Status of Business Incubators and Accelerators towards Job, Employment and Wealth Creation Opportunities in Uganda

CANADIAN FEED THE CHILDREN

African Agribusiness Incubator Network

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Brief About Canadian Feed the Children

Canadian Feed the Children (CFTC) is a registered Canadian charity whose vision is “a world where children thrive free from poverty,” while its mission is “to unlock children’s potential through community-led action in Canada and around the world.” The organisation works with local partners to build capacity in communities, provides them with support to attain their own long-term sustainable change and achieve demonstrable change that benefits children. CFTC takes a personalised and community-led approach to development with flexibility, yet focused on long-term impact to increase access to quality education for children, support families to gain greater food security for sustainable community resilience.

Brief About African Agribusiness Incubators Network

African Agribusiness Incubators Network (AAIN) is an international company limited by guarantee composed of a continent-wide network of members working in agribusiness as individuals, incubators, firms, SMEs, organisations, associations or institutions. The company is registered in several countries which include Ghana, Uganda, Kenya, South Africa, Rwanda and Senegal. It is an accredited ambassador of UBI Global, that is part of the Global Advisory Research Body accrediting incubators globally. AAIN’s core mandate is supporting the establishment, growth and development of African agribusiness incubators and accelerators for job, employment and wealth creation in Africa.

AAIN’s unique incubation function is to nurture business incubators and accelerators for job, employment and wealth creation in Africa. It works with incubators, agribusinesses, financial institutions, youth networks, banks, development partners, and regional economic bodies such as the Sub Regional Research Organisations (SROs), African Farmers Organisations, Agricultural Development Banks and international research institutions

AAIN is also a technical partner of the African Union Commission’s Department for Rural Economy and Agriculture (AU DREA) following a MoU signed in 2016 between AAIN and AU DREA, that was supported by a key conference declaration in Kenya and a youth declaration on agribusiness to deal with issues concerning agribusiness incubation. This responsibility is implemented as a component of the AAIN-African Union’s African Agribusiness Incubation Programme (AAIP), which covers all 55 African Union member countries.

Furthermore, AAIN is a business development partner to the Food and Agriculture Organization of the United Nations (FAO), Canadian Feed the Children (CTFC), Heifer Project International, ILRI and the African Union Inter-African Bureau for Animal Resources (AU IBAR) and AfDB, among others.

AAIN’s Value Proposition is to provide a holistic service to African agribusiness incubators, which is delivered by a set of five integrated value-adding services:

AAIN Service 1: Incubation Systems and Skills Development: to ensure that the incubators have efficient systems and staff with the necessary skills

AAIN Service 2: Technology commercialization and market development: to keep incubators aware of emerging technologies and new market opportunities that can provide their incubatees with business opportunities.

AAIN Service 3: Business development and mentorship, to equip incubator management with the best business tools and help them to find and support mentors, especially for young and female incubatees.

AAIN Service 4: Agribusiness Incubator accreditation and due diligence: to help incubator managers identify weaknesses and affect timely remedies and assure their investors and creditors that they, not only can, but are indeed delivering the services they promise.

AAIN Service 5: African Agribusiness Incubation Fund (AAIF): to facilitate transactions between agribusiness incubators and their incubatees and financial institutions

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Rogers Ainemukama is a passionate IT Consultant, inspiring many through his professional work as a webmaster and creative graphics designer. With 10 years experience working in the information technology industry, he holds a Masters of Science in Computer Science (University of Mysore, India), PGD in Monitoring and Evaluation (Uganda Technology and Management University) and Bachelor of Science in Computer Science (Makerere University). With a wealth of experience in IT consultancy ranging from IT strategy to information systems design, web development and data systems development, he also adds experience in data management and expertise in eCommerce systems advisory and development. He has worked with clients from various sectors to implement information systems that influence productivity and appreciative performance thus has diverse knowledge in project management. He currently executing projects in the agribusiness sector mainly focused on engaging SMEs in the agribusiness sector to enhance market access through technology driven solutions. As the CEO and lead developer at HG Creations Ltd, he leads a team of young creatives and is founder of an agtech start-up; Agricart Africa, an online fresh harvests market place.

Key Findings and Key Recommendations

The African Agribusiness Incubators Network (AAIN) and Canadian Feed the Children (CFTC) seek to influencecurrent and future investments towardsyouth-led and women-ledjob, employment and wealth creation opportunities in business incubation and innovations in Africa. As part of this, the partners, namely CFTC & AAIN, have considered a range of instruments, innovations and business models that may afford opportunities to effectively stimulate social-economic transformation of youth and women in agriculture. There is now a global body of experience, information and knowledge in this area, much of which has been documented. However, there are very few studies that critically look at business incubators and accelerators statustowards job, employment and wealth opportunities creation for youthand women in Africa and Uganda inclusive.

There is little information available on how effective different business incubators and accelerators approaches, business models and investments are benefiting or supporting youth and women environmental, social and economic objectives. AAIN and CFTC commissioned a study in Uganda to fill this gap. This report presents findings from the study in Uganda conducted by AAIN with support from CFTC.

Key Findings

The study was able to locate and profile 82 business incubators and accelerators in Uganda. Data collection was done in four regions of Western, Central, Eastern and Northern where some respondents were selected for the study in addition to obtaining lists of business incubators and accelerators compiled from their websites. By using a snowball approach, the identified business incubators helped the research team with contacts of other business incubators and accelerators they knew. The research team also collected data and information from literature review of relevant reports, journals and publications newspapers, articles, personal sources, government records, books among others.

According to results of this study, Kampala city was found to be having majority of business incubators and accelerators located in the Central region due to the fact that Kampala is the capital city and the major economic hub of the country. Slightly over 50% of the 82 business incubators and accelerators were located in the urban towns and cities of Uganda. Through literature review and and primary data findings, four types of youth-led business categories were identified in Uganda. These include rural based, urban based, formal and non-formal led by youth aged between 15-35 years of age, and having varying unique features and attributes.

There was a good number of business incubators and accelerators whose target groups were youth and women. This was because Uganda is a youthful country with the majority (78%) of its population being below the age of 30 years. It's also attributed to the high rates of unemployment amongst the youth, whereby the majority of youth have embraced self-employment through business start-ups as a way of taking themselves out of unemployment.

In terms of provision of services, many business incubators and accelerators were found to offer different services ranging from mentorship and coaching to shared office space, financing, training, networking and connection to mentors, and investors. Apart from universities and a few government-affiliated institutions, most of the incubators and accelerators are not into supporting innovations and technology development.

Findings of the study revealed that business incubators and accelerators played a very critical role in supporting Uganda's entrepreneurial ecosystem through creating mind-set change among youth and women entrepreneurs, provision of work spaces, creating access to funding for start-ups, financial training and many more.

Through analysis of findings, the study noted that business incubators and accelerators are important to the growth of business start-ups and not very many business incubators and accelerators are very sustainable. The drivers of economic transformation through business incubation in Uganda were identified as; access to finance, positive attitude and high-quality services

The actors in business incubation and acceleration in Uganda include the private sector organisations, public sector organisations and non- Governmental organisations. Results of the study further show that the number of privately-owned business incubators and accelerators are significantly higher than the government- owned with some private ones funded by the government, however most of them receive their support from international organisations through collaborative partnerships.

There was a strong presence of several incubators that included the Ministry of Gender, Labour and Social Development, Enterprise Uganda, and the Private Sector Foundation Uganda (PSFU) supporting business start-ups and providing development support services. Grounded collaboration was observed with institutions such as MasterCard Foundation, AVSI, PSFU, Uganda Industrial Research Institute (UIRI), Makerere University, National Agriculture Research Organisation (NARO) and Operation Wealth Creation (OWC) and NAADS, among others.

Uganda's business incubation and acceleration ecosystem is composed of multi-sectorial actors having varying roles and responsibilities towards business incubation and acceleration including, skilling, marketing, manufacturing support, access to research & innovation, design, trade opportunities, community empowerment, access to finance, policy,social development, farming and cultural support among other roles. Business incubators and accelerators have been observed as a remedy for the disadvantaged small and new firms struggling to grow by providing numerous business support services.

While entrepreneurial and managerial skills were identified in the study as vital skills to venture and succeed in self-employment, most of the youth and women in the surveyed areas lack such skills. The study also revealed resource constraints and imperfect capital markets, that impends access to finance to facilitate the training needed to acquire or upgrade such skills which creates an information gap or inadequate information about the economic potentials and benefits of engaging in agribusiness.

The study observed a high failure rate of start-ups and SMEs by respondents that is mainly attributed to mismanagement of business resources, poor marketing, high competition, starting a business without thorough market research to understand customer needs and impatient entrepreneurs who want to get rich/profits quick. Analysis of the literature reviewed further shows that start-up firms or small businesses that start in business incubators stand a higher rate of survival and success when they access business support services like incubation.

Through Literature review, it was discovered that women and youth have their challenges and impediments in their endeavors to uplift themselves entrepreneurially. In Uganda, women have managed non-farm household enterprises that are micro and informal in nature however the enterprises face bottlenecks associated with access credit to grow their business as they do not have the necessary collateral always required by formal credit institutions. This finding was complimented by primary data from some respondents who had this to say;

"Women are restricted by their husbands to engage in business related activities and prefer them at home taking care of the family and children." - (KII, Eastern Uganda)

"Young boys and girls prefer get-rich-quick schemes and yet business in agriculture needs patience and time to gain." - (KII, Eastern Uganda)

In addition, the study established that most business incubators and accelerators in Uganda lack capital to support emerging start-ups, have inadequate skills in business incubation management, lack necessary infrastructure, lack assets and equipment to support start-ups, lack appropriate policy tools and legal instruments to support clientsor respond to their entrepreneurial needs hence poor performance.

The findings from the Focus Group discussions (FGDs) show that access to finance is one of the major inhibiting factors to the growth of business start-ups. It was argued that even when start-ups come up with a good business idea and develop it up to concept stage, inadequate funds become a challenge to moving further. In addition, most financial lending institutions rarely trust business start-ups because they lack security in the form of collateral. Consequently, this limits the ability of business start-ups, especially youth-led businesses to pursue opportunities that may expedite their growth.

Sustainability and Self-reliance

Most business incubators and accelerator programmes are not financially self-reliant and this halts their growth and sustainability. It is crucial for business incubators to form long-term partnerships and find investors or shareholders to provide the funds needed to be sustainable. incubators are not well linked so are less likely to be at the cutting edge and remain competitive and sustainable The National Development Plan (NDP) III observes that notwithstanding the exponential growth in the Information Communication Technology sector in Uganda, several challenges still hinder the further growth of the sector resulting in no advancement in technology upgrading and modernization for the youth and women programmes.

Traditional perceptions of incubation services in Uganda indicate the belief that incubation centres are providing support to business start-ups. However, few successful entrepreneurs were emerging from the support rendered by the business incubators and accelerators.

The study further established that the majority of the clients looked at the top market drivers for selecting incubator products and services in Uganda as; relevancy of the product/service, quality of the product/service, reliability of the product/services, price offer for the product/service, value of the product/services, accessibility of the product/services, traceability of the product/services.

Uganda NDPIII states priority agriculture commodity value chains, the parish development model as a strategy for economic transformation also provides guidelines on key regional and national agriculture value chains.The priority value chains with high potential for youth and women engagement include but not limited to horticulture, oil seeds, poultry, rabbit, piggery, zero grazing, fish farming and banana for western and eastern Uganda.

There is still very limited information that highlights the influence of key agriculture value chain models and support structures to youth and women participation in business incubation and acceleration. This could be essentially because the inclusion and diversity have not gained its full status in Uganda.

A business incubation model on one hand is broadly defined as the way in which an incubator provides support to start-ups to improve the probability of survival of the client businesses and accelerate their development. while a gender tool on the other hand is based on the evidence that shows how gender differences and inequality influence various aspects of business development among females and males.

The government of Uganda through various ministries and departments has developed anumber of national policy frameworks to promote effectiverural and agriculturaldevelopment in the country by focusing on improving the levels andquality of financial inclusion for lower-income or disadvantaged people. The most outstanding is the National Development Plan - NDP III (2010/11-2014/15); NDP II (2015/16–2019/20) and now NDP III (2020/21 – 2024/25). Also there is no direct national business incubation policy and legal framework for business incubation and acceleration in Uganda. The NDP III (2020/21 – 2024/25) recognizes that limited access to agricultural financial services keeps women and youth dependent on subsistence agriculture. Hence one of the key objectives of the national plan is to increase mobilisation, equitable access and utilisation of agricultural finance through finalising and implementing the Agricultural Finance Policy amongother interventions.

The survival and sustainability of incubation programmes is still a major challenge in Uganda. The Management capability of incubation programmes according to findings is determined by the ability to raise funds, a good team, as well as linkages to other resources that can be leveraged to run the incubators and deliver good results. Cost management and fees collection is still a major sustainability issue for business incubators and accelerators in Uganda. The demand of business incubation and acceleration services in Uganda was greatly affected by the outbreakof the coronavirus pandemic.

Following the end of the first COVID-19 pandemic lockdown in June 2021, the study revealed that some incubators for instance Stanbic business incubator advertised incubation programmes to provide virtual training centred mainly on business resilience and sustainability. Other incubators in Uganda have come up with innovative solutions focused on harnessing digital technologies to address the face-to-face restrictions of lockdowns under the pandemic for example the Financial Health for MSMEs, supported by The Innovation Village through a partnership with Financial Sector Deepening Uganda, was set up to identify and support innovators with digital solutions to improve the financial health of SMEs; Leveraging Last Mile Distribution Networks supported by Makerere Innovation and Incubation Centre, through a partnership with MobiPay and Ensibuuko that set up a digital distribution network of 500 digital community entrepreneurs to distribute solar solutions, airtime and mobile money to rural communities; Digital Literacy supported by Response Innovation Lab through a partnership with Danish Refugee Council seeking innovators to provide digital literacy in refugee communities.

Further inquiry into the Uganda business landscape indicated that increased support to business incubators and accelerators are contributors to the economic and social changes in the country, innovation research and development. Increased support by the government with the creation of government agencies like Uganda Investment Authority (UIA), Ministry of Science, Technology and Innovation and Uganda Institute of Information and Communication Technology aimed at providing research and development to different business incubators that tackle the social,economic challenges of the country which is a timely response to youth and women unemployment in Uganda.

Key Recommendations

More financial and technical supportis needed to ensure effective delivery of services by business incubators and accelerators while engaging youth and women in Uganda including even distribution in rural and urban centres. Business incubators and accelerators in Uganda need to be supported to develop meaningful business partnerships to improve their performance. Furthermore, business incubators in Uganda should start looking out for the best business start-ups other than depending on self-offers.

The study indicates a need for a centralised/common database where timely information about the start-ups being incubated is updated so that each start-up can only be supported or funded once by a single business incubator. This will reduce the rate at which start-ups (grant shoppers)from one opportunity in one business incubator to another without necessarily implementing the skills or funding acquired.

Business incubators need to invest more resources in monitoring and evaluation to follow up on incubatees' post-incubation period for continued support and documentation of success stories which can be used as benchmarks in their respective skills training to motivate trainees besides forming a National policy and legal framework on business incubation and acceleration. This will aid in increasing more job, employment and wealth creation opportunities for youth and women in Uganda.

Capacity building and skills development in business incubation management is recommended among government, development partners and private sector actors providing service or referrals of clients to business incubation and acceleration services

The development of national business incubation and acceleration policy focused on youth and women would help refocus incubation services to tap into emerging ecosystem and interest of youth in agriculture and agribusiness. The development of Start-Up and SME financing models and options targeting youth-led and women-led enterprises in Uganda is critical to meet the needs of this growing demographic.

In conclusion, the findings showed that business incubators and accelerators are not well distributed, they are not tailored to the needs of the fastest growing youth demographic, and of female clients. While there is a wide variety of services offered, success rates are low with little attention to follow up and distillation of success factors. Identification of success factors and best practice has been lacking and data is not available to inform interventions and create an incubation policy sensitive to supporting the particular needs of women and youth. Having such a well-informed policy could advance creation of the enabling environment required to transform youth and women-led small and medium business success and enhance the job creating potential of these businesses.

List of Acronyms

AAIN - African Agribusiness Incubators Network

ACDO - Alternative Community Development Organisation

ACODE - Advocates Coalition fr Development and Environment

AFD - Agence Française de Development

AAIF - African Agribusiness Incubation Fund

AAIP - African Agribusiness Incubation Programme

AfDB - African Development Bank

AU DREA - African Union Commission's Department for Rural Economy and Agriculture

AU IBAR - African Union Interafrican Bureau for Animal Resources

AVSI - Association of Volunteers in International Service

CBO - Community-based Organisation

CDO - Community Development Officer

CIDA - Canada International Development Agency

CIPS - Chartered Institute of Procurement and Supply

CTFC - Canadian Feed The children

COBATI - Community-based Tourism Initiative

COVID-19 - Corona Virus of 2019

CSO - Civil Society Organisation

CURAD - Consortium for enhancing University Responsiveness to Agribusiness Development

DGF - Democratic Governance Facility

DfID - Department for International Development, UK

DINU - Development Initiative for Northern Uganda

EPRC - Economic Policy Research Centre

FAO - Food and Agriculture Organisation of the United Nations

FSD - Financial Sector Deepening

FGD - Focus Group Discussions

GDP - Gross Domestic Product

GIZ - German Agency for International Cooperation

HIV/AIDS - Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome

ICT - Information and Communication Technology

ILRI - International Livestock Research Institute

IFAD - International Fund for Agricultural Development

ILO - International Labour Organisation

BIPI - Business Incubation Performance Indicators

KCCA - Kampala City Council Authority

KIBP - Kampala Industrial Business Park

KII - Key Informant Interview

LC - Local Council
MHHM - Mentorship and Hand Holding Model
MIIC - Makerere Innovation and Incubation Center
MoU - Memorandum of Understanding
MSMEs - Micro, Small and Medium Enterprises
MTWA - Ministry of Tourism, Wildlife and Antiquities
NAADS - National Agriculture Advisory Services
NARO - National Agriculture Research Organisation
NGO - Non-governmental Organisation
NDP - National Development Plan
NSBS – National Small Business Survey
OWC - Operation Wealth Creation
PDM - Parish Development Model
PSFU - Private Sector Foundation Uganda
RMA - Rapid Market Assessment
SACCO - Savings and Credit Co-operative Organisation
SGBV - Sexual Gender-Based Violence
SIDA - Swedish International Development Cooperation Agency
SDF - Skills Development Facility
SMEs - Small and Medium sized Enterprises
SRHR - Sexual and Reproductive Health and Rights
SROs - Sub Regional Research Organisations
STI - Science Technology and Innovation
UCOTA - Uganda Community Tourism Association
UIA - Uganda Investment Authority
UIRI - Uganda Industrial Research Institute
UN - United Nations
UNICEF - United Nations Children's Fund
UNCDF - United Nations Capital Development Fund
UNDP - United Nations Development Programme
UNFPA - United Nations Population Fund
USAID - United States Agency for International Development
VSLA - Village Savings and Loan Association
WED - Women Entrepreneurship Development
YLP - Youth Livelihood Programme

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Chapter One

1.0. Background and Introduction to the Study

1.1 Background

With a median age of 19.7 in 2020, Africa's population is the youngest in the world. In about 80 years from now, Africa's youth population is expected to grow by 181.4%, while Europe's youth population will shrink by -21.4% and Asia's by -27.7% (Rocca C. & Shultes I. (2020)).

African Unemployment and under-employment among young people is within rural transformation agendas, and remains a major concern for developing economies. Although the agricultural sector remains the powerhouse of for most African countries, it still has some distinct features that pose particular challenges for the business incubators. Investments in agribusiness yields significant multiplier effects through forward and backward linkages that generate demand for agricultural products and associated inputs and services that in turn lead to creation of on and off-farm employment.

Uganda with its mainly agrarian economy has seen its population almost triple from about 15.7 million in 1987 to 42.9 million in 2017. Demographically, it is now the world's second youngest country (behind Niger). While official unemployment rates are low, various forms of underemployment and labour market exclusion are widespread in the country. A large proportion of the workforce is primarily employed in near-subsistence agricultural pursuits and in informal, low-productivity household enterprises where jobs are precarious and low-paying and potential for creation of additional jobs is limited. The vast majority of the workforce is self-employed, with wage and salaried workers accounting for only 21.2%of the total labour force (Walter M., Mukasa R., et al. 2018).

According to the Global Entrepreneurship Monitor (GEM) Report 2015, Uganda is the most entrepreneurial country in the world, with 28% of adults owning or co-owning a new business. However, it has also been noted that most businesses in Uganda are categorised as small-scale and informal in nature. Generally, Micro,Small and Medium Enterprises (MSMEs) constitute 90 per cent of the private sector and contribute to 20% of GDP, most of which(80%) being located in urban and peri-urban areas country-wide. Similarly, the Government of Uganda (GoU) Report, 2010, demonstrates that these enterprises are largely involved in trade, agro-processing, and small-scale manufacturing.

Despite the dominance of small private sector business, about 70% of start-up businesses in Uganda fail within 3 to 5 years (Global Entrepreneurship Monitor Report, 2014). Prominent causes for the high failure rate is mismanagement of business resources, poor marketing and high competition. Considerably, many businesses were found to start withouta thorough market research to understand customer needs, while entrepreneurs were said to be impatient to allow gradual growth of business by wanting quick returns (Mwebaze, 2020).

Business incubators and accelerators are often hailed as essential tools for fostering growth in start-ups (Lukosiute, Jensen & Tanev, 2019). Indeed, over time, the need to manage business incubation programmes in a way that helps the formation and growth of start-ups has become increasingly important (Tibaingana, 2020). This is necessary because there is no doubt that entrepreneurship is an engine for economic development worldwide (Global Entrepreneurship Monitor - Global Report 2015-2016). For developing economies, the importance of entrepreneurship is associated with increased productivity and reduction in the rising unemployment rates, particularly among the youths and women (Bliemel, Flores, de Clerk, Miles, Costas & Monteiro, 2016).

According to Pompa, (2013), Business incubation is refers to the"process aimed at supporting the development and scaling of growth-oriented, early-staged enterprises." In the same vein, a 'business incubator' is "an organisation designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections" (Entrepreneur Europe, nd.).

By contrast, "accelerators" are fixed-term, cohort-based programmes that might include seed investment, connections, business mentorship and business educational components, that culminate in a public pitch event or demo day to fast-track business growth.

The Uganda Investment Authority a semi-autonomous government agency that drives national economic growth and development in partnership with the private sector describes a micro enterprise in the Ugandan context as the one that employs up to 4 people, with annual sales/revenue plus total assets not exceeding UGX 10million. Similarly, a small enterprise employs between 5 and 49 people, with total assets ranging from UGX 10million and UGX 100million, while a medium enterprise employs between50 and 100 people, with total assets between UGX 100million and UGX 360million where as a medium enterprise employs between 50 and 100 people with total assets more than 100 million but not exceeding 360 million (https://www.ugandainvest.go.ug/sme/). Investopedia refers to a start-up as "a company in the first stages of operations" (https://www.investopedia.com/terms/s/startup.asp).

Based on the UBI Global world benchmark study standards and the African Agribusiness Incubators Network (AAIN) incubation management practices and experience in Africa, an "incubatee" can appropriately be referred to as an individual or a start-up that utilises business incubation services. Correspondingly, "graduation" means the process of an incubatee moving from one business to another or achieving some predefined targets in business growth/improvement, or when recipients of business incubator services have been given the necessary boost for "take off" and operate at a higher business level.

Evidence shows that start-up firms or small businesses that start in business incubators have a higher rate of survival and success as a result of benefiting from the business support services provided by business incubators. In Europe, for example, business incubation reported between 80% to 90% client survival rates over a five-year period (European Commission Report, 2002). This is attributed to growth sustainably resulting from good practices and appropriate technology, resulting in lower business mortality rate. Consequently, many countries including Uganda have increasingly adopted business incubators and accelerators to support businesses.

1.2 Study Objectives

The main objective of this study was to document the status of business incubators and accelerators towards job, employment and wealth creation opportunities in Uganda. To do this, understanding the ecosystem in which business incubators and accelerators operate is imperative.

The study objectives included to:

(i) Profile the existing actors, incubators and accelerators in Uganda;
(ii) Assess the gaps and opportunities for engaging youth and women in business incubation and acceleration programmes.
(iii) Establish the actors and drivers of the national economic transformation through business incubation and acceleration.
(iv) Define the status of existing business incubators and accelerators in Uganda; and examine the impact of Covid-19 on business incubation and acceleration in Uganda.

1.3 Scope of the Study

Geographically, the study focused on all the four - Eastern, Western, Central and Northern - regions of Uganda. In terms of content, the study was limited to examining the status, role and potential of business incubators and accelerators on youth and women employment creation in Uganda. It also focused on establishing the actors and drivers of the national economic transformation through business incubation and acceleration.

1.4 Rationale

Findings of existing researchon business incubation indicate negligible research focusing on the actors and drivers of economic transformation through business incubation in Uganda (Tibaingana, 2020; Ganamotse, Samuelsson, Abankwah, Anthony, & Mphela, 2017). This study was, therefore, an effort to interrogate deeper the business incubation and acceleration programmes in Uganda.

The results therefore will be useful in supporting and developing improved business incubator models and systems that will better serve women and youth and ensure sustainability, they will also inform policy development and building of the knowledge base for improving intervention in creation of youth employment.

Prof. Alex Ariho (R) with a business manager (L) at one of the business incubators during the study

Chapter Two

2.0. Methodology

The study employed mixed methods. Multiple data collection methods were employed for data collection from both primary and secondary data sources. The study also used a list of business incubators and accelerators in Uganda that was compiled from their websites. By using a snowball approach, the identified business incubators helped the research team with contacts of other business incubators and accelerators they knew.

The research team collected data and information from:

(a) Literature review of relevant reports and publications;
(b) Online telephone and email interviews;
(c) Field data collections using designed key informant interviews;
(d) Field observations and photographs;
(e) Actor specific Focus Group Discussions;
(f) Stakeholder and key actor validation workshop;
(g) Workshop meetings and publication consultative meetings; and,
(h) Dissemination workshop and conference participation.

During the collection process, business incubators and accelerators pre-profiled by AAIN were surveyed, and this guided the collection process. More data was obtained at a dissemination and validation workshop on 31 August 2021.

The data acquired from secondary and primary sources was analysed using several techniques including ecosystem mapping tools, incubation management models, incubation performance matrix tools and Koltai Six + Six Entrepreneurship Ecosystem Model to assess the status and programmes of business incubators and accelerators in Uganda.

The Six + Six Model elements that informed the study analysis included identifying clients, training, connecting & sustaining, funding, regulating, and celebrating entrepreneurs, while the six categories of ecosystem actors included foundations, academia, investors, governments, corporations, and NGOs that were used to describe and help understand the complex systems and interactions involved in a particular ecosystem.

The model is based on the management theory Z by Prof. William Ouchi an American Author in business management. According to the theory, "situations differ therefore results differ". The foundation principles are based on the theory that entrepreneurs are most likely to thrive when all elements of an ecosystem are extant and effective.

In general, the study approach looked at business incubators and accelerators under varying situations and locations including rural, urban, national, regional and global perspectives which impact incubation management models in Uganda.

2.1 Secondary Data Review

An extensive literature review from a wide range of selected articles from journals, government policies and publications, technical documents, reports and books, government statistics and predictions, national surveys, and newspapers, was carried out to inform both the approach used in the study, the focus of the work and the analysis of the content.

In addition, the websites of key Ministries, Departments and Agencies (MDAs) were studied such as the Ministry of Trade, Industry and Cooperatives, the Ministry of Gender, Labour and Social Development, the Uganda Investment Authority, the Private Sector Foundation Uganda, and the Enterprise Uganda.

In order to methodically map and profile business incubators and accelerators in Uganda, an initial list of business incubators that could easily be identified through publicly available resources was compiled. By using a snow-balling approach, the identified business incubators helped the research team with contacts of other business incubators and accelerators.

2.2 Primary Data Collection

The desk review findings were complemented using a series of interviews such as administering of structured questionnaires in form of key informants, Focus group discussions, online telephone and email interviews to a sample of business incubators and accelerators spread across Central, Eastern, Northern and Western regions of Uganda as well as the administration. Field observations and photograph, Stakeholder and key actor validation workshop, Workshop and publication consultative meetings, dissemination workshop and conference participation methods were also employed.

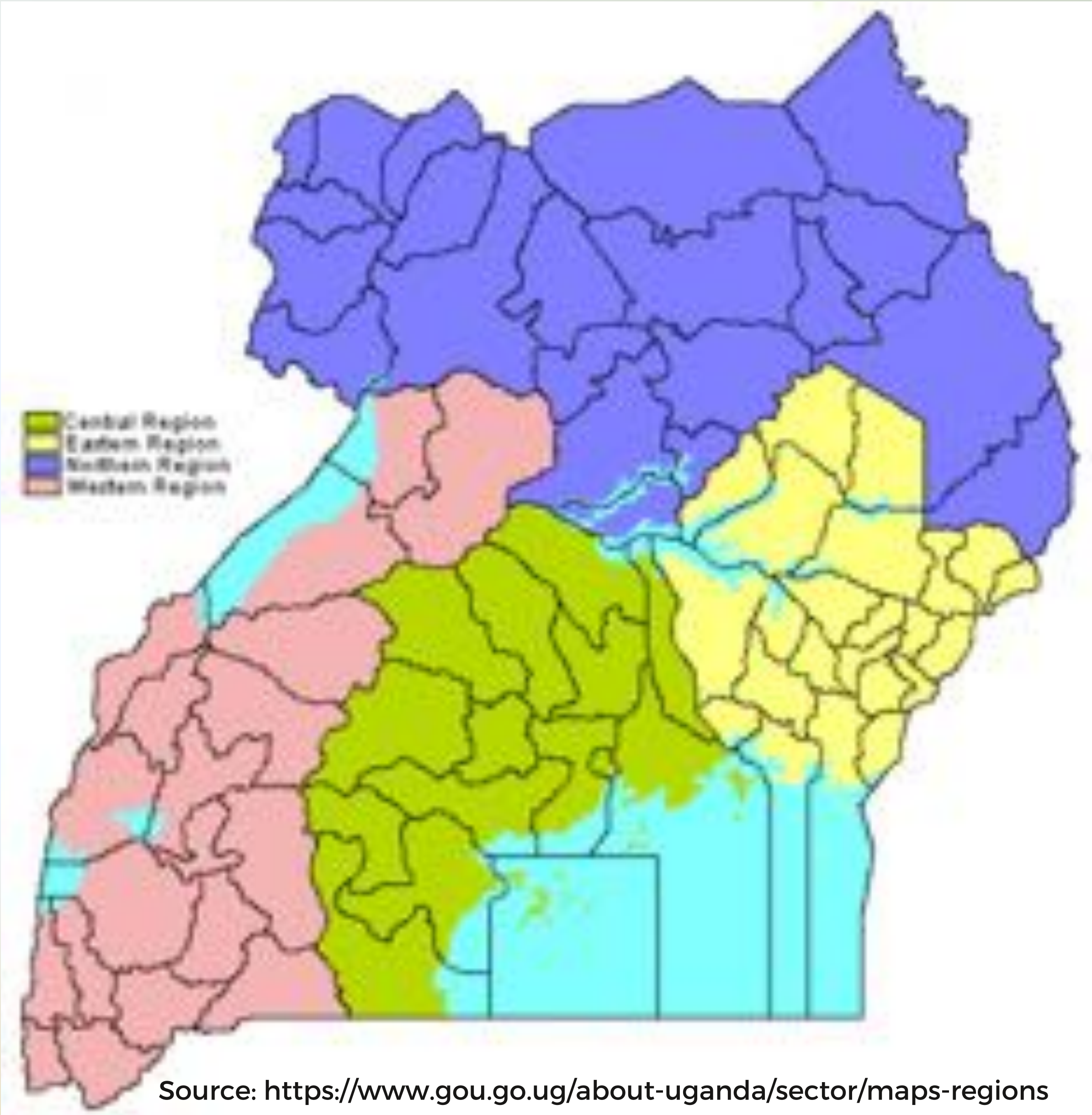
The key interview informants provided a deeper and broader understanding of the whole eco-system of business incubation in Uganda. The sampling was purposive but effort was made to include business incubators from different regions,those targeting different groups - including women and youth, and type of business incubation service.

A photo showing charcoal briquettes at one of the studied business incubators that offers services in charcoal briquette-making from waste, charcoal briquette-making machine and biogas construction and production

2.3 Study Coverage in Uganda

The study segmented business incubators and accelerators based on the different agro-ecological zones in Uganda characterized by: different agriculture and agribusiness farming systems (Figure 1) determined by soil types, climate, agro-processing enterprises, socio-economic and cultural factors and cropping systems.

Figure 1: Study Coverage in Uganda



Source: https://www.gou.go.ug/about-uganda/sector/maps-regions

2.4. Stakeholder and Actor Mapping

To profile and gain a deeper understanding of business incubation and acceleration stakeholders, the study looked at institutions such as central government (potential respondents from Business Incubators, Accelerators, Universities, Banks, Private Sector foundations, UIRI, UCA, MTWA, MAAIF, Operation Wealth Creation, Uganda Tourism Board, Uganda National Farmers' Association), local government (Agricultural Production Officer, Tourism Officers), private sector people who have been involved in business incubation and acceleration activities in Uganda and any other identified relevant stakeholders or actors locallyor internationally.

Using a purposive and snowball sampling technique, respondents were selected in 4 major regions of Uganda, and a list generated for participation in the national validation actors' workshops and comprehensive interviews done at field level.

Figure 2: Schematic presentation of the steps in the data collection process

Bugiri - Mentorship Training

Incubatees at one of the business incubators learning how to rear fish in a plastic container using locally-available poles

Chapter Three

3.0. Discussion of Study Findings

The following section presents the findings and discussion of the study. It examined the status of business incubators and accelerators vis a vis youth and women job, employment and wealth opportunities creation in Uganda.

3.1. Ecosystem Situation Analysis on Business Incubation and Acceleration in Uganda

The ecosystem mapping is a comprehensive activity designed to help determine the status of the project and the status of the operating environment. It helps identify the key actors and resources that can be leveraged to build efficiencies for potential project implementation and business operations within a certain environment. (See Table 1)

The results from the ecosystem mapping provide an asset inventory, status and "availability" for use or potential for leverage. An ideal ecosystem shoulddeliver value and support enterprises emerging from the selected valuechains and projectsimplemented. These enterprises can be locatedat the different stages or elevations of the valuechains.

The argument is that healthy ecosystems (in good status) possess a full range of opportunities including financial services, innovation sources, mentors etc. Ecosystem management refers to the labour, capital or energy investments needed to maintain services and retain businesses for instance everything needed to plant or harvest a crop, or to construct and maintain hiking trails for recreation.

Three measures influence ecosystems in a way to improve the delivery of certain services that's to say Government, the Market and Incubators. Maintaining some services - say, food production function and landscape beauty, may come at the cost of other services which ecosystems could be delivering instead or at the cost of the state of the ecosystem itself (e.g. extractive farming which lowers biodiversity levels and wildlife).

Figure 3: Adopted Health Ecosystem Balance

Table 1: Business Ecosystem Actors' Map in Uganda

Actors	Characteristics and Roles
1. Financial institutions	Development of financial products and services for various actors
2. Public and policy makers	Policy, standards, Infrastructure, social development and legal support
3. Academia	Education, research and development
4. Researchers	Studies, research and technology development and transfer
5. Private sector	Enterprise development, trade and marketing of goods and services
6. Business incubators	Business development services and mentorship support
7. Business accelerators	Enterprise acceleration, growth and development support
8. Investors and co-operatives	Commercial investments and business management across various sectors
9. Social impact investors	Capital mobilisation for social enterprise development
10. Input dealers, Processors & off-takers	Value addition, processing and export promotion
11. Non-Agricultural Development partners	Local and national development support including health, education, environment and livelihoods improvement
12. NGOs	Development and socio-economic transformation support
13. CBOs	Community development through social support and supplies
14. Farmer organisations	Household and commercial farming majority still using subsistence methods and tools
15. Youth and women networks /clubs	Social Development working with clubs, groups and associations
16. Faith-based organisations	Religious work and social support
17. Cultural organisations	Social support and community mobilisations

3.2. Importance and governance of business incubators and accelerators

Results of the study revealed that the surveyed business incubators and accelerators play a very critical role in supporting Uganda's entrepreneurial eco-system, through creation of mind-set change among entrepreneurs, provision of work spaces, creation of access to funding for start-ups, financial training among other provisions. According to some respondents satisfied with services said, business incubators and accelerators go beyond the mandate of supporting how to start, manage, sustain businesses and ensuring their growth, and go an extra mile of offering other business development services and products including building networks, mentorship, coaching, and marketing.

The findings indicate that most incubators are weak in governance, organisational systems, service delivery and financial sustainability both in rural and urban settings in Uganda hence there is a need for the improvement of the business incubation and acceleration environment for start-ups through policy reforms to improve the status of business incubators and accelerators in Uganda.

The findings of the study further showed that business incubators and accelerators are important for the growth of business start-ups and socio-economic transformation aimed at job, employment and wealth creation in Uganda. However, it was observed that business incubators and accelerators are not well facilitated to support the needed private sector development to match job and employment creation needs.

3.3. Characteristics of Youth Categories in Uganda

The Uganda National Youth Policy defines youth as all young persons aged 18 to 30 years. The definition of 'woman' as an adult female person of at least 18 years of age (Merriam-Webster Dictionary). In this study, women refer to adult female human beings or female persons.

Suffice to note that the analysis of the multiple data collected placed youth-led businesses in Uganda into four categories, which include rural based, urban based, formal and non-formal, with owners falling within the ages of 15-35 years. Each category of business was found to have not only distinct features, but also owners with different demands and aspirations as indicated in Table 1 below.

Table 2: Types of Youth Categories and their Characteristics

Youth Category	Their Characteristics
Rural-based youth businesses	• Owners live in villages • Have little or no education • Not exposed to modern way of life, such as use of social media. • Use little or no technology in their routine work life. • Engaged in subsistence farming, brick making and trading in maize, coffee and sorghum as source of income and livelihood • Access little or no information regarding the developmental programs that can empower them. • Engaged in village savings and Loan Association and SACCOs as a way of saving their money.
Urban-based youth businesses	• Owners well acquainted with technology, such as the use of smart phones in their line of work. • Educated. • Engaged in urban farming as a source of income. • Have bank accounts. • Have access to all the urban amenities that can improve their lives. • Can access developmental information through smartphones and computers.
Non-formal youth businesses	• Owners skilled in different enterprises, such as carpentry, tailoring and welding. • Some of them can read and write • Little or no exposure to advanced technologies, like the use of computers. • They are hands-on, since they have skills in different areas of their choices. • Their pay is based on the work done. • Have little or no say in most of the Government and community development programmes. • Most of them are self-employed. • Engaged in both subsistence and commercial agriculture.
Formal youth businesses	• Owners are educated, and hold university certificates, diplomas and degrees. • Most of them are unemployed. • They prefer using technology, especially smart phones and computers, in their line of work. • They are more theoretical than practical in executing their work. • They prefer short term gains to long term gains. • They are street smart in whatever they do. • Stay in cities where they can get a more comfortable life than living in villages. • Prefer white collar jobs to blue collar jobs. • Most of them who are employed, have start-up businesses as a side source of income.

3.4. Brief Status of Uganda's Economy

According to the World Bank in Uganda in 2021, Uganda's real gross domestic product (GDP) grew at about 2% in the financial year 2020 due to the COVID-19 pandemic (https://www.worldbank.org/en/country/uganda/overview#1). The agricultural sector which employs more than 70% of the labour force, productivity has stagnated for several decades.

Uganda business ecosystem comprises of multi-sectorial actors playing varying roles of importance to young entrepreneurs such as those involved in skilling, marketing, manufacturing, research, development, education, trade, community empowerment, access to finance, policy, social development, farming, religious and cultural support among other roles.

In agriculture, which employs more than 70% of the labour force, productivity has stagnated for several decades. The service sector, which has overtaken agriculture in terms of output, now accounts for over half of Uganda's GDP. The growth has been driven by areas such as telecommunications, finance, and real estate which are not labour-intensive and thus have not created decent jobs at a large scale.

Instead, most new jobs have been created in low productivity trade and small-scale agriculture. As a result, there has been increasing concern about a large and growing deficit of decent jobs. Uganda's labour force grew at a compound rate of 3.8% in the last five years resulting in 606,000 new job-seekers; yet only 147,000 formal jobs were created last year (Walter M., Mukasa R. et al., 2018).

3.4.1 Tackling Entrepreneurship Challenges in Uganda

The strong entrepreneurship culture that Uganda's small business has enjoyed over the years continues to suffer multiple setbacks, namely, limited accessto financing, a volatile and ever-changing tax regime and weak business development services support (Walter M., Mukasa R. et al., 2018). In relation to these challenges for mentioned, the study findings revealed that efforts to curb the challenges targeting business incubators and accelerators are being initiated, although most of the prominent ones are based in Kampala and more so they focus their support on mainly the agribusiness, technology and social entrepreneurship sectors.

3.4.2 Business Incubation Programmes for the Youth and Women

Documentary evidence illustrates that youth entrepreneurship is progressing, and is reported to have contributed to economic growthregistered in Ugandaover the last two decades(Ganamotse et al., 2017). Subsequently, there are increasing efforts by both Government and development partners aimed at scaling up the number of investable youth and women-owned enterprises through business skills development, mentorship support, and funding networks and ultimately potential investors. Some of the business incubator and accelerator programmes established specifically to support women-led enterprises include the following:

Makerere Innovation and Incubation Center (MIIC) in collaboration with AfriLabs and supported by Agence Française de Development (AFD) and Digital Africa has set up a women development programme that has been tailor-made to support and transform women-led ideas into viable enterprises. Capital Solutions Ltd in Uganda has an accelerator programme to support female social entrepreneurs to grow their businesses for high impact.

The US embassy has set up an academy for women entrepreneurship targeting female business owners with a focus on providing incubation support for those in the creative sector and women in technology. Women in technology provides Ugandan women and girls with business incubation training to acquire tools and skills in digital, business and leadership opportunities, as well as networks able to propel them into gainful employment and entrepreneurship.

The Innovation Village in partnership with Women Techmakers Kampala have created an incubation training programme to support women in different technologies. It has also created the 'Code Queen' programme to support women to learn coding/programming for free. The Stanbic Bank Incubator has created programmes to enable women to not only cope with COVID-19adverse impact, but also to reach their potential as business owners. The focus for the Stanbic Bank Incubator has been strategic in access to finance and access to markets.

3.5. Women and Youth Responsiveness

Findings of the study observed that statistics available do not reflect the correct extent of the business incubation and accelerator related interventions in regard to women and youth and as a result, little attention has been paid to documenting definite literature hence the need for studies on the satisfactory inclusion of women. However, evidence from a study by Davidson A. & Ndirangu L. (2020) reveals that incubators and accelerators in East Africa, in general, expressed interest in working with youth and/or women proprietor ventures. The study further mentioned programmes with specific designs to the youth and/or women,some with mandatory requirement by their funders.

According to this survey,up to 90% of business incubators and accelerators wanted to work with youth,75% with women and 35% of them had interest in the disabled. But how responsive are the women and youth in embracing these business interventions?

The findings revealed that most business interventions are started by men. Out of 23 business incubators and accelerators surveyed on their role in the growth of business start-ups in Uganda, only 3 were started by women, 2 were started by both men and women while the rest were all started by men.

This ought not to be surprising because a related baseline report demonstrates that two thirds of rural women are said to have not accessed business development services to support their opportunities. These services that include bookkeeping, business plan development, financial management, marketing and process improvement, among others, are critical for start-up confidence, as well as book keeping, the need for higher education/literacy, access to online learning, cost of training among others for sustainability.

AAIN has changed people's lives and families are able to save some money from the sale of farm produce and increased food security. It has equipped us with better business management skills in our group and we are able to plan for our own activities with the planning skills gained overtime. The Knowledge has been transferred to young ones in areas of improved agricultural practices using the business incubation model. Nakigozi Reginah, member of Zirobwe- Kalagala Business Incubation Hub in Luwero district.

Youth exchange visit to an incubation centre in Zirobwe, Luwero district

Two research assistants (L) interacting with some staff members at one of the business incubators

Table 3: Uganda Business Incubators and Accelerators SWOT Analysis

Strengths	Opportunities
• Well planned business incubation and acceleration activities to offer experiential and educative experience	• Stable political and governance environment for incubation and acceleration • Comprehensive development planning framework – Vision 2040, NDP III • Emphasis on regional integration and enhanced movement of persons, goods, and services, e.g. under East African Community (EAC) • Roll out of COVID-19 recovery and stimulus strategies • Limited awareness of business incubation models and opportunities by start-ups and SMEs • Limited capacity of Local Governments to plan, integrate and implement incubation management and development • Favourable agricultural taxation regime • High levels of unemployment • Incubation digital marketing and promotion • Health and safety laws for business incubation and acceleration. • Private Sector Foundation of Uganda (PSFU) offering business development advisory services • Uganda Development Bank (UDB) and Microfinance Support Centre (MSC) providing investment finance for business incubation and acceleration targeting start-up and SMEs; • Incubation now prioritised by the Ministry of Trade, Industry and Cooperatives using the parish development model • Development partners are increasingly designing business incubation packages and marketing them • Existing agriculture structures that can support agribusiness incubation such as appropriate technology (AT) development – OWC, NAADS, UCA, NAGRIC. • Leverage from existing government livelihood financing mechanisms; Emyooga, Youth Livelihood fund etc. • Leveraging private sector support through PPP to develop incubation and agri-tourism enterprises.
Weaknesess	**Threats**
• Lack of defined business incubator and accelerator product development guidelines • Limited research and knowledge about incubation management • Limited application of digital marketing • Limited market research and intelligence in appropriate technology (AT) markets and trends.	• Out-flow of youth from Uganda to more developed countries; • Macro and micro-economic challenges created by COVID19 pandemic; • High costs of doing business; • Inadequate infrastructural network resulting in limited accessibility especially in rural areas. • Youth negative attitude towards agriculture • Inability of the communities to cope with technological progress • Lack of an incubation policy, development strategy and specific regulatory framework • Limited incubation financing options and models in Uganda • Agri-tourism leading to increased spread of diseases.

Table 4. Business Ecosystem Stakeholders and their Roles in the Business Incubation and Acceleration in Uganda

Stakeholder	Roles
Ministry of Trade, Industry and Cooperatives	• Formulate business development and growth policy and strategic plan • Design competitive business products and services • Coordinate with other agencies to develop markets and trade development guidelines • Coordinate business development research and data collection.
Universities and Colleges in Uganda	• Research Studies and students' placements Technology development and transfer • Business Skills Development • Market research and development
Uganda Alliance of Incubators	• Sensitize communities on the importance and benefits of business incubation management • Support training of communities in incubation management development and monitoring • Lobby for funding for community based agritourism development
Uganda Business Incubation Management Experts	• Establish partnerships to support business incubation and acceleration development • Provide a coordination and advocacy platform for business incubators and accelerators • Lobby for funding for incubation management and development and capacity building • Support business incubation and acceleration along marketing and promotion • Ensure standards and legal support for startups and experts
Tourism and Hospitality Training Institutions	• Integrate agri-tourism training in the curricula and business incubation of agri-tourism sector in Uganda • Undertake research in agri-tourism development • Support the training and skilling of agri-tourism farmers
Agri-Tourism Associations/Networks	• Establish partnerships to support business incubation and acceleration development • Provide a coordination and advocacy platform for agri-tourism farmers • Lobby for funding for agri-tourism development and capacity building • Support business incubation and acceleration along agri-tourism marketing and promotion
Local Governments	• Mobilise and sensitise communities on importance and benefits of business development services • Integrate agri-tourism in the Local Government development planning • Support business incubation and development through the Parish Development approach
Ministry of Works and Transport	• Upgrade accessibility to key agri-tourism destinations • Support Local Governments and communities to enhance accessibility especially rural feeder road networks

Stakeholder	Roles
Ministry of Tourism, Wildlife and Antiquities	• Formulate agri-tourism policy and strategic plan; • Design competitive agri-tourism products; • Coordinate with other agencies to develop agri-tourism development guidelines; and, • Coordinate agri-tourism research and data collection.
Uganda Tourism Board	• Develop an agri-tourism marketing strategy; • Undertake market research on agri-tourism • Establish a quality assurance mechanism for agri-tourism product and experience offer.
Ministry of Agriculture, Animal Industry and Fisheries	• Ensure existing legal and regulatory frame works are aligned to cater for agri-tourism; • Develop agri-tourism health and safety guidelines; • Sensitize farmers on the importance and benefits of agri-tourism; and, • Support and promote green and climate smart agricultural practices.
Farmer Associations and Co-operatives (Uganda National Farmers Federation, etc)	• Provide agri-tourism farmers with agribusiness advisory services • Organise agri-tourism exchange and skilling programmes • Support agri-tourism marketing and promotion.
Ministry of Gender, Labour and Social Development	• Mobilise and empower communities to participate in agri-tourism enterprises • Develop strategies to increase employment opportunities in agri-tourism (especially for the youth and women) • Ensure agri-tourism development, promote gender equality and equity and social cohesion • Enhance labour and employment rights in agri-tourism • Initiate mind set change strategies especially for the youth with negative perception on agriculture as a source of livelihood
Private Sector umbrella Orga- nizations (UTA, PSFU etc.)	• Provide business and management advisory services; • Sensitise private sector actors on the importance and benefits of agri-tourism; • Lobby for funding of agri-tourism development.
Community-Based Tourism Associations (UCOTA, COBATI, etc.)	• Sensitise communities on the importance and benefits of agri-tourism • Support training of communities in agri-tourism development and management • Lobby for funding for community based agri-tourism development
Operation Wealth Creation (OWC)/National Agricultural Advisory Services (NAADS)	• Support agri-tourism farmers with modern farm inputs and technologies • Integrate agri-tourism in their priority funding areas • Participate in designing of an agri-tourism monitoring and evaluation mechanism • Integrate agri-tourism in the Parish Development Model.
Travel and Tour Operators	• Design agri-tourism packages and itineraries for emerging startups and SMEs; • Undertake agri-tourism marketing and promotion • Support training of their staff in agri-tourism tour guiding and interpretation.
Development Partners	• Support agri-tourism marketing and promotion • Support research and training in agri-tourism • Support building of international agri-tourism partnerships

3.6. Actors and Players in Business Incubation and Acceleration in Uganda

3.6.1 Common Actors in Uganda's Entrepreneurial Eco-system

Uganda's entrepreneurial eco-system is endowed with several actors and initiatives that are instrumental in the provision of youth and women-led enterprises. Several institutions and hubs in Uganda have created start-up competitions in various sectors in which youth and women can showcase their enterprises and have access to opportunities. These competitions and innovation challenges are said to produce incredible results, especially in building the confidence of women and youth to grow and develop their enterprises.

Universities:
In the case of Ugandan universities, for example, they are uniquely positioned to support the growth and development of youth and women-led enterprises through relevant programme training, whether at certificate, diploma or degree level.Universities only need to upscale practical approaches as opposed to theoretical training,so as to have a more hands-on management in the starting or growth of business by the beneficiaries.

Business Associations:
There are several business associations[1] all over Uganda in the business of supporting women-led and youth-led enterprises. Indeed, there is significant coordination and networking in their efforts to promote the women-led and youth-led enterprises. What needs to be enhanced in order to increase their output is to strengthen their capacity to produce widespread lasting growth and development. Based on these findings, the study proposes the strengthening of a structured coordination of these associations to create dialogue with the government in order to boost policy advocacy for youth-led and women-led enterprises.

Access to Finance:
According to the Argidius Foundations,[2] enterprises in Uganda are generally financed through self-investment and reinvestment of retained earnings or bank loans.The requirements for access to finance for women-led and youth-led enterprises are prohibitive, and frustrating to their access to bank loans. They are hindered by high interest rates, short loan terms, rigid loan conditions, hidden charges and complex application procedures. Development Finance institutions are stepping in to close the gap through providing investing funds of between USD 200,000 and USD 2 million for Ugandan enterprises. The other option that should be availed to the Ugandan women-led and youth-led entrepreneurs is the Public Private Partnerships (PPP), which will result in increased access to financing.

The Media:
The media has an important role to play in the growth and development of youth-led enterprises. Several televisions and radio stations discuss entrepreneurship topics, and many stakeholders rely on the media to promote and advertise their programmes. A deliberate drive to strengthen this mechanism by business incubators and accelerators will scale up the provision of appropriate training over the different media channels.

3.6.2 The Potential of Business Incubation and Acceleration

Table 5. Business Support Service Industry towards SMEs Stabilisation and Growth

<table>
<tr><th colspan="3">Actors</th></tr>
<tr><td colspan="2">Government Ministries Department & Agencies</td><td>Others</td></tr>
<tr>
<td>• Private Sector Foundation Uganda
• Enterprise Uganda
• Uganda Manufacturers' Association
• Uganda National Chamber of Commerce and Industries
• Microfinance institutions
• Uganda Small Scale Industries Association</td>
<td>• Ministry of Tourism, Trade and Industry
• Ministry of Agriculture, Animal Husbandry and Fisheries
• Ministry of Finance, Planning and Economic Development
• Uganda Investment Authority
• Uganda Revenue Authority
• Uganda National Bureau of Standards
• Uganda Export Promotion Board
• Uganda Industrial Research Institute
• Management Training and Advisory Centre
• Public universities</td>
<td>• Private universities
• Think tanks
• NGOs/CSOs</td>
</tr>
</table>

The table below lists various development agencies and the specific gender programmes being undertaken in Uganda. The business incubation concept can be used in executing the roles of each development partner given in **Table 6 below**.

Table 6. Development Agencies and their Roles in Business Incubation

Partner Agency	Key Gender Focus Areas	Principal Operations/Projects
Bilateral		
Department for International Development (DfID) UK	• Private Sector Development Financial Literacy • Strengthening • National Gender Machinery Public Finance Management • Gender and Education • Safe spaces for victims of GBV	UN Joint Programme on Gender Equality
Irish Aid	• Gender and HIV/AIDS • Gender-based Violence	• Joint UN Programme Support on HIV/AIDS in Uganda (JUPSA) • Women Entrepreneurship Development (WED)
Danish Cooperation	• Gender-based Violence	Youth and women
United States Agency for International Development	• Gender and HIV/AIDS • Gender-based Violence	• Development support • Youth and women
Canadian International Development Agency (CIDA)	• Gender and HIV/AIDS • Gender-based Violence	• Development support • Youth and women
Swedish International Development Cooperation Agency (SIDA)	• General Swedish Feminist Foreign Policy • Women Economic Empowerment • Women Political Participation Addressing SGBV and SRHR including maternal health	• CSOs – DGF, Diakonia • Research Programme with Makerere University
German Cooperation (GIZ)	• Gender-based Violence	Youth and women
Austrian Development Cooperation	Gender mainstreaming is integrated in all ADC's interventions	• Governance Sector: mainstreaming gender and human rights
Embassy of France to Uganda	• FGM Gender empowerment and gender equity.	• Supporting UNFPA-UNICEF FGM • Joint programme in Karamoja • Small projects on empowerment • and gender equity (AFRIpads and • Rafiki Theatre) - ongoing
Norwegian Embassy/ International Development Agency	• Strengthening Women Entrepreneurs in Uganda • Gender-based violence Research and training for Women Entrepreneur Associations	• Strengthening Women Entrepreneurs in Uganda UN joint Programme on Gender based Violence Women Entrepreneurship Development (WED)
Multilaterals		
United Nations Development Programme (UNDP)	Inclusive business development Equal opportunities	• Youth and women • Development support
UN Women	Women Leadership and Decision-Making Economic Empowerment of Women	Global Initiative on Women's leadership and political participation.
European Union	Gender equality and women/girl empowerment	Projects on women and girl rights, and empowerment
IFAD	Women and agriculture	Gender Strengthening Programme for Eastern and Southern Africa
FAO	Gender dynamics in agriculture water systems in Karamoja sub-region	FAO's Gender Equality Policy (2013)
World Bank Group	Impact assessment Budget support	Gender Innovations Lab
World Food Programme	Inclusive business development	
World Health Organisation	Gender and health, management of survivors of GBV. Gender and Human rights mainstreaming in health. Male Involvement in SRHR, HIV, and child survival.	Projects on women and girl rights, and empowerment

3.6.3 Business Incubation and Acceleration Models

In business incubation and acceleration programmes, research has indicated there are several models each designed to achieve specific objectives. An incubation model is broadly defined as the way in which an incubation entity provides support to start-ups to improve the probability of survival of the portfolio companies and accelerate their development. The models are categorised into three groups, namely individual, group-based or blended. The table below breaks them down to include benefits,challenges and success factors, as follows:

Table 7: Types of incubation models

Model	Benefits	Challenges	Success fsactors
Individual based models (coaching, one-on-one advisory, mentorship)	• Tailor-made to client needs • High likelihood to help a business overcome specific issues faced • On-site	• Man-hour intensive and costly • Requires trust and collaborative relationships • Risk of using the wrong service provider • Not easily scalable	• Quick, flexible, and careful selection of experts • Adaptive management • Experts with local knowledge • Long-term engagement
Group-based models (cohort, classroom, demonstration centres)	• Moderate costs • Peer-learning • Networking opportunities • Broadens thinking	• Less tailored to individual needs • Generic learning approach • Takes entrepreneurs away from their normal business operations	• Participants start from a common baseline • Short and action-oriented sessions • Location close to entrepreneurs • Peer-learning elements • Detailed planning • Part of a longer process • Needs assessments and customisation of sessions
Blended group and individual based models	• Has the benefits of both individual and group tools	• Man-hour intensive and costly • Requires trust and collaborative • relationships • Risk of using the wrong service provider • Takes entrepreneurs away from their normal business operations	• Detailed planning • Part of a longer process • Needs assessments and customisation of sessions • Quick, flexible, careful selection of experts • Adaptive management • Experts with local knowledge • Long-term engagement

3.7 Business Incubation and Acceleration to Support Women and Youth in Uganda

The success rate of business support to women and youth through business incubators and accelerators continues to be very low. Documentary evidence partly attributes this to lack of or inadequate deliberate efforts by the service providers in understanding the dynamics and roles of women and youth in entrepreneurship development and the finding the best ways to integrate and mentorship within the incubation programmes (Silver and Ahoefa, 2009). In Uganda, the study results showed that business incubators and accelerators assume that the youth and women will engage at the same level and derive similar benefits from the incubation programmes. Therefore, there is need for incubation support mechanisms need to be designed to address the different constraints faced by youth and women.

Further research conducted by the Forum for Agricultural Research in Africa, identified multiple factors responsible for tendencies of gender insensitivity by business incubators and accelerators, as follows:

- Business incubators often consider business models to be gender neutral. They do not recognise that men and women may have different gender related constraints.
- Business incubators and accelerators are unlikely to promote gender inclusiveness if it involves extra effort or additional resources. Decisions made connote always financial benefits.
- Business incubators may also subscribe to the stereotypes that women should not be involved in selected businesses, or that youth start-ups are unlikely to succeed. Negative perceptions have frustrated efforts to support their entrepreneurship.
- Business incubators and accelerators on some occasions acknowledge the relevance of youth and women inclusiveness but lack the skills and knowledge to integrate gender considerations in the design and delivery of incubation programmes.

In the same study proposed tools and models that seek to address the dismal performance of business support interventions to increase youth and women engagement, namely:

- Gender mapping of the business incubator programmes: These tools map and monitor the involvement of youth and women in the business incubation and acceleration programme, as well as shape reflections on strategies to bridge the gap.
- Gender-related constraint mapping: The tool enables deeper analysis and understanding of the constraints hindering youth and women participation in business incubation and acceleration programmes and develops strategies to address them.

- Actor analysis tool: This tool helps map the different stakeholders in youth and women engagement to understand their decision-making ability, and how they foster women and youth engagement in business incubation and acceleration programmes.
- Risk benefit analysis tool: This tool assesses the impact of business incubation and acceleration programmes on youth and women so that they do not adversely affect them.

3.8. Types of Business incubators and accelerators in Uganda

Beneficiary entrepreneurs in Uganda have numerous institutions, organisations and entities to choose from depending on the skills they desire to obtain. The most common ones are conducted by universities and other training institutions, while some are more specialized. Table 8 below lists the types of business incubators and accelerators in Uganda.

Table 8: Business Incubators/Accelerators and Support Structures

Business Incubators/Accelerators	Support structures
University incubators (Makerere Innovation and Incubation center; Kyambogo University Incubation centre)	• Business incubation for technology generated ideas and innovations from universities and SMEs across all sectors; • Supports innovation and research for industrial work and entrepreneurship; • Promote the development of new research and technology for companies within their facilities.
Virtual Incubators (Uganda Industrial Research Institute Virtual Incubation Programme)	• Operate across multiple locations; • Serve through computer and telecommunication networks; • Are technologically oriented and aim at transforming research into marketable products.
International Business Incubators	• Provide the entire package of support services for the development of knowledge-based businesses; • They create strong links with universities, research institutes, venture capital and international joint ventures.

University Business incubators:

The major goal of University Based Academic Incubator is to support the commercialisation of university projects, research and science especially in the areas of natural science, technology and development. Makerere University and Kyambogo University are the two institutions actively implementing business support programmes. They have reportedly designed different models and sizes as suitable to the respective initiatives. Makerere Innovation and Incubation Centre, for example, provides business incubation for technology generated ideas and innovations from universities and SMEs across all sectors. On the other hand, Kyambogo University Incubation Centre is said to support innovation and research for industrial work and entrepreneurship. The university business incubators and accelerators promote the development of new research and technology for companies within their facilities. Their success is invariably tied to their capacity to develop research.

A case in point is when the Makerere Food Science and Technology Incubation Centre hosted a tour of Uganda Investment Authority partnering with KACITA Women Entrepreneurs League (KAWEL). The aim was to expose them to processing and value addition in the agricultural sector. Part of the benefits of the study tour was the training extended on the importance of quality and branding their products. Suffice to observe that there more such innovations are needed through the university business incubation and acceleration programmes to strengthen their supportive function, which will facilitate more and more women benefit from the training and support programmes as a whole. This will go a long way in promoting women inclusion and addressing gender disparities in business incubation activities.

Virtual Business Incubators:

These are typically non-building-based ventures usually hostedby a university or researchcentre, and are characterised by their abilityto operate acrossmultiple settings. They have the flexibility to provide their services both physically and virtually using their advanced information technology. An example of a virtual business incubator is the Uganda Industrial Research Institute, a traditional business incubator run by the government of Uganda through its Virtual Incubation Programme has been instrumental in empowering youthand women into entrepreneurship by offering small and medium enterprise (SME) the opportunity to expand personal income and existing businesses through local market development and value-added food processing. (World Bank. 2014). For instance, in a recent programme under the Institute, 200 women were reportedly trained in different skillsets, including meat and cow bone processing, tailoring, and the production of quality facialmasks.

International Business Incubators:

International Business Incubators often provide the entire package of support services for the development of knowledge-based businesses. They are essentially export-oriented and show impressive growth rates and sales records. They create strong links with universities, research institutes, venture capital and international joint ventures. Some of these business incubators are beginning to create incubator networks within the same regions or countries, or with the same orientation and objective. Their strength is based on their capacity to share widely knowledge and resources, and on the linkages and synergies that can be created in a research and development framework. In Uganda, their linkages are multinational institutions, one prominent one being Stanbic Bank Uganda Limited.One common factor,however, is the low participation of women and youth in growing their businesses.

Micro Level Business Incubators in Uganda

The three business incubators described above are macro level; however, there are many other types of business incubators at micro level. A study by Kadama, (2014), for example, identifies five types of business incubators in Uganda and these include;

Mixed-Use Incubators:
These serve as start-ups, and their clients are from a wide range of industries and markets. Innovation Village in Ntinda, Kampala, is one example of a Mixed-Use Incubator.

Service Incubators:
These offer business incubation services to start-ups in service-related industries like hotels, tourism and transport.

Manufacturing Incubators:
These are incubators that cater for small and medium enterprises in manufacturing and assembly related businesses. They usually own technology and machinery that would otherwise be expensive for small businesses to purchase. Uganda Industrial Research Institute is a typical example.

Technology Incubators:
These are common in Kampala, and mainly support coding, programming, software and mobile applications development and general technology solutions. An example is Women in technology Hub.

Targeted Incubators:
These types of incubators focus on only one industry for incubation, and in Uganda, most targeted incubators tend to choose agribusinesses due to the fact that more than 72% of Ugandans are employed or involved in agriculture. Examples are Excel Hort Consult Agribusiness Incubator and CURAD.

Social Enterprise Incubator:
This is a type of social incubation that provides networking activities, business planning, entrepreneurship promotion, competence-based skills training and some enterprise-based management support with minimum impact measurement focused on returns on investment.

Market-led Incubators:
This is an incubator established purely on business principles, and whose sole purpose is to generate profit as its means of survival, growth and development. Market-led incubators will take on high potential entrepreneurs and accelerate them in a 3 – 6-month program. Unlike the tech labs, you will not be working on your terms, but rather it will be expected of you to make the most during your stay and invest all your time.

3.8.1 Common Business Incubator Products and Services in Uganda

According to ILO (2014), women face more challenges than men in terms of necessary capacities, skills and resources. It was found out that women in Uganda are also subjected to the established cultural practices and attitudes about women's roles in business. It is, therefore, pertinent that business incubators and accelerators upscale their efforts towards women and youth, which would automatically lead to reduced youth unemployment, among other economic benefits.

Therefore, programmes that support youth through access to finance and demonstrable focused training can be very instrumental in attracting youth to agri-entrepreneurship. Training guides in analysis and decision making to successfully venture in small and medium enterprises, hence the need to boost this area. Figure 4 provides an overview of products and servicesestablished to be common among business incubators and accelerators in Uganda.

Figure 4: Overview of Products and Services in Uganda

Table 9: Nature of Support provided by Various Actors

Support structures	Nature of Support provided
Several institutions and hubs	• Discovery of youth and women-led enterprises including innovation labs, business plan competitions, business incubators and accelerators addressing the need for the young enterprises.
The Universities in Uganda	• Training especially through certificate, diploma and degree programmes in entrepreneurship.
Several business associations in Uganda	• Dialogue and policy advocacy for youth and women led enterprises.
Development finance institutions	• Providing investing funds of between USD 200,000 and USD 2 million for Ugandan enterprises.
The media	• Several televisions and radio stations discuss entrepreneurship topics and entities rely on the media to promote and advertise their programmes.

3.8.3 Profile of Business Incubators and Accelerators in Uganda

National distribution of incubators:
The study was able to locate and profile 82 mostly business incubators, as well as accelerators in Uganda. The majority are located in the Central region, Kampala in particular for obvious reasons. Kampala is the capital city and the major economic hub of the country.

IT Compliance:
In terms of IT compliance, slightly over 50% of the sampled business incubators and accelerators in Uganda exhibited Information Technology compliance, including an operational website. The rest had Facebook pages, however they were also in the process of fully complying with IT. Some respondents were quoted saying "were in theprocess of putting up a website".

Private or Public:
The number of privately-owned business incubators and accelerators are significantly higherthan the government-owned. Suffice to note that some private ones are also funded by the government, but most of them receive their support from international organisations through collaborative partnerships. There was a strong presence of several incubators that included the Ministry of Gender, Labour and Social Development, Enterprise Uganda, and the Private SectorFoundation Uganda (PSFU) supporting business start-ups and providing development support services. Grounded collaboration was observed with institutions such as MasterCard Foundation, AVSI, PSFU, Uganda Industrial Research Institute (UIRI), Makerere University, National Agriculture Research Organisation (NARO) and Operation Wealth Creation (OWC)and NAADS, among others.

One research assistant (R) interacting with a business incubator manager at one of the business incubators

Selected Services offered:
Many business incubators and accelerators were found to offer different services ranging from mentorship and coaching to shared office space, financing, training, networking and connection to mentors, and investors. Apartfrom universities and a few government-affiliated institutions, most of the business incubators and accelerators are not into supporting innovations and technology development.

Dominance of Targeted incubators:
It was also found that a lot more funding was preferred to targeted incubators, most of whom are into agri-projects and businesses. This ensues from the wide base occupied by agriculture in the Ugandan economy.

Target group:
It is evident from the findingsexhibited above that there are considerable interventions targeted at women and youth. This is key and strategic for the country whose majority population (78%) is below the age of 30. This is coupled with a high rate of unemployment, which has caused the youth to embrace self-employment through business start-ups. This means that more and better support, enhanced access to financing, and more relevant training, should be directed at the youth to be able to survive the curse of businesses not celebrating their first birthdays (Key Interview Informant (KII), August 2021). Similarly, women have their challenges and impediments in their endeavours to uplift themselves entrepreneurially. Uganda's female managed non-farm household enterprises continue to be micro, informal and face bottlenecks to access high credit to grow their business as they do not have the necessary collateral always required by formal credit institutions (Guloba, Ssewanyana & Birabwa, 2017). Below are selected quotes in respect of the above arguments:

"Women are restricted by their husbands to engage in business related activities and prefer them at home taking care of the family and children." (KII, Eastern Uganda)

"Young boys and girls prefer get-rich-quick schemes and yet business in agriculture needs patience and time to gain." (KII, Eastern Uganda)

"Women and youth lack access to land and the renting costs are high. Even when you make losses due to droughts, the land owner still has to be paid." (KII, Eastern Uganda)

Because of the business incubation trainings I have received from AAIN in our group, I have been able to improve my farm production of cassava, ground nuts and beans. Because of good business management practices, production has increased by 10% and has been able to raise income to pay school fees for an online course. Olupot Emmanuel, member of Kapir Morukakise Multipurpose Cooperative Society Limited in Ngora District.

Adding value to maize to increase incomes

Table 10: Brief profile of Business Incubators and Accelerators in Uganda

Incubator/ accelerator & address	Type/ Ownership	Target market	Services offered	Sector supported	Region supported
Unreasonable East Africa now called Shona, Katutu Close, Ntinda, Kampala	Accelerator/ private	Entrepreneurs	10 months full time programme Fundraising Connection to mentors, investors and partners	All sectors	North, Central, West, East
Growth Africa, Ntinda, Kampala	Accelerator/ private	Entrepreneurs	Business acceleration Strategic advice Access to investments	All sectors	North, Central, West, East
Inccelerate, Kampala	Accelerator/ private	Entrepreneurs	3 months training, Mentorship Critical collaborations	All sectors	North, Central, West, East
Imuka Ventures, Makerere University	Accelerator /private	Entrepreneur	Provide direct access to finance and business development Provide investments support to entrepreneurs couple business expert mentors to offer technical business	All sectors	North, Central, West, East
Iventure Africa, Ntinda Kampala	Incubator/ private	Women, Youth	Business development Mentoring	All sectors	North, Central, West, East
The MakerSpace, Kamwokya, Kampala	Incubator/ private	Women, Girls	Coding academy Support collaborative learning Build solutions for communities	Technology	North, Central, West, East
ILabAfrica, Kampala	Incubator/ private	Entrepreneurs, Start-ups, Tech hubs	Ideation Prototyping Growth hack	Food delivery, Logistics, Supply chain, Agriculture	North, Central, West, East
Social Innovation Academy, Mpigi	Incubator/ private	Youth	Unleash potential of youth for positive change mentoring Create new solution in form of enterprise	Agribusiness, technology, and health	North, Central, West, East
UniTED Tutorials, Kampala	Incubator/ private	Youth, Innovators	Support social ventures	All sectors	North, Central, West, East
Hive Colab, Kanjokya, Kampala	Incubator/ private	Entrepreneurs	Offering digital entrepreneur access to internet A quiet professional working environment to develop their ideas Offering mentors to our members We enable them build their ideas to last	Technology	Central, Western
Outbox, Lumumba Avenue, Kampala	Incubator/ private	Entrepreneurs	Office space, conference facilities and high-speed internet connectivity Investments ready and linkage to potential funding opportunities Educate you on how to run your business. Tap into your community events and grow your opportunity	Technology, Agriculture, Health, Education and Transport	Central
Kumasi Hive, Kampala	Incubator/ private	Entrepreneurs/innovators, Youth	Start-up incubation Events and training Co-working space Consultancy and tech skills programme	All sectors	North, Central, West, East

Incubator/ accelerator & address	Type/ Ownership	Target market	Services offered	Sector supported	Region supported
UpAccelerate, Kampala	Incubator/ private	Youth, women	Train health workers Offer reproductive health Prevent gender-based violence Prevent teen pregnancies	Health	North, Central, West, East
Mara Launchpad Uganda, Kampala	Accelerator/ private	SME's	Financial services	All sectors	North, Central, West, East
Consortium for Enhancing University Responsiveness for Agribusiness Development (CURAD)	Incubator/ public	Youth, Women, Start-ups	Mentoring and coaching Financial services Research lab and machinery to develop products	Agribusiness	North, Central, West, East
Innovation Village, Ntinda	Accelerator and Incubator/ private	Entrepreneurs	Deliver lasting solution to challenges in the world Mentoring Financial services	Ag-tech,Energy, Insure-tech, Ed-tech, tourism, health supply chain, media and manufacturing	North, Central, West, East
Gudie Leisure Farm, Najjera	Incubator/ private	Youth	Mentoring Provision of financial services Transform youth into proactive, planned predictive and profitable entrepreneurs	Development,producer, health, networking, technology, tourism, innovation and financial inclusion hub	North, Central, West, East
Swiss Contact, Ntinda	Accelerator/ private	Entrepreneur	Enable business environment through research Business development Access to finance and linkages to farmers, youth and the market	Agribusiness and technology	East, west and central
Venture Hub, Bugolobi, Kampala	Accelerator/ private	Startups, Mature companies	Shared offices Investor connections Advisory	Technology,	North, Central, West, East
Makerere Innovation and Incubation Center. Kampala	Incubator/ public	Entrepreneurs	Mentoring Financing Prepare for investment and access to opportunities by private and public firm	Agriculture, education, tech, health, tourism, transport, and energy	North, Central, West, East
Jump Start Series, Natete	Accelerator/ private	Youth and women	Investments Provide financial services by increasing access to capital They give women and youth loans to start business	All sectors	North, Central, West, East
Startup Africa, Ntinda	Incubator/ private	Entrepreneurs	Network building Matching entrepreneurs to investors Make research to design intervention	All sectors	North, Central, West, East
Investor Program, Kampala	Accelerator/ private	Entrepreneurs	Access to information Market investment opportunities Promote packaged investment projects Mentoring Financial support	Agribusiness, technology and transport	North, Central, West, East
Ndejje University Business Incubation Center, Kampala	Incubation/ public	Youth	Financial support Mentoring Transform challenge into opportunities	Agribusiness,	North, Central, West, East
Stanbic Bank Business Incubator, Kampala	Incubator/ private	SME's	Mentoring Training Financial support	All sectors	North, Central, West, East

Incubator/ accelerator & address	Type/ Ownership	Target market	Services offered	Sector supported	Region supported
Kyambogo University Business Incubation Center, Kampala	Incubation/ public	Start ups	Mentoring Translate research into practical business solution Training Financing	Agribusiness, Technology and Health	North, Central, West, East
Design Lab, Kampala	Incubator/ private	Start ups	Office space Events hosting Mentoring and coaching	Technology	North, Central, West, East
Techbuzz Hub, Kayondo, Kampala	Incubator/ private	Entrepreneur	Mentoring Training Provide working space	Technology	Central
The Mawazo Innovation Hub, Mulago, Kampala	Incubator and Accelerator/ private	Entrepreneurs	Training Mentoring Financial support	Technology	North, Central, West, East
Witu Hub (Women in Technology), Kanjokya, Kampala	Incubator/ private	Women and girls	Training Mentoring Give life skilling to women Financial support	Technology	North, Central, West, East
The Space Hub, Lugogo Bypass, Kampala	Incubator/ private	Start-ups, Innovators	Business idea generation and support Office space	All sectors	North, Central, West, East
UTAMU Incubation Centre,Bugolobi, Kampala	Accelerator/ private	Start-ups and entrepreneur	Access to great ideas Access to talent Access to capital Access to customers	Technology	North, Central, West, East
Tech Hub, Kampala	Accelerator/private	Start ups	Business growth and acceleration	Technology solutions	North, Central, West, East
Renewable Business, Makerere, Kampala	Incubator/ private	Start-ups	Skill development Provision of development services Renewable energy business start-ups	Energy	North, Central, West, East
Venture labs, Kampala	Accelerator/ private	Entrepreneurs, developers, Research partners	Office space Networking Venture development	Technology	North, Central, West, East
Food Technology business Incubator, Makerere University	Incubation/ public	Entrepreneurs	Business Incubation Financing	Food processing	North, Central, West, East
MUBS Development Centre. MUBS, Nakawa	Incubation/ public	Students, Men, Women, Youth	Business incubation Financing	All sectors	North, Central, West, East
Go Big Hub, Ntinda Kampala	Accelerator/ private	SME's	Business financing Mentorship Investor connections	All sectors	North, Central, West, East
Yunus Social Business, Kanjokya street, Kampala	Incubator/ private	Entrepreneurs	Financial support Boost businesses Mentoring	Healthcare, Education, Agriculture and Housing	North, Central, West, East
Resilient Africa Network, Upper Kololo terrace	Incubator/ private	University students and researchers, -Innovators	Funding Innovations support	All sectors	North, Central, West, East
TexFAD, Sonde road, Kampala	Incubator/ private	Youth and women	Non formal hands-on skill training in textiles for job and wealth creation Training in non-formal skills	Technology and agriculture	North, Central, West, East
Tech buzz, Kayondo Kampala	Incubator/ private	Entrepreneurs	Mentoring Training Provide working space	Technology	Central

Incubator/ accelerator & address	Type/ Ownership	Target market	Services offered	Sector supported	Region supported
Artificial intelligence lab, Makerere	Incubator/ private	Entrepreneurs, Programmers	Machine learning Big data, Artificial intelligence skills Problem solving Mentoring	Technology, health, and agribusiness	North, Central, West, East
The Square, Kampala	Incubator/ private	Entrepreneurs	Mentoring Financing Training	Technology	Central
FinAfrica, Ntinda Kampala	Incubator/ private	Entrepreneurs	Help build high impact businesses Business clinic	All sectors	North, Central, West, East
Uganda Industrial Research Institute (UIRI), Nakawa Industrial area	Incubation/ public	Entrepreneurs	Financing Assist innovation Mentoring Improve performance	Technology, agriculture and health	North, Central, West, East
Enterprise Uganda, Lumumba avenue, Nakasero	Accelerator/ private	Entrepreneurs Business owners	Business enterprise start-up tool Mentoring program Financial literacy	All sectors	North, Central, West, East
Private Sector Foundation Uganda (PSFU), Kampala	Incubation/ public	entrepreneurs	Provide information Financing project Training Mentoring	Technology, agribusiness and health and tourism	North, Central, West, East
Renewable Energy Business Incubator (REBi), Sir Apollo Kagwa, Makerere	Incubation/ public	Renewable energy businesses	Nurturing renewable energy business start-ups Provision of business development services Vocational skills development Piloting renewable energy technologies.	Renewable Energy	North, Central, West, East
Child Rights Empowerment and Development Organisation (CEDO) , Kawanda ,Wakiso	Incubator/ private	Adolescents, women and children	Apprenticeships Toll free line for counseling, Skills training, Start-up kits like beehives, UBF biodiversity fund gives trees	Health, Agribusiness, Education	North, Central, West, East
Huys Link Community Initiative (Huyslinci), Entebbe, Wakiso	Incubator/ private	Youth, school dropouts	Skills training, Loans and start-up kits, Industrial training/internship	All sectors	Central
Business Incubation Initiatives, Lumumba avenue, Kampala	Incubator/ private	Entrepreneur	Access to mentors Training Share space Financing Share professional assistance	Agribusiness, technology and health	Central
Start-Up Uganda, Yusuf Lule road, Nakasero	Incubator/ private	Youth and Women	Mentoring Financing Training	Technology and agribusiness	North, Central, West, East
EnstartUp, Mulira close Wakiso	Incubator/ private	Entrepreneurs	Access to account discount Contact identification Mentoring Financing	All sectors	Central
UCU Innovation Hub, Mukono	Incubation/ public	Students, Youth	Innovation support Incubation	All sectors	Eastern
Innovation program for community transformation (Inpact).	Incubator/ private	Entrepreneurs, Youth, Women	Business Incubation Mentoring Fund raising	All sectors	North, Central, West, East

Incubator/ accelerator & address	Type/ Ownership	Target market	Services offered	Sector supported	Region supported
Uganda Green Enterprise Finance Accelerator, Kampala	Incubator/ private	- Green enterprises	Facilitating tailored loans Direct acceleration support	Environment, Climate change	North, Central, West, East
Hi-Innovator, Lumumba avenue, Kampala	Accelerator/ private	entrepreneurs	Access to entrepreneurial knowledge Mentoring & funding Technical assistance to your small business	All sectors	North, Central, West, East
UpAccelerate, Kampala	Incubator/ private	Youth	Funding Mentoring Business training	Health	North (West Nile)
Google Launchpad Accelerator Africa, Kampala	Accelerator/ private	Start-ups	3 months programmes Mentorship and access to experts Funding and project partnerships	Health, Technology	North, Central, West, East
Spring Accelerator, Kampala	Accelerator/ private	Adolescent girls	Socioeconomic empowerment Market inclusion Private sector solutions	All sectors	North, Central, West, East
United Social Ventures, Kololo Kampala	Incubator/ private	Start-ups	Training and advisory services for social entrepreneurs starting their journeys.	- Social ventures	North, Central, West, East
Starthub Africa, Ntinda, Kampala	Incubator/ private	- University students/ Youth	Scalable university start-up program Growth catalyser	-Banking	North, Central, West, East
Excel Hort Agribusiness Incubator, Mbarara	Incubator/ private	Youth	Skilling and talent development Market development Financing Mentoring Agro-tourism	Agribusiness and Technology	Western
Innovation & Business Management of Pharm-biotechnology and Traditional Medicine Centre (Pharmbiotrac), MUST, Mbarara	Incubation/ public	Talented focused and qualified candidate	Offer approved herbal medicine Mentoring Financing Training	Health	Western
Awa foods	Incubator/ private	Youth, Women	Yogurt processing Internships Skills training	Agribusiness	Western
Kitara Farm	Incubator/ private	Youth, Women	3 months full training Start-up kit and construction	Agribusiness	Western
Biglad Agri-tourism farm Ltd	Incubator/ private	Youth, Women, men, farmers	Agro-tourism Agribusiness skills training Internship	Agribusiness	Western
Kidukuru piggery farm	Incubator/ private	Farmers	Piggery farming best practices Training and mentorship	Agribusiness	Western
Sabiti David Farm	Incubator/ private	Youth, Farmers	Free land for cultivation Training Paid work on the farm	Agribusiness	Western
African Volunteers Association	Incubator/ private	Youth, women	Community development and environment conservation training	Agribusiness	Western
Caka Divine Valley Mixed Farm	Incubator/ private	Youth, Women	Internships Skills training	Agribusiness	Western

Incubator/ accelerator & address	Type/ Ownership	Target market	Services offered	Sector supported	Region supported
The Centre for Innovations and Technology Transfer, Mbarara University	Incubation/ public	Health	Mentorship Skilling Technology transfer Commercialisation of innovations	All sectors	North, Central, West, East
Mbarara Innovation Incubator, Mbarara	Incubator/ private	High-tech entrepreneurs, Start-ups, Academics, Researchers, Think tanks	Office space & flexible lease terms Access to technology & financing Technical support (Marketing, legal, HR)	All sectors	North, Central, West, East
Busitema University Technology Business Innovations and Incubation Center, Tororo	Incubation/ public	Start ups	Mentoring & Training Creation of job opportunities for start-ups and growing entrepreneurs Financing	Technology, Agribusiness, Health and Education	Eastern and Central
Youth future farmers of Africa (YoFFA)	Incubation/ public	Girl child, students	Training skills Mentoring	Agribusiness	Eastern
Anchor Foods	Incubator/ private	Farmers	Financing Training skills Mentoring	Agribusiness	Eastern
Iwemba Kapyamba business hub	Incubator/ private	Farmers	Training skills Seed loans Fertilisers	Agribusiness	Eastern
Bulidha Budhaya Young Farmers Cooperative Society (Business Hub)	Incubator/ private	Farmers	Training skills Seed loans Business loans	Agribusiness	Eastern
Gulu University Business Incubation Centre (BIC), Gulu	Incubation/ public	Farmers	Cassava processing Machinery Skills training	Agribusiness	Northern
Business Incubation & Enterprise Development Centre (BINDEC). Lira	Incubator/ private	Entrepreneurs	Equips and empowers youth/women with skill Resource mobilisation	All sectors with an Agribusiness bias	Northern
Jerap Organics Farm	Training centre/ private farm	Farmers	Training youth/women in money income generating activities	Agribusiness	Northern

3.9. Constraints faced by Business Incubators and Accelerators in Uganda

Business incubators and accelerators support the growth and development of Micro Small and Medium Enterprises (MSMEs) that play a vital role in the development of economies and societies. The MSMEs in turn are instrumental in job creation, hence contributing to the generation of domestic income. Countries with more SME employment tend to experience higher growth, as SMEs tend to employ more labour-intensive production processes than large enterprises, and that as a result they create more employment opportunities.

However, Uganda has very limited number of accelerators and incubators to match the demand, and even those existing are faced with multiple constraints consequently hence offer limited support to their clients and associates. Table 11 below discusses some of the major constraints and their causes:

Other constraints as raised in the study by the various key informants noted incubates dropping out of training prematurely; long and tedious process and requirements for starting a business; lack of high taxes imposed on small and medium struggling businesses; access to information and opportunities in business incubation; lack of markets coupled with price fluctuations; and low production due to unpredictable weather.

Table 11: Seven Top Ranked Constraints and their Respective Causes

Constraints	Reasons
1. Limited access to incubation capital and financial products	The key constraints to growth which business incubators and accelerators feel confront them are financial. They centre around both limited access to finance and options for supporting emerging start-ups and SMEs from incubation ecosystem
2. Lack of Infrastructure and Space to support business incubation clients	Most business incubators and associate accelerators indicated lack of space, assets and equipment to support incubatees. The majority do not have even mentorship space or simple tools to engage start-ups and SMEs with practical skills to meet their business needs as expected.
3. Lack of incubation tailor made policies and standards at national and regional level	Uganda as country does not have a policy on business incubation management despite having supportive policy instruments in place to support business development and management. This creates deficits interms of understanding incubator and accelerator needs, hence limited investment and support to incubation management in Uganda.
4. Limited access to ICT based solutions by business incubators and accelerators	The research has also highlighted that in Uganda, a majority of business incubators and accelerators do not have access to the internet. Internet penetration is lowest among micro-sized businesses (at 31%), half the proportion of medium-sized MSMEs who have access. 40% of existing business incubators and accelerators operate outside urban areas with very limited internet services
5. Limited skills and competencies in business incubation management	Majority of business incubators and accelerators staff do not have basic understanding of incubation management practices and tools. Some do not even understand the subject but find themselves doing incubation by accident.There are no institutions or incubation management training centres to support existing and emerging business incubators and associates in Uganda
6. Limited materials and tools to support incubation management	Existing incubators and accelerators use old materials and tools that do not match current client demands and interests. There's is limited update and acquisition of new materials due to lack of capital and financing options for business incubators and accelerators in Uganda
7. Un coordinated markets for business incubator and accelerators products and services	There is not strong network or association of business incubators and accelerators to coordinate their business and products. The existing networks is urban based and still weak in terms of resources to cover the country and reach emerging potential business incubators and accelerators

3.10. Skills and Competency Gaps in Business Incubators and Accelerators in Uganda

According to Mwine (2019), Uganda is the leading country with the highest number of women enterprises. The index follows the gender gap among business owners, comparing their numbers against those of men-owned enterprises and considers women business owners who employ at least one person other than themselves. The index report reveals that the adoptionof entrepreneurship as a survival mechanism has led to the rapid increase of women-led enterprises in Uganda.

The report has already highlighted impediments to women and youth efforts, and suggested possible remedies tailored around business incubation and acceleration. Findings from secondary data highlighted the skill gaps faced by business incubators and accelerators in engaging youth and women as:

- Setting clear expectations that bring out ideal changes in the youth and women;
- Designing delivery methodologies that combine group training and one-on-one follow-up to ensure efficient skills transfer and customisation for youth and women;
- Building the capacity to ensure the skills transferred to women and youth are sustained;
- Understanding the context and needs of the youth and women in programme design and execution; and, Utilising monitoring and evaluation to make significant contributions to evidence-based decision-making and lead to efficient and effective programmes.

The study results revealed that in Uganda, accelerators and business incubators offer several sets of services including structured training seminars and workshops, strategy development, information, premises for incubation, technology transferand commercialisation, and micro-finances among others. These services are typically complemented by targeted networking activities with investors and donors accordingto their requirements and specifications. Primary information observed that youth and women-led enterprises under business incubation and acceleration face several constraints, among which are:

Inadequate access to collateral:
To access financing from banks, the youth and women-led enterprises need to provide collateral which they usually don't have. The World Bank report (2013) estimated the value of collateral needed for a loan as a percentage of the loan amount at 174.1%. This is completely unaffordable for youth and women-led enterprises and thus limits access to financing for their enterprises.

Competition from large enterprises:
Compared to large enterprises, youth and women led enterprises are less efficient and incur higher production costs which affects their access to markets.

Lack of information:
Few youths and women have the capacity to use technology to research the internet for partners, markets or technical information.

Lack of self-confidence:
Women in Uganda lack the confidence to conduct business due to cultural and religious beliefs that have led them to believe that business is for men. These beliefs affect their ability to be creative and develop entrepreneurship skills.

Cultural Factors:
Women find it difficult to balance their business management and home duties.

Lack of Capacity:
The market structure for incubator products and services is based on the perception that incubation centres are providing effective support to business start-ups. On the contrary, here in Uganda, few successful entrepreneurs emerge from the support rendered by the incubators. It is developing that many incubators lack capacity, and hardly accommodated more than ten start-ups. Considered as critical, this space for business factor has consequently attracted the attention of funders.

3.10.1 Innovations and Technologies for Commercialisation

Innovations and technology provide an avenue for youth and women engagement in Uganda through easier access to information and knowledge. The National Development Plan II observes that notwithstanding the exponential growth in the Information Communication Technology sector in Uganda, several challenges still hinder the further growth of the sector resulting in no advancement in technology upgrading and modernisation for the youth and women programmes. These challenges include:

Lack of commercial orientation for ICT innovations, low uptake of e-services, limited digital content, poor quality of service, damage to infrastructure and a high cost of internet bandwidth are some of the shortcomings encountered by the sector.Furthermore, the ICT developments have not been matched with equal access to platforms which are customized to provide the youth and women with information and links to local and international opportunities.

However, the Science Technology and Innovation (STI) networks and advocacy groups have created a range of support services to address low innovations and technologies for youth and women engagements. These include: development to gender-based policies and support frameworks; creating networks with like-minded peers; creating forums for meeting and networking with women in technology; providing career information on opportunities for internships and scholarships to support female university students to continue their studies and pursue STI careers; mentorship, training and technical support and policy advocacy services, conferences, and mentoring opportunities.

Other existing innovations, models and technologies in Uganda with high interest and potential for youth and women engagement include:

- Co-working spaces created at incubation centres where people can work from, and also interact with others; Trade fairs and events;
- Aggressive advertising campaigns for incubation and training programmes encouraging youth and women to participate;
- Price awards for women businesses to acquire funding – a case in point is where a finalist of UNCTAD's award for women in business gets $10 million from her government to build a fresh juice factory that will promote sustainable agriculture and improve livelihoods
- Women mentorship programmes like MEMPROW Uganda, which brings together young girls to provide them with the skills and knowledge to succeed in their ventures.

3.10.2 Performance of MSMEs in Uganda

Previous studies have demonstrated that MSMEs are instrumental in the growth of the Ugandan economy. Apparently, MSMEs collectively constitute about 90% of private sector production, and employ over 2.5 million people (Uganda Investment Authority ,2019). In character, they are diverse in nature, widespread in the industrial sectors, and commanding coverage of as many as ten sectors comprising five percent or more of the overall base of MSMEs. It is highest in the agricultural sector (14%), followed by the education & health sector(13%), and recreation & personal (10%).

Ownership of MSMEs:
Statistics also illustrate that MSMEs in Uganda are relatively young enterprises, with a majority (69%) aged between one and ten years. The entrepreneurial nature of the Ugandan MSME environment is highly visible, as findings indicate that nearly nine out of ten owners started business using their own resources, and nearly three quarters operate as sole proprietorships. MSMEs are run and typically managed by owners, with under a third (31%) having a manager who oversees operations. Owners are also relatively well-educated, with over half having secondary education or higher.

Location of MSMEs:
MSMEs' main clients are far more likely to be individuals (81.1%) than companies, and in most cases (66%) MSMEs operate in the same immediate local area as their customers. From each of the typical five members of staff, normally one is a relative. Moreover, MSMEs rely on personal contacts for information, and say that friends and family are key players in finding out about suppliers (63%) and are also more likely to have provided start-up funding than formal lenders. Talking to customers is the main way that MSMEs find out about business opportunities (73.9%), yet perhaps because they are small, only 15% of MSMEs belong to business associations (National Small Business Survey of Uganda (NSBS), 2015).

Progress by Start-up Projects:
The study revealed that some clients used incubators to help acquire support in forming creative start-ups to acquire assets, register and incorporate their businesses. They have created social platforms, established physical addresses, and a few started new branches. One owner interviewed said;

"With software incubation support we were able to develop a number of services for sale to our clients. As a software developer, we developed Nandoz which is selling globally, creativity in motion that is sold locally and we managed to expand to Kenya and Rwanda. In addition, new jobs were created for our fellow youth interested in the software business."

The Market Structures:
The market structure for incubator products and services is of basic importance in the process of establishing links between researchand business. They provide supportservices to start-upfirms, enabling young entrepreneurs with high acumen to improve on management skills and innovatively develop their businesses. In addition, given that incubation takes place both physically and virtually, support services to the enterprises are provided through the internet, which is also a remedyfor limited physicalspace available for start-ups.

Through this, incubators have helped start-ups tackle management problems by equipping them with the basic techniques with a variety of value-added services. The driving force (in incubator programmes) is the supply of expertise, capital and support that comes from assistance activities directed towards filling the voids in entrepreneurs' abilities (Duff, 1994). Table 12 below lists some of the start-ups successfully incubated in Uganda..

Table 12: Examples of Start-ups Incubated in Uganda

Sector	Start-ups in Uganda
Agriculture	**Famunera** is an online marketplace for agriculture products; **MoBFIT** (Mobile Business Financial Information Tool) is a GSM supported marketplace that allows farmers to pre-sell their produce to buyers before harvest; Jaguza Farm provides livestock farm monitoring solutions; **Metajua** is the provider of sourcing software for agricultural products; **Agro Value Chain Manager** is an online platform to buy agriculture products and farm produce. It allows farm input suppliers, farmers, collection centers, and consumers to sell and buy products; **The Agadvisor** is an AI-powered virtual assistant for farm management; **MyFarm** provides livestock farm management solutions; Green Grocery is an online farm to home delivery of food items; Women Smiles Uganda is a manufacturer and supplier of vertical farming systems; **Agro Market Day** is a mobile application developed by Likamis Software that provides an online marketplace for farmers to sell their farm produce to the retail buyers.
ICT	Eco System for Telecommuting in Uganda; **SANPAY** - A mobile application technology that empowers mobile-money users to instantly pay for goods and services by scanning bills with their phones; **My Musawo** - An app that allows Ugandans to have immediate access to medical experts, services, products and information; **The Cradle** - Online Early Childhood Development Application; **COVID-19 DATA ENGINE** - Innovation to churn COVID related data into useful insights; **GOGP** -Telemedicine application - Telemedicine application which by video chat remotely connects those in need of medical assistance with qualified doctors; **Nzani Hub** Skills Platform for COVID19 response; **Zoora** - is a community empowerment platform for digital education for VSLAs; **skooldesk** - A web based platform that improves proficiency levels in English, Maths and Science.

A research assistant (behind) being taken around an agri-tourism incubator

A research assistant (extreme left) at one of the charcoal briquette-making business incubators

Chapter Four

4.0. Market Drivers for Business Incubation and Acceleration Products

4.1. Business Market Drivers for Products and Services in Uganda

Despite acknowledgements of successes reported by many business start-up owners as a result of incubation support, they also reported that there remain various market constraints or bottlenecks impeding their growth. Respondents in both Focus Group Discussions and Key Informant Interviews stated that the lack of access to adequate finance is the biggest hindrance. This is due in large part according to respondents, to lack of collateral security.

Consequently, start-ups have either suffered still birth, or businesses have failed to grow. Some incubators indicated that a lack of entrepreneurial mindset of beneficiaries, also led some to fail despite support, especially those starting a business as a stop-gap measure for employment (a necessity as opposed to opportunity) has led to collapse of many entrepreneurial projects, as they become secondary once a job is secured. Figure 5 below illustrates findings of the study.

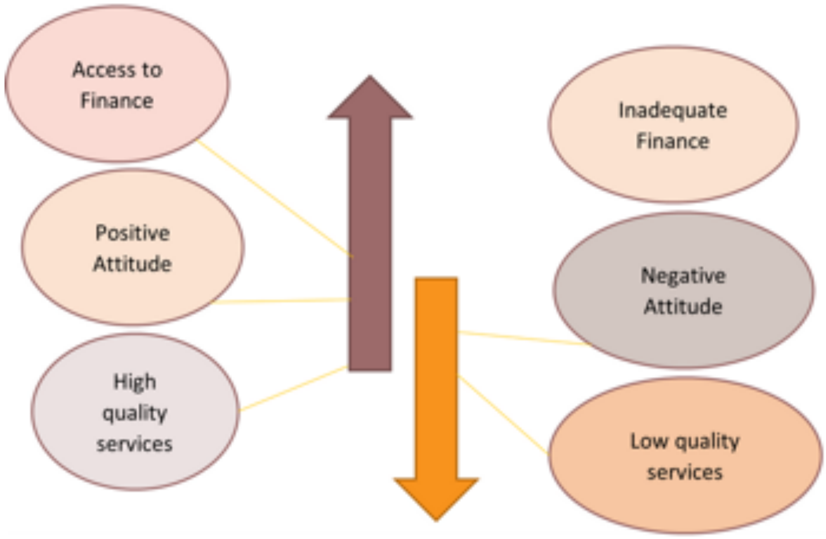


Figure 5: Business Market drivers for products and services

It does not end at lack of start up capital, most start-up are really small hence unable to attract significant funding able to propel faster growth. Linked to business sizes is finding trusted and stable workers, given that the youth of today are suffer grave financial indiscipline. They desire quick money, and they are hasty to look for the higher bidders.

Respondents of this study also pointed to lack of trust of the programme products or services, which are said to be of poor quality. Business owners argued that their businesses were reporting low sales because of potential clients doubt the capacity of start-ups to deliver sizable orders. Other common impediments reported included cost of operation, nature of products, weak managerial experience that affects decision making, conflicts among business owners, among other problems. In one FGD, a business start-up owner said :

"I have had many quarrels with my partner because he wanted us to buy a car and yet it was not a priority. So, we ended up parting ways and now I work with my employees because I retained the business name and customers."

The study resultsfurther established the followingas top 5 market drivers for incubator products and services in Uganda:

- Relevancy of the product/service
- Quality of the product/service
- Reliability of the product/services
- Price offer for the product/services
- Value of the product/services
- Accessibility of the product/services
- Traceability of the product/services

4.1.2 Value Chains with High Potential in Agriculture and Agribusiness

Uganda National Development Plan NDP III (2020/21 – 2024/25) gives priority to agriculture commodity value chains. The Parish Development Model introduced in Uganda in 2021 is a strategy for economic transformation, and provides guidelines on key regional and national agriculture value chains. During the study, women and youth voiced the following as the key priority value chains as highlighted in Table 13 below.

Table 13: Ranked Value Chains in Uganda

Value Chain	Why
1. Horticulture/Vegetable Growing	• Require less land
2. Horticulture/Fruit Growing	• Less capital investment
3. Poultry Farming – Eggs and Broilers	• Quick Returns
4. Rabbit Farming	• Easy management
5. Aquaculture: Urban Fish Farming/Processing	• Simple Management Technologies
6. Grains/Cassava Processing	• Availability of market
7. Dairy Value addition and processing	• Cool and sexy
8. Oil Seeds and Rice production - Marketing	
9. Bee Keeping Enterprise	
10. Banana and Potato production and marketing	

4.1.3 Criteria for the Selection of Value Chains and Enterprises

The criteria for selection of value chains and enterprises led by youth and women in Uganda have been driven by developments of the digital economy. However, this has since been reinforced by a new innovation, namely, start-up accelerators. Accelerators are fixed-term, cohort-based programmes that might include seed investment, connections, mentorship, educational components, and culminate in a public pitch event or demo day to accelerate growth. The accelerator uses the MVP (Minimum Viable Product) principle. The key difference with business incubators is that accelerators are intense and time-constrained programmes to transmit a large amount of information, knowledge and know-how in order to improve the chances of a start-up's survival and accelerate its growth. Intakes into acceleration programmes are often cohort-based and highly competitive to ensure participating start-ups are of high quality.

Overall business incubators and accelerators are silent about the selection criteria they apply when choosing candidates for their programmes. It comes as no surprise that there is very limited scientific evidence on this aspect and accelerator literature is in its infancy. Most publications with a focus on business incubators and accelerators concentrate on their impacton start-up performance.

Accordingly, in the first stage, a call is put out either online, offline or both and applicants are asked to register and provide detailed business-specific data by answering a long list of predefined questions. Based on the provided information, the start-ups are profiled by experts. The profiles are then initially screened and candidates who do not meet the minimum requirements are dropped. The successful projects proceed to the interview stage. Based on the interview performance, further projects are eliminated based on specific selection criteria, leaving the successful candidates to be officially accepted into the business incubation or acceleration programme. Figure 6 shows the selection process.

4.1.4 Selection Process

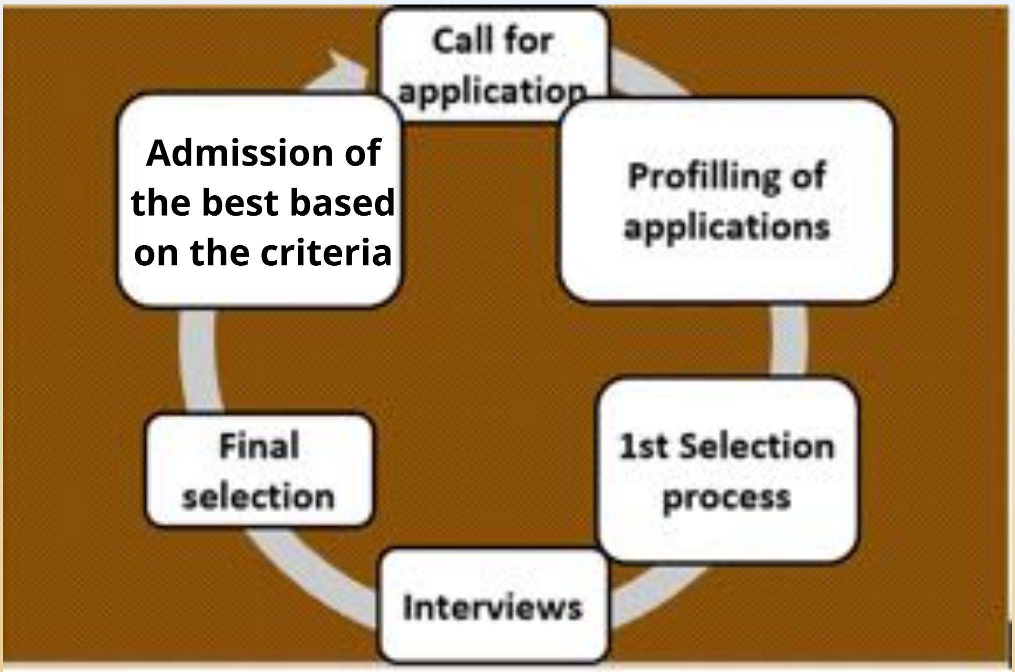


Figure 6: Selection process (AAIN 2018)

Depending on the objectives of the incubator or accelerator, they may specialize in one or more value chains which may or may not be of interest to youth and women as programme participants. The incubators may also focus in on a specific node within the value chain and their clients are given the appropriate support to participate.

At the national and district level, high potential value chains have been identified through selection criterion which was applied to existing value chains. The value chain selection process should be iterative and continuously refined but how this happens and connections to innovation are unclear.

Common criteria that are used center around:

- Potential for large impact - the number of individuals affected, the degree of impact, the characteristics of these people in terms of wealth, gender, age, ethnicity, migration status etc;
- Ease with which interventions can be tracked;
- Demand driven context of the development partners;
- Identifiable private sector partners;
- Available competencies;
- Few look at potential t attract and retain youth and women in business;
- Institutional access to effect change;
- Supportive context policy.

Table 14: Selection criteria for business projects

#	Category	Criterion	Description
1	Business project related criteria	Extent of innovation	scientific, technological or knowledge base supporting the entrepreneurial project, as well as the distinguishing items that increase its value
		Extent of invest ability	Extent of invest ability is understood to target a market niche and business pattern, which allows the project to increase it
		Stage of the business	current extent of the project development and its capacity to execute a minimally viable product/service throughout the acceleration period
		Extent of team consistency	Individual skills and competences of each of the business project members, while also considering the multidisciplinary nature and degree of complementarity of the members to measure whether team balance and previous entrepreneurial and professional experience, particularly in the sector of application, enables a team to design, execute and accelerate the project. This variable also evaluates the project sponsors' degree of commitment and dedication
2	Entrepreneurship skills	Negotiation	Capacity of team members to reach profitable agreements and solutions
		Creativity	The ability to generate new ideas leading to original solutions to develop the product or service
		Team work	Measures the personal abilities and competences of the entrepreneurs according to the results of several exercises and group dynamics. It measures aspects like collaboration, initiative and conflict management.
		Communication	Relates to the exchange of information about the venture
3	Gender Inclusiveness	As according to programme specifics	Percentage of Women and Men, Youth to participate
4	Value chain Focus	Programme specifics	Mainly based on the National development plan focus

4.2. Existing Policies and Government Initiatives for Youth Engagement and Support

The government of Uganda, through various Ministries, Departments and Agencies (MDAs), has developed a number of national policy frameworks to promote effective rural and agricultural development in the country, including focusing on improving the levels and quality of financial inclusion for lower-income or disadvantaged people. They have been improving them in the subsequent National Development Plan, beginning with NDP I (2010/11-2014/15); NDP II (2015/16 – 2019/20) and now NDP III (2020/21 – 2024/25). Some like the NDP III 2020/21 – 2024/25 recognises that limited access to agricultural financial services keeps women and youth dependent on subsistence agriculture. Hence one of the key objectives of the plan is to increase mobilisation, equitable access and utilisation of agricultural finance through finalising and implementing the Agricultural Finance Policy, among other interventions. There are other policies and strategies that aim at strengthening agricultural financing in Uganda. Find a summary in the Table 15 below:

Table 15: Existing Government Policies that Support Youth and Women

Existing Policies in Support of Youth and Women in Uganda	Initiatives and Strategic Programmes for Youth and Women Engagement in Uganda
1. The National Agriculture Policy (2013): This policy aims to provide guidance to all actors in the agricultural sector that wish to "increase agricultural incomes, reduce poverty, improved household food and nutrition security, create employment and stimulate overall economic growth". One of the operational goals of the policy is to promote financial services to enable farmers to access agricultural inputs, services, and equipment along the value chain	The Youth Livelihood Program: Since the YVCF did not realise all of its intended objectives, a new flagship programme called the Youth livelihood Programme (YLP) was launched in 2013 by the GoU. The YLP, under the responsibility of the Ministry of Gender, Labour and Social Development, seeks to provide to unemployed young people (aged 18–30) in all districts of Uganda with: fordable startup credit without collateral to establish income generating activities; 5 marketable vocational skills and tools for self-employment and job creation; and entrepreneurship plus life skills training.
2. The National Financial Inclusion Strategy (2017-2022): The strategy's vision is that all Ugandans have access to and use a broad range of quality and affordable financial services which helps ensure their financial security. The strategy's priority areas include women, youth and rural populations	
3. The National Strategy for Financial Literacy (2019-2024): The vision is that all Ugandan have knowledge, confidence and skills to manage their money well. The priority group of the strategy are youth aged between 15- 35. The strategy was developed to integrate financial literacy in the teacher training curricula, university life skills programmes and existing youth programmes.	The Youth Venture Capital Fund: In 2012 the GoU in partnership with three Banks (DFCU Bank, Stanbic Bank and Centenary Bank) committed to provide subsidised credit to young entrepreneurs at an interest rate of 11% per year (lower than the market average, at that time, of 23%), on a revolving basis. The Fund was explicitly meant to support the growth of viable and sustainable micro, small and medium-sized enterprises (MSMEs) managed by young rural entrepreneurs.
4. The Agriculture Sector Strategic Plan (2015–2020): This plan seeks to increase household incomes and food security. It has a specific focus on fostering the shift from subsistence to commercial agriculture in the country, with the objective of creating additional employment opportunities (especially for young people and women), increasing household incomes and strengthening food security.	Emyooga (2020): The Ministry of Finance, Planning and Economic Development launched the presidential initiative in 2020 on wealth and job creation (Emyoga) with the intention of promoting saving culture and eradicating poverty among the Ugandans. The project is targeting organised groups of people with an existing saving scheme.
5. The National Strategy for Youth Employment in Agriculture (2017): The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) in collaboration with other Ministries, Departments Agencies (MDAs) and nonstate actors worked to strengthen a legal, policy and institutional framework to create an enabling, sustainable, and profitable environment for youth along the various aspects of agriculture value chains. The focus was put on removing the obstacles and binding constraints that have for long prohibited youth employment in agriculture. These include limited skills, affordable financing, inability to afford key production and processing equipment; and most essentially the inability to own land.	

4.2.1 Opportunities and Synergies with the Government of Uganda and Non-State Institutions

Provision of government loans:
The government of Uganda has made efforts to provide capital access to SMEs through the Youth Livelihood program. In addition, Government capitalised the Uganda Development Bank (UDB) to offset the COVID-19 effects on a reduced interest loan access. According to study results, these programmes have not been inclusive in access and equity for youth and women (ACODE Policy Research Paper, 2021) hence should be modified to provide equity and accessto business incubators at a low interest rate.

Expansion of Land Acquisition and Access:
Land is a very important factor of production. However, ownership, use and access of land by women and youth is still a challenge in Uganda due to the traditional system in acquiring inheritance land especially in rural areas. The study findings established the presence of laws that protect youth and women, however they need to be fully enforced.

Expansion of Capital Access:
There is less capital available for business incubators compared to the demand for resources. Business accelerator programmes cap resources which may not be sufficient for the products to take off as expected. In addition,these business accelerator programmes serve a limited number of incubators which hinders inclusion and diversity of products.

Government Incentives:
Government should provide local incentives to attract new businesses and innovations. There is a high cost of doing business in Uganda according to the Private Sector Foundation Uganda (PSFU). This high cost hinders start-ups for youth and women to flourish.

Financial Products and Services:
The majority of the business accelerator programmes provide assorted financial products and services to MSMEs. Some other products are outsourced to different sector players.

Common Services offered by Business Accelerators

Access to Capital:
Capital is the most common financial service provided by business accelerators. It is competitive in nature and only the best MSMEs with the most compelling business ideas are financed. Stanbic Bank in partnership with UNDP provided more than 100 million Uganda Shillings in the Stanbic Youth4Business Facility programme.

Access to Market:
The business accelerators link the business ideas to the potentialmarket. The market actors provide feedback to the business incubators for product development and modification. This helps in pricing, forecasting and quality management for the business incubator to enhance the product. The Makerere University Innovation Programme provides a market for the innovative consumer goods through the university student body. The university students use these products and provide feedback to the business incubators for improvement.

Training:
Business accelerators provide training to the incubators on product development, marketing, records, and bookkeeping. They use experts in the field of the incubator and accelerators programmes who have knowledge, skills, and expertise. These training interventions provide business incubators with the foundation on how to improve, assess and forecast.

Networking:
Business accelerators provide networking opportunities with people with the same or different business ideas. They expand the knowledge and ideas of the business incubators through product comparison.

Linkages:
Business accelerators link MSMEs with the capital providers, markets, suppliers, and insurance, license and registration services. This helps the MSMEs to make informed decisions across the selected value chains.

4.3. Sustainability of Business Incubators and Accelerators in Uganda

The survival and sustainability of business incubation programmes is a major challenge for business incubation and acceleration management in Uganda. Management capability may be determined by the ability to raise funds, constitute a good team, and availability or linkage to other strategic resources. Cost management and fee collection are basic skills in sustainability often missing or inadequate in management. To remain sustainable, business incubators and accelerators have to sign agreements with funders to support the business incubation and not depend on SMEs that are struggling and have limited finance. The Innovation Village for instance has partnered with international development agencies that are providing financial support for the business incubation and acceleration. These partnerships are, however, threatened by poor delivery of business incubation services and the lack of evidence for impact.

The long-term sustainability of their programmes should be one of the main goals of business incubators and accelerators with a continuous structuring and planning for costs and revenue

4.4. Best Practices and Lessons for Business Incubation

The study identified the following best practices and lessons learned for business incubation through analysis of both secondary and primary data collected in the "Status and Development Perspectives Study" by the World Bank.

A. Goal setting, organisation and governance

- Goal setting is crucial hence incubators should set goals that are realistic and consistent with the market environment, as well as with the resources available in the country.
- The positioning, model and focus of the business incubator should take into account the main market opportunities that can be seized, and the comparative advantages that can be achieved. The main market and financial constraints should be clearly identified and be of a nature that can be addressed.
- The business incubator's legal structure should be influenced by its mission (for profit, non-for-profit) as well as by the financial model selected to sustain its operation. The business incubator should create a board to govern its activities.
- Consensus among staff and major stakeholders on the mission of the business incubator should be achieved.The business incubator management team should be composed of a director, and a few full-time staff members – their number depending on the size, clients and activities managed by the business incubator.
- The recruitment of a good team is key to the business incubator success. The characteristics of a successful leader/manager may include dynamism, business experience. She/he will be required in most cases to attract sponsors, investors, financial stakeholders and clients.
- The business incubator should be able to attract the highest number of qualified professionals, including volunteers and interns, to support specific activities of the business incubator and of clients at no cost or at very low prices.

B. Admission criteria

Admission criteria should be clearly set, and guidelines and transparent evaluation procedures applied. The screening activity should be conducted by using standard procedures and forms, and managed by a team of professional evaluators. Evaluators generally include the business incubation manager and some members of the team, consultants, interns, academics etc.

- The selection should be conducted in an effort to identify applicants' needs, while determining whether the services offered by the business incubator can have a 'value' to the applicant.
- The screening process should be conducted according to criteria which are fully consistent with the goals of the business incubator.
- Screening criteria generally include issues such as the innovativeness of the business/product idea; product feasibility and patent protectability, understanding of market and growth potential, financial plan, risks/opportunities involved in the project, professional and education background of the applicant, community benefits, ecological awareness, etc.
- The screening should be conducted considering the potential synergies among clients.

C. Business Incubation process:

- Availability of common user facilities: Formal business incubation process offers modular and inexpensive space and common user facilities to incubatees and optimises the use of common space to foster informal networking among companies. ·

- Availability of professional services: Offers professional advice, counselling and business mentoring at no or very reasonable cost to incubatees.

- Availability of networking opportunities: Seminars, and events are organised to facilitate contacts and networking among companies located both inside and outside the business incubator. It is through networking that business men and women, investors, entrepreneurs meet to create relationships that may result into business opportunities and new ventures

- Access to capital: Linkages with corporations may overcome the funding aspects, to include valuable resources such as support in product development and prototyping, and sales/distribution agreements.

- Creation of partnerships: Creation of support mechanisms and partnerships to encourage cooperation of business incubator clients with universities, corporations and the government.

D. Access to Financial Products and Services

It has been severally observed above that major challenges faced by start-ups and SMEs rotate around mostly access to financing. Funding needs of small enterprises are grossly under-served by the finance market, and the solution to this depends on the level of growth of the enterprise. High growth potential start-ups attract equity financing while moderate growth SMEs attract stability financing, preferably in the form of debt. Ugandan banks prefer high-interest earning government bonds to investing in riskier ventures. They complain of high default rates, even with conservative selection criteria.

At the firm level, SMEs often lack strong management skills and teams, and informal management practices are prevalent, such as the diversion of loan funds for personal use. However, these are addressed by the business incubation and acceleration training, which makes the SMEs less risky and have a higher chance to access bank financing especially due to improved financial records keeping. Reports by economic researchers have noted that impact investors are investing heavily in the Ugandan market, and they are increasingly supporting SMEs through business incubation programmes. In many business incubator programmes, events are organised where entrepreneurs can pitch their businesses to investors for the purposes of securing financing.

Though investors often highlight investment readiness as the primary challenge limiting deal flow, existing business incubators, accelerators, and other support providers serve only a small number of early-stage companies. Uganda has a weak business development service (BDS) infrastructure for early-stage companies which hinders investing making it costly and risky. Consequently, the provision of quality BDS for the SMEs often falls to investors which takes time and resources from fund managers, thereby discouraging engagement with early-stage start-ups.

The funds available for SMEs and start-ups are almost always principally financed by development finance institutions, philanthropic investors, and, to a less extent, NGO's. A significant proportion of these funds has moved towards adopting flexible definitions of social impact, including job creation, and away from focusing on a small number of specific economic sectors.
The landscape study of business incubators and accelerators in East Africa revealed that most business incubators and accelerators provide funding to ventures in the form of grants, debt, equity, quasi-equity, or some blended financing.

The remaining third only provide non-financial business development support. Grants are most common (offered by 53% of Accelerator and Incubator Programs (AIPs) in the study), while less than 30% offer debt, equity, quasi-equity or blended capital. The programmes that provide grants often target idea-stage and start-up ventures that face a higher risk of failure and thus need more risk tolerant financial instruments.

4.5 Effect of COVID-19 on Business Incubators and Accelerators in Uganda

The Corona Virus Disease-2019 (COVID-19) has continued to spread across the world leaving death and economic devastation in its wake. According to Diane (2021), 225 million people lost their jobs across the world due to the pandemic. Like many other countries, Uganda adopted stringent measures to curb the spread of the virus such as; closure of learning institutions, transport restrictions, border closures, and a complete lockdown of the entire country for a considerable duration.

The containment measures adopted to curb the spread have greatly affected business operations. COVID-19 pandemic and subsequent lockdown reduced business activity by more than 50 percentage points among micro, small and medium enterprises, and severely affected access to inputs used by micro and small businesses particularly in manufacturing and service sectors. Approximately half of the businesses in the country have experienced decline in demand for their goods by more than 50%, and approximately three-quarters of the surveyed businesses reported reduction in the number of employees (Lakuma & Sunday, 2020).

Lockdown has slowed down agri-tourism, we used to have about 15 visitors weekly each paying Ugx20,000. Rabbit breeders from Kampala are no longer coming, transport costs are high since we get most of the feeds from Kampala, prices have gone down and the market is also limited." (Key interview informant, Isingiro). Data published by Financial Sector Deepening Uganda (FSD 2020), reveals that 23% of Uganda's entrepreneur population who were involved in industries that were considered non-essential were greatly affected.

As some pre-pandemic starters closed, others withered the tide with different innovations to match the crisis. These included e-commerce platforms, online marketing, web-based training where the work-from-home system was embraced by many. We have experienced price fluctuations due to COVID-19. Also, due to the interruptions caused by COVID-19 and halt of exports, we were greatly affected since our product (Chili) is mostly exported." (Key interview informant, Fort Portal).

Starting and growing a business was already challenging as evidenced by the high business failure rates. With the effects of COVID-19, it only got worse, which creates the need for business incubators imperative. As a coping mechanism, various business incubators that included United Social Ventures, Makerere Innovation and Incubation Centre, Start-hub Africa, Start-Up Uganda and Iventure Africa partnered with United Nations Capital Development Fund (UNCDF) to run a COVID-19 innovation challenge to reach under-deserved communities in Uganda. This programme was part of the UNCDF 2019 strategy dubbed 'Leaving no one behind in the digital era.

One hundred and fifty (150) start-ups from different parts of the country submitted their applications of which the top 10 were selected through a pitch competition. These went through a boot camp where technical support, mentoring, business acceleration and financial support were provided. Research also shows funders are more willing and open in investing into ideas focused on digital technologies and financial health that address challenges presented by the global pandemic and a number of innovation competitions and funding are being organised by business incubators (UNCDF, 2021).

4.6 COVID-19 Response

Covid-19 Coping Strategies Adopted:

The demand for business incubation and acceleration services in Uganda was greatly affected by the outbreak of the coronavirus pandemic. Following the end of the first lockdown in March 2020, some actors like Stanbic Business Incubator advertised programmes to provide training centred mainly around business resilience and sustainability. Others came up with innovations focused on harnessing digital technologies to address the adverse effects caused by the pandemic. For example, the Financial Health for MSMEs supported by the Innovation Village through a partnership with Financial Sector Deepening Uganda set up to identify and support innovators with digital solutions to improve the financial health of SMEs. Another, Leveraging Last Mile Distribution Networks supported by Makerere Innovation and Incubation Centre, through a partnership with MobiPay and Ensibuuko, set up a digital distribution network of 500 digital community entrepreneurs to distribute solar solutions, airtime and mobile money to rural communities, while Digital Literacy supported by Response Innovation Lab through a partnership with Danish Refugee Council seeking innovators to provide digital literacy in refugee communities.

Low Internet Penetration:

The women and youth participation in such initiatives is still hindered by Uganda's low(14%) internet penetration rate, according to research conducted by ICT Africa. While the pandemic has caused an evolution in ICT and digitalisation, the business incubators and accelerators in Uganda have not fully taken advantage to transform their operations.

Limited Learning:

Movement restrictions meant incubatees could not attend any in person programme activities. Up to 80% of the respondents reported that the quality of services including mentorship changed from physical to virtual with a number of new barriers faced, like limited accessto internet and tools felt by both clients and incubators themselves.

Loss of Employment:

A recent rapid survey of businesses by the Economic Policy Research Centre (EPRC 2019) in Uganda revealed that three-quarters of the surveyed businesses had laid off employees because of the effects of the pandemic. Indeed, the results suggest that lockdown measures had reduced business activity by more than half. Talking sector specific, the rapid market assessment (RMA) researcher found that businesses in agriculture had suffered most, with experiences like lack of access to both inputs and markets for products, transport restrictions, quarantine delays and expenses, social distancing and bans on agricultural local-level markets. Overall, nine out of 10 businesses have reported increases in operational expenses due to Covid-19 preventive measures (Lakuma & Sunday, 2020).

In a nutshell, the literature study results indicate that micro and small agribusinesses suffered a larger decline in business compared to medium and large agribusinesses. This was a more likely consequence given that many micro and small businesses in the country ceased operations due to their inability to implement the government's regulated COVID-19 preventive measures, especially the provision of onsite lodging for employees and sanitizers and hand washing equipment for customers. Even those who were able to stay afloat find it costly to maintain the strict Standard Operating Procedures (SOPs).

4.7 Case Studies and Success Stories

The Learn-As-You-Earn (LAYE) Business Incubation Model as a Vehicle for Job Creation:

The Learn-As-You-Earn (LAYE) business incubation model was successfully implemented at some African universities over a periodof 4 years to createjobs and employment opportunities in the agribusiness sector for the youth and women. The successful LAYE business incubation model was funded by DANIDA under the Forumfor Agricultural Researchin Africa (FARA) and supported by the Universities, Business and Research in Agricultural Innovation (UniBRAIN) project (2011-2014) before transforming into the African Agribusiness Incubators Network (AAIN) in 2015. The LAYE model aims at delivering graduates who are employed in their own businesses or have the required skills to succeed in the job market. If key stakeholders provide sufficient support, the UniBRAIN model has the potential to be transformational in enhancing the employability of African graduates. The UniBRAIN model included universities, business and agricultural research in Africa but it did not include investor, which is included in an associated University–start-up–incubator–industry–investor (USTART3I) partnership model which is expected to increase the number of jobs, employment and wealth creation opportunities like the UniBRAIN model. (Tumwesigye G., 2019, von Kaufmann R., 2019, Segawa A., 2019, Ariho A., 2019).

The Parish Development Model:

The Parish Development Model (PDM) is a strategy for organising and delivering public and private sector interventions for wealth creation and employment generation at the parish level as the lowest economic planning unit. According to PDM Results Framework, its successful implementation requires ready market and value addition for the production surplus at parish level. SMEs and cooperatives engaged in processing and manufacturing will provide the ready market under the PDM. Business incubators can support the parish initiatives production and value addition as well as provide business training and mentoring to cause mind-set shift from subsistence production to commercial production. The production and value addition within the parishes will require a business set-up with a need for business development services sup- port. The business incubators can also design support proposals that are to be funded by impact investors and development partners to ensure that the model results are achieved. The business incubators, however, need to have an understanding of the parish dynamics and design programmes that are customised and fit with the goal of ensuring that they add lasting value through their activities.

The MasterCard Foundation:

The MasterCard Foundation is also focusing on leveraging the significant public and private investment in the construction sector by improving vocational training and expanding access to financial services for micro, small and medium-sized enterprises working in construction.

The MasterCard Foundation has supported several programmes for youth and women in view of mapping potential gaps, opportunities and areas of leverage in Uganda. These include:

- The GOAL and MasterCard Foundation partnership to support 300,000 young Ugandans to access opportunities within the agricultural sector. The $24 million project was launched in May, 2021 to support young people to access financial services and products; - skills training in practice and management of farm enterprises; - access and participate in activities in the agricultural market system; and, collaborate to increase purchasing and influencing power in the agricultural market system.

- The MasterCard Foundation in July 2020 launched the Young Africa Works Strategy in Uganda targeted to enable more than 3 million young people in the country to access dignified and fulfilling work opportunities by 2030.

- In April 2020, the MasterCard Foundation launched the COVID-19 Recovery and Resilience Programme in Uganda to mitigate the adverse effects of the pandemic on businesses, the education sector, and on communities, while strengthening the country's public health system and response. The Foundation has committed approximately $23.7 million to its COVID-19 response in Uganda.

All these programmes are intended to be gender responsive to address:

- Differences in the level of education and skills development.
- Childbearing, domestic care responsibilities.
- Discriminatory social/cultural norms that result in poorer outcomes for women.
- Challenging gender-based job segregation through community and individual sensitisation, and through work with potential employers and trainers.
- Gender equality in paid work, and promoting collaboration in the domestic sphere;
- Challenges to groups of young people who are excluded, including young mothers, young men and young female entrepreneurs.

There are also some government or public social enterprises that do business incubation or acceleration in Uganda for instance the Uganda Industrial Research Institute (UIRI) and Uganda Investment Authority (UIA). For example, UIA is in the process of setting up a mixed-use business incubation centre at Kampala Industrial Business Park (KIBP) in Namanve, Kampala, to facilitate, support and nurture MSMEs. The incubation centre is planned to assist emerging companies gain access to mentors, training, shared space, professional assistance, capital, and other services that will move them onto the fast-track to success. By fulfilling this mission, the centre will contribute to job creation and enhanced economic growth in the region.

4.7.1 Government Programmes Supporting Women and Youth in Income Generation

In its efforts to address the economic challenges in the country, the government of Uganda designed specific programmes aimed at supporting formal or informal income-generating activities at both the national and local levels of government. Through these programmes, women and youth have trained, empowered with skills, enable access to funding and markets, among other benefits. This study examines some being implemented by the Ministry of Gender, Labour and Social Development that have targeted youth and women-led enterprises in Uganda.

Uganda Women Entrepreneurship Programme (UWEP):

The Uganda Women Entrepreneurship Programme is a government of Uganda programme that at improving access to financial services for women. UWEP's objective is to empower women for economic development by equipping them with business skills, promoting value addition and marketing of their products and services in order to increase sales.

The programme was launched in the financial year 2015/16 in 19 district local governments and Kampala City Council Authority (KCCA), and later rolled out nationwide in 2016/17. UWEP focuses on three major components, thus, capacity and skills development, women enterprise fund and institutional support. Beneficiaries are identified and selected through a community participatory process that involves LC 1 and Women Council leaders as trusted members of the community.

4.7.2 Government Programmes Supporting Youth in Income Generation

The Youth Livelihood Programme (YLP):

The Youth Livelihood Programme (YLP) which was launched in 2014 and was designed to help in curbing the high levels of unemployment and poverty amongst the youth in Uganda. Funded by the Government of Uganda, the programme has four specific objectives which are;

- To train the youth in marketable vocational skills for self-employment,
- To empower youth with entrepreneurship and life skills,
- To provide financial support services inform of capital and tool kits to start their businesses hence creating more job opportunities,
- To cause attitude and mind-set change of the youth through the provision of knowledge and access to information by business mentoring and coaching. Youth between the ages of 18 and 30 years without formal education from any of the 112 districts in Uganda are eligible to apply. Beneficiaries are selected by the committee comprising the Sub-County Chief, Sub-County CDO/ACDO, Sub-County Youth Chairperson and LC1 Chairperson of the area.

The Green Jobs and Fair Labour Market Programme:

This is a joint programme by the Ministry of Finance, Planning and Economic Development and the Ministry of Gender, Labour and Social Development to combat the challenge of youth unemployment in Uganda. The programme was introduced to create jobs that are friendly to the environment. It targets youth and women who work in jobs that require more skills, technology and capital. These are commonly found in markets, garages, metal fabrication shops, boda boda stages and washing bays. Beneficiaries receive support through four (4) components which are; informal sector (Jua-kalis) businesses support, promotion of green skills, promotion of green research and innovation, and promotion of social safeguards in infrastructural development projects. Suffice to note that there are several other programmes being implemented through partnerships and collaborations. For example, the Private Sector Foundation Uganda is partnering with the government of Uganda, the World Bank, the MasterCard Foundation, and Goal International etc to fund programmes that provide business support to youth and women, which include:

1. Start Facility (support to Agricultural revitalisation and transformation facility) under the Development Initiative for Northern Uganda (DINU) programme,
2. Skills Development Facility (SDF), Enhancing lead firm incubation structure for youth employment in Uganda, Competitiveness and Enterprise development project.

Individuals and group members can ably make their plans to alleviate poverty. "In our group, we have a plan of buying pigs for each individual in the group after selling the ground nuts we have bulked as a group. After which we plan to buy Ox-ploughs for digging our fields", Okello John Churchill, member of Kapir Morukakise Multipurpose Cooperative Society Limited in Ngora District.

Youth business planning training session

Incubatees at one business incubator practicing permaculture

Incubatees in a certification training at Uganda Industrial Research Institute (UIRI)

Chapter Five

5.0. Response from Business Incubation and Acceleration ecosystem Actors

The study engaged various incubation and acceleration ecosystem actors including; line ministries, development partners, research organisations, universities, incubators, accelerators and regional economic bodies among others.

Below is the response from some of the actors that participated in the validation and stakeholder consultative meetings.

5.1 Improving access to finance for Ugandan agribusiness start-ups

by:
Ralph Von Kaufmann
AAIN Associate Consultant

One of the key findings of this study of the status of Ugandan business incubators is that startups in Uganda are failing to access adequate investment and operating finance. This even included businesses that have "lucrative opportunities to pursue". This is paradoxical because financial institutions are generally frustrated by the lack of good businesses to support.

The annual Agricultural Finance Year Book for 2020 produced by Uganda's Economic Policy Research Council (EPRC) outlines a number of agri-financing models, which, to quote from the executive summary: " ....have some common features; aggregation of producers for economies of scale, functional linkages between value chain actors (input distributors, extension agents, agri-markets information providers, producers, storage units, marketingagents, processors, financialservice providers etc.) with some of the actors, acting as 'lead agents' in the segments where value chains are weak. Should Uganda aim to accelerate accessto financial servicesto its ASMEs it couldtake advantage of the progressmade under these models in reducing risks arising from information asymmetries, moral hazards and adverse selection. Those models that have operated viably should be refined and rolled out for broader use in the country....."

These conclusions suggest that value could be added to this report, on the status of business incubators, by a study to determine how well they are meeting the above challenges. That follow on study would determine how well the incubators are:

1. Aggregating of producers for economies of scale.
It would be useful to learn how effective the incubators are in helping their client start-ups prepare convincing funding proposals and do they achieve higher success rates which will attract investors to their clients. And, how well do incubators deploy their ability to aggregate their clients funding proposals to reduce the financial processing and servicing costs, which are critical factors in making small investments attractive to financial institutions?

2. Supporting functional linkages between value chain actors.
The required linkages between value chain actors should be determined in the due diligence conducted in preparing and assessing funding proposals. That raises questions about the incubators' commitments to conducting due diligence and how well the findings are addressed.

3. Reducing risks arising from:

a) Information asymmetries,
A major advantage to start-ups joining incubators should be to get access to knowledge of, and endorsements to, appropriate sources of finance. The question is how well are the incubators actually informed about and regarded by the finance institutions?

b) Moral hazards
This follows the above question about how well are the incubators regarded by the financial institutions with questions about how well the investors can rely on the incubators' capacity and performance of due diligence. Can they be sure that they will not make investments which, for example, support firms that exploit children or treat women unfairly or harm the environment.

c) Adverse selection
Poor client selection is almost certainly the most critical point of failure of many incubators which must be exposed and corrected if they are ever to meet their most important metric of having high rates of successful graduating businesses that survive and scale up. This raises many questions starting with determining how well the incubators assure that their clients are truly demand-driven rather than just assuming that there will be customers for their products.

4. Refining and rolling out viable models
Many incubators still place too much reliance on detailed business plans which are virtually meaningless for new untested businesses. Since every new business is essentially an experiment with a new product, service or market failures are inevitable and indeed vital to their eventual success. To be able to embrace failure they require sound business models that facilitate rapid detection of false assumptions and enable quick correcting pivots. But, how well versed are incubator staff in developing, testing and validating business models?

5. Conclusion
The fact that access to finance remains a critical constraint on the progress of start-up agribusiness in Uganda indicates that there is an unmet demand for incubation services. This brief note presents some suggestions for a follow-on study that would be aimed at providing information on how the incubators could respond to that demand to make their client incubatees more attractive to financial institutions.

Such a study would, however, only address the demand side of finance for start-ups, which would benefit from a related study of the fit between the findings and recommendations of the Economic Policy Research Council and the realities of agribusiness incubation in Uganda.

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Nakazi, F. and Sserunjogi, B., 2021, Agricultural Finance Year Book 2020; Digitalisation and Agricultural Financing in Uganda, Economic Policy Research Centre, Makerere University Campus, Kampala, Uganda. Web: www.eprcug.org

5.2 Incubating young Agripreneurs: A case of East Africa Youth Inclusion Program (EAYIP)

by:
Richard Ekodeu
Heifer International

Introduction

Agriculture suffers from entrenched negative perceptions amongst Ugandan youth. In the minds of many young Ugandans, farming is poor man's work that involves backbreaking labour and insufficient financial gains. Despite the perceptions the youth in Uganda face the following challenges to be able to engage in agribusiness: lack of skills; inability to access land, capital and productive assets; lack of leadership skills; absence of representation in the decision-making process; and social and cultural barriers that prevent the youth from playing an active role in the economy. These challenges therefore have stifled access for youth in agricultural value chains.

In response to these challenges, Heifer International through one of its projects – EAYIP provides opportunities for non employed and or underemployed young people. This is aimed at improving the livelihoods of 25,000 economically disadvantaged young people in Tanzania and Uganda. EAYIP is creating employment and enterprise development opportunities in the dairy sector and other agricultural value chains. Heifer International recognised that to be able to grow and develop young agripreneurs, they need to be trained in entrepreneurship, access to finance, and appropriate technologies and innovations. They also need an enabling ecosystem and environment. Until recently, most of the young farmers in agriculture work were in basic production, which is less profitable than if they are able to access credit to acquire assets and equipment for value addition.

In partnership with AAIN which works as an incubator of incubators. AAIN came as a great solution to the young entrepreneurs in Uganda to accelerate the sustainable growth of Ugandan start ups in the agricultural industry. The partnership has built youth capacity to learn successful businesses using incubation models particularly mentoring. This is within the vision of the Government of Uganda vis-à-vis creating jobs for the youth. Through agribusiness incubation EAYIP has been able to engage youth in the upper part of the value chain and helped them organize in groups to enable access to finance. Some of the youth have now considered SMEs as a result of incubation programs. The partnership also focused on production of strong and successful hubs as incubators that can be financially viable and freestanding. At the end of the day, we are seeing the graduates innovate the agricultural industry, create jobs, improve incomes and contribute to poverty reduction initiatives.

The youth established Agrihubs (Business Incubators) are now offering easy access to a range of services to the youth, including premises, equipment, technology, customer and supplier contacts, financial services, technical and strategic consulting, and professional networks. These incubation communities also allow a good flow of information between 'incubated' stakeholders. There are all indications that incubation can help to promote innovation and entrepreneurship among youth, ensure the future youth employment in agriculture in Uganda.

In conclusion, the youth agribusiness enterprises have a positive relationship between improved access to markets and financial performance of start-up enterprises graduating from incubation programs. Establishment of partnership linkages with private sector actors in the various agribusiness value chains for the start-up enterprises is vital for reducing failure rate. The networks have facilitated sharing of resources such as information and technology, in addition to being a source of motivation and inspiration for the youth. The business networks also have enabled the youth upcoming agribusiness enterprises to access suppliers and customers at the early stage of business formation. Therefore, there is a significant correlation between business networking and performance of start-up agribusiness enterprises, in terms of growth and profitability.

Mastercard Foundation & Heifer International supported youth attend the AAIN Conference

Heifer International-Uganda Exposure visit

5.3 Business Incubation and Acceleration Report Comments

by:
Dr. Joshua Mutambi, PhD
Commissioner, Processing & Marketing Department
Ministry of Trade, Industry & Cooperatives

The AAIN Representatives; the Canadian Feed the Children Representatives; Keynote Speakers; All Online Participants, Ladies and Gentlemen.

I take this opportunity to thank the organizers of this virtual seminar to be invited to discuss the study report on the "Status of Business Incubators and Accelerators towards Job Employment and Wealth Creation Opportunities in Uganda". I am called Dr. Joshua Mutambi; Commissioner of Processing and Marketing Department in the Ministry of Trade, Industry and Cooperatives.

Let me thank the authors of this Study Report led by Prof. Alex Ariho who have generated knowledge that will be useful not only to Policy Makers, researchers but also Entrepreneurs. The study report highlighted key findings, including the challenges of business Incubators and accelerators (BI&Acc) in Uganda and gave the recommendations of which all I agree with.

When I first did the study on Incubators in Uganda, over eight years ago, Uganda had around 21 business incubators but now it has been realized that there are over 82 incubators and accelerators that could be formally located. Indeed, the population of Uganda has increased now to about 43 million people and the number of Academic Institutions, Education and Training Institutions , Banks and other financial Institutions as well as Entrepreneurs; formal and Informal with the number of youth and women being majority and very entrepreneurial have all increased.

Although, It is true that not many of the Business Incubation and Acceleration are sustainable as they are also faced with a number of Challenges, including lack of resources and organizational management skills, the Government of Uganda however is committed to continue supporting private sector development, science, technology, research and Innovations. Government has increased the budget allocations to Research and commercialization of innovations through Universities, Business Incubators, research institutions and Ministries and Agencies.

There are different policies in place such as the ST&I policy, the National Industrial Policy 2020, the Micro, Small and Medium Enterprises (MSME's) Policy 2015 which all accommodate the Business Incubation Interventions. The Ecosystem of Business Incubation Services in Uganda, which Includes, Academia and Research Institutions, Banks and Financial Institutions, Industrial Parks and ST&I parks, Private Sector Businesses, Government Institutions/Policy and the markets have all been planned and supported in the Government Vision 2040 & NDP III and implementation programs in collaboration with Development Partners.

I therefore, thank the team that conducted the study, the sponsors and Institutions for the Information and knowledge generated. I must emphasize that there is need for synergies, partnerships and Networking among the existing BI&Acc. Including the opportunities created by the Regional and International Integration Blocks, as it will enhance sustainable collaborations, technology and Innovation diversification, intellectual property protection and food security.

I Thank You all.

5.4 Message from Executive Director, CURAD

by:
Apollo Segawa
Mtech Food Tech, Univ of Johannesburg SA,
Bsc Food Tech, Makerere Univ, Uganda;
Hons Phy; Univ of Witwatersrand SA,
PgDip Management, Edinburg MBA,
Edinburg Business School UK.

Apollo Segawa is a professional agribusiness management specialist, QMS, value addition, Food technologist and Agro entrepreneurship incubation leader and consultant in the East Central and Southern African region. He is the Executive Director of CURAD (www.curadincubator.org), the 4 time leading agribusiness incubator in Africa as selected by AAIN and hosted at Makerere University. CURAD started supported mentored and natured over 350 agro innovative entrepreneurs over the last 7 years at CURAD. Apollo Segawa is Chairman and convenor of Uganda Agribusiness Incubation Alliance (ABIAU). CURAD one of the leading incubators with common user facilities for Coffee (Kabanyolo), Fruit and beverages (Kapeeka), Fresh and dry Horticulture, Packaging production (Namanve). Under his leadership CURAD runs the National Agribusiness Innovation Challenge sincec2014 and now in its 7th year.

He pioneered the first commercial banana juice production in South Africa under his company; Exotic banana products for which he holds a South African patent creating an innovative juice brand “Simply Natures” Juice that trades across South Africa. He has transformed his passion for embracing innovations and entrepreneurship into helping and mentoring others using the agribusiness incubation model in Uganda with excellent results. He continues to support innovations and entrepreneurship across Africa in various capacities. Apollo is also part of an Africa wide mentorship program for young innovators as he has a strong belief that African development can only be achieved through nurturing especially agribusiness innovations into successful businesses.

He is Executive Director of CURAD, the leading agribusiness incubator in Africa, Winner of best incubator in Africa as awarded by Africa Agribusiness Incubator Network AAIN conference in 2015-Naitobi, 2016 Accra and 2018 Dakar, 2020 Kampala. CURAD was also awarded as a Top challenge from Africa by UBI global at the World Incubation Summit in Doha in 2019.

Message:

As chairman of the Agribusiness incubation alliance of Uganda (ABIAU), we are proud to be a core part of the incubation ecosystem and growth in Uganda. Under the strong leadership of Prof. Ariho as head of AAIN, ABIAU continues to grow and this study is a true testament to the astronomical growth of the incubation ecosystem in the country with the over 82 incubators and support enterprises in the country. The results of this study will help enhance synergies between incubators and help individual incubators to better support their incubatees. It should also be noted with ABIAU efforts and AIIN handholding, 20 new incubation hubs are now being completed in the country fully built and equipped by the government and spread across the country and incubation is mainstreamed in the NDP III. This adds to the monumental growth of this core service to the youth, women and farmers of the country.

Many thanks to AAIN and the researchers that have made this study possible. Special thanks go to the partners CFTC for supporting this ground breaking study. We trust that all the recommendations made will be fully delivered.

5.5 Accelerating Business Incubation in Uganda

by:
ThomasMore Katutsi
AAIN Associate Consultant

The role of business incubation cannot be overemphasized in an economy where the majority of the population are youthful and unemployed in spite of the high levels of education. According to this publication, Africa has a young population, and it is projected to grow by 181.4% by 2100.

Concern for food security as well as employment/ job creation are pivotal for the stability of Africa. This is compounded by the effects of climate change as well as the high incidences of failure by startups (SMEs). AAIN and CFTC have conducted a study on the status of incubators and accelerators towards job, employment and wealth creation opportunities in Uganda.

The findings of the study underscore the significance of incubation in the development of SMEs in Uganda. The study clearly illustrates the shortcomings in the incubation ecosystem and what needs to be done to overcome them. The study is very apt for the policy makers, academia as well development partners. In order to ameliorate some of the challenges affecting the incubators as well as accelerators, the following specific key recommendations in addition to what has been suggested by the study are proposed;

- Uganda does not have a clear policy and regulatory environment for incubation and accelerator services. Need for a policy environment governing incubation is a prerequisite for the development of the incubation ecosystem. It is recommended that the Government takes keen interest in the incubation policy framework.
- As a means to promoting standardization, advocacy and policy formulation, it is highly recommended that a forum / association of Ugandan incubators is formed. This association/ network will not only play a lead role in promoting the Incubation agenda but will also support the ethics in the ecosystem.
- It is observed in the study that many incubators and accelerators are not sustainable. This is a huge challenge for sustainability of services let alone providing quality services. There are several government as well donor intervention that in the business of providing financial support to the development of the SME sector. It is recommended that incubators leverage on these programs. This will only be achievable if the incubators network is organized to seek for this support.
- Further more, it is observed that most incubators are based in cities and major urban centers of Uganda. In order for incubation services to be appreciated in the country, there is need to downscale to the other rural areas where the youth live. It has been noted that industrial parks are being set up in many districts of the country, the incubators should leverage on this to downscale. In this regard, it recommended that a framework be agreed upon with the relevant ministry to incorporate incubation services in the industrial parks spread across the country.

- In order to further augment the sustainability of incubation and accelerator services, it is recommended that incubation services take a value chain proposition. It is noted that most services are concentrating on production and processing . The incubators could be supported or should be encouraged create linkages that support completion of value chains. Incubators could also consider syndication as a means to improve capacity in this regard.
- The study noted the role of informal incubators in the ecosystem. In order to fully understand the incubation ecosystem, it is imperative that the role of the informal incubators is appreciated. In this regard, it is recommended that a study be conducted to ascertain how best to integrate the informal incubators. It is important to understand how best these informal incubators can be supported either financially or through capacity building. It is also possible that the formal incubators can leverage on their services.
- In order for the incubation services to be impactful on the communities, incubation support could be based on the main local economic value chains. This could be tied to the Industrial parks being set up across the country. This will also create a structure to support the emerging innovative ideas.

Thomas More Katutsi is an Associate Consultant with AAIN who has previously worked with Government and donor funded programs. He is a financial services and development expert with over 20 years of working experience in implementing government as well donor funded development programs. He has contributed immensely to the development of the Microfinance sector in Uganda having previously implemented three government microfinance programs that were funded by the African Development Bank and Islamic Development Bank. He was also team leader for the implementation of the first Islamic microfinance products in Uganda. In particular, he has worked with various agribusiness value chains that he has supported through designing tailor made financial interventions as well supported them with technical assistance programs. He is currently working on a Small and Medium Enterprises' continental program whose focus is to create job opportunities through agribusiness incubation. In his free time, he also enjoys a round of Golf.

Prof. Charles Kwesiga, Executive Director, UIRI, inspects an exhibition stall durig the AAIN Conference 2020

5.6 Business Incubation and Acceleration Report Comments

by:
Dr. Callist Tindimugaya
Commissioner for Water Resources
Planning & Regulation
Ministry of Water and Environment

We have reviewed the report and we note that it clearly highlights the challenges of unemployment, lack of jobs and poverty in Uganda. As the Ministry of Water and Environment, we have come to realize that the need to generate incomes and livelihoods coupled with the lack of alternative livelihoods drive communities to encroach on water and environment resources. People cannot conserve and sustainably manage these resources if they don't appreciate the importance of these resources as sources of jobs, wealth and employment.

Lack of jobs, unemployment and poverty will therefore continue to drive communities and other citizens to degrade and mismanage water, environment and other natural resources. This will ultimately have serious impacts on achievement of the National Development Plan 3 goals and targets since socio-economic development of Uganda is largely based on natural resources. For example, without water food production stops, cities cease to function, economic activity halts, forests turn into deserts and life ceases to exist. Indeed the water and environment resources of Uganda are recognized as being central in driving Uganda from a peasant to an industrial and middle- income country by 2040. However, the country is facing challenges of high population growth, environmental degradation, increased demand for water and food, jobs and climate change among others.

The Ministry of Water and Environment with support of AAIN and Excel Hort Consult has designed a program to address the current challenges facing water and environment resources through business incubation. The goal of the program is to manage and conserve water and environment resources, create jobs, employment and wealth in a gender transformative manner by incubating startups and small scale and medium enterprises, and support households and existing communities to start, manage and sustain water and environment resources related enterprises.

As a ministry, we therefore look forward to continued collaboration with AAIN to nature incubators and accelerators for jobs, employment and wealth creation around water and environment resources. In this program the ministry wants to give special attention to women, youth and the vulnerable people. In addition, awareness needs to be raised across board on the importance of water and environment resources in achieving the objectives of the Parish Model through incubation. Since this area is new to the program, it will be building on existing business incubators and accelerators approaches, business models and investments to benefit and support the youth and women. Priority will be given to building on existing incubators and accelerators to achieve the programme objectives.

As the main focus is on the youth who constitute over 70% of the population, the program would explore ways of utilizing the 4 types of youth categories that were identified in the study. It has been noted from the report that many youth have embraced self-employment through business start ups as a way of taking themselves out of unemployment. It is hoped that through working with AAIN and its partners the ministry shall be able to create a mindset change among the youth and women on the existing opportunities around water and environment resources for job creation and wealth creation.

Chapter Six

6.0. Recommendations

Below are key recommendations of the study:

- More financial and technical support is needed to ensure effective delivery of services by business incubators and accelerators that are tailored to engage youth and women in Uganda including expanding service to rural centres.
- Business incubators and accelerators in Uganda need to be supported to develop meaningful business partnerships to improve their linkage and services they offer to their clients. Furthermore, incubators in Uganda should start looking out for the best business start-ups rather than depending on self-offers.
- The study recommends that business incubators should develop a centralised or common database where timely information about the start-ups being incubated is updated so that each start-up can only be supported or funded once by a single business incubator. This will reduce the rate at which start-ups (grant shoppers) jump from one opportunity in one business incubator to another without necessarily implementing the skills acquired or necessarily using funding acquired for the right purpose.
- Creation of a National policy and legal framework for business incubation and acceleration is critical for Uganda as a country. This will standardize and improve the quality of services offered to youth and women in Uganda leading to more jobs, employment, and wealth creation opportunities.
- Capacity building and skills development in businesses incubation management are urgently needed to ensure sustainability of services. Capacity building among government, development partners and private sector actors focused on linking youth and women to incubation services is needed so they can become more effective referral agents. .
- Identification of best practice and development of inclusive model business incubation and acceleration programmes focused on youth and women is important and timely to meet the growing demand and to tap into emerging ecosystems matching the interest of youth in agriculture and agribusiness.

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