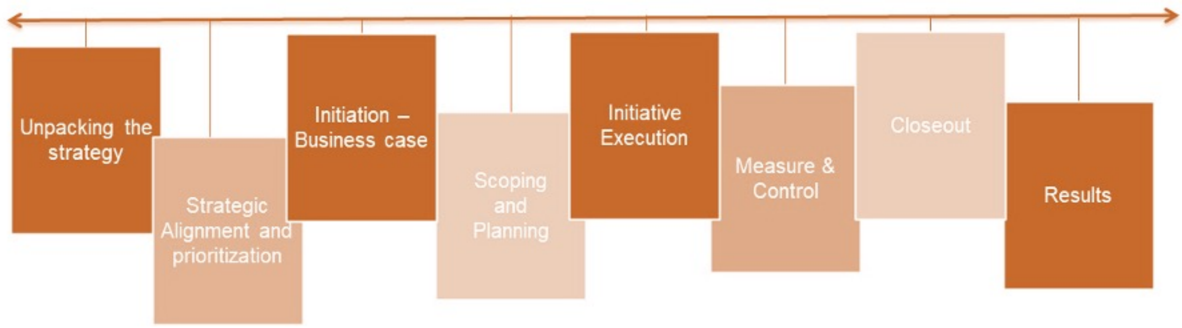

Figure 9: Project lifecycle

The Strategy Execution Office will be staffed with part-time resources from the PSD and other partners, and over time, dedicated resources will be put into consideration. Given the diverse portfolio to be implemented under this strategy, the Strategy Execution Office will co-opt an existing resource (staff) with the necessary expertise in managing national-level project portfolios, and the ability to create tools to efficiently and effectively plan, track, monitor and report on progress throughout the strategy implementation lifecycle.

The Strategy Secretariat will need to engage a wide variety of stakeholders in the process, to align on expectations. It will also build links between private sector actors and PSES stakeholders to identify information gaps, analytic needs and support business cases and risk assessments to inform private sector investments in refugee hosting districts. The Technical Committee that developed the strategy will provide governance oversight over the Strategy Secretariat and will play a critical role in mobilizing technical and financial resources for the implementation of the strategy.

Strategy Implementation and Tracking

Guided by the implementation plan and results framework, the Secretariat will work closely with stakeholders (especially with development partners like World Bank and IFC) to support the implementation of the strategy. The transition year indicated in the implementation plan will enable the technical committee to embed some of the strategy initiatives into the current budget cycle so that strategy implementation follows the public financial year and facilitates year-on-year allocation of resources by Government.

Relatedly, given that the strategy lifecycle will span the NDP III and NDP IV implementation period, the Secretariat will ensure that strategic initiatives are adequately planned and budgeted for in NDP IV. The CRRF Steering Group which meets quarterly, shall regularly review the progress of implementation of the strategy by the Secretariat.

Appendices

Appendix 1: Results Framework

Table 8: Results framework

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets: Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Increased private sector involvement in RHDs due to creation of economic zones and industrial parks.	No. of PPPs in RHD infrastructure development signed.	ITIS and other infrastructure programmes progress reports	RHD	Annually	UIA	TBD	0	2	1		2	0
	% of paved roads to total RHD road network.	Local Government performance Reports	-	Annually	Ministry of Works and Transport	67% (2020)		70%	73%	78%	83%	88%
	% Increase in funding to RHD infrastructure development.	ITIS and other infrastructure programmes progress reports	-	Annually	PSD PWG	TBD	0%	8%	10%	10%	5%	7%
	% of RHD infrastructure in fair to good condition.	ITIS and other infrastructure programmes progress reports	Region	Annually	Ministry of Works and Transport	67% (2020)	70%	74%	78%	82%	84%	86%
	Number of Private Sector enterprises that have established operations within the designated parks and economic zones.	Uganda Investment Authority Annual Report	-	Annually	UIA	0 (2020)	3	5	17	26	34	50

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Increased private sector-driven manufacturing value addition due to enhanced agricultural value chains and streamlined financing mechanisms.	Number of active market information platforms accessed and utilised by RHDs	Platform data, usage statistics	None	Quarterly	MoTIC	0	0	0	1		2	
	Number of refugees and host communities accessing and using the platform	Platform data, usage statistics	Value chain	Quarterly	MoTIC	0	0	0	10,000	25,000	37,000	53,000
	Number of active markets in RHDs.	District performance reports	RHD	Annual	MoLG	0	0	0	1	2	3	
	Number of post harvest handling improvement campaigns/ trainings conducted for each value chain	Local Government performance Reports	Value chain	Quarterly	MAAIF	TBD	3	3	6	9	12	15
	Percentage growth in the number of small holder farmers with improved post harvest management practices	Annual surveys	RHD	Annually	MAAIF	TBD	10%	10%	20%	30%	40%	60%
	Percentage growth in offtake volume by private sector for each value chain	Annual surveys	Value chain	Annually	MAAIF	TBD	10%	10%	20%	30%	40%	50%

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
	Number of private sector off take agreements signed with cooperatives	Agricultural value chain /cluster development project reports	Value chain	Annually	MAAIF	TBD	10	10	20	30	40	50
	Number of purchase agreements/ contracts with public agencies	Agricultural value chain /cluster development project reports	-	Annually	MAAIF	TBD		5	7	8	10	12
	Number of functional partnerships between private sector and refugee farmers	Local Government performance reports	Value chain	Quarterly	MAAIF	TBD	10	10	20	30	40	50
	% of RHD farmers accessing common user infrastructure	Local Government performance reports	-	Annually	MAAIF	TBD	10%	10%	20%	30%	40%	60%
	Value (USD) of RHD products sold via e-ecommerce platform.	E-commerce platform data and usage statistics	-	Monthly	MoTIC	0	$150,000	$250,000	$400,000	$650,000	$800,000	$1M
	Number of manufacturing projects per year receiving funding from UDC in RHDs	UDC Annual reports	-	Annually	UDC	0	2		2	2	2	2
	Number of private investors supported with asset financing for agro-industrialization in RHD	UDC Annual reports	-	Annually	UDC			24	24	24	24	24

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Increased private sector involvement in RHDs due to enhanced legal and regulatory environment.	% drop in number of land disputes reported at the District Land Offices in RHDs	District Land Board reports	RHD	Annually	MoJCA	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	Number of land titles processed in RHDs	District Land Board reports	RHD	Annually	MoLHUD,	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	Number of products of RHD origin certified by UNBS.	UNBS Certification portal	Product Code, RHD	Quarterly	UNBS		30	45	86	132	165	200
	Number of custom standards improvement programs for refugee contexts developed and executed.	UNBS Annual Reports	-	Annually	UNBS						1	
	Number of contractors of RHD origin awarded contracts in government and humanitarian tendering processes.	Records of partnership agreements and procurement records	Sector	Annual	PPDA, MoFPED	200	220	264	343	480	721	855
	Value of contracts (USD) awarded to local contractors in RHDs by government and humanitarian agencies.	PPDA Quarterly reports HINGO reports	Type of contract/ agreement	Quarterly	PPDA HINGO	$6.6 Million	$7.26 Million	$8.71 Million	$11.33 Million	$15.86 Million	$23.78 Million	$30.78 Million

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Increased private sector engagement and expansion resulting from the establishment of one-stop centres and the provision of Business Development Services (BDS).	% increase in formal business in RHDs.	URSB Quarterly performance report	RHD	Quarterly	MoTIC	TBD		20%	25%	30%	30%	35%
	Number of one stop centres established per year in RHD region	UIA Annual report	RHD	Biennial	UIA	0			1		1	
	Number of RHD enterprises served through the virtual one stop centres.	UIA Annual report	RHD	Annually	UIA	TBD	7,500	7,500	7,500	7,500	7,500	7,500
	Number of IEC Materials distributed to each RHD country	UIA Annual report	-	Annually	UIA	TBD	10,000	10,000	10,000	10,000	10,000	10,000
	Number of RHD businesses that receive BDS services.	BDS sub-sector Performance Report	-	Quarterly	MoTIC	0	50,000	50,000	50,000	50,000	50,000	50,000

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Increased access to financial services for private sector entrepreneurs due to innovative investment financing & partnerships (public sector, financial institutions & development/ humanitarian organizations.	Number of loans (security interest notices) acquired by RHDs through SIMPO	URSB Quarterly performance reports	Sector	Quarterly	URSB	125	262	591	663	715	740	765
	Number of new MNO masts extended in RHDs	Performance reports from MNOs	RHD,MNO	Annually	NITA-U, UCC, MoICT	0	-	5	8	7	6	7
	% increase in the number of Financial Service Providers per RHD	Surveys of financial service providers	RHD	Annually	UBA FITSPA UCC	0	-	25%	25%	25%	25%	25%
	% of RHD population accessing credit from formal financial institutions in the last 12 months	Surveys of financial service providers & Banking supervision report	RHD, Gender, Age	Annually	BOU	2% (2021)	4%	7%	14%	23%	35%	40%
	Number of private investors accessing innovative finance mechanisms for set up in RHDs	Annual reports from banking associations	Sector	Annually	MoFPED	0		1		1		1

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
	Number of funding partnerships between public sector, financial institutions and development organizations signed and activated	Reports and records from financial institutions operating in RHDs	-	Annually	MoFPED	TBD		2	2	2	2	2
	Value (USD) of investment financing secured through crowd sourcing platforms	Crowdsourcing platform reports/ dashboards	-	Quarterly	MoFPED	0		$10 Million	$15 Million	$20 Million	$30 Million	$70 Million
The creation of platforms fosters an environment for increased engagement of the private sector in effective dialogue and collaboration, thus strengthening partnerships and collaboration.	% of development partner backed programs in RHDs designed and implemented using market system approaches	Surveys	Focus Area	Annually	MoTIC	TBD	10%	30%	40%	50%	60%	70%
	Number of policy dialogues on market distortions conducted	Annual report	-	Annually	MoTIC	0	2		1		2	
	Number of policy reforms addressing market distortions	Surveys	-	Biennially	MoTIC	0		1				
	% reduction in non-cash aid	HINGO reports	-	Annually	CRRF OPM, DPG	0	10%	30%	40%	50%	60%	70%

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
	% increase in consumer spend on previously aid-backed goods	Surveys	RHD	Annually	MoTIC	0	25%	30%	50%	50%	65%	85%
	Number of mindset change initiatives/ Programs targeting refugees implemented. E.g campaigns, coaching and mentoring	Reports from implementing agencies	Gender, RHD	Every other year	MoTIC	TBD		1			1	
	Number of capacity strengthening initiatives implemented for district level offices	Reports from Government and implementing agencies	RHD	Annually	RHD Local Governments	TBD		1		1		1
	Number of capacity strengthening initiatives implemented for private sector umbrella bodies	Private sector foundation annual report	RHD	Biennially	RHD Local Governments, Private Sector	TBD		1		1		1
	% increase (Y-on-Y) in conditional grant funds given to DCO and DPO offices	Local government semi-annual performance monitoring reports	-	Annually	MoFPED	0		40%	50%	35%	30%	50%
	% of up-to date business records in RHD digitized business registers	Surveys	RHD	Annually	MoTIC	0	70%		90%	100%	100%	100%

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets: Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
	Number of new and existing cooperatives created and formalized in RHD	Annual performance report	Sector, RHD	Annually	MoTIC	TBD		600	733	986	1300	1845
	Number of private sector partnerships with humanitarian actors created and activated	Reports from Humanitarian agencies	Sector	Annually	MoTIC	TBD	20	25	20	15	25	20
	Number of Business-to-Business (B2B) agreements signed	Surveys	Sector	Biannually	MoTIC	TBD	15	20	25	30	35	40
	Number of collaborative engagements conducted on collaboration platforms	Annual performance report	-	Annually	OPM	0	2	2	2	2	2	2
	Intervention Rationalization Map by development partners developed by 2025	Records and reports from humanitarian agencies	-	-	OPM	-		Feb-25				
	Number of active private sector champions	Annual report	RHD	Annually	PSFU	0	6	6	6	6	6	6
	Number of active task forces	Annual report	RHD	Annually	MoFPED	0		2		4		6

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Increased private sector involvement and engagement due to awareness raising and sensitization about economic opportunities in RHDs.	Investment mapping exercise for all RHDs conducted by 2025	Market Assessment data	RHD, Sector	-	UIA	-		Dec-25				
	Communication Strategy developed in 2024/2025	Implementation reports of the Communications Strategy	-	-	MoFPED	-		Dec-25				
	Number of IEC Materials on RHD economic opportunities disseminated	Program Monitoring reports	RHD	Biannually	MoFPED	0			10,000	10,000	10,000	10,000
	% of private sector players based in refugee hosting regions who report having adequate knowledge of investment opportunities in RHDs	Program records and surveys	RHD	Annually	MoFPED	0			20%	40%	60%	80%
	Number of awareness campaigns on RHD investment climate undertaken	Records of media campaigns and community outreach events	RHD	Annually	MoFPED	TBD			12	12	12	0

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
	Number of views/ hits on the SME portal related to refugee and host community matters	Program records and surveys	-	Annually	UIA	0	20,000	80,000	00,000	150,000	300,000	500,000
	%age of refugee and host community grievances resolved	Program records and surveys	-	Biannually	OPM	TBD	30%	50%	60%	70%	80%	90%
Strengthened assistance to refugee communities as a result of affirmative action, expansion of government programs, and fostered support for industrial and private sector development initiatives.	Completion rate of government infrastructure projects targeting RHDs	ITIS Annual programme performance reports	RHD	Annually	Ministry of Works and Transport	TBD		50%	70%	100%	100%	100%
	Number of RHD beneficiaries of the INVITE project	INVITE Project progress report	RHD	Annually	MoFPED	0	-	10,000	20,000	50,000	90,000	120,000
	Number of RHD firms benefitting from the INVITE project	INVITE Project progress report	RHD	Annually	MoFPED	0	-	3,500	25,000	45,000	55,000	55,000
	% of refugee groups who access PDM, Emyooga, UWEP funds	PDM, Emyooga, UWEP program progress monitoring reports	RHD, Gender, Type of program	Annually	MoFPED	0	10%		20%	30%	40%	10%

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Increased employment opportunities, particularly for youth, women, and vulnerable populations, within RHDs due to skills development initiatives.	Number of certificates issued to refugees and hosts	ERP Performance reports & Partner reports	Refugee status	Quarterly	MOES		TBD	TBD	TBD	TBD	TBD	TBD
	A needs assessment report documenting skills gaps in refugees and host communities	Surveys	-	Annually	MOES		-	A complete report by 2025				
	A comprehensive costed skills development plan	Skills development plan for refugees	-	Annually	MOES		-		A fuly costed skills devt. plan developed by 2026			
	Number of scholarships awarded to refugee and host communities	ERP Performance reports & Partner reports	Refugee status	Annually	UNHCR, PSFU	TBD	-	1000	2000	3000	4000	5000
	Number of new skills development centres established in refugee settlement areas	ERP Annual Performance reports & Partner reports	RHD	Annually	MOES	-		1	2	2	1	1

Output/ Outcome	Output/ Outcome Indicator	Data Sources	Data Disaggregation	Frequency of Data Collection	Responsible Entity	Baseline	Targets					
							Transition Year FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
	Number of vocational institutions for which capacity development plans have been implemented.	MoES TVET reports and Skilling Uganda strategy progress	RHD	Annual	MOES	TBD	-		1		1	1

Appendix 2: Stakeholder Roles and Responsibilities

The table below includes the categories of key stakeholders of interest to the strategy, including Government, Development and Humanitarian Partners, Private Sector Partners, and Non-state Actors.

Table 9: Summary of Roles and Responsibilities of Major stakeholders in PSE

Stakeholder (Actors)	Level of Involvement
OPM CRRF Secretariat	1. Provide strategic direction to the implementation of the strategy. 2. Resource mobilization 3. Monitoring, supervision, and evaluation 4. Reporting at national and global level 5. Engage development partners to transition to cash programming. 6. Facilitate partner dialogues and collaboration platforms
Ministry of Finance, Planning and Economic Development (MoFPED) – Private Sector Development (PSD) Secretariat and Directorate of Economic Affairs (DEA)	1. Provide technical oversight to the implementation of the strategy. 2. Establish and fund the PSE secretariat. 3. Provide accountability oversight. 4. Resource mobilization and allocation 5. Support development and financing of access to finance programmes 6. Facilitate partnerships for sustainable PSE 7. Implement affirmative action initiatives for refugees in the relevant government programs e.g., PDM. Emyooga etc 8. Expand the conditional grants given to DCO and DPO offices. 9. Fast track the implementation of the INVITE project in RHDs. 10. Monitoring and Evaluation of the Plan
Ministry of Local Government (District Local Governments in RHDs)	1. Capacity strengthening of District Commercial Offices (DCO) and District Production offices to serve private sector needs. 2. Facilitating construction of permanent structures for agricultural markets 3. Coordinate implementation, monitoring and evaluation of 4. programmes at the local level 5. Coordinate Local economic development strategies for PSE in RHDs
Ministry of Trade, Industry and Cooperatives (MTIC)	1. Support widespread sharing of market information. 2. Promote uptake and consumption of goods and services produced in RHDs. 3. Facilitate creation of a conducive trade and business facilitation environment in RHDs. 4. Facilitating digital and traditional market linkages for RHD products 5. Support entrepreneurship and quality assured trade in RHDs 6. Build capacity of Local Government BDS providers to support the refugees and host community businesses. 7. Influence humanitarian and development partners to embrace market system approaches. 8. Support business formation and development of business networks, associations and cooperatives in RHDs.
Ministry of Agriculture, Animal Industry and Fisheries	1. Promote agricultural productivity, value addition and commercialization of RHD products. 2. Provision of quality post-handling infrastructure. 3. Scaling-up existing partnerships between private sector and refugee farmers. 4. Fostering market linkages for farmers and MSMEs with suppliers and buyers of produce.
Ministry of Education & Sports, and constituent agencies	1. Enhance coverage and affordability of vocational institutions to refugee hosting district populations. 2. Support the recognition of prior learning for refugees

Stakeholder (Actors)	Level of Involvement
Ministry of Works and Transport (MoWT)	1. Fast track the implementation of the existing infrastructure projects in RHDs.
Ministry of Information, Communications Technology and National Guidance.	1. Enhance digital infrastructure coverage to facilitate digital financial services and connectivity in RHDs.
Uganda Investment Authority (UIA)	1. Facilitating smooth establishment of business in RHD economic zones and industrial parks. 2. Facilitating the enhancement of investment climate in RHDs 3. Supporting the establishment of enabling infrastructure in industrial parks and economic zones 4. Comprehensive Mapping of market attractiveness for investment potential in all RHDs. 5. Communications of investment potential of RHDs to potential investors. 6. Establishment and operationalization of regional one stop shops in RHDs
Uganda Registration Services Bureau (URSB)	1. Enhance the use of Activate partnership for credit guarantee, and the use of Security Interest in Movable Property (SIMPO) – movable assets collateral under URSB/s existing chattel security. 2. Register businesses in RHDs.
Uganda National Bureau of Standards (UNBS)	1. Implement National Standards and Quality Policy (NSQP) and National Standards and Quality Policy Implementation Plan (NSQPIP) in refugee contexts. 2. Tailor standards improvement programs for refugee contexts.
Development Partners	1. Through the Development Partner Group (DPG), design and implement unique PSE related programs. 2. Financing the plan 3. Provision of technical assistance to ministries and local governments
Humanitarian Partners	1. Facilitating and engaging in partnerships for PSE with private sector partners 2. Provision of up-to-date data to relevant stakeholders in the PSE chain. 3. Implement cash-aid humanitarian programmes. 1. Provision of targeted humanitarian support to the most vulnerable and leaving other groups to interact with market systems. 2. Financing the plan.
Private Sector (Apex, umbrella and Associations; Financial institutions, wider private sector)	1. Provision of business development services, training to refugees and host communities. 2. Lobbying and advocacy for review or policies and laws. 3. Establishment of enterprises in RHDs. 4. Funding the strategy 5. Provision of financial services. 6. Provision of employment opportunities to refugee and host communities.
Refugees and Host communities	1. Contribution of local resources and expertise 2. Collaborating with other PSE stakeholders.

Appendix 3: Stakeholder opinions on potential actions to consider for successful Private Sector Engagement in RHDs

Table 10: Stakeholder opinions on potential actions to consider for successful Private Sector Engagement in RHDs

Sector focus	How RHDs can be made more attractive to the private sector	What private sector actors should do to position themselves to succeed in the RHDs	Opportunities and amendments to government programs to support private sector engagement	Governance mechanisms required
Agriculture	1. Improving land availability, accessibility and right to use for private sector. 2. Infrastructure development and enhancements through development of free zones, industrial parks, motorable roads, reliable power and internet accessibility 3. Offering incentives around taxes and capital investments 4. Setting up regional one-stop centers in the refugee hosting districts for easy registration and access to business information. 5. Leveraging existing government programs for synergies and cost management	1. Information seeking – business research for good business practices / opportunities. 2. Investing in high quality inputs 3. Good agricultural practices e.g., climate smart agriculture by using the right chemicals, irrigation, good post handling services. 4. Engaging in contract farming and other steady market avenues e.g., cooperatives, market linkages 5. Sales promotion through advertisement	1. Increase funds to cater for affirmative action in RHDs. 2. Improve on identification of private sector actors – who offer good services (seedlings, value addition, financial support, extension services) 3. Create an environment that enables growth of the private sector actors. 4. Awareness and sensitization about relevant programs that the private sector can leverage. 5. Political ownership 6. Expanding programs to ensure refugee inclusion	1. Fast track the operationalization of the Private Sector Engagement Strategy 2. Funding should be prioritized for strategy implementation. 3. Political ownership of the strategy 4. Leverage existing policies e.g., Jobs and Livelihood Integrated Response Plan (JLIRP) 5. Land policy review for refugee inclusion 6. Review the investment code act for refugee inclusion. 7. Strengthened land titling in land adjoining settlements. 8. Formalise mechanisms to allow sharecropping and land leasing by refugees from host communities.
Human Capital Development	1. Provision of infrastructure services e.g., roads, electricity, internet 2. Upgrading existing facilities and establishing new education and health facilities to match the population demand. 3. Maintaining peace and security 4. Support / promote public-private-partnership (PPP) in provision of health and education services. 5. Put in place favourable policies to promote private sector investments in RHDs e.g. investment tax incentives	1. Be responsive and flexible to the needs of refugee hosting districts e.g., language and culture. 2. Actively engage in policy advocacy that impacts the health and education sector. 3. Enhance private and public sector participation in parish-based associations.	1. Parish Development Model (PDM) and Emyooga, should be expanded and customized to benefit the private sector in refugee hosting areas. 2. Uganda Women's Entrepreneurship Program (UWEP) should include and benefit refugee women	1. Inclusive participation of refugees in the development of health and education sector ordinances 2. Finalize the Transition Strategy of Social Services from Humanitarian Partners into National Systems.

Sector focus	How RHDs can be made more attractive to the private sector	What private sector actors should do to position themselves to succeed in the RHDs	Opportunities and amendments to government programs to support private sector engagement	Governance mechanisms required
Tourism and Hospitality	1. Improving transport and utilities 2. Mapping tourism attraction centres to inform potential investors of opportunities. 3. Improving security in RHDs 4. Economic empowerment of the local population 5. Strengthening the local leadership to facilitate tourism and hospitality e.g. acting as information sources	1. Need to integrate the local community in private sectors business activities. 2. Private sector participation during sensitization of the community about tourism sector potential. 3. Understanding the geographical, cultural and social settings of the community enable the development of relevant consumable products	1. Better coordination of government programs and creating avenues for targeting development of tourism both as a source of livelihood for the community and tax for the government. 2. Promote harmony between refugees and the host communities, targeting the development of tourism. 3. Open up PDM, social security fund, and Emyooga programs to benefit refugees	1. Review ownership and use of land in refugee host areas – encourage investment. 2. Expeditious dispute resolution mechanism in RHDs
Trade and Commerce	3. Infrastructure such as roads, security, permanent market structures 4. Soft infrastructure such as cooperatives, associations to strengthen bargaining power, and eliminate middlemen. 5. Capacity building of human capital in RHDs	6. Build partnerships e.g., with unusual partners like United Nations High Commissioner for Refugees (UNHCR) who are on the ground making impact. 7. Formalize businesses to legally operate in RHDs	8. Programs should be extended to the settlements. 9. Fast track the establishment of special economic zones and industrial parks	10. Alignment of policy on land acquisition and business registration and reality
Energy	1. Regulatory requirements should be clear and conducive for businesses. 2. Creating awareness and education on environment and safe energy options available 3. Affordable financing to innovators of green energy 4. Incentives provided by Government to green energy investments. 5. Empower and sensitize women in the communities to support the uptake and use of greener energy in their households	1. Take more risk and invest in the refugee hosting districts. 2. Build more partnerships with smaller firms. 3. Create awareness and build capacity of private sector. 4. Get community champions and agents to link local communities in RHDs with private sector. 5. Run pilot programs to demonstrate benefits	1. Increase funding for existing government programs in energy. 2. Collaboration between the government and the private sector and existing government programs e.g., participation, consultation, and continued engagement throughout the program lifecycle	1. Formulate enabling regulations including those on climate credits. 2. Partnerships between private sector, government, Development and Humanitarian Partners 3. Favourable Incentive regime e.g., power purchase agreements (PPA) 4. Regulatory sandboxes to allow businesses to experiment with new innovative ideas in the refugee host regions, 5. Incubator hubs for businesses

Sector focus	How RHDs can be made more attractive to the private sector	What private sector actors should do to position themselves to succeed in the RHDs	Opportunities and amendments to government programs to support private sector engagement	Governance mechanisms required
Financial services	1. Creating one stop information centres near the RHDs. 2. Recognition of refugee Identification Cards for business registration by Uganda Registration Services Bureau (URSB). 3. Design incentives around cost of credit, tax, etc for businesses interested in operating in RHDs	1. Innovation by creating products that ease access to RHDs. 2. Investing in financial literacy 3. Leverage existing government programs e.g., Security in Immovable Property (SIMPO)	1. Make PDM and Emyooga programs inclusive of refugees. 2. Government backed financial institutions should be established in the refugee communities e.g., Post Bank.	1. PPP investment in Information and Communication Technology (ICT) infrastructure in RHDs – with emphasis on strategic priority areas 2. Review policies around incentives to allow inclusivity of refugees.

Appendix 4: Key insights and take-aways from each refugee host district visit.

Isingiro District

	RHD based businesses	Businesses in urban centers	Other insights from RHD interviews
OVERVIEW	• Agribusiness, hospitality, financial services and manufacturing stood out as key sectors, although agriculture and financial services are the most dominant. • Base camp is the biggest commercial center, among the settlements. Businesses mostly deal in general merchandise and agricultural produce, with presence of financial services like mobile money agents, banks and micro-finance institutions. • Key challenges cited by the respondent businesses include limited access to credit, expensive electricity, poor road network, lack of access to market information, and a need to shift from overreliance to handouts to self-reliance (mindset shift).	• Sectors of focus are energy, education, hospitality transport and health. Businesses in these sectors include petrol stations, privately owned schools and hotels and guest houses. • Potential for partnerships and collaboration; Access to untapped markets; Potential for increased profitability; Availability of a skilled labour force; and Government incentives./support. • 60% of the respondent enterprises reported a significant negative Covid-19 pandemic impact on their businesses. • Lack of market information and inadequate infrastructure are some of the other key challenges preventing entry of businesses into the RHD.	• Isingiro is faced with significant environmental and climatic challenges which could impact the core business opportunities in agriculture (e.g., pests, drought, floods) • Need for more clarity around employability of refugees and the protection mandate is a key concern in relation to business engagement • Isingiro is close to four border points into Tanzania and Rwanda, which presents an opportunity for cross-border trade. However, this opportunity has not been fully utilized due to non-tariff barriers such as quotas, embargos or sanctions. • Nakivaale Settlement is an advanced refugee settlement with diverse market potential and established refugee businesses.
QUOTES	*"Refugees are protected so much that its safer to knock a child of a national than a chicken of a refugee."* *"Government wants us to lend to refugees but does not want us to collect from them"*	*"We want to do business with the NGOs. They are so many."*	*"Investors cannot do business in Isingiro without having someone from the community being part of their core team."* *"Refugees do not want to work, they expect free things"*
TAKEAWAY	1. Agri-business value-chain enhancement is a major opportunity in Isingiro district. 2. There is need to address the skills gaps in the RHD. 3. Advanced Financial Sector presence demonstrates potential for PSE – with UGAFODE MF having a 12bn shilling loan book in Ag Sector – 8bn, Trade 3bn, other 1bn.	1. Given the closeness in proximity between Mbarara and Isingiro, there is potential to scale private sector engagement in the RHDs by creating a platform for meaningful engagement across the districts that would ease market information flow and foster the creation of business partnerships, among others.	1. Barriers to entry for business are largely as a result of lack of knowledge and perception issues around the protection mandate, market entry and exit limitations, land access and entry of value addition in agricultural produce in maize, bananas. 2. GOU programs have significantly supported private sector development and can be further leveraged by tailoring specific initiatives to catalyze business activity in the RHDs 3. Improve access to market linkages to reduce the middleman effect.

Figure 10: key insights from Isingiro District

	RHD based businesses	Businesses in urban centers	Other insights from RHD interviews
OVERVIEW	• 60% of the businesses engaged generate annual revenues of UGX 5-10 million and employ less than 5 permanent staff. Hoima Sugar Factory and Bugambe Tea Estate are among the few large-scale businesses in the district. • There are three sizeable business centers in the Kyangwali settlement. Businesses largely deal in general merchandise, agricultural produce, and financial services (Bank and Mobile Money agents). • The high population (131,319 refugees and 320,792 locals)** and cash aid create high demand for a variety of goods and services. • Key constraints include lack of access to credit (especially for refugees as they lack national identification numbers), exploitative middlemen, inadequate access to electricity, poor road networks in the rural areas, skills gap, and high taxes and duties (indirect taxes, local taxes, trading licenses)	• Business activity is vibrant in various sectors including hospitality, financial services, retail, healthcare, entertainment, agriculture produce and value addition, transport, construction, education, and energy. • Some of the country's largest companies have set up shop in Hoima and are currently thriving given the existing market within Hoima district and neighboring districts. • More than half of the businesses we interacted with had some knowledge of the opportunities in RHDs and declared interest in expanding into Kikuube as they appreciate the growth potential it has. • Challenges to business and expansion into RHDs: High taxes (indirect taxes, local taxes, trading licenses), inadequate capital, underdeveloped infrastructure like road networks, inadequate market information on RHDs, and regulatory challenges such as restrictions on operating in the refugee settlements.	• Agriculture is the major source of livelihood for people in Kikuube, but it is plagued with low quality inputs, lack of access to affordable finance, exploitation from middlemen, poor post harvest handling, and substandard farming practices. • Kikuube district has a huge real estate gap. Many of business owners and employees still commute daily from Hoima. • Mindset change is needed: Some people are complacent and lack motivation to be productive and grow economically, and there are strong beliefs in witchcraft as the reason for business growth or failure. • Refugee productiveness is stifled by lack of access to finance. Refugees cannot access loans, except the few who have acquired National Identification Numbers. This restricts them to sourcing funds from local savings groups and handouts from humanitarian organizations.
QUOTES	*"World Food Program has increasingly supported my business"* *"Electricity and water is a problem. We can go 3 to 4 days without electricity"* *"We have so many customers that come from the settlement"* *"Money lenders exploit people and create phobia for getting loans"*	*"Partnering with government initiatives is beneficial for us. It would be even better if government addressed the issue of delayed payments"* *"We receive tourists often in our hotel. It's a profitable business"*	*"I find the locals extremely unambitious. There is underutilized potential because people are happy with the little they have"* *"Middlemen buy produce cheaply while it's still in the garden. Farmers are desperate for money, so they sell"*
TAKEAWAY	• Limited access to affordable finance and underdeveloped infrastructure are major constraints to business in Kikuube • Extension services are needed to maximize the potential of Kikuube's agricultural sector • Kikuube has great investment potential especially considering the construction of the Hoima International Airport in the neighboring Hoima district	• The market in Kikuube is too small to organically attract investors. The private sector need to be incentivized to enter the RHD • Interest to expand into Kikuube is evident, but issues like inadequate capital and market information gaps create hurdles	• The Private Sector Engagement Strategy should appreciate the nuances of the business environment for each RHD. Kikuube as a new district has a different business environment from a more established district like Isingiro • The Development Response to Displacement Impact Project DRDIP has provided significant credit to refugee businesses, but the financing gap for refugee businesses is still broad and refugee self-reliance may remain limited until they can access significant and affordable loans

Figure 11: key insights from Kikuube District

Madi-Okollo District

	RHD based businesses	Businesses in urban centers	Other insights from RHD interviews

OVERVIEW	• Madi-Okollo district is mainly composed of micro businesses that operate on market days, which happen three days a week.
	• The district has only one hotel and one large scale commercial farm. Many businesses are engaged in Agri-business, selling mainly sim sim, retail trade (essentials), charcoal burning and fishing.
	• Several refugees own businesses within the settlement. Settlement businesses largely rely on supply of stock from Arua and Kampala which tend to be highly priced..
	• Business are challenged by limited electricity supply, poor road networks, limited telecom and internet connectivity, inadequate transport services, high taxes(ground rent to landlords, local and town council levies and stamp duties, trade license fees, and URA tax), and language barrier.
	• Access to finance is a challenge. Few bank agents, money lenders and microfinance institutions were found in Madi-okollo district. The district also lacks functional cooperatives.
		• The survey mainly focused on Agriculture, Retail/Wholesale, and Transport and Logistics sectors as they were identified as most attractive in the district.
		• 56% of the respondent businesses in Arua district indicated that they are aware of business opportunities in the neighboring RHD (Madi-okollo district).
		• The most outstanding issues preventing urban businesses from engaging in business activities in RHDs are lack of market information, and uncertainty about the business environment.
		• Respondent businesses in Arua district noted that they would be motivated to engage in the RHD by untapped market opportunities and in pursuit of potential for increased profitability.
		• Smuggling creates distortions in the local economy. Locals have preference for low-cost goods from Congo.
			• Opportunities in Madi-okollo district:
			  ○ The presence of abundant idle and unskilled youth that can be a potential source of labor and skilling opportunities.
			  ○ cheap, fertile and abundant unutilized land for farming
			  ○ Tourism (Ajai Game Reserve famous for white Rhinos and other cultural sites); Service Industry and Industrial parks.
			• According to local government representatives in the district, the performance of PDM, Emyooga, and other government programs is not effective due to inadequate follow up on implementation at Parish level, limited business acumen and financial discipline of the beneficiaries.
			• Beneficiary mindset: restrictions on movement, formal employment, lack of key resources like land, and high visibility of humanitarian agencies has led to expectations of handouts and support by refugees and the host community(to some extent). On the other hand, host community are mainly nomads who don't engage in commercial Agriculture and are still reluctant to do so despite the potential. As such, development interventions are not co-owned.

QUOTES	• *"We as refugees don't own land, any sort of small business establishment is taxed separately by the landlords."* • *"We have bank agents but there are laws that restrict loan facility advancement to refugees e.g., refugee IDs are allowed by some banks, others don't. Refugees also work in isolation, so their bargaining power is low."*	• *"We are a big brand, so people in Madi-Okollo that need our services reach out to us by email. We did research and found out that there is market for cassava and sweet potatoes. We would like to get information on income levels in Madi-Okollo and other RHDs."*	• *"The government should support people in this region to increase production- things like tractors, land ownership schemes, and irrigation. Once an area is productive, the private sector will automatically be pulled in. Companies like Mukwano had asked the locals to grow sunflower, but the intervention failed."*
TAKEAWAY	1. Strengthening the enabling environment will unlock the promising business opportunities in the district. 2. Private sector needs to be incentivized in terms of taxation to enable business takeoff until profitability is achieved. 3. Availability and access to affordable financial services to host and refugee-led businesses need to be improved.	1. Infrastructure is a key limitation to expansion into RHDs- things like roads, electricity, water are some of the enablers that will facilitate expansion. 2. Humanitarian support is focused on refugees. Host communities need to be included especially in skilling programs. 3. Market distortions need to be addressed for private sector activity to thrive in the RHD.	1. Mindset change interventions are critical for successful private sector engagement. 2. The service industry i.e., Hotel and Lodging, Financial services, Tourism are barely operational in the district and therefore targeted business opportunities in the service industry need to be profiled, marketed and incentivized to ease entry.

Figure 12: Key insights from Madi-Okollo District

Appendix 5: List of documents reviewed

Ref	Document Name
1	Uganda- Refugees Act, 2006
2	Uganda- The Refugees Regulations 2010
3	Refugees Bill of 23 March 2003
4	National Development Plan II (NDP II) 2015/19 – 2019/20 and NDPIII (2020/21-2024/25)
5	National Private Sector Development Strategy (NSPSD) (2017/18-2021/22), MoFPED
6	Second National Strategy for Private Sector Development 2022/23-2026/27, MoFPED
7	The Jobs and Livelihoods Integrated Response Plan for Refugees and Host Communities in Uganda, 2020/21 – 2024/25, Ministry of Gender, Labour and Social Development
8	District Investment Profiles, Uganda Investment Authority (UIA)
9	Private sector development program annual performance report (FY 2021/22)- MoFPED
10	Compendium of Business Ideas for SMES, 2020- Uganda Investment Authority
11	Consumer and market study in Southwest and West Nile refugee-hosting areas in Uganda, 2021- International Finance Corporation
12	Country Private Sector Diagnostic: Creating Markets in Uganda, Growth through the Private Sector and Trade, 2022- World Bank Group
13	Private Sector and Refugees, Pathways to Scale 2019, International Finance Corporation
14	BMAU-MoFPED briefing paper: ‘Private sector development programme performance in FY 2021/22: What are the issues?’, 2022, MoFPED
15	Matchmaker: Linking Refugee Talents to Jobs in Uganda, 2023- Save the Children, USAID, Response Innovation Lab
16	Potential private sector involvement in supporting refugee livelihoods and self-reliance in Uganda,2021- Anna Louise Strachan, K4D
17	Private sector engagement through development co-operation in Uganda, 2018, Global Partnership for Effective Development Co-operation
18	Resilience through refugee-inclusive business, 2018, Business Fights Poverty
19	The role of private sector in economic integration of refugees, Charter of Good Practice, European Investment Bank, World Bank Group
20	Uganda’s Self-Reliance Model: Does it Work?’, 2019, University of Oxford
21	Refugee Economies in Uganda, 2019, University of Oxford
22	Uganda Systematic Country Diagnostic Update, 2021, World Bank Group
23	The Realities of Self-reliance within the Ugandan Refugee Context, 2023- U-Learn, REACH, Livelihood and Resilience Sector Working Group (L&RSWG)
24	Agriculture Private Sector Actor Mapping, L&RSWG
25	Agricultural Value Chains, 2023, L&RSWG
26	Exploring the challenges faced by formal refugee-owned businesses in Uganda, 2023- U-Learn
27	Digital savings groups: A learning brief, 2022- U-Learn, CWG, L&RSWG, UNCDF
28	Financial services in the Uganda refugee response: An assessment of user perspectives research brief, 2022- U-Learn, UKaid, CWG
29	Labour market assessments covering refugee-hosting districts in Uganda, 2022, USAID, UKaid
30	Patterns and Potential of Private Sector Engagement in Strengthening Refugee Livelihoods and Resilience, 2022, UKaid, U-Learn
31	Refugee engagement forum in Uganda -Good Practice Study Brief, 2021- UNHCR, UKaid, U-Learn
32	Refugee Entrepreneurship in Uganda, 2023, U-Learn
33	Technical Brief: Informing the Uganda refugee response common cash approach- Cash Working Group Uganda (CWG)
34	Value chain assessments in refugee hosting districts in Uganda, 2022, L&RSWG

Ref	Document Name
35	Agri-tech service providers mapping, L&RSWG
36	Agriculture sector trade bodies, umbrella organizations, and government entities in Uganda, L&RSWG
37	Poverty Status Report, 2021, MoFPED
38	Uganda National Business Development Services Strategy Framework
39	Ministerial Policy Statement 2022/2023- Vote 138, UIA
40	Uganda National Standards and Quality Policy
41	Doing Business Report, Uganda 2020, World Bank
42	Evaluation of UNHCR's Engagement with the Private Sector, December 2019
43	Uganda Innovation Unit : 2023/2024 Update, World Food Programme
44	Uganda State of the Economy Report, 2023, Bank of Uganda (BoU)
45	Annual Banking Supervision Report, 2022, Bank of Uganda (BoU)
46	A guide on tax incentives/exemptions available to investors in Uganda, July 2023.
47	ITIS Programme Semi-Annual Monitoring report, FY2022-2023
48	Industrial Parks Summary Report, Jan 2024, Uganda Investment Authority

Appendix 6: List of Stakeholders Engaged

Table 11: List of stakeholders engaged.

Ref	Name of Stakeholder	Institution	Role
1.	Hellen Acibo	Office of the Prime Minister	Senior Settlement Officer
2.	Anthony Mwanje	Ministry of Finance Planning and Economic Development (MoFPED)	Coordinator DPI/PSD
3.	Koma Stephen	Ministry of Local Government	Commissioner, District Inspection
4.	Ahmed Busobozi	Uganda Investment Authority	Director for Finance and Administration
5.	Mike Bruce	HINGO Coordination Forum	Chairman
6.	Lillian Otieng	United Nations High Commission for Refugees (UNHCR)	Co-chair of the Livelihoods and Resilience Sector Working Groups
7.	Damalie Zalwango	United Nations High Commission for Refugees (UNHCR)	Focal person Private Sector
8.	Gershom Abaasa	Ministry of Foreign Affairs (MoFA)	Economist
9.	Paul Lakuma	Economic Policy Research Centre (EPRC)	Research Fellow
10.	Tracy Musiimenta	International Finance Corporation (IFC)	Stakeholder
11.	Dr. Pavlos Troulis	Swiss Contact	Country Director
12.	David Katumba	Centenary Bank	Strategy Manager
13.	Derrick Kyambadde	Equity Bank	Supervisor Projects
14.	Mr. Narcis Tumushabe	Uganda Seed Trade Association	Chairman
15.	Daniel Kisekka	PSFU	Grants Manager
16.	Godfrey Ariong	World Food Programme	Livelihood Officer
17.	David Micro	United Nations Development Programme (UNDP) Uganda	Head, Reconciliation and Social Cohesion specialist
18.	Nicholas Burunde	United Nations Development Programme (UNDP) Uganda	Programme Officer
19.	Bruno Otto	United Nations Industrial Development Organization (UNIDO)	Head UNIDO Uganda
20.	Mohamed El-Ghazaly	International Fund for Agricultural Development (IFAD)	Country Director
21.	Adrian Mulindwa Bukenya	Mastercard Foundation	Country Director
22.	Wilbroad Sekitto	Uganda Registration Services Bureau	Senior M&E Officer
23.	Stella Kakwezi	Uganda Registration Services Bureau	Manager- SIMPO
24.	James Makula	Ministry of Trade, Industry and Cooperatives	Chair of Gender and Equity

Ref	Name of Stakeholder	Institution	Role
25.	Hamza Galiwango	Uganda Investment Authority	Director Industrial Parks Development
26.	Margaret Katuutu	World Food Program	Head of Cash Programming
27.	Badre Bahaji	World Food Program	Partnerships, Communication and Innovation Specialist
28.	Arifur Rahman	UNHCR	Senior Development Officer
29.	Richard Jabo	MoFPED	INVITE Project
30.	Gerald Namoma	MoFPED	Tax Policy Department
31.	James Terjanian	FAO	Food Security and Livelihoods Coordinator
32.	Steven Olowo	MoLHUD	Urban Officer
33.	Richard Kalule	PPDA	Senior M&E Officer
34.	Maria Karen Birungi	Centenary Bank	Senior Relationship Officer- NGOs
Stakeholders engaged during field visits			
35.	Polyne Irene Abina	Office of the Prime Minister	Refugee desk Officer
36.	Mark Mutaawe	Office of the Prime Minister	Settlement commandant
37.	Boaz	UGAFODE	Nakivale branch Manager
38.	Justus	Windle International	Regional manager
39.	Micheal Wasswa	TPO	Clinical psychologist
40.	Patrick	Local government	District Commercial Officer
41.	Akolade Aderibigbe	UNHCR	Programme Officer
42.	Innocent	Local government	District Planner
43.	Adda	Local government	Resident District Commissioner
44.	Mark	Local government	Refugee Liaison officer
45.	Baguma Faustin Twesigye	Local government	District Planner
46.	Desteo Tugume	Multi sectoral Assistance for Refugees and Asylum Seekers	Project Officer
47.	Francis Abitekaniza Kiva	Local government	Senior Assistant Chief Administrative Officer
48.	Busingye Fatuma	Local government	District Commercial Officer
49.	Bwami Hussein	Kikuube Town Council	Town Clerk

Ref	Name of Stakeholder	Institution	Role
50.	Kabahanguzi Annet	Local government	Senior Probations
51.	Sensio Ikiriza	World Vision	Project Coordinator
52.	Allan Byamukama	Vision Fund Hoima	Team Leader
53.	Moses Kutosi	Centenary Bank	Business Administrator
54.	Asimwe Duncan	Swiss Contact	Former Project Office
55.	Emmanuel Turyamwijuka	World Food Programme	Team Leader
56.	James Ahimibisibwe	Lutheran World Federation	Team leader
57.	Tisserain Bulayima Brahim	Livelihoods Support Program	Focal Person
58.	Lillian	Madi-Okollo District	District Commercial Officer
59.	Godfrey	Madi-Okollo District	District Planner
60.	Onega Moses Kerchan	Madi-Okollo District	District Community Development Officer
61.	Yoko Swain	Madi-Okollo District	Resident District Commissioner
62.	John Ezuma	Arua District	District Commercial Officer
63.	Basikania Armitage	Madi-Okollo	Settlement commandant
64.	Pascal Freeman	Save the Children	Regional Area Manager
65.	Osakan Solomon	Madi-Okollo District	Refugee Desk Officer
66.	Rasmah Alele	Equity Bank Arua Branch	
67.	Benard Leti	Centenary Bank Arua Branch	Branch Manager
68.	Yikiru Comfort Mercy	Rural Initiative for Community Empowerment- West Nile (RICE-WN)	Chief Executive Officer
69.	Charles Otema	CARE	Head of Office for West Nile
70.	Winnie Noel Bacia	Plan International	Project coordinator- REAL- ANSWER Project

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