IKEA Foundation

UNHCR The UN Refugee Agency

AVSI People for development

Sustainable Market Inclusive Livelihoods Pathways to Self-reliance

SMILES PROJECT

Delivering Economic Inclusion Interventions with Market Systems Development Integration

Webinar: Regional Economic Inclusion Working Group (EIWG)

Ruth Ninsiima - AVSI
Stephen Anecho - DAI
David Baguma – EWS-KT
Moise Kisembo Macstephen – Blessed Agro Farm Supply

07th AUGUST 2025

REPARLE Energy Security | Food Security | Poverty Alleviation | Climate Resilience

DAI Shaping a more livable world.

THE REPUBLIC OF UGANDA

TODAY'S AGENDA

Economic Inclusion – Graduation Approach

By Ruth Ninsiima

01

Market Systems Development

By Stephen Anecho

02

Market Actor - East-West Seed - Knowledge Transfer

By David Baguma

03

Refugee -Led Agro - input Business/ Farm supplies

By Moise Kisembo Macstephen

04

Panelists

Ruth Ninsiima

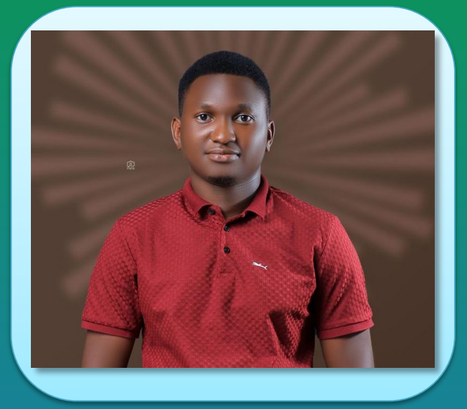
Economic Inclusion Advisor at AVSI Foundation

Stephen Anecho

Market Systems Development Technical Specialist at DAI

David Baguma

Project Lead at East West Seed - Knowledge Transfer Uganda



Moise Kisembo . Macstephen

Manager at Be - Blessed Farm Supply – Kyangwali Refugee settlement

Graduation Approach/Economic Inclusion

A bundle of coordinated, multi-sectoral interventions that support individuals and households to increase their income and assets.

- Partnership for Economic Inclusion (PEI)

A sequenced and time-bound intervention that aims to help people living in extreme poverty build resilience and engage in sustainable livelihoods.

Market Systems development approach

- Market systems development (MSD) is an approach to international development that **seeks to catalyze lasting and large-scale improvements** in how market systems operate, particularly **for the benefit of people living in poverty.**

- Rather than delivering direct services or goods, **MSD works by identifying and addressing the underlying constraints and root causes** that prevent markets from functioning effectively and inclusively.

AVSI Foundation Graduation Approach Evolution and Scale

1 — WINGS North 2009-2012

IPA RCT study and cost 250$ pp year

2 — SCORE - PEPFAR

PEPFAR (35 Districts) in 2011-2018. Cost 281$ pp year for 3 years and OVC unit cost 76$
89% graduation and 75% resilience for 208,000 People in a **development space**

3 — ★Graduating to Resilience

USAID BHA $36.7m (Kamwenge – **Refugees**) 84,000 HHs, Cost 1100 per HH per year
Graduation rates 80% and resilience 72%

4 — WINGS + Technical Assistance

7 Country programs as PEPFAR social econ model for youth

5 — ★Sustainable Market Inclusive Livelihood Pathways to Self-Reliance (SMILES)

25 Million Euro – IKEA Foundation (Nov, 2022 to Oct, 2027), (Kyaka and Kyangwali) + **ECD and Parenting** and **MSD with RCT**
14,000 HHs, 7,000 MSD

Graduation rates cohort 93.7% at quarter 8 of 8

6 — ★Graduating to Economic Resilience

FCDO for £2m for 2,100 households in 2024 to 2025 (12 months + 6 months cost share from AVSI)
Graduation rates 53% progressing to graduation (quarter 3 of 6)

7 — Graduating to Resilience Scale

Palabek
11,600 HHs, 58,000 people with ECD, MSD, Parenting and **Local partners** in 2024 to 2026 in Palabek for 15m $ between 2024 to 2027

8 — DSP Graduation Urban Pilot – Urban Kampala

Private donors for 100,000 Euro for 113 Households in an 18 months cohort between 2024 to 2027

9 — URRI

DANDA Funded - 6325 HHs and 5% Graduation Target – 316 HHs (Refugee and Host) in Kyegegwa

10 — Adkeeysi Resilience and Food Security Activity

Budget: $72 Million ($37,000,000 in CDF, $35,000,000 in Title II)
Period of Performance: October 1, 2024– September 30, 2029 - SOMALIA
Target: 54,000 Households (378,000)

11 — ★HAITI - USA

In design + our dream!

Sustainable Market Inclusive Livelihood Pathways to Self-Reliance (SMILES)

Project Overview

Funding Partner:

IKEA Foundation

Budget:
25 million Euro

Duration:
5 years

(1st Nov, 2022 to 31st Oct, 2027)

Sectors:

- Economic recovery and livelihoods
- Agriculture
- Environment and energy
- Food security and nutrition
- Protection

Target:

14,000 Households (70,000 People)
Cohort I: 7,000 HH, cohort II: 7000 HH
(50% refugees and 50% host community)

Location:

1. Kyaka II Settlement, Kyegegwa District.
2. Kyangwali Settlement, Kikuube District.

Goal:

Refugee and Host community participants are self-reliant and resilient.

Partners:

AVSI People for development

UNHCR The UN Refugee Agency

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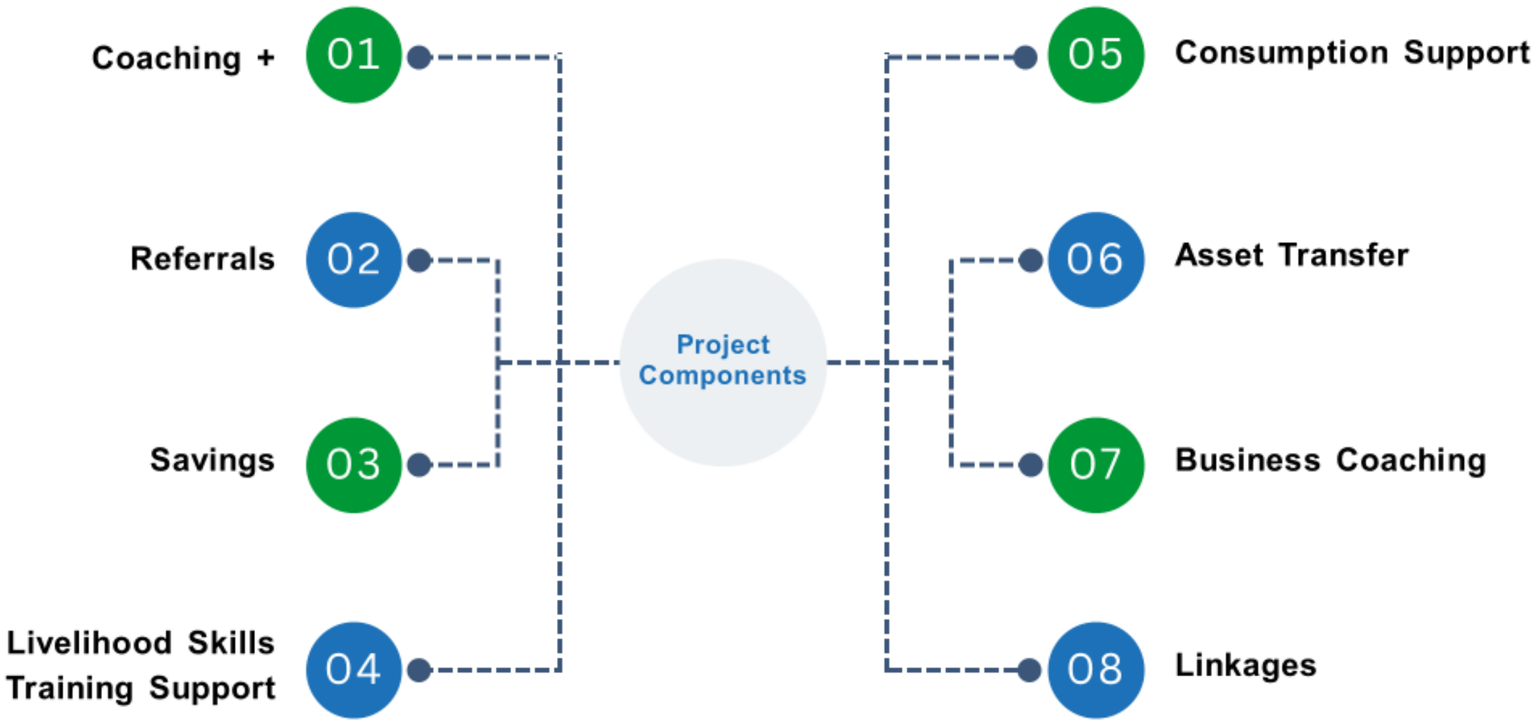
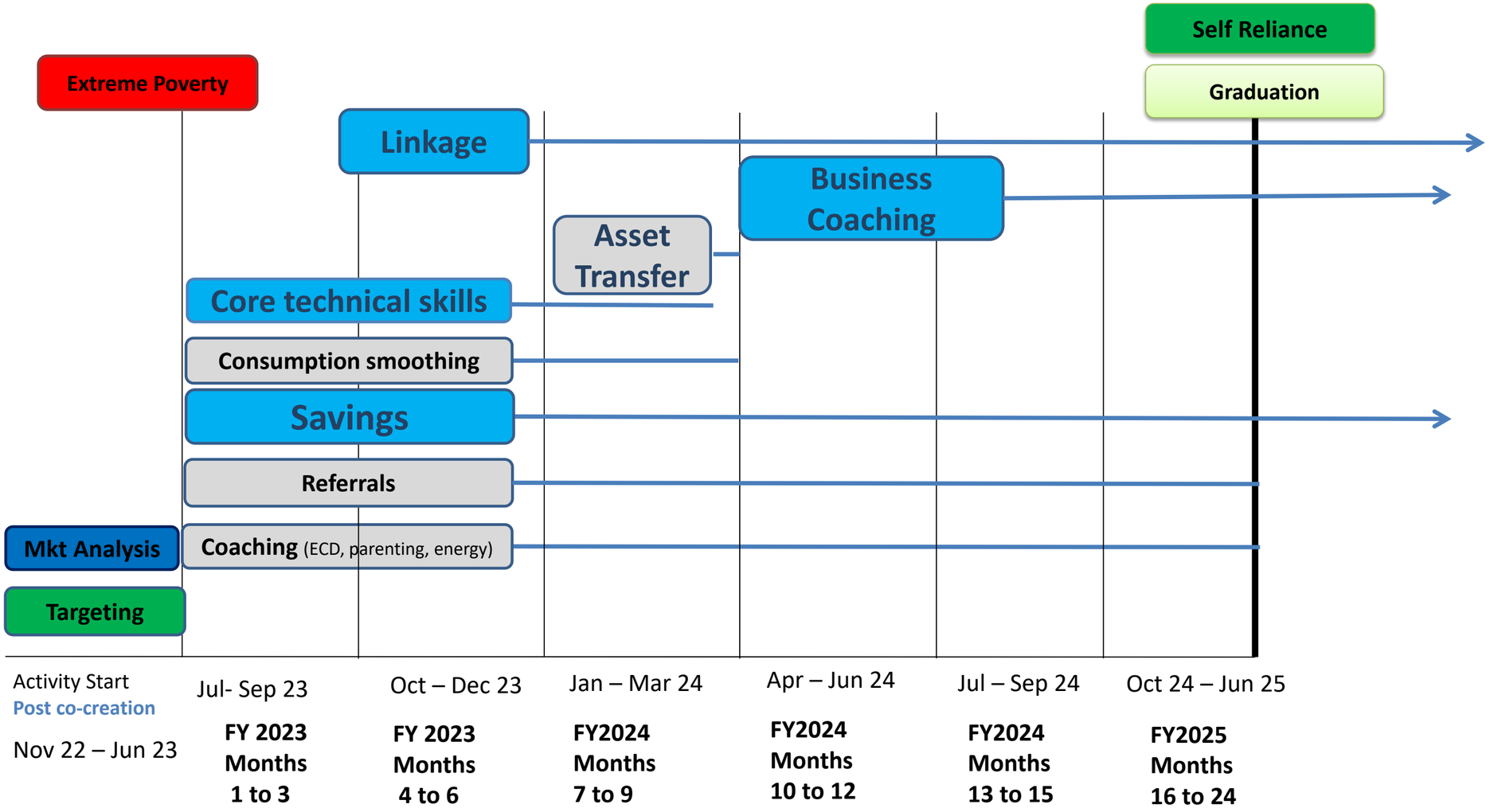
Project Approach

- Graduation plus Market Systems Development
- Woman/Youth plus
- Multi-sectoral
- Group Delivery
- Extremely poor households
- Two Cohorts
- Under Randomized Controlled Trial - Four Arms (3 treatment and a control)

Project Components



SMILES Sequencing Diagram

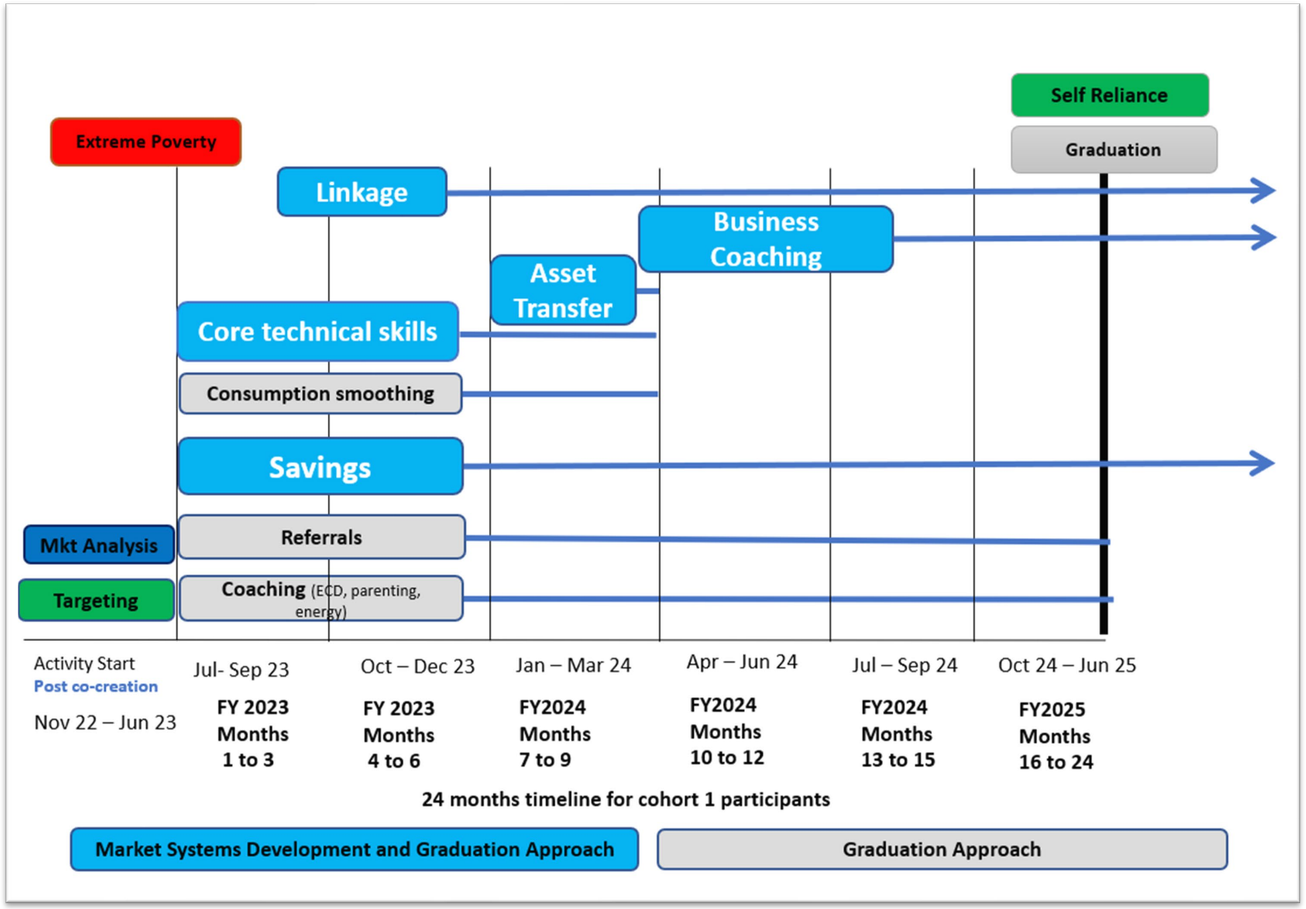


24 months timeline for cohort 1 participants

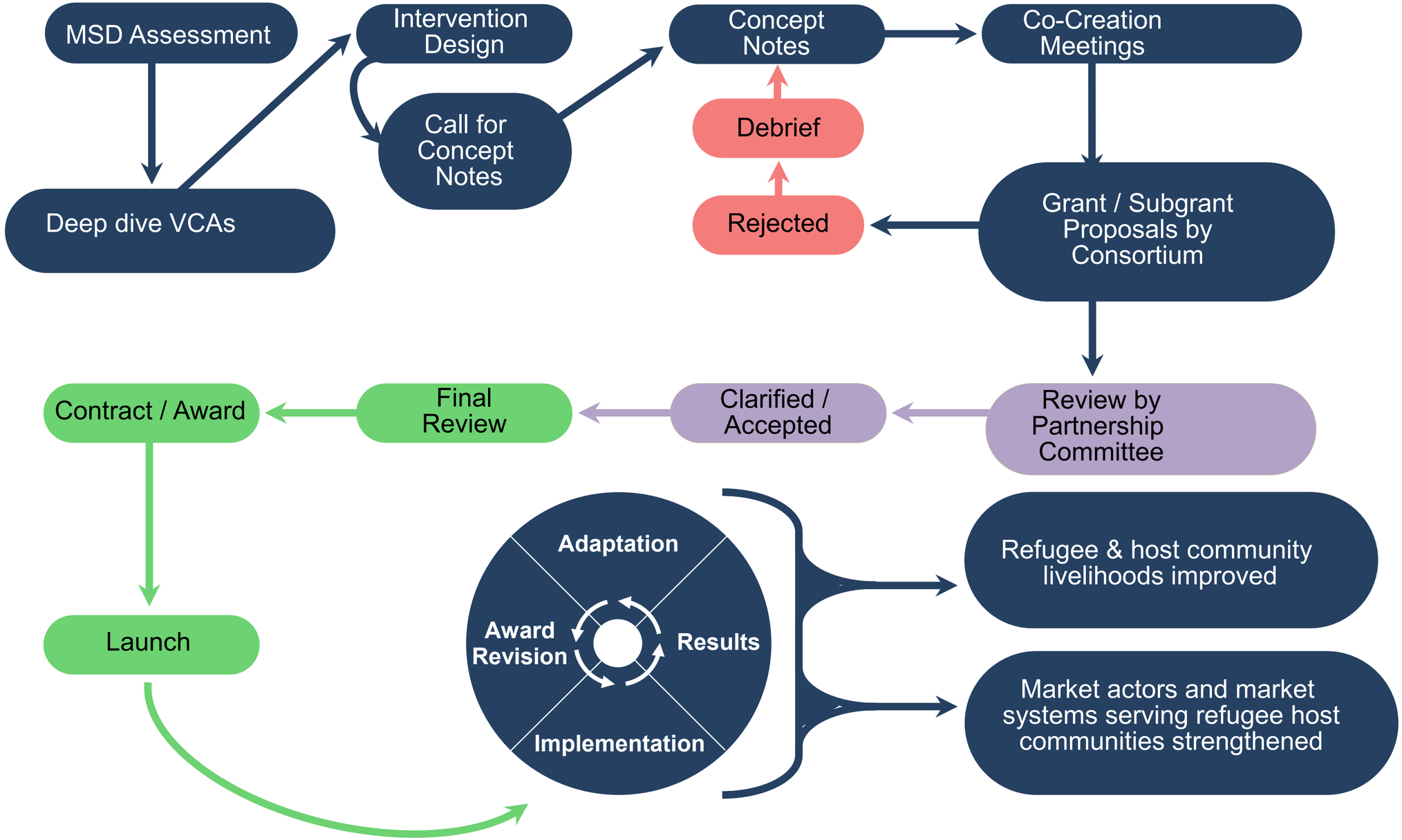
Market Systems Development and Graduation Approach | **Graduation Approach**

Graduation Approach Components Integrated with MSD

- Savings: Village savings and loans Associations(VSLA)
- Financial Literacy
- Enterprise selection planning and management – SPM
- Farmer Field Business school (FFBS)
- Linkages – Market Systems Development
- Cash Transfer – Business start-up and expansion
- Business coaching

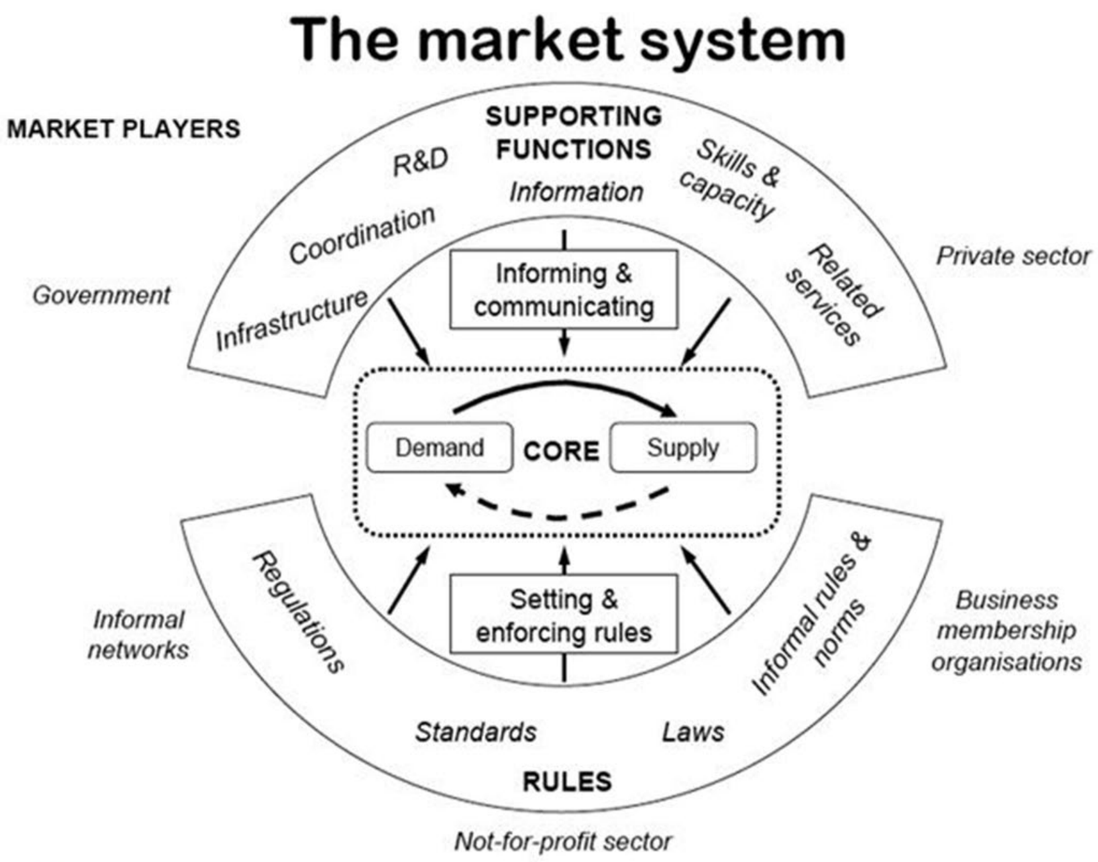


Market Actor on-boarding steps / Co-Design Process



Identified Systemic Constraints and Targeted Interventions Design

Systemic Constraints	Interventions piloted
Poor quality seeds	Increasing access to quality seed and other bundled services.
Low production and productivity	Boosting yields via GAP training
Limited access to farming land	Promotion of innovative land-use models
High post-harvest losses	Increase PHH awareness & access to affordable PHH technologies
High transaction costs involved in produce aggregation and input distribution	Scaling Innovative aggregation Models (E.g., Village Agent, LMF Models)
Limited market linkages	Create market linkages to reliable off-takers.
Prohibitive finance	Facilitating innovative value-chain financing Models



SMILES Market Actor Deal Note Portfolio

Inputs & Outputs Agricultural Market System

- 3 market actors on boarded
- 4 crop value chains supported (Vegetables, Beans, Soybean and Maize)

Financial Services Market System

- 1 commercial bank engaged

Energy Market System

- 2 energy companies on boarded (Clean cooking and Clean lighting)

Early systemic outcomes

- Increased **access to quality inputs** and bundled services
- **Improved production**, productivity and market access through coordinated buyback
- Increased collaborations and **Intra-partnerships between market actors**
- **Business expansion** into other areas across the refugee settlements and host communities.

Early systemic outcomes…

- Sales growth by deal note market actors reported to a tune over UGX 2,050,573,286 (Euro 494,291)

- Crowding-in of new market actors – Up to 20 new market actors that have entered or expanded in the project targeted areas as a result of complimentary services offered by the market actors under the SMILES project

- Attracting of third-party financing i.e., access to impact investment loans of up to USD 7255,000 from impact funders e.g., Yunus Social Investment and the Refugee Investment Facility

Lessons from Graduation and MSD integration

- **Early onboarding of market actors is critical** for the alignment of market actors to key graduation sequenced components such as asset transfer, VSLA training, SPM, FFBS etc.

- Market actors can augment participant business through **continuous mentorship & coaching** thus increasing business survival rates

- Market dynamics calls for **continuous adaptive management** e.g. on business models

- **Systemic change takes time**, and thus, one needs to review the sustainability of interventions beyond the life of the project

QUESTIONS?

Contacts

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