



Learning from Uthabiti's Business Partnership Model

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November 7th, 2024

UTHABITI - Humanitarian and Development Nexus Activity

“Building Resilience Through Market-Led Livelihood Opportunities”

Duration: April 2022 – March 2025

Funded: Bureau of Humanitarian Assistance



Consortium:  Save the Children



Target Group and Implementation Area:



- Refugees and host communities
- Women and youth (focus)

Districts:

Lamwo (Palabek settlement)

Isingiro (Nakivale settlement)

OBJECTIVES

GOAL

For Refugee and refugee hosting households, particularly youth and women, to have diversified livelihood opportunities to meet their basic needs and participate in economic growth” in Isingiro and Lamwo districts.

To build resilience through market - led livelihoods opportunities by diversifying available resilient livelihood opportunities for youth and women from refugee and host communities in the Isingiro and Lamwo districts of Uganda.

To promote opportunities in primarily off - farm activities within selected value chains that offer inclusive economic growth potential, while concurrently addressing the market constraints on equitable participation in the market.

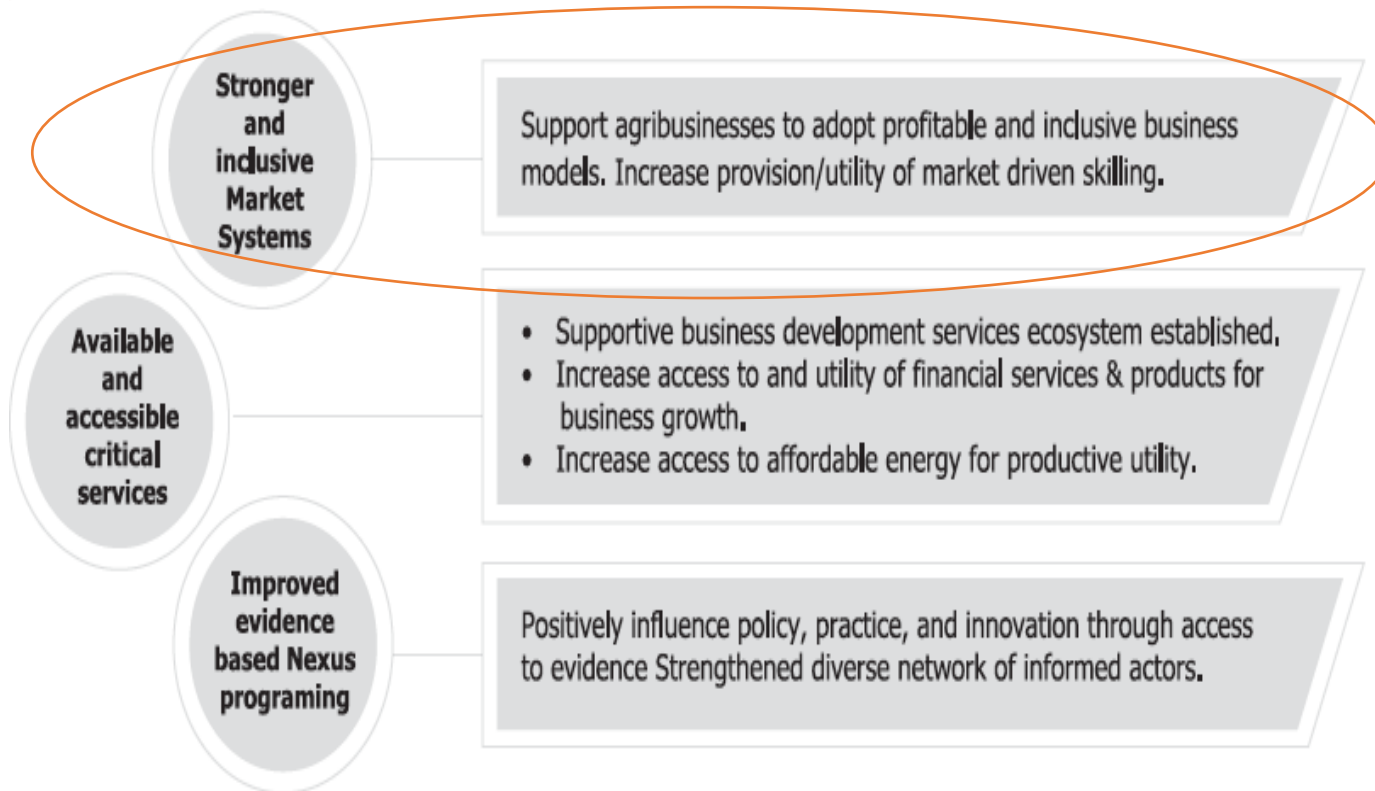
To strengthen market systems and enable access to reliable, cost - effective sources of clean energy and financial services for refugee and host communities.

To test, generate, and disseminate new evidence on scalable business models that are appropriate for humanitarian - development nexus programs in Uganda, and where applicable, globally.

To reach 22,460 refugee and host community members, particularly youth and women; over 250 saving groups, cooperatives, and community - based organizations; and at least 30 micro, small, and medium enterprises in the targeted project areas.

Purposes / Theory of Change

Purposes



Theory of Change

IF

Locally led private sector presence in refugee-host community context is incentivized to increase investment and business activity along pro-poor value chains,

AND

Vulnerable populations are enabled and linked to the opportunities created for sustainable and resilient livelihoods,

THEN

Self-reliance will increase as a result of increased food security, household income, and social capital.

Purpose 1. Stronger and Inclusive Market System

- The **market strengthening component**, led by Swisscontact, primarily **focuses on generating off-farm economic opportunities** in markets with the highest potential for inclusive growth.
- The market system assessments identified **trade, transport, post-harvest, and handling solutions** as the main growth levers. Interventions are being tested in these areas for high-growth agriculture value chains.
 - ✓ Lamwo region focus on oilseeds, dried beans, apiculture, and FMCGs
 - ✓ Isingiro region focus on dried beans, maize and horticulture

Interventions aim to:

- Support agribusinesses/SMEs to adopt profitable and inclusive business models.
- Increase provision/utility of market driven skilling in specific technical areas such as skills development, GAPs-PHH trainings, trade links, financial services linkages and other business services to enable enterprise growth.



Intervention: Aggregation Agent Model – Erymags (Example: Private Sector/SMEs)

The intervention aimed at aggregation of oilseeds and grains in Lamwo District, Including the Palabek Settlement

Challenges

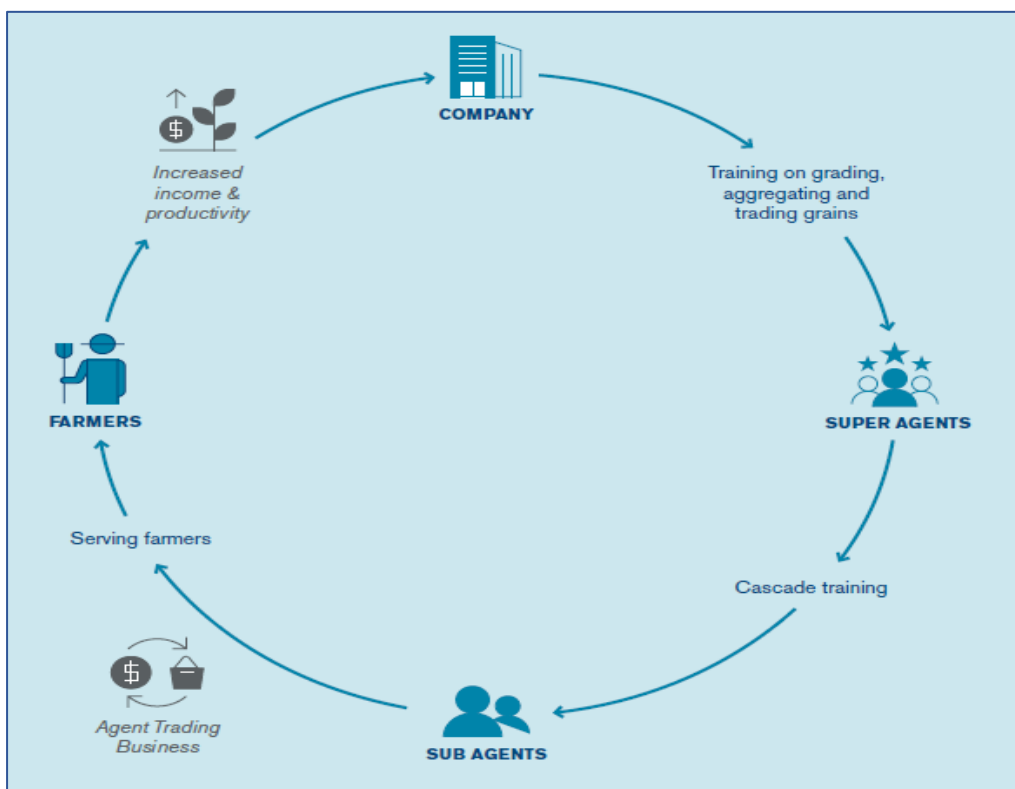
- Thin and disjointed trade networks
- High price fluctuations
- Post harvest losses
- Poor quality produce
- **Build trust relationships**

Key Activities and Positive Results

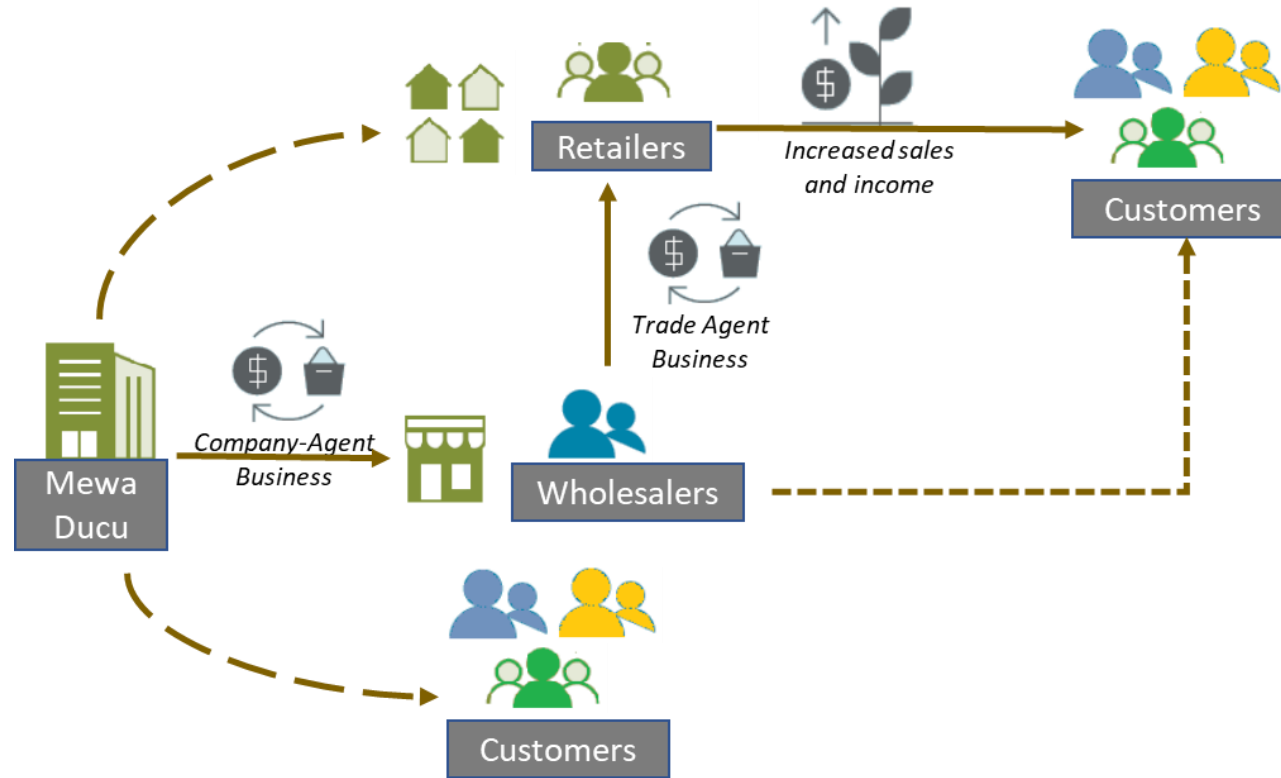
- Agents and SHF trained in GAP, PHH, Financial Literacy/linkage, Business Skills, and grain business management.
- Improved quality of grains
- Use of pallets, tarpaulins, and drying, cleaning, and sorting practices
- Graduation of Agents (SMEs)
- Threshing machines distributed to provide cleaning and sorting services

Indicators (Jan23 / Sep24)

- 5 super-agents; 38 sub-agents; 180 village agents: SMEs/full-time eq. jobs
- 9 Agents graduation (SMEs): 1 to super and 8 to sub-agents level
- Access to financial services and digital cash transactions
- 4,180 Smallholder Farmers received extension services (62% women, 38% youth, 60% refugee)
- Erymags invested 55,203 USD resulting in 4,481,650 USD worth of the transactions from 4,824 MT of sesame, soybeans, maize, millet, sorghum, pigeon peas, sunflower, beans). 96% Increase during the 2nd year



Intervention: Last Mile Distribution Network of FMCG – Mewa Ducu (Example: Private Sector / SMEs)



Partnership aims to increase access to Fast-Moving Consumer Goods (FMCG), access to distant markets or locations, build participants' resilience and contribute to food security by improve distribution systems, making them more efficient and reducing transport costs.

Indicators (May23 – Sep24)

- Recruitment of 35 wholesalers (SMEs)
- Each wholesaler serves between 7 to 15 retailers, forming a network of 294 retailers (SMEs)
- The supply of products to wholesalers was increased from once a week to twice a week.
- Established relationships of trust allowed the company to move from 300,000-500,000 UGX/week/wholesaler to 3,000,000-4,000,000 UGX/week/wholesaler deliveries (80-140 USD to 800-1,100 USD)
- The introduction of tricycles has made it possible to reach remote villages and capture more customers who did not have easy access to FMCG or got it at high prices.
- Sales volumes in the period reach about 130,000,000 UGX (36,000 USD) as a value of flour, sugar, detergents and oil, as main products.
- Mewa Ducu invested 18,700 USD and obtained almost the double revenue.

Challenges

- Shortage of FMCG supply
- Reach remote communities
- Reduce transport costs / FMCG prices
- Extending the FMCG distribution channels
- Build trust relationships

Positive Results

- Large population attended
- Remote Villages assisted
- Transport costs reduction
- Sales volume increase
- Income generation
- Job creation
- Women and youth addressed

Lessons Learned

Emphasis on Off-Farm Activities

Focusing on off-farm activities as a catalyst for improving the productive phases of agricultural and/or trade value chains has expanded employment opportunities and the creation or strengthening of SMEs, particularly for youth and women. This diversification allows families to generate additional sources of income.

Integration of Private Sector Companies

Introducing private sector companies that guarantee bulk purchasing of products and prefer to concentrate these purchases at defined collection points has sparked interest from various actors to become intermediary commercial agents (as a new SMEs actor in the market system). This has resulted in different levels of aggregation capacity and hierarchies within the agents.

Effective Business Model Adoption in MSD Projects

- The adoption and facilitation of business models focused on the trade of Fast Moving Consumer Goods (FMCG) and the aggregation of agricultural products have proven to be both easily adopted and swiftly implemented.
- These models increase cash flow in the short term, aligning perfectly with the goals of market actors seeking minimal risk and discreet investments.
- It's crucial to recognize that developing these models involves not only seeing producers as agents of change, but also engaging private sector actors who provide inputs and services.
- By encouraging these actors to enhance their long-term vision and understand the benefits of building loyalty and complementary relationships, we can ensure greater stability and sustainability for all parties involved in the business ecosystem.



Thank you!