

SEPTEMBER 2023



AGRIDIGEST

SPECIAL ECOS EDITION



Cultivating Success

THROUGH ADC'S BUSINESS
ACCELERATOR PROGRAM



Implemented by





SPECIAL EDITION
AGRIDIGEST



A STORY OF
CULTIVATING
SUCCESS

INTRO.

Agribusiness in Uganda transcends economic significance; it is intertwined with the fabric of the nation. Its impact reverberates from the local communities where farmers till the land to the national stage where agriculture and related industries account for approximately 25 percent of the country's GDP.

Agriculture employs over 70 percent of the labour force, making it the primary source of income for millions of Ugandans. From planting and harvesting to post-harvest handling and distribution, agribusiness activities generate employment opportunities at every stage of the value chain.

To realise its full potential, Uganda must continue to invest in agribusiness, fostering innovation, sustainable practices, and market access.

Striving for growth

The agribusiness sector, often hailed as the backbone of the nation's economy, faces a series of daunting challenges that are impeding its potential to transform the country's agriculture. These challenges, ranging from financial constraints to market access issues, are testing the resilience of agribusinesses across the country.

Access to affordable credit remains one of the most pressing issues for agribusinesses in Uganda. A lack of collateral and the burden of high interest rates create formidable barriers for entrepreneurs seeking to invest in their farming operations or expand their businesses.

Limited access to markets, both domestically and internationally, is another significant hurdle. Many agribusinesses, struggle to reach consumers due to a lack of market information and infrastructure. The adoption of modern farming techniques and technologies has been slower than desired. Many agribusinesses, especially those in rural areas, lack access to vital tools and knowledge that could significantly

boost productivity and competitiveness.

The state of rural infrastructure in Uganda, including roads, electricity, and storage facilities, poses a considerable challenge. Poor infrastructure increases transportation costs and hampers efforts to efficiently process and store agricultural products.

Climate change and its unpredictable impacts, such as prolonged droughts and devastating floods, pose a constant threat to agricultural productivity. Smallholders, in particular, bear the brunt of these weather-related challenges. Inadequate post-harvest handling and storage facilities contribute to significant losses



of agricultural produce. This not only diminishes profits but also affects food security by reducing the availability of crops for local consumption.

The sector is faced with complex and often inconsistent regulatory frameworks, creating uncertainty for agribusinesses. Land tenure issues further complicate matters.

The shortage of skilled labour and expertise in modern agricultural practices is another impediment.

Bridging this skills gap is crucial for optimising productivity and ensuring sustainable growth. Production challenges such as pests and diseases pose constant threats to crops and livestock, putting agribusinesses at risk of significant losses.

Difficulty in accessing quality seeds, fertilizers, and other agricultural inputs inhibits productivity and innovation within the sector. The urgency for a solution is a mandate for all stakeholders to innovate, and prioritise the agribusiness sector's revival.

Limited access to markets, both domestically and internationally, is another significant hurdle...

Business Accelerator Program (BAP)

The Agribusiness Development Centre, in collaboration with Rabo Foundation and dfcu Limited, introduced the Business Accelerator Program (BAP) to **empower agribusinesses.**

This program is not a silver bullet but aims to strengthen the capacity and investment readiness of these enterprises, enabling them to access financing from investors and financial institutions. The Business Accelerator Program's objective is to train 350 agribusinesses (40% women-led), link at least 50% of them to financing and or markets and enable them to grow and create new jobs.

Founded by Rabo Foundation and dfcu Limited, the ADC specialises in the capacity development of farmer-based organisations. ADC's mission which is embedded in their strategic plan that was launched in 2022, is to offer capacity building, business accelerator opportunities, and relevant linkages through innovation and collaboration.

During the training, the women entrepreneurs of the first cohort were exposed to different aspects of

business management from, business canvas modelling, governance, risk management, marketing, financial management, and meeting financier's requirements, among others.

The first cohort graduation in March 2023 graduated 28 women agribusiness entrepreneurs at dfcu Bank's Head Offices in Nakasero. "It was heaven sent that we found like-minded institutions which would like to follow our plan but work alongside them to see agribusiness development happen. So that we are able to build the capacity of agribusiness enterprises and that they can be linked to interventions that can enable them to grow and create jobs especially for youth and women," Josephine Mukumbya, Executive Director of ADC, said.

The participants were engaged in exposure visits like the Trans African summit and field visits at CURAD and



with technology to automate services and expand their market reach. Quality management is another crucial aspect, with ECOS focusing on system certification and product certification. The project collaborates with Uganda National Bureau of Standards to ensure that SMEs' products meet local and international standards for market acceptance and exports.

Market development is yet another facet, with the Uganda Export Promotions Board partnering to prepare SMEs for local market consolidation and export capacity building. Charles Kilibo, a Local Subsidy and Partnership expert in the ECOS project says the impact of ECOS and BAP is already visible.

"During our project implementation, we've encountered unforeseen challenges and opportunities. We've taken action in these unassigned areas, which turned out to be crucial.

CHARLES KILIBO
Expert, ECOS Project



we supported 100 SMEs in our database with training and business clinics. BAP training has benefitted many agribusinesses...

For instance, we provided training to SMEs in aquaculture, guiding them through the entire process, from pond design and site development to feed production and seed multiplication. We also assisted unregistered SMEs, helping them formalize their businesses. In this category, we supported 100 SMEs in our database with training and business clinics, even helping some of them establish their business names.



Uganda Industrial Research Institute (UIRI). Strategically, ADC employs a hybrid approach, combining virtual platforms and physical sessions for enterprises at the pilot or accelerator stage. Each participating enterprise is represented by at least two individuals, typically the business founders or owners along with a team member responsible for business decision - making.

ADC's BAP is designed to expedite the growth and scalability of young agribusinesses. Supported by dfcu bank, the program assists agribusinesses in validating their business models, understanding their strategic positioning, and managing growth for self-sufficiency and relevant linkages. Launched in 2022, BAP aims to empower 350 agribusinesses, with 40 percent of them being women-led, and create at least 350 new jobs. Additionally, the program aims to connect at least 50 percent of these

enterprises to financing and markets. The program also aims to link 50 of these businesses to affordable Green Finance and technical assistance, aligning with Sustainable Development Goals (SDGs) such as gender equality, affordable clean energy, decent work and economic growth, and partnerships for goals.

Robert Wanok, Head of Personal and Business Banking at dfcu Bank, emphasises the bank's commitment to supporting a wide range of customers, including SMEs and women

“

Our partnership with ADC is part of a joint mission to grow, build, and promote the prospect of a sustainable future.



Head of Personal & Business Banking, dfcu Bank
ROBERT WANOK

entrepreneurs. The partnership with ADC aligns with their mission to foster the growth and sustainability of the agribusiness sector.

"Since its inception, dfcu Bank has made continuous commitments to support a wide base of customers that include; SMEs, women entrepreneurs, Investment Clubs. Our partnership with ADC is part of a joint mission to grow, build, and promote the prospect of a sustainable future. Agribusiness is the future of Uganda, and this partnership will help us continue to fulfill our commitment to serve and build this sector," Wanok says.

Varied Cohort themes

The program's cohorts are designed to address diverse challenges and opportunities in agribusiness growth. Themes over two years include key value chains, greening agribusinesses, exploring oil and gas opportunities, and youth engagement in agribusiness. The first and second cohorts focused on gender inclusivity in agribusiness development. Josephine Mukumbya, Executive Director of ADC, highlights the program's commitment to promoting leadership.

"We have Influenced youth and women in leadership through the program. The learners are exposed to peer and networking opportunities through learning visits to experts in varied fields." Josephine Mukumbya, Executive Director, ADC.



We have Influenced youth and women in leadership through the program. The learners are exposed to peer and networking opportunities through learning visits to experts in varied fields.

Executive Director, ADC
JOSEPHINE MUKUMBYA

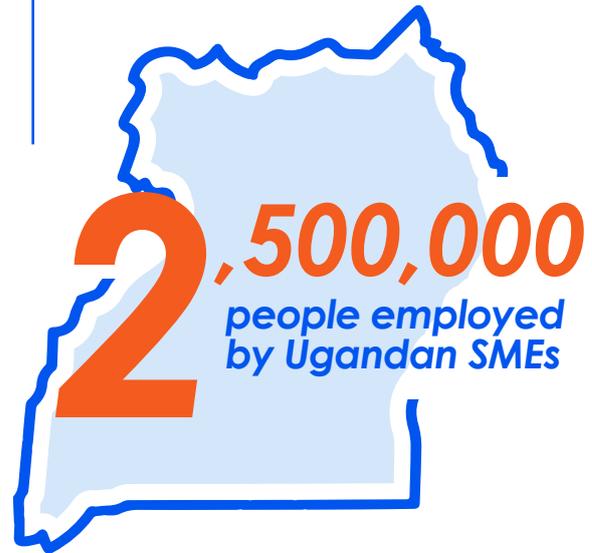


A partnership that fueled success.

A game-changing partnership between the Enhancing the Competitiveness of Small and Medium Enterprises in Uganda (ECOS) project and the Business Acceleration Program (BAP) is purposely reshaping the future for small and medium-sized enterprises (SMEs). This powerful collaboration, funded by GIZ and executed by GOPA Worldwide Consultants, is driving economic growth, job creation, and innovation in a nation where SMEs play a pivotal role.

ECOS, a two-year project set to conclude in October 2023, stands supports 1,000 Ugandan SMEs across five priority sectors, including manufacturing, construction, agriculture and food processing, tourism and hospitality, and the Green Sector. According to the Ministry of Trade, Industry and Cooperatives, SMEs account for approximately 90 percent of the private sector, generating over 80 percent of manufacturing output and contributing 20 percent of the GDP in Uganda.

In a country where over 2.5 million people are employed in the SME sector, ECOS seeks to address the myriad challenges faced by these enterprises, from inadequate collateral for securing loans to a lack of access to market information, low technical skills, and the profound impact of the COVID-19 pandemic.



At the core of ECOS' mission is the integrated approach to employment creation, comprising three pillars: skills development, enterprise development, and matching labour and supply. Under the enterprise development pillar, ECOS partners with the Business Acceleration Program (BAP) to breathe life into the dreams of budding entrepreneurs and SMEs. ECOS empowers SMEs through training, coaching, mentoring, and technical assistance. These businesses undergo rigorous business diagnostics to identify key constraints limiting their growth, and they are then supported in four critical areas: innovation and digitalisation, quality management, market development, and access to finance.

Access to finance remains a top challenge for SMEs in Uganda. ECOS takes a proactive approach, preparing SMEs to meet with financial institutions or investors by equipping them with comprehensive business plans. Innovation and digitalisation support involves empowering SMEs

Our goal is to initiate their formalization journey," explained Kilibo.

The digitisation drive has exposed many SMEs to online markets, website development, and enhanced financial services accessibility, empowering them to approach banks with confidence. Some entrepreneurs have realised alternative funding sources beyond traditional bank loans, enhancing their resilience. Kilibo says they have mobilised SMEs countrywide reaching 2,050 and selected 1379 to work with.

"What excites us is that many of them have been exposed to digitisation including developing websites and creating e-mails, some are accessing financial services from their own banks. Through our training, they got the confidence to approach banks. Some even realised they don't need to borrow because maybe they don't have the capacity yet such that even if they applied for a loan, it would be a waste of their time. Some have realised other sources they could rely on other than a bank loan, for

example. Some of these achievements are very key to us like managing to take their products out of the country and we believe that through our training we exposed them to these alternative markets."

As ECOS nears its conclusion, the focus is on sustainable growth and continued support. An exit strategy is in place to leave beneficiaries with ongoing support, facilitated by the Uganda Investment Authority. Kilibo says: "We would like to see the SMEs grow in their turnover and profitability. We would like them to grow in the markets while consolidating their current markets and creating more jobs. This project is about creating jobs through enterprise development. We would like them to thrive and create more job opportunities for young people."

ECOS and BAP have reason to be proud of their achievements thus far. By creating a solid foundation for SMEs, the partnership has opened doors to funding opportunities and alternative markets.





SUCCESS STORIES

Transformation of an African exporter

Africa Haven, a prominent player in the global trade of tropical and **exotic fruits and vegetables sourced from African producers**, has seen exponential growth in its exports thanks to the transformative impact of the Business Accelerator Program (BAP).



SUSAN PRIMA AKELLO
President & Founder
(Africa Haven)

Access to affordable credit remains one of the most pressing issues for agribusinesses in Uganda. A lack of collateral and the burden of high interest rates create formidable barriers for entrepreneurs seeking to invest in their farming operations or expand their businesses.

Limited access to markets, both domestically and internationally, is

another significant hurdle. Many agribusinesses, struggle to reach consumers due to a lack of market information and infrastructure. The adoption of modern farming techniques and technologies has been slower than desired. Many agribusinesses, especially those in rural areas, lack access to vital tools and knowledge that could significantly boost productivity and competitiveness.



The state of rural infrastructure in Uganda, including roads, electricity, and storage facilities, poses a considerable challenge. Poor infrastructure increases transportation costs and hampers efforts to efficiently process and store agricultural products.

Climate change and its unpredictable impacts, such as prolonged droughts and devastating floods, pose a

constant threat to agricultural productivity. Smallholders, in particular, bear the brunt of these weather-related challenges.

Inadequate post-harvest handling and storage facilities contribute to significant losses of agricultural produce. This not only diminishes profits but also affects food security by reducing the availability of crops for local consumption.



BAP training opened our doors to new opportunities ““

DAVID OKALEBO | Managing Director, Africa Haven.

KIKAZI'S MILLET FLOUR

A flourishing enterprise courtesy of BAP.

Start-ups have been impacted in a significant measure too. Grace Kikazi, a specialist in producing **high-quality millet flour**, has emerged as a success story, all thanks to the Business Accelerator Program (BAP).



GRACE KIKAZI

Founder & Director, Kikazi's Millet Flour

Founded in 2019, Kikazi's journey from a small-scale cottage industry to a flourishing enterprise is a testament to the power of knowledge and training. Under the guidance of BAP, Kikazi successfully registered her business, obtained a trademark and a UNBS quality mark, and registered with Uganda Revenue Authority (URA). Kikazi, the founder of Kikazi Millet Flour Original, was inspired by a mother in Fort Portal who needed

quality millet flour for a diabetic patient. Hailing from the millet-rich region of Bushenyi-Rukungiri, Kikazi saw the potential and gradually began her millet flour venture on a small scale. In 2020, she decided to take it more seriously, but the Covid-19 pandemic posed initial challenges. With a modest initial investment of Shs3m from her savings, Kikazi ordered millet grain from farmers in western Uganda. She sorted

and cleaned the grain before packaging it. In the beginning, production was limited to a few bags, each weighing around 100kg. Kikazi outsourced the grinding machine and carried out packaging at her home in Kireka, operating as a cottage industry.

In April of this year, Kikazi received guidance from an expert associated with ECOS, a project aimed at enhancing the competitiveness of Ugandan SMEs. The expert emphasised the need for a solid structure to scale up her business. It was during this time that Grace was introduced to ADC and embarked on a journey of learning. Through the Business Accelerator Program, Kikazi gained crucial insights into corporate governance, organisation, and formal business registration. There are quite a number of things I thought I should implement though I haven't implemented some. What I did for example, I shifted from home. I learnt that proper record keeping is really important. I also learnt that I don't need to do everything on my own. Previously Kikazi was registered as a just a business name, I learnt that if you keep in that area you stay small and can't scale up, you can't be a supplier and you can't be profiled in a government database," she says of BAP's impact.

BAP also highlighted the significance of digital marketing in today's era, leading her to establish an online presence for Kikazi. Kikazi aspires to acquire a high-quality milling machine and secure financing for marketing

efforts. She is also focused on establishing robust corporate governance structures and efficient sales management systems for Kikazi.

"With the linkages the programme exposed me to, I am sure of securing financing to have all this done and be able to tap into the export market," she says. Kikazi emphasises the relevance and practicality of the training received through BAP. She advises fellow entrepreneurs to attend such programs whenever possible. "The trainings were physical and when you have those interactions, you get to understand the concepts much better," she says.



GRACE KIKAZI

BAP gives wings to Raw & Organic shea butter business

Raw & Organic, a company specialising in the extraction of **pure Shea butter**, has seen remarkable transformation, because of the Business Accelerator Program (BAP). Enid Natukunda Mugisha, began her journey in 2019 and has since not only built a thriving business that has also made a meaningful impact on her own life.



**ENID MUGISHA
NATUKUNDA**

Managing Director
(Raw & Organic)

Natukunda's entrepreneurial journey was born out of personal struggle. Her own battle with alopecia, a hair-loss condition, led her to seek natural remedies like Shea Butter. After losing her hair, particularly during the COVID-19 lockdown when she couldn't visit her hairdresser, she decided to add value to Shea Butter.

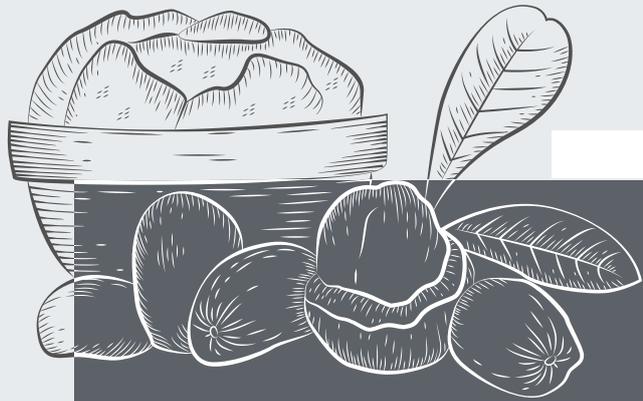
Shea Butter Nilotica, made from the nuts of the Nilotica Shea tree, is renowned for its natural properties and benefits for hair and skin. Raw & Organic sources Shea nuts from northern Uganda, and through the cold-press extraction method, they produce pure Shea butter. The company is UNBS certified, ensuring the

authenticity and quality of their products. While Shea Butter was the initial focus, Natukunda expanded her product range to include skincare and hair products. The demand for these products grew as customers experienced the benefits. The company now produces shampoos, hair conditioners, treatment products, and hair food, among others.

The sustainability of Shea nut trees is a concern due to the impact of charcoal businessmen. These trees take around 35 years to yield nuts, making their protection vital. Additionally, Natukunda faces challenges in securing a permanent location for her business and expanding into export markets to boost demand.

"I am not sure when I will be moving to another place. Our new place was dilapidated but luckily there is efficient power supply. We put in a lot of money to clean it and we even got into debt," she says. Our hope is to get land and have a structure of our own. Natukunda discovered BAP through DFCU Bank's 'Women in Business' forum and decided to enroll.

"Someone in another business group told me about BAP as a hot cake. She had got to know about it through ECOS, which is funded by GIZ. That is why I didn't hesitate to enroll for BAP," she says. The program provided invaluable knowledge and practical insights. It emphasised corporate governance, encouraging the formation of advisory boards. Financial literacy and management practices improved,



"Someone in another business group told me about BAP as a hot cake. She had got to know about it through ECOS, which is funded by GIZ. That is why I didn't hesitate to enroll for BAP,

ENID MUGISHA
NATUKUNDA



helping Natukunda create a comprehensive business plan. “We now know how to do a business plan. I had a shoddy business plan but they helped us to develop the new one we are using. We now even have a marketing plan with them step by step. That has improved a lot in our work. All along I was doing this by myself. Even the money was coming through my account but now I am getting out slowly by slowly. The funders and bankers look at the company not an individual,” she said.

Raw & Organic is actively working on marketing and sales strategies to expand its reach. Natukunda is considering stocking more products this year to meet increasing demand.

She emphasises the need for patient capital to fund business growth and is looking for grants to achieve this.

“There’s nothing you can do without money. If I do marketing the right way, demand will increase. I will need more products. This calls for more capital investment in the value chain,” she says. For someone who has not attended BAP training, Natukunda says they should do.

“Even if you don’t need the capital, they help you put your house in order. Through the training, we are now on the journey of product certification with UNBS. You may have happy customers, but you need to certify your products with quality marks,” she says.



Enid Natukunda Mugisha, the Managing Director of Raw & Organic in her store. The company stocks Sheanuts from Lira

A side hustle that blossomed

Janet Kibwika, a 66 year old poultry farmer, has witnessed a remarkable transformation in her agribusiness journey, and at the heart of this transformation lies the invaluable support she received from the BAP training.



JANET KIBWIKA

Founder, JAKI Agribusiness
(Africa Haven)

From humble beginnings as a poultry farmer supplementing her income, Kibwika's story exemplifies the power of knowledge, training, and the right support system in propelling an agribusiness to success.

Kibwika embarked on her poultry farming journey in 1994 while working as a transporter at Kyagalanyi Coffee Company. What started as a side hustle with 250 birds in her garage soon became a thriving

venture. During the early days, the poultry market was favourable, and Kibwika was making substantial profits which reinforced her commitment to the business.

Kibwika's determination led her to save enough money to purchase her first piece of land within just three rounds of poultry sales. She continued to expand, eventually acquiring two acres of land in Wakiso District in 2009. Kibwika's love for chicken



rearing became her daily routine, and she was managing a stock of 1,000 chickens monthly before the Covid-19 pandemic hit. The pandemic presented unforeseen challenges as lockdowns disrupted her sales. With 650 birds ready for sale during the first lockdown, Kibwika struggled to find buyers. Her profits dwindled, and she found herself exploring alternative businesses. At this point, Kibwika realised the importance of formalizing her business.

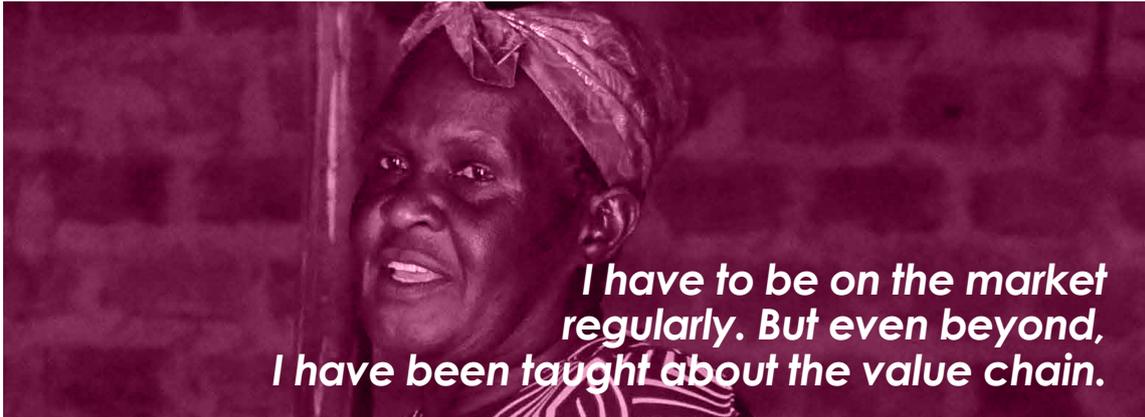
Kibwika's journey took a significant turn when she attended a farmer's

meeting in Nansana, where she met a veterinarian officer who referred her to a business training session at Ivory Hotel. This is where she met Mr. Jimmy Byaruhanga, a trainer with the ECOS program. ECOS focuses on equipping small and medium-sized enterprises (SMEs) with the skills needed for growth.



JIMMY BYARUHANGA, ECOS

Kibwika's interaction with ECOS trainers emphasised the importance of business registration, financial management, and other essential aspects of running a successful enterprise. She realised that without formalising her business, she was limiting her potential. With guidance from ECOS, Kibwika registered her business as Jaki Agribusinesses Limited, a name derived from her own, Janet Kibwika. She obtained a Tax Identification Number (TIN), setting her on the path to compliance. The training extended over four months and covered various critical topics, including financial management and price risk management. Kibwika attended every session diligently and opened a bank account for her business. She



learned the significance of record-keeping, which she now takes seriously. Separating personal and business finances became a priority, leading to improved financial discipline.

“Now I write down everything and I have learnt to separate my own money for domestic expenses from the business. Now I realise, it is not my own now but for us. You see with us farmers, documenting is a very big problem. For instance, when you buy chicken feeds, you postpone it to another day because you are tired. When it continues like that, you forget,” she says.

Kibwika's participation in the training introduced her to a network of fellow farmers and entrepreneurs. Interacting with people from diverse backgrounds and businesses allowed her to share experiences and expand her knowledge base. As a poultry farmer, she recognised the potential for growth but also the need for financial support.

Kibwika's journey has opened her eyes to possibilities she hadn't explored before. Her immediate goal is to restore her business to

pre-pandemic levels, which requires financial assistance. Currently, she manages 250 birds and envisions expanding her chicken house into a double-story structure for year-round production. She learnt how to diversify her business by venturing into related businesses.

“I have to be on the market regularly. But even beyond, I have been taught about the value chain. You can do businesses which are in the same line. I have the plan of keeping the layers also. I also have a plan of starting a bakery because I have every done it. I can also open up a shop selling the feeds because I have all the knowledge,” Kibwika says.

Kibwika expresses her gratitude to the BAP program and its facilitators, who demonstrated a genuine concern for the success of businesses like hers.

She acknowledges the transformative power of knowledge and emphasises the importance of record-keeping and financial management for farmers and entrepreneurs alike.

Kibwika and her fellow program participants graduated in June and were featured on the Uganda Investment Authority (UIA) portal, a significant pathway to business development.

A ripple effect

The Business Acceleration Program has a far-reaching and multidimensional impact. It fuels job creation, drives economic growth, enhances agricultural productivity, bolsters food security, promotes sustainability, encourages entrepreneurship and innovation, increases access to financial services, and empowers communities to become more resilient in the face of economic challenges.

Sustaining the transformation

Mukumbya discussed the ambitious plans for the sustainability of the Business Acceleration Program (BAP). She emphasised the need to expand the program's reach to more agribusinesses, scale its impact, and the importance of lessons learned and continuous improvement.

“The relationship has been very good. We have gone ahead to develop a curriculum for them. Part of it is still work in progress but one of them in Environmental, social, and governance (ESG) has already been published on the GIZ Atingi platform and we are hopeful that the one focused on gender will be out in a few months. This will be continuous and help enable sustain not only the SMEs we are working with but also others who can access it online on various platforms and our Soma platform. This

gives us an opportunity to follow up and even see where we can refine,” Mukumbya said. In terms of future plans, Mukumbya stressed the importance of reaching even more agribusinesses across Uganda. She discussed mobilizing efforts to engage a wider network of SMEs, building on the foundation laid by the BAP. The goal is to extend support to additional businesses, especially those in need of assistance in areas such as access to finance, digitisation, quality management, and market

CONTINUE TO PAGE >

development. Scaling the program's impact is another vital aspect of their future plans. Mukumbya outlined their desire to see SMEs increase their turnover and profitability, expand their market reach, and create more job opportunities for young people. Mukumbya acknowledged the challenges faced by SMEs in Uganda, including limited access to finance, lack of systems and record-keeping, and the need for skilled manpower. She highlighted that these challenges

are not insurmountable and can be addressed through targeted interventions and capacity-building efforts.

"We want to see capacities of small and medium enterprises move from one level to another and gradually be linked to greater things that can enable them grow and create jobs. Once we have that contribution we believe we have done our part and we believe the project owners are also seeing their objectives set," she added.



A thriving, agribusiness-led agricultural sector

ADC is charting a course towards a future where agribusinesses take the lead in transforming the nation's agricultural landscape. ADC's vision embraces sustainability, innovation, and social impact within the agricultural sector.

At the heart of this vision lies the firm belief that agribusinesses can serve as the cornerstone of Uganda's economic growth. Mukumbya emphasised the organisation's commitment to fostering a thriving,

agribusiness-led agricultural sector. "We envision a future where agribusinesses become the engines of economic prosperity," said Mukumbya. "Our goal is not only to boost incomes and wealth but also to champion sustainable agricultural practices, create jobs, and drive innovation."

The Business Acceleration Program (BAP) is at the forefront of an agricultural revolution. It offers a golden opportunity for agribusinesses to thrive, innovate, and drive sustainable growth.