



Impact Capital  
for Development

IDE Uganda Report 2022

# BEYOND ACCESS

## Harnessing Bundled Digital Services for Inclusive Growth



# FOREWORD

Digital financial services such as mobile money have enabled Ugandans to access more financial services quickly and affordably. Yet, according to the Global Findex 2021, despite promising growth in account ownership and use, only about half of adults in developing economies could access extra funds within 30 days if faced with an unexpected expense, and about two-thirds of adults were very worried about at least one area of financial stress.

This brings into perspective the need to further exploit the potential of digital financial services beyond basic account services and payments. Addressing this challenge has been our focus for the last year—answering the question: digital financial services for what? At the heart of the Inclusive Digital Economies programme is ensuring that underserved populations can access and use various digital and financial services to become active participants in their local economies.

At the inception of the Inclusive Digital Economies (IDE) programme in Uganda in 2019, we were mindful of the constraints that inhibit the country's ability to fully reap the benefits of the digital economy, including:

- The presence of relatively strong policies and regulations that have the potential to foster inclusive growth of the digital economy but remain difficult to implement and enforce.
- Inadequate digital infrastructure, such as network coverage, and significant gaps in infrastructure including high costs of devices and the Internet, and challenges related to accessing identification documents required for SIM card registration, especially in rural areas.
- A digital skills gap on both the developers' and the users' side, among others.

We adopted a market systems development approach to strengthen market systems to ensure digital service offerings could work for targeted population segments, including rural farmers, women, youth, refugees, and micro-, small, and medium-sized enterprises (MSMEs).

Throughout the three years of implementation of the programme, we have witnessed a great deal of catalysation of several market actors and development partners. They are now more actively involved in promoting inclusive digital economies. In other words, we have created a 'crowding-in' effect that

is incentivizing digital finance and digital innovation enablers to enter markets they may otherwise overlook. Such was the success we set out to achieve when we started.

Having more players on board also means that we can now bundle digital services and bring partners to work together to strengthen their business models and the value these services bring to the people we serve. We have seen this work successfully in the agriculture sector. Through digital platforms, farmers can now access extension information, market for their produce, input credit, micro insurance, and digital payments all on one platform.

The use of data as a service is being scaled across most Agritech partners as a pathway towards providing credit to improve agriculture productivity. Farmer groups can now leverage and use digital farmer records and their transaction history on aggregation, bulking and marketing to access credit from commercial banks.

In partnership with Uganda Development Bank (UDB), the country's national development finance institution, and the Food and Agriculture Organization (FAO), we have now introduced a digital loan for VSLAs solely based on their digital data to ease access to digital financing for smallholder farmers in Uganda.

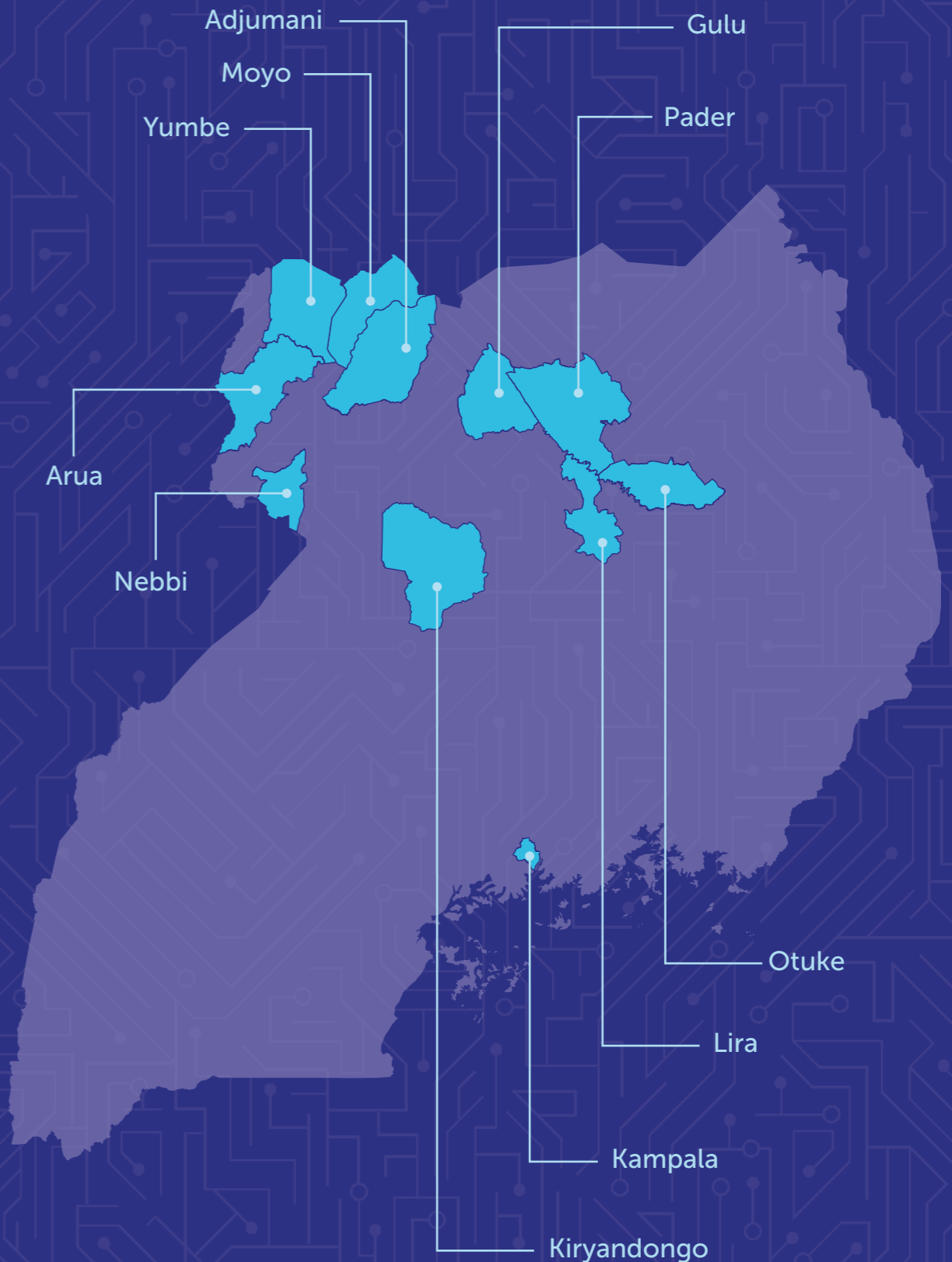
We also deepened our focus on identifying new approaches to increase women's access, usage, agency, and participation in the digital economy. We carried out an assessment of our programme to deepen our overall appreciation of the critical positive and negative gender dynamics (factors, enablers, barriers, impediments, institutions, frameworks) that impact women's participation in their communities, decision making, access to and usage of digital products, and their agency to fully participate in the digital economy. You can read this report [here](#).

This annual report provides a snapshot of the results we achieved with our funders, partners and communities in 2022.

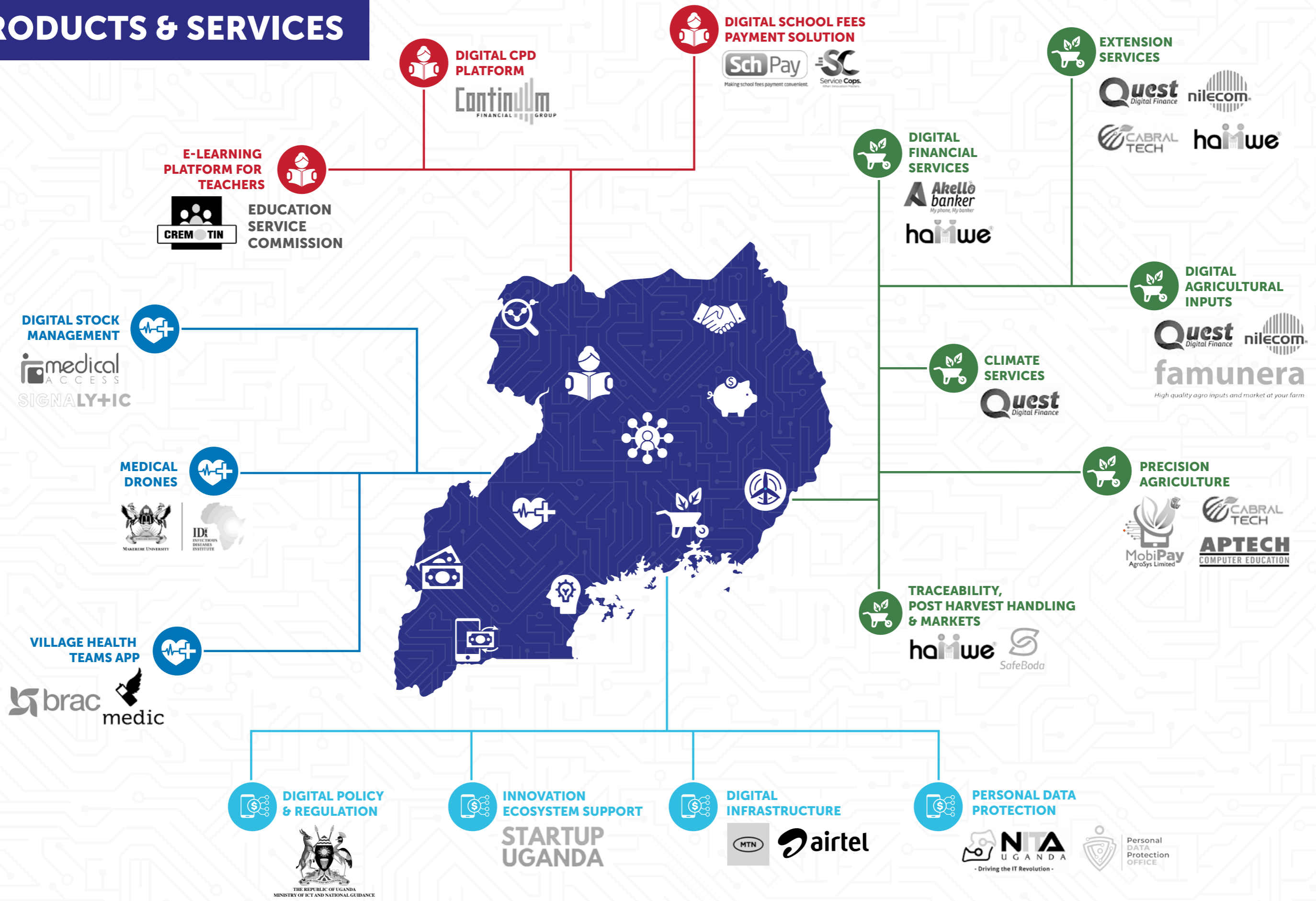
Looking ahead, we are committed to investing and catalyzing capital to spur sustainable growth and foster an inclusive and resilient digital ecosystem.

**CHRIS LUKOLYO**  
Digital Country Lead

# OUR WORK IN UGANDA

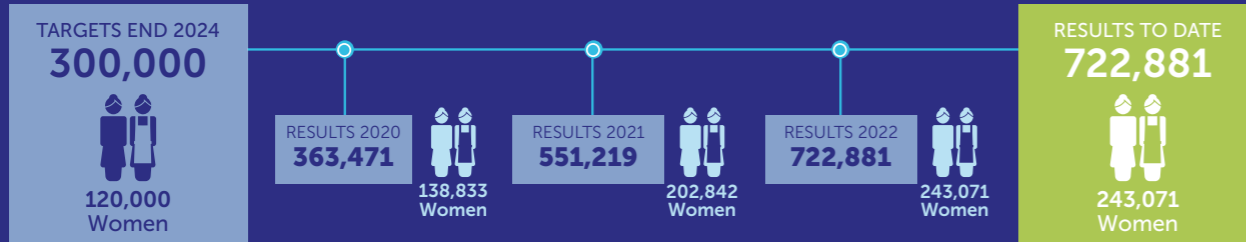


# PRODUCTS & SERVICES

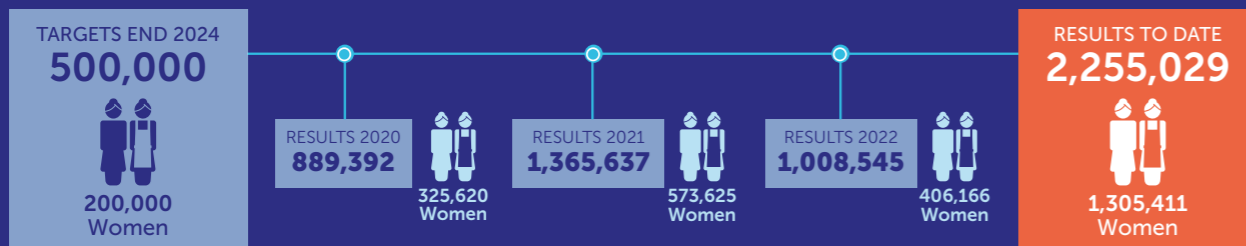


# 2022 AT A GLANCE

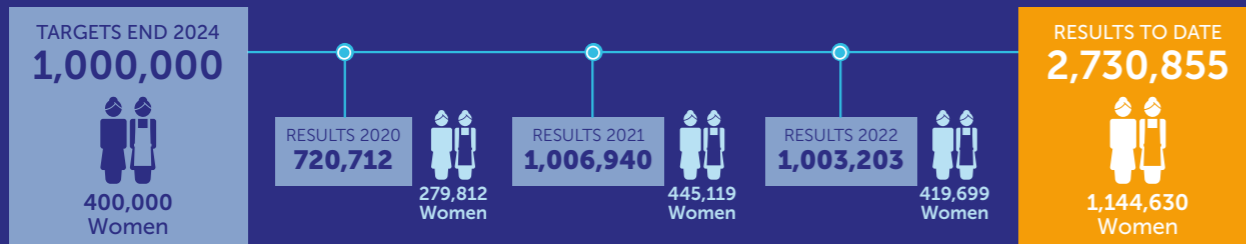
Number of **active customers** of new or improved digital services supported by UNCDF



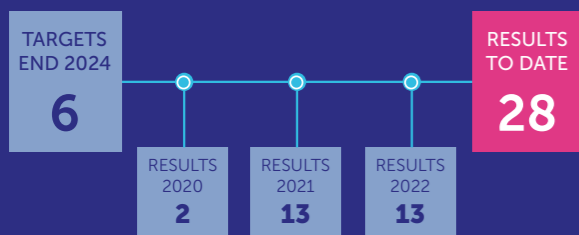
Number of **registered customers** of new or improved digital services supported by UNCDF



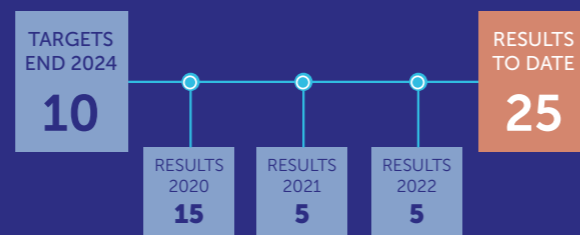
Number of customers with **improved skills and capabilities** as a result of UNCDF support (financial, digital, soft and hard skills)



Number of new or improved digital services and business models **scaled** by UNCDF-supported partner



Number of new or improved digital services and business models **piloted** by UNCDF-supported partner



# WORKSTREAMS



UNCDF works with partners to establish the digital infrastructure, innovation ecosystem, enabling policy framework, and skills that result in a more inclusive and sustainable digital economy.



## SKILLS

Recognizing from the start how users acquire the necessary skills (digital and financial) to adopt new digital services, and leveraging digital services to increase their soft and hard skills



## INFRASTRUCTURE

Building on our past work in digital finance, understanding the importance of digital payments as the basis for sustainable and economically impactful digital services



## INCLUSIVE INNOVATION

Supporting local entrepreneurs and MSMEs to build inclusive services for the local digital economy, making sure that the value offered by digital services improves the livelihoods of those living within the market and is not spirited away to global platform providers



## POLICY AND REGULATION

Working with governments via our existing in-country contacts and relationships to develop policies that support and provide the necessary incubation for an inclusive digital economy

## TARGET SEGMENTS



Women



Youth



Smallholder Farmers



Refugees



Small Businesses

## THEORY OF CHANGE

This programme envisages to influence change at the sector, stakeholder, and client levels

### Goal

Inclusive digital economies support women, youth, refugees, migrants and MSMEs to enhance market participation, resulting in poverty reduction, improved livelihoods and economic growth

### Sector Outcome

Growth of inclusive digital services. Systemic change - more customers using digital service (indirect results)

### Client Outcome

Changes in the way customers access and use digital services

### Stakeholder Outcome

Changes in the service delivery as a result of digital interventions

### Output

Piloting/scaling of digital interventions. Improved capacity/knowledge of stakeholders, and users of digital solutions

### Activities

Technical assistance, grants, and financing of stakeholders. Relationship building activities such as stakeholder engagement, research, workshops, technical working groups, etc.

## GENERAL UPDATES



### 1. UNCDF IN UGANDA AND RWANDA HOST DELEGATES FROM ETHIOPIA AND MALAWI.

From May 16 to 20, 2022, government representatives from Ethiopia and Malawi visited Uganda and Rwanda to learn best practices on the implementation of digital transformation strategies to build inclusive digital economies. This activity was supported by the UNCDF DFS4Resilience Programme, which is funded by the European Commission and Organization of African, Caribbean and Pacific States (OACPS). The programme deploys digital finance solutions at scale to deepen financial inclusion, making economies and societies more resilient to external shocks. Government representatives from Malawi and Ethiopia had an opportunity to hear first-hand how the Uganda Ministry of ICT used the UNCDF Inclusive Digital Economy Scorecard (IDES) on their digital inclusion and digital transformation journey. The Permanent Secretary of Uganda's Ministry of ICT and National Guidance, Dr Aminah Zawedde, highlighted how distinct the IDES tool is in setting countries' digital transformation goals while Dr Francis Tusu, the facilitator of the learning session, detailed how Uganda is using

IDES to identify the constraints hindering digital transformation and the solutions needed to address these constraints. The representatives also had one-on-one learning and exchange sessions with their Uganda counterparts on digital finance policy and regulatory issues. They took a deep dive into the IDES tool, using Uganda's progress as a learning experience. Digitalizing village savings groups is one product the delegation learned about during the visit to Ensibuuko, one of UNCDF's primary implementing partners in Uganda. [READ MORE](#) [READ MORE](#)

### 2. LAUNCH OF DATA PROTECTION & PRIVACY PORTAL

The Personal Data Protection Office (PDPO) and UNCDF launched a data protection and privacy portal that has been able to ease reporting, processing, and resolving of data protection and privacy complaints and breaches. It has also eased registration of persons and organizations collecting and processing personal data. The portal includes SMS/USSD functionality to enable universal access and usage by most citizens. [READ MORE](#)

### 3. UNCDF & GSMA PARTNERSHIP TO CLOSE DIGITAL SKILLS GAP IN UGANDA

UNCDF and the GSMA announced a new partnership to address the digital divide in Uganda. The two organizations are collaborating with policymakers, regulators, and the private sector to define how to advance inclusive digital growth, focusing on jointly identified policy priorities. [READ MORE](#)

### 4. UNCDF & CENTE TECH TO CREATE A SINGLE DIGITAL MARKETPLACE FOR FARMERS

Centenary Technology Services (Cente-Tech) and UNCDF announced a strategic partnership to improve farmers' livelihoods by digitalizing agribusinesses through a single digital agri-based marketplace. Using a market system-led approach, the digital marketplace will boost the agribusiness value chain and holistically enhance farmers' livelihoods. [READ MORE](#)

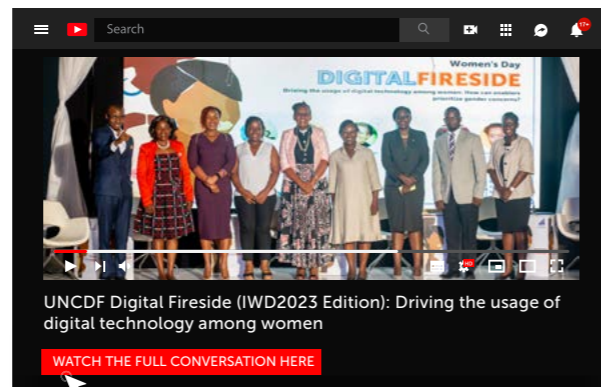
### 5. THE DIGITAL FIRESIDE EVENT SERIES

The UNCDF IDE program aims to promote inclusive digital economies that leave no one behind. To achieve this, UNCDF acts a market facilitator bringing together various stakeholders such as the entrepreneur, the government/academic partner, the devel-

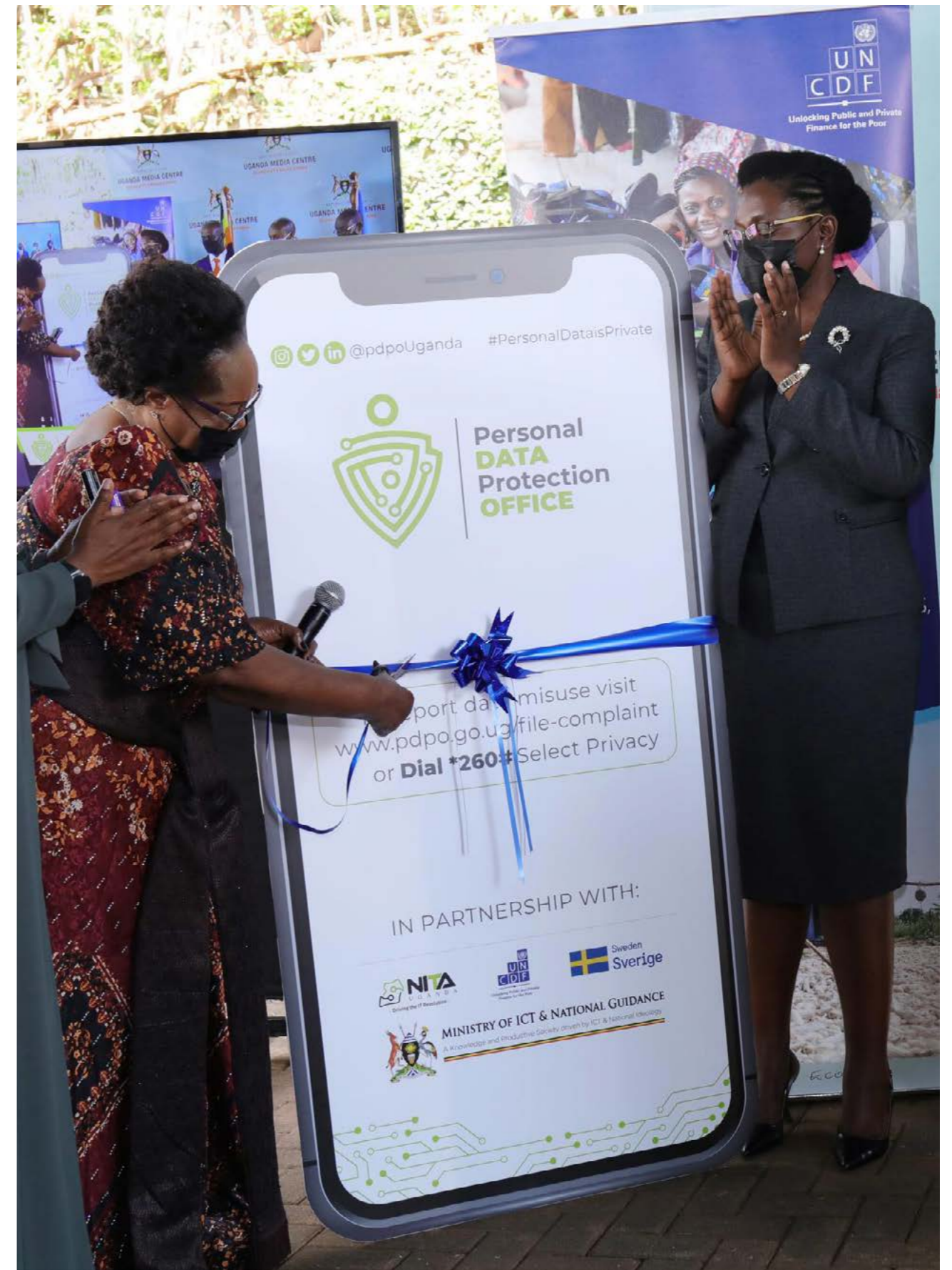
opment partner and the investor. It is this cohesion that the Digital Fireside events aim to foster.

The event series was launched in 2022 and looks to gather specific stakeholders within the innovation ecosystem in Uganda in order to encourage knowledge & idea exchange, peer networking and foster potential partnerships. [Here](#) are some highlights from the first event in the series on the theme "Digital Tools, Digital Skills and the Uganda Youth."

The second event was hosted under the theme "Driving the usage of digital technology among women: How can enablers prioritize gender concerns?"



The UNCDF team poses alongside the CenteTech team and the Permanent Secretary, Ministry of ICT and National Guidance at the launch of the UNCDF - CenteTech partnership



The Minister Of State For ICT, Hon. Joyce Nabbosa Ssebugwawo(L) launches the Data Protection and Privacy Portal alongside Stella Alibateesa, the National Director of the Personal Data Protection Office Uganda(R).

# Health



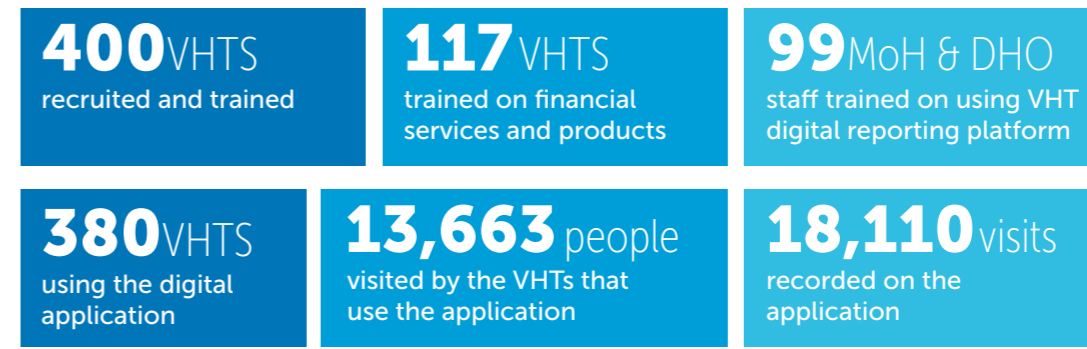
UNCDF continued to work with various implementing partners to address the challenges identified in the three areas of focus:

- BRAC and MEDIC are strengthening the skills of community health workers by leveraging the power of digital service delivery and training tools.
- MAUL and Signalytic are scaling up a digital solution to improve stock management of Essential Medicines and Health Supplies (EMHS) in Uganda
- Following the success of the medical drones project in 2021, we partnered with the Infectious Diseases Institute of Makerere University on the Health Innovation Conference

## INTERVENTION AREAS

### 1. Community Health Information Systems for Health Services Access in Rural Communities

UNCDF continued to work with BRAC Uganda and Medic to engender sustainable digital health approaches to enhance the impact of the existing Ministry of Health community health structures towards achieving universal health coverage. The results below are cumulative as of Dec 2022.



### 2. Digital Stock Management Solution

UNCDF continued to work with Medical Access Uganda Limited (MAUL) and Signalytic to deploy a solution that digitalizes the stock management of essential drugs and medical supplies. The data below is as of June 2022 when the project officially closed.



### 3. Medical drones for last mile delivery of health services

The Infectious Diseases Institute at Makerere University, with funding and technical assistance from UNCDF piloted the use of medical drone technology in the West Nile districts of Moyo and Adjumani. Following the project's success, UNCDF partnered with The Academy for Health Innovation Uganda at the Infectious Diseases Institute for the fourth Health Innovations Conference at the Kampala Serena Hotel from December 12th to 13th, 2022, attracting over 320 innovators, health workers, private sector developers, and entrepreneurs to network.

Under the theme "Building Resilient Healthcare Systems through Innovations", presentations and discussions aimed at structuring adaptable systems that will be able to handle future health challenges were held.

[READ MORE](#)

# Education



We continued to team up with various implementing partners to address the challenges identified in the two main areas of focus:

- Digitizing Continuous Professional Development for teachers using an eLearning platform with Continuum Financial Group.
- Digitalizing school fees payment and savings & loans for education with Service Cops

## INTERVENTION AREAS

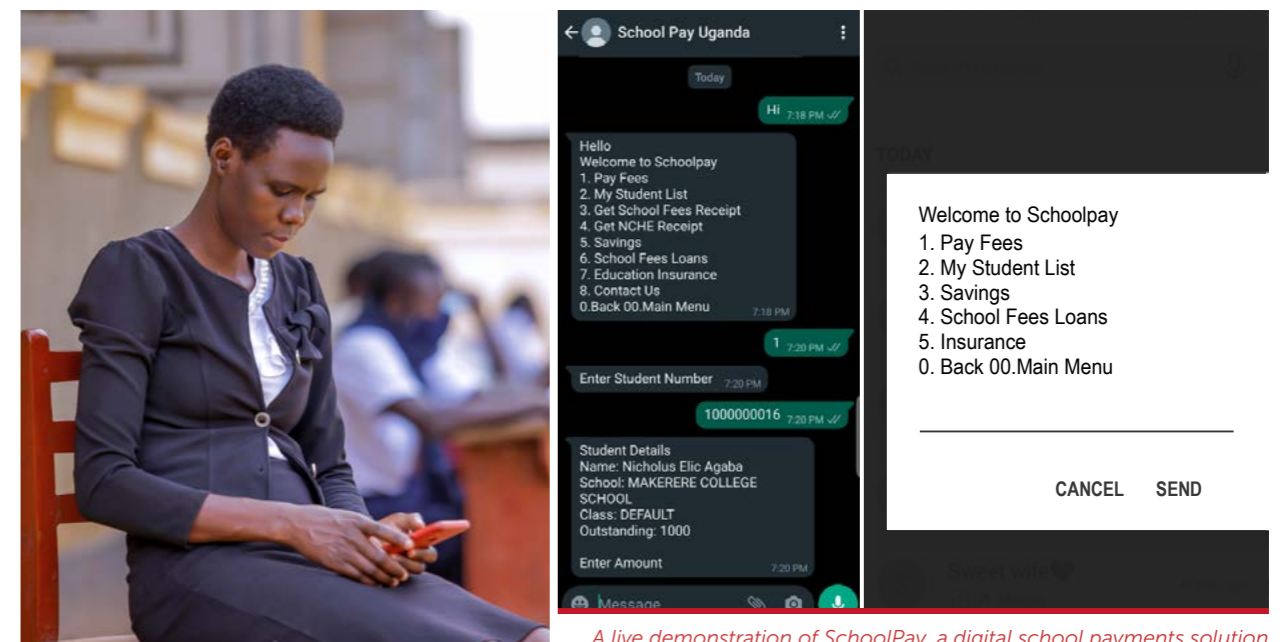
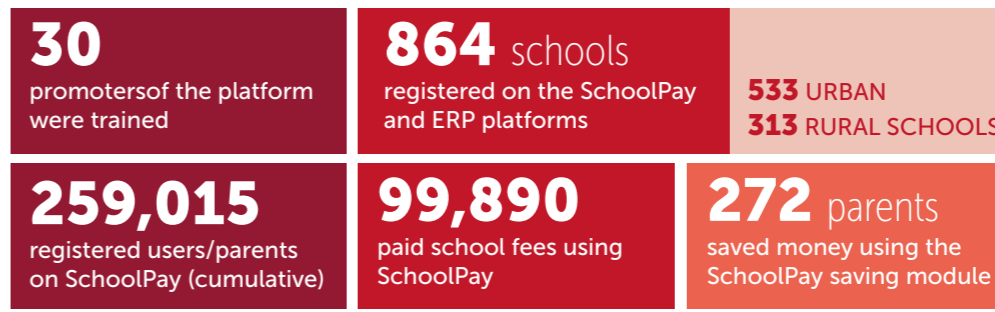
### 1. Digitalization of Continuous Professional Development (CPD) for Teachers

Working with Continuum Financial Group (CFG), we are working to demonstrate the opportunities of digital tools for teachers' e-learning. E-learning holds the potential to enhance teachers' capacity and bridge the rural-urban divide by targeting rural learners. Through this partnership, CFG developed a platform called ULEARN, a self-paced e-learning platform for teachers and teacher educators countrywide. With the support of MTN Uganda, the platform can be accessed at zero data costs via the MTN network.



### 2. SchoolPay

Working with Service Cops, we scaled SchoolPay, a digital school payments solution to Northern Uganda. The platform has been enhanced to allow for ability to save for school fees during the term and access to affordable fees loans in addition to providing a flexible school fees payments platform. [LEARN MORE](#)



A live demonstration of SchoolPay, a digital school payments solution

# Agriculture

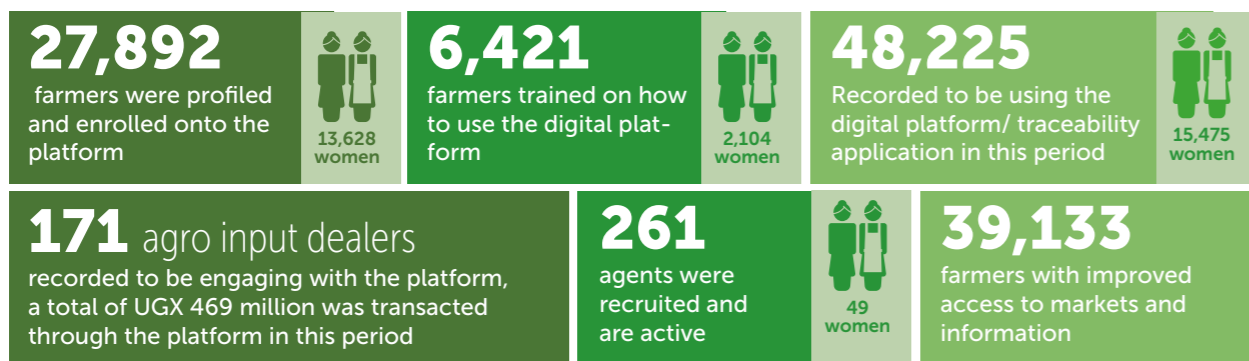


In the agriculture sector, we continued to focus on the market constraints prevalent in Northern Uganda and West Nile sub-regions, that continue to hinder the ability of the sector to drive effective economic growth and improved livelihoods for smallholder farmers. Our projects in agriculture have continued to focus on increasing agriculture productivity and improving market access for farmers and other value chain actors through access to agriculture extension services, financial services, and better market linkages to forward market (output) and backward market (input) via digital platforms.

## INTERVENTION AREAS

### 1. Digital Traceability

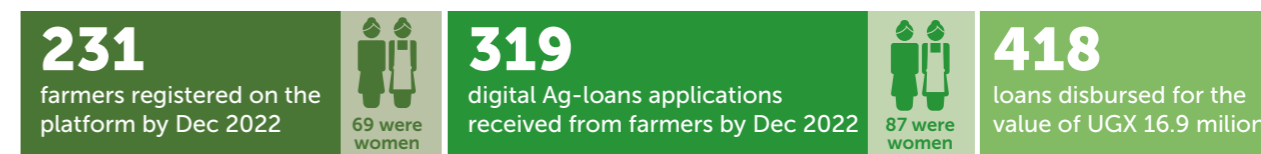
Together with Hamwe East Africa, we set out to pilot digital supply chain management solutions that promote business to business services that help agribusinesses, cooperatives, nucleus farms, input agro dealers, aggregators, bulking agents, and other smallholder farmers manage their value chain intermediaries & smallholder relationships.



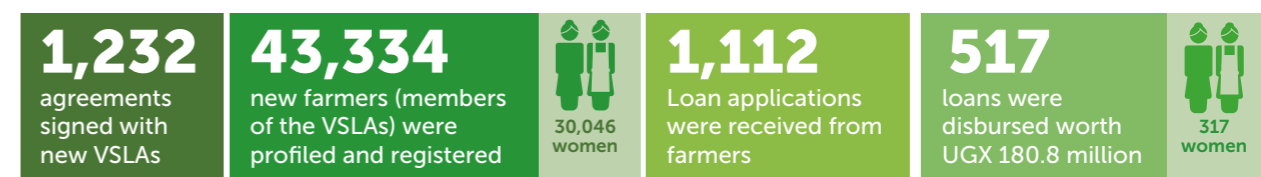
### 2. Digital Lending



We continued to work with Emata on digital lending to smallholder farmers, leveraging alternative credit scoring algorithms based on data from farmer cooperatives to increase agricultural productivity. In this period we ran a pilot project with oilseed farmers in the Lira region.



We partnered with FAO, UDB & Ensibuuko to deploy a digital lending solution to smallholder farmers leveraging alternative credit scoring algorithms –based on data from farmer village savings and loans associations (VSLAs).



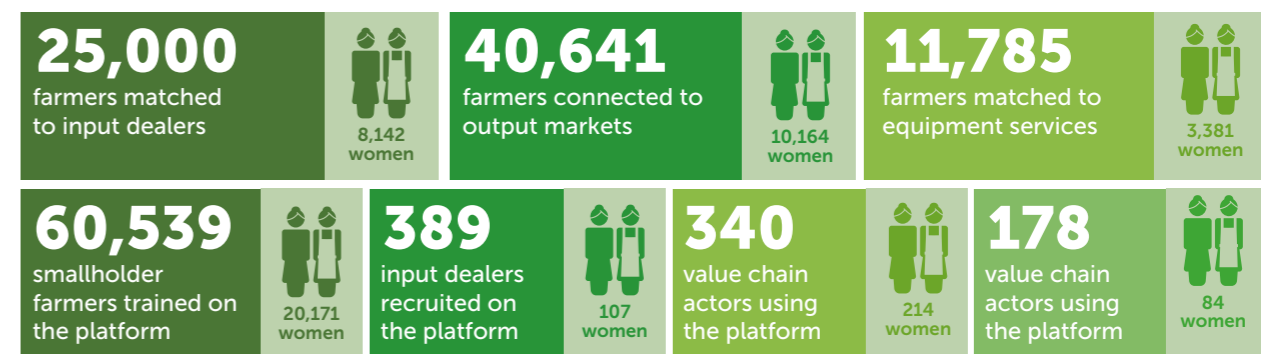
### 3. Digital Extension Services

We have been working with Nilecom Consortium to provide digital extension services to farmers in Northern Uganda. These services include linking farmers to agro-input dealers and input financing by linking farmers to financial service providers. Farmers are also linked to agents who train them on farming as a business.



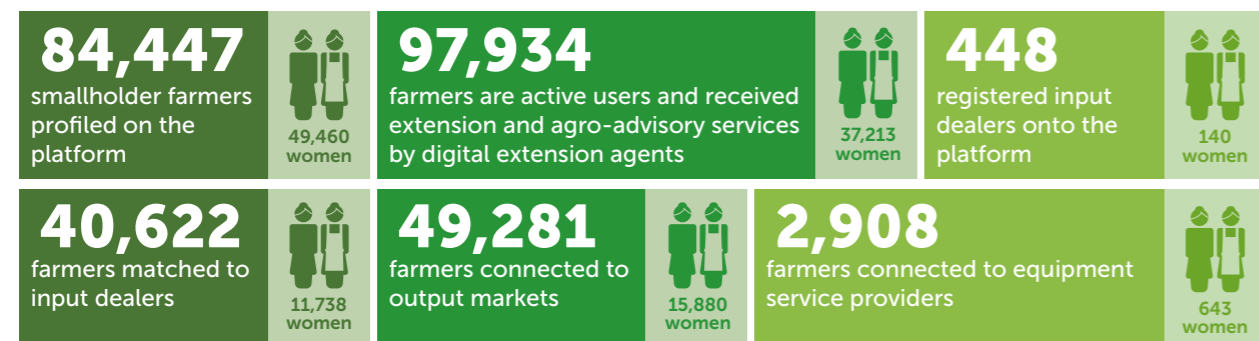
### 4. Farmers Call Center

Cabral Tech Ltd has continued to partner with UNCDF to leverage digital platforms to provide agricultural extension and advisory services and, as an added service, link farmers to providers of agricultural inputs through a call center.



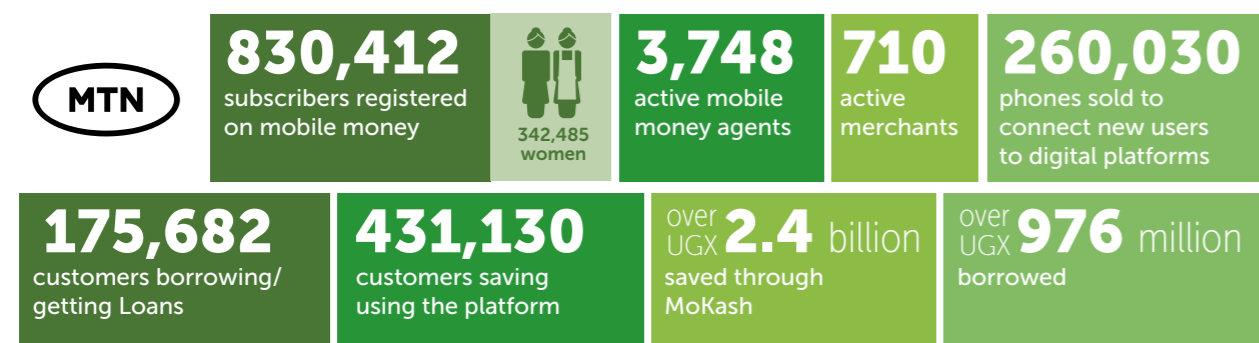
### 5. Digitally Connected Farmers

We continued to see results from an analytics-based machine learning platform, deployed in partnership with Quest Digital Tech Ltd, that facilitates easy access to farm inputs, experts-extension services, Agro-advisory services, tools, and equipment for farmers while providing an option for farmers to pay, share or hire the service or equipment on credit (option to pay for services at a pre-determined date in the future).



### 6. Digital Infrastructure

We continued to leverage our role as a market facilitator that supports mobile network operators in strengthening rural infrastructure which is key in providing for last mile distribution of digital related services and products. We are working with MTN, Airtel and Akello Banker to improve last mile infrastructure, distribution network and value proposition for digital financial services in Northern and West Nile Uganda targeting refugee and host communities.



### 8. Digital Skills

Working with Hive Colab, we developed a digital literacy curriculum and training toolkit. The training resources development focused on digital and financial literacy needs of rural Ugandans especially in the Northern region of Uganda using basic, feature and smartphones.



Scenes from the sunflower fields in Northern Uganda for the National Oil Seeds Project being implemented in 2023.

## DIGITALLY EMPOWERED WOMEN

Stories of Women Championing Digital Solutions to uplift their communities in Northern Uganda

While women’s access to and usage of digital solutions particularly in rural communities is still low compared to men, the journey to leave no one behind begins with one person – an individual woman, because like the adage goes, a journey of a thousand miles begins with one step.

Here we showcase some of the women that are driving the use of digital solutions in Northern Uganda to improve their livelihoods and their communities.



### OPENING NEW MARKETS FOR CHILI FARMERS USING DIGITAL TRACEABILITY

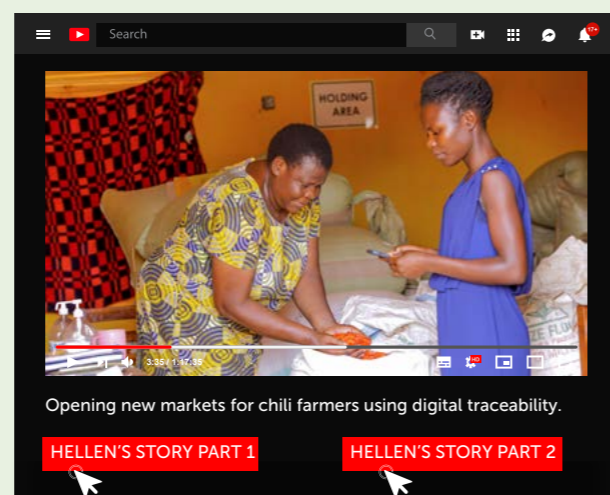
**HELLEN ACHAM** is the Founder and Executive Director of the North-Eastern Chili Producers Association (NECPA). NECPA, a female-led agribusiness currently supports 14,000 registered farmers (70% of whom are women) with agricultural extension services, inputs as well as markets for their produce. The organization focuses on the African bird eye chili. By 2017, NECPA was selling 44% of all exported chilies in Uganda.

NECPA uses a digital traceability tool called ‘My-Koop’; a software system being piloted by Hamwe East Africa in Northern Uganda with support from UNCDF. My Koop records, collects, and queries all aspects of information from production, processing, packaging, storing, distribution and selling to the food chain based on modern database management technology, network technology and barcode technology.

Hellen learned about the huge potential of the African bird eye chili while working with the Ministry of Agriculture, Animal Industries, and Fisheries. She started her venture in chili farming by collecting chili from the bushes. She later saw an opportunity to mobilize and bring together smallholder farmers interested in chili farming

particularly due to the crop’s resilience to climate change and international demand. Together with seven other women, including her mother who is her role model, they mobilized women’s groups as out growers and founded NECPA which has since grown to become one of the largest exporters of the African Bird eye chili in Uganda.

Beyond the African bird eye chili, Hellen also promotes planting of cashew nuts. She advocates for use of climate smart agricultural practices for sustainable agriculture.



### DIGITAL SOLUTIONS FOR SMALLHOLDER FARMERS

**SUZAN AUMA**, (left) a farmer in Bar Rwot Lira, uses a platform developed by Akello Banker to order farming inputs. The USSD-enabled platform enables farmers to order farming inputs from the comfort of their homes. It also provides access to timely and reliable farming information. Suzan spoke about how the platform has helped her to reduce movements allowing her to focus more on farming and taking care of her family.

“ Akello Banker helped us to reduce our to and fro movements to buy farming inputs during the COVID-19 pandemic. As a single mother, I needed to avoid catching the virus because no one would take care of my children if I got admitted in hospital.”

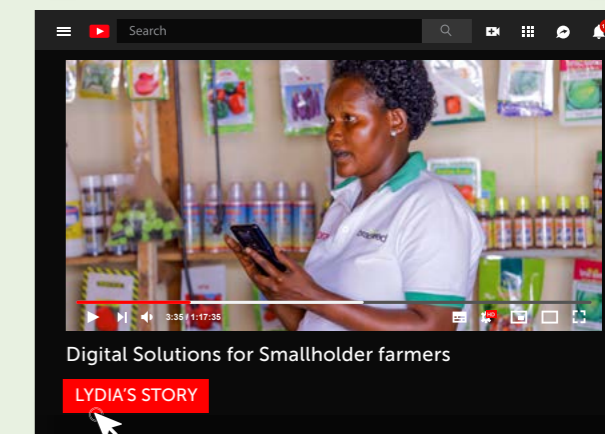
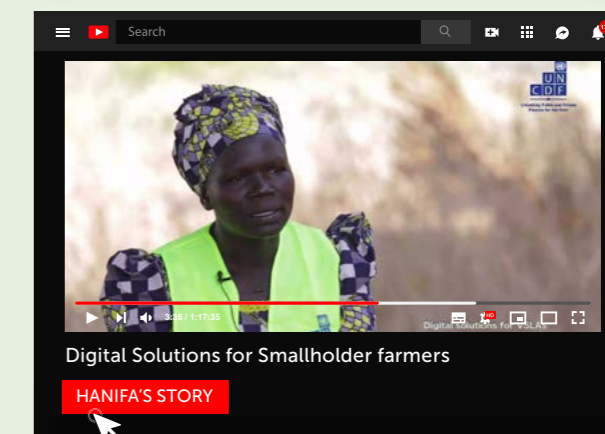
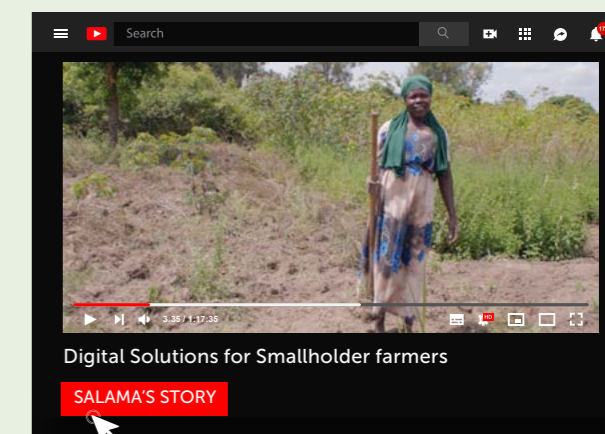
**ZABIBU AYIKORU**, a digital agent and a farmer in Yumbe, is promoting the use of the UgFarmer solution in her community. UgFarmer, a solution developed by Nilecom, Mezzanine, and Cordaid in partnership with UNCDF enables rural farmers to access agronomy information, inputs and markets using basic or smart mobile phones.

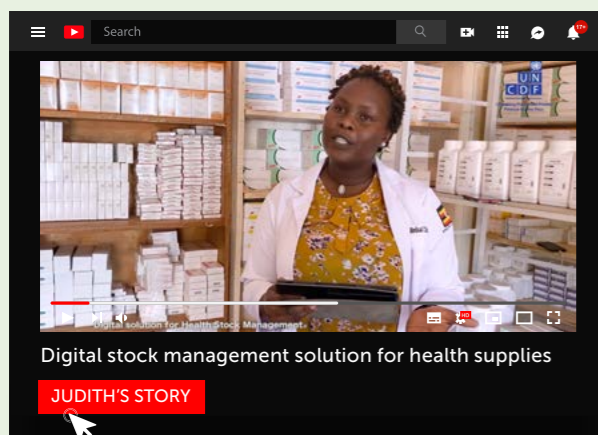
As a farmer, Zabibu believes that adopting better farming methods will enable her to meet her household needs and educate her children for a better future. As a digital agent, she does not only register farmers and agro dealers onto the UgFarmer platform, but also teaches them how to use the solution.

**HANIFA JUMA** is a secretary of a Village Savings and Loans Association (VSLA) in Yumbe district. VSLAs, savings groups that are self-managed by the members, provide a safe environment for members to save money through purchase of shares. Members also access small loans. Working with Ensibuuko Tech Limited, UNCDF is supporting access to financial inclusion of VSLAs through enabling linkage between Mobile Network Operators’ wallets and traditional financial systems. Digitalizing the VSLA data is the first step in this system. It is champions like Hanifa, who against all odds like limited access to affordable internet and electricity to charge phones that are making this work possible.

**LYDIA**, an agro-input dealer uses the same Akello Banker platform to sell agriculture inputs. This has opened her business to new markets. She is now able to serve many more customers some from as far as Bar Rwot, which is about 30Kms from Lira town.

**SALAMA DRICHRU** is a Digital Community Entrepreneur (DCEs) in Yumbe. Salama sells digital devices such as phones and solar systems in her community. She also teaches basic digital literacy skills. With the commission she earns from her sales, she is able to supplement her income and pay school fees for her children. Against all odds of male-dominated communities, DCEs like Salama are sensitizing especially the men in their communities on the role of digital access in transforming women’s lives.





### DIGITAL SOLUTIONS FOR HEALTH

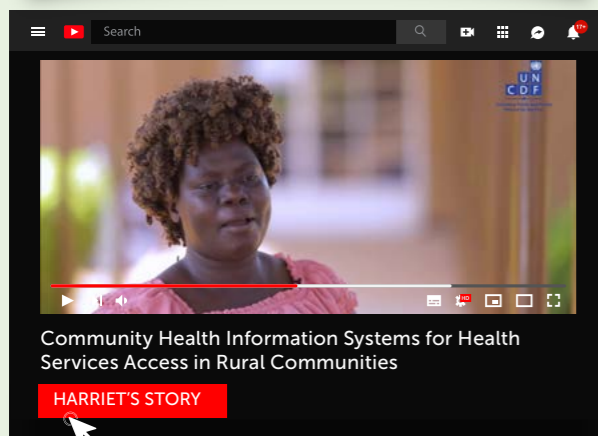
**JUDITH AMIA** is a store manager at Panyandoli Health Centre III in Kiryandongo refugee settlement. Panyandoli Health Centre provides healthcare services to over 100,000 refugees within the settlement.

Judith is one of the store managers that quickly embraced the S+ digital health management solution developed in partnership with MAUL & Signalytic to address the challenges in determining and maintaining adequate stock levels in lower-level health facilities such as frequent occurrences of over- or under-stocking and stock-outs.

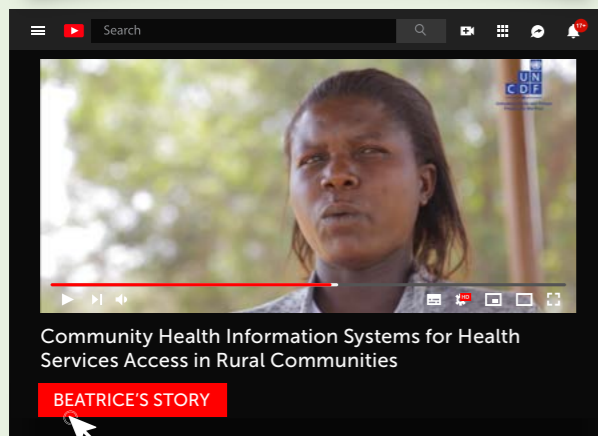
As a mother that lives away from her family, Judith appreciates that fact that the solution has made her work easier. S+ digital health management solution has enabled her to spend more time with her family and helped to save a woman's life.



**VELINA AND HARRIET** are volunteer community health workers (VHTs) providing primary health care services in their communities. They work as volunteers, bridging the gap of shortage of health workers in their communities. To ease the process of reporting and referral of patients visited by VHTs in the community, UNCDF with BRAC and Medic, have developed a community health information system popularly known as the VHT App. Despite the challenges of high costs of internet and limited access to power for charging, Velina and Harriet are some of the VHTs that have embraced this solution helping to improve the quality of data and diagnosis at the community level.



**BEATRICE**, a Health Inspector working with Koboko Hospital says the VHT app has improved supervision of VHT work, and information sharing between the VHTs, the hospital and the Ministry of Health.

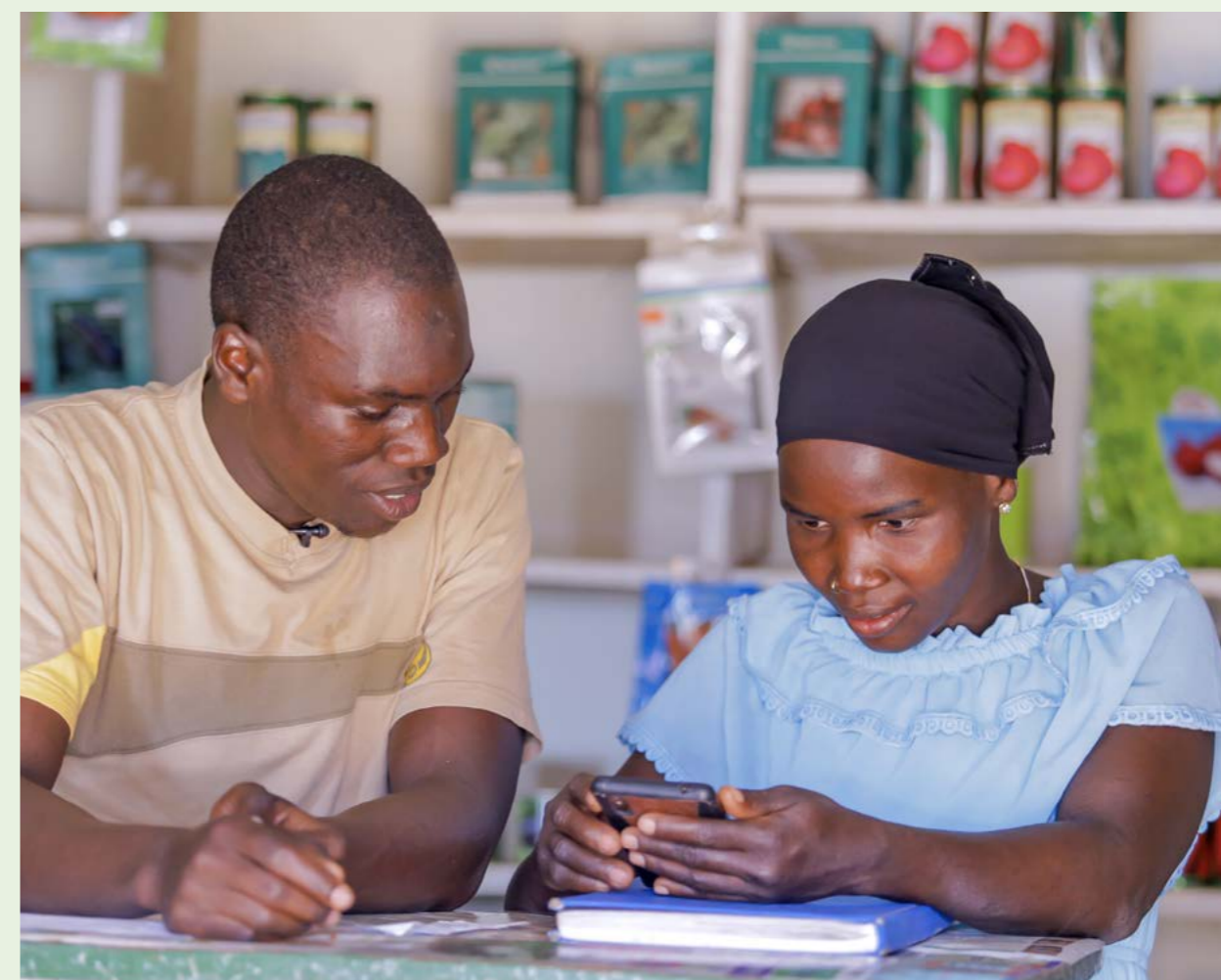
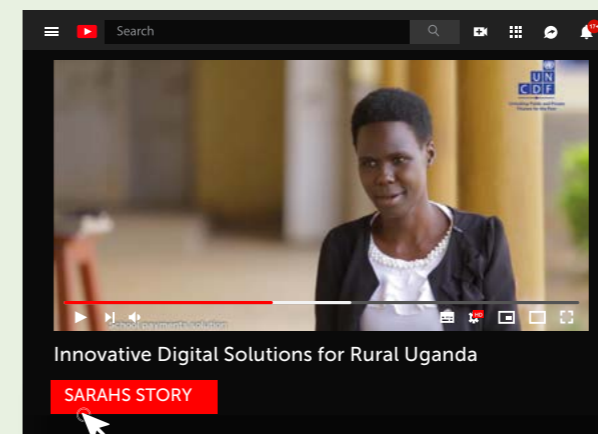


### DIGITAL SCHOOL FEES PAYMENT SOLUTION

In Lira, Sarah Abonyi, a bursar at Hill City College is using a digital school payment system developed by Service Cops. With the support of UNCDF, Service Cops has extended this service to unfamiliar territory and is reaching schools in rural Uganda to address the challenges associated with traditional systems of

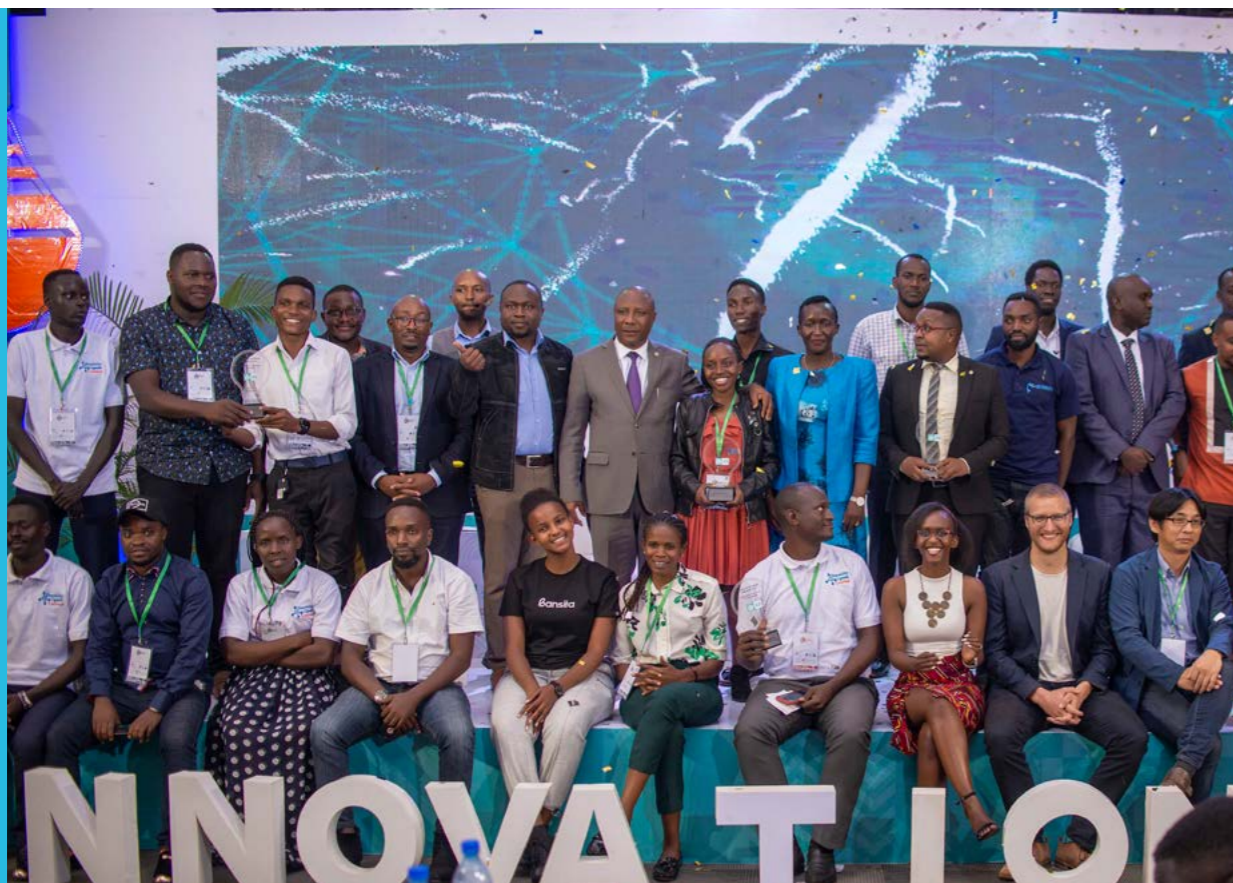
school fees payment such as cash-based payments in the schools & banks along with paper-based practices of managing day-to-day operations of schools.

The solution also reduces the costs and time that parents spend when paying school fees.



Zabibu Ayikoru, a digital agent and a farmer in Yumbe

# The Digital Economy



UNCDF works to improve distribution of digital related services and products that foster an open payment ecosystem. This includes infrastructure-development and improvement of last mile distribution of services like mobile money, airtime, and solar for lighting.

UNCDF is working to foster an inclusive digital sector where people are digitally literate and able to access and use digital services at national and individual levels as seen in the projections below.

## INTERVENTION AREAS

### 1. Airtel Open APIs

To improve digital infrastructure, UNCDF continued its partnership with Airtel, enabling third parties to easily integrate to Airtel Money through open Application Programming Interfaces (APIs). Through this work, we are pushing for an open payments' ecosystem, to build a more open and inclusive digital payments infrastructure that will significantly increase levels of digital payment usage, and hence economic activity in the formal economy, particularly for excluded populations. An API enables different systems to communicate to one another effectively, easing business processes and service delivery.



### 2. NITA-U and UNCDF partnership to develop a data protection portal.

The Personal Data Protection Office under the National Technology Authority of Uganda (NITA-U) and UNCDF developed a data protection portal that has eased registration of data controllers, data collectors and data processors as well as the reporting, processing, and resolving of data protection and data privacy complaints and breaches. The portal was launched in June 2022.

The data protection portal provides the following:

- i) **seamless electronic registration** for data collectors, data processors and data controllers.
- ii) **a platform for data subjects to easily file a complaint** with the Personal Data Protection Office;
- iii) **a platform to promote knowledge** about personal data protection and privacy best practices, guidelines, and tips.

The aim of the portal is to further build trust in the digital transformation process of Uganda. The lack of data privacy and uncertainty around how people's data is used and kept is a strong risk and deterrent to the growth of a trusted digital economy. [READ MORE](#)

### 3. Supporting the Innovation Ecosystem

UNCDF works with Ugandan start-ups to help them get more visibility, access finance, markets (international and local) and support from accelerator hubs. UNCDF supported Startup Uganda, the industry association for start-up enablers in Uganda, to build its capacity to deliver on its mandate as the convener, capacity builder, policy advocate and growth engine for Uganda's startup ecosystem.

#### Key Activities conducted by Startup Uganda (2022)

- Capacity building training for members of Startup Uganda (Entrepreneurial Support Organizations) to improve their programming and entrepreneur support capacities. 20+ ESOs received training from Village Capital on Impact Hypothesis, Investment Education and Programme Development.
- The "Startup Uganda Investor Days" quarterly pitch competitions have offered startups an opportunity to pitch to international and local investors. Five start-ups have continued into the preliminary due diligence phase with investors. UNCDF, through its support to hubs, provides technical support to prepare start-ups to put their best foot forward while pitching to investors.
- In partnership with Google, UNCDF and Africa 118 the Google MSME Digitalization Training program saw 40 MSMEs trained with 28 being female-led. For more on what Startup Uganda has been able to achieve alongside UNCDF [click here](#).
- Startup Uganda was able to raise US\$106,238 (besides UNCDF) towards its annual program event Uganda Innovation Week. Partners included; National Social Security Fund Hi-innovator, Mastercard Foundation, Outbox, UN International Trade Center, Village Capital, BOP INC, Japanese International Corporation Agency, Response Innovation Lab, Youth Startup Academy, Innovation Village and The French Embassy. The event also drew 1000+ participants over the three days of attendance.

For more on what Startup Uganda has been able to achieve alongside UNCDF [CLICK HERE](#)



## UGANDA'S STARTUP SCENE

### A Coming-Of-Age Story

Over the past four years, UNCDF has worked alongside Startup Uganda to strengthen the startup support ecosystem and sector. Rooted in the fundamental belief that innovators and entrepreneurs are a driving source of economic, social, and environmentally sustainable development, the association is committed to creating an enabling environment where startups can access the support they need to start and grow; many of whom work alongside UNCDF to implement solutions within the last mile that make finance work for the marginalized and disadvantaged. We hear from participants within the Startup Ecosystem on what their experience has been over the last few years.



“ Five years ago, the start up ecosystem was not defined & not structured, something that had us realizing the need for systems. It is this need that the National Innovation Hub aims to meet. The Uganda Institute of Communication Technology at Nakawa also aims to do the same as a center that offers specialized skills needed for startups to thrive and for the growth of business process outsourcing systems.”

~ Dr. Aminah Zawedde, Permanent Secretary, Ministry of ICT and National Guidance



“ Over the last few years, the ecosystem's focus on reaching entrepreneurs beyond the perimeters of Kampala has been really great because great ideas are all over the country, not just in Kampala. A continuing challenge though remains access to local capital. Hopefully over the next couple of years we can see an increase in that.”

~ Collins (Micheal) Mbulakyalo, Co-Founder, Waape



“ Over the last few years, there has been an interest amongst entrepreneurship support organizations to up the game in terms of their value proposition for entrepreneurs. It has resulted in much richer programming. We've also seen funding partners become more intentional about how they deploy resources towards the ecosystem with a focus on tangible impact that encourages accountability amongst ESOs.”

- Richard Zulu, Team Lead, Outbox & Chairperson, Startup Uganda



“ A clear marker of growth for the Startup Ecosystem has been the amount of ecosystem support partners we have been able to amass both in terms of funding and technical expertise in order to push forward the ecosystem. A challenge we are still facing is creating enough local capital to offset the foreign investment coming in. I'm hoping the next few years can demonstrate an increase in that.”

~ Allan Lule, Startup Manager, Makerere Innovation & Incubation Centre & Executive Committee Member, Startup Uganda



“ There have been a lot of interventions that have come in specifically targeting startups which is excellent. There is the Startup Bill for example, being championed by Startup Uganda. However, despite having one of the highest number of people going into the entrepreneurship space, we've also had a significant number dropping out. I'm hoping that the next few years can see this statistic change.”

~ Micheal Nyitegeka, Program Director, Refactory



“ For me the greatest achievement has been seeing collaboration come to life. A couple of years ago, the synergies currently in place amongst us as Design Hub and other members of Startup Uganda such as Hive Colab, TechBuzz Hub and others would have been but a dream. In the next few years I am most looking forward to what it might look like for innovators to have incentives that are primarily driven by the government.”

~ Jean K. Makki, Director, Circular Design Hub & Vice Chairperson, Startup Uganda



“ I think one of the most obvious indicators of growth has been an increase in numbers; the number of startups unlocking funding, the number of local investors willing to bet on local startups. As United Social Ventures we have had over 100 training sessions in three different countries and have helped 150 startups raise one million Ugandan shillings in funding. Our biggest challenge even as we achieve this has been getting entrepreneurs to commit to their mission and vision. Because of the pressure to grow quick and access whatever limited resources are available, many tend to divert which hinders their business longevity. It's something we hope to tackle in the next few years.”

~ Daniel Wasswa, Senior Consultant, United Social Ventures



“ The amount of business development support entrepreneurs are now able to receive is a good indicator of growth within the startup ecosystem. There are more development partners conducting accelerator projects, more hubs training startups on how to run their businesses and giving good advice on when to pivot, something we at Hamwe have benefitted from. Startup Uganda has also provided a much larger platform through which we can exhibit and gain exposure.”

~ Stella Lugalambi, Co-Founder, Hamwe



“ For us as an ESO, a significant marker of growth has been extending our efforts beyond Kampala because we realize not all innovators are within the city center. We are committed to finding talent wherever it is and supporting it. In the next few years, I am most looking forward to more locally-led unicorns coming out of the country.”

~ **Barbara Birungi, Co-Founder, Hive Colab**



“ An openness and reception to products & services that are ecofriendly such as the smart business cards provided by Imani Tech. The reliable relationships between the hubs in the ecosystem have really propelled the business forward and we know we have Startup Uganda to thank. The future is contactless!”

~ **Ivy Kayitesi, Founder, Imani Tech**



“ Over the last few years, there has been an increase in the number of organizations providing capacity building solutions for entrepreneurs. This has led to increase in the number of startups that progress from ideation to pilot stage. Despite this, we need to see more ESOs working in a more coordinated manner to support start-ups on their growth journey & eliminate the cases of start-ups moving from hub to hub for the same kind of support.”

~ **Rhian Mikisa, Coordinator, Response Innovation Lab**



“ A big difference in the innovation space over the past few years is the awareness at the highest level. During the pandemic period for example, the platform that was being used to check people’s vaccine at the airport was a startup. Something else we have realized is if you walk into these startups and talk to the people actually creating things, they are your average Ugandan, many without even a university degree. It’s refreshing to see and presents a great opportunity.

~ **Badru Ntege, CEO, NFT Consult**



“ As Numida, since our inception we have been able to unlock US\$30 million in unsecured working capital loans to 8000 small businesses in Uganda. Last year, we raised US\$12.3 million to invest in Uganda & to take this model we have built here to other markets in Africa. One of the things we are most excited about in the next few years is large investors looking beyond the African ‘big 4’ for investment opportunities, with a special focus on Uganda.”

~ **Mina Shahid, CEO & Founder, Numida**



“ The Startup Uganda & UNCDF collaboration has done a lot for Tubayo in terms of validation. Our tourism platform and market days benefitted greatly from the award we received as Startup of the Year in the Creative Industries at the Kampala Innovation Week (now Uganda Innovation Week) 2021. That’s what we need as well. The funding is necessary & great but endorsement goes a long way too.”

~ **Brian Namanya, Founder, Tubayo**



“ There is a stronger recognition of the value of digital innovation & startups in solving development challenges. When we started in this space, we were quite alone but now there are many more development partners coming on to support startups. Development money comes in to de-risk startups with the next stage being private capital. The hope is that the evolution of the startup scene sees more venture capital and private equity players coming on board.”

~ **Richard Ndahiro, Technical Advisor, UNCDF**



“ We’re seeing many more viable ideas come to market even though scale and longevity remain an issue. We have catalyzed the coming together of the startup ecosystem and it has resulted in much wider forums around innovation and players from across the region participating in events like Uganda Innovation Week. We see it as a success when we have new entrants.”

~ **Chris Lukolyo, Digital Country Lead, UNCDF**



A scene from one of the ecosystem enabling events hosted by UNCDF, the Digital Fireside.



## 2023 FOCUS

### 1. FURTHERING DIGITAL LENDING SOLUTIONS

In partnership with the Food and Agriculture Organisation (FAO), UNCDF is piloting an innovative digital lending model that will enable access to credit for smallholder farmers in rural areas of Uganda.

Working with fintechs (Ensibuuko and eMata) and with lending capital from Uganda Development Bank, the alternative lending model leverages digital data on the transactions and track record between farmers and farmer organizations or savings and loans groups. Through this project, UNCDF aims to increase access to affordable loans for farmers and prove a business case for advancing low-cost loans to farmers using alternative credit scoring models.

### 2. NATIONAL OIL SEED PROJECT

The FAO Investment Centre, IFAD, and UNCDF are collaborating with the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF) to scale digital technologies that can mitigate key market challenges, specifically for smallholder farmers within the agriculture sector. This collaboration aims to improve the capacity and preparedness of all three organizations to support partner governments, farmer organizations and value chain actors in adopting more effective and suitable digital solutions to food system actors. This work builds on UNCDF current partnerships with Agtechs in the field to extend sustainable, innovative digital solutions aimed at unlocking market constraints in the agriculture sector in Northern Uganda.

### 3. DIGITAL WOMEN ECONOMIC EMPOWERMENT & GENDER MAINSTREAMING

The Digital Women Economic Empowerment Strategy will contribute to UNCDF's Global Inclusive Digital Economy Strategy (2018 -2024) of "Leaving no one behind in the Digital Era". The strategic goal is to ensure that women are empowered to improve their livelihoods through increased participation in the digital economy. Specific outcomes for women aligned with the different workstreams of the UNCDF Uganda Country Strategy are targeted to contribute to this goal. In partnership with Nyowe Ventures, UNCDF will implement a digital solution that will provide women along the shea nut and sunflower value chain in northern Uganda with agricultural advisory and extension services, access to high-quality agro-inputs and access to markets.

In an effort to establish better gender mainstreaming practices, a gender assessment of the IDE programme was carried out in 2022 resulting in a report highlighting the findings. The report reveals a digital gender gap across all communities in terms of digital devices ownership and usage, internet usage, digital skills, and awareness as well as adoption of digital innovation. [READ MORE](#)

## KEY PUBLICATIONS

**DIGITALIZING A VILLAGE HEALTH TEAM IN UGANDA**  
CASE STUDY  
January 2022  
Equipped. Supervised. Motivated. The Future VHTs

[DOWNLOAD](#)

**DIGITALIZING INVENTORY MANAGEMENT IN RESOURCE-CONSTRAINED HEALTH FACILITIES**  
February 2022

[DOWNLOAD](#)

**WHITE PAPER**  
Investing in Digitalizing Healthcare: The UNCDF Way

[DOWNLOAD](#)

**Towards a Connected Climate**  
Leveraging digital technologies to break the cycle of food insecurity in sub-Saharan Africa

[DOWNLOAD](#)

### ARTICLES & BLOGS

- [A loan to combat Malaria: How a savings group in rural Uganda is helping women deal with economic shocks](#) [GO TO PAGE](#)
- [Can digital uptake help transform societies in LDCs?](#) [GO TO PAGE](#)
- [Closing the growing digital skills gap in Uganda](#) [GO TO PAGE](#)
- [Getting to Grips with Digital Exclusion – Action Examples from Uganda](#) [GO TO PAGE](#)



## LEAVING NO ONE BEHIND IN THE DIGITAL ERA

The UNCDF strategy 'Leaving no one behind in the digital era' is based on over a decade of experience in digital financial inclusion in Africa, Asia and the Pacific. UNCDF leverages digital finance in support of the Sustainable Development Goals (SDGs) to achieve the vision of promoting digital economies that leave no one behind. The goal of UNCDF is to empower millions of people by 2024 to use services daily that leverage innovation and technology and contribute to the SDGs. To achieve this vision UNCDF uses a market development approach and continuously seeks to address underlying market dysfunctions that exclude people living in the last mile.

## THE UN CAPITAL DEVELOPMENT FUND

The UN Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 46 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how localized investments—through fiscal decentralization, innovative municipal finance, and structured project finance—can drive public and private funding that underpins local economic expansion and sustainable development. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a number of different SDGs

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