



Market Systems Development (MSD) in the Uganda Refugee Response

A compendium of programmes using the MSD approach
in Uganda's refugee hosting areas

March 2025

About U-Learn

The FCDO-funded U-Learn consortium is led by U-RIL, in partnership with IRC and IMPACT Initiatives. Its objective is to generate and encourage uptake of evidence and insights for the Uganda refugee response. U-Learn is a public good designed to promote improved outcomes for refugees and host communities in Uganda. In collaboration with the government and a wide range of stakeholders, U-Learn focuses on facilitating learning, conducting assessments, and amplifying refugee voices and priorities. U-Learn specializes in Accountability to Affected Populations (AAP), Research and Learning.

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Acronyms

AIMS	Approach to Inclusive Market Systems
BDS	Business Development Services
BRIDGE	Intervention: Resilience and Emergency Response
CBO	Community Based Organisation
CIGF	Catalytic and Innovation Grant Fund
CRRF	Comprehensive Refugee Response Framework
CTEN	Community Technology Empowerment Network
CV	Curriculum Vitae
DFID	UK Department for International Development
DREAMS	Delivering Resilient Enterprises and Market Systems
FCDO	Foreign, Commonwealth and Development Office
FI	Financial Institution
FSP	Financial Service Provider
FtF IAM	Feed the Future Uganda Inclusive Agricultural Markets
GADC	Gulu Agricultural Development Company
GCR	Global Compact on Refugees
GRF	Global Refugee Forum
HYT	Haileybury Youth Trust
IADB	Inter-American Development Bank
IC	Innovation Centre
ICRAF	Center for International Forestry Research and World Agroforestry
IFC	International Finance Corporation
ILO	International Labour Organization
IPA	Innovations for Poverty Action
ISSD	Interlocking Stabilised Soil Blocks
JLIRP	Jobs and Livelihoods Integrated Response Plan for Refugees and Host Communities in Uganda
MFI	Microfinance Institution
MMW4P/M4P	Making Markets Work for the Poor
MOU	Memorandum of Understanding
MSD	Market Systems Development
MSME	Micro, Small, and Medium Enterprises
NGO	Non-governmental organisation
NOTU	National Organisation of Trade Unions
NU-TEC MD	Northern Uganda - Transforming the Economy through Climate Smart Agriculture Market Development
OPM	Office of the Prime Minister
OSH	Occupational Safety and Health
PSA	Private Sector Actor
PROSPECTS	Partnership for improving prospects for forcibly displaced persons and host communities
REPARLE	Renewable Energy, Powering Agriculture and Rural Livelihoods Enhancement
SACCO	Savings and Credit Cooperative Organisation
SDC	Swiss Agency for Development and Cooperation
SME	Small and Medium Enterprise
SMILES	Sustainable Market Inclusive Livelihood Pathways to Self-Reliance
UMSDN	Uganda Market Systems Development Network
UNDP	United Nations Development Programme
UNHCR	The UN Refugee Agency
USAID	U.S. Agency for International Development
Uthabiti	Building Resilience through Market-led Livelihood Opportunities
VA	Village Agent
VfM	Value for Money
VSLA	Village Savings and Loan Association

1. Executive Summary

Global displacement has increased year on year for the past 12 years.¹ By the end of 2023, more than 117 million people were forcibly displaced, constituting a rise of 8% over just one year.² With 1.5% of the world's population now displaced by crisis situations that are increasingly complex and protracted, more people are reliant on humanitarian aid for longer periods of time.³ Despite an increase in humanitarian funding in 2022, the funding gap continued to grow⁴, threatening humanity's ambition to provide basic necessities for those most in need.



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In order to alleviate the increasing scope, scale and complexity of humanitarian need, the international community agreed in the [Global Compact on Refugees \(GCR\)](#) and the subsequent [Comprehensive Refugee Response Framework \(CRRF\)](#) to enhance refugees' self-reliance by expanding their access to livelihoods and labor market opportunities. One promising approach that is contributing to this effort is Market Systems Development (MSD), which seeks to change the way markets work so those typically excluded (such as refugees and the extremely poor) can participate and earn an income.

The Ugandan refugee response is an appropriate context for implementing the MSD approach (and several organisations already are) thanks to the country's refugee-friendly work and settlement policies. Unlike many countries where refugees face restrictions, this legal framework enables refugees to actively participate in the local economy. In addition, most refugees in Uganda are fleeing protracted crises in neighboring countries, making it more urgent that they gain self-reliance and do not remain dependent on humanitarian aid over the long term.

However, the application of the MSD approach in Uganda's refugee response is still in relatively early and experimental stages. This compendium seeks to kickstart discussions for a common understanding of the MSD approach, and provide an overview of the programmes utilising the MSD approach in Uganda's refugee response. Creating a common understanding of MSD as a concept, as well as its application in the refugee response, and profiling the ongoing MSD efforts will be valuable as actors work together to learn from each other and build on each other's ideas and accomplishments. This compendium is the first in a series of resources the Learning Hub plans to develop around MSD in Uganda's refugee response.

This compendium is developed in partnership with the [Uganda Market Systems Development Network \(UMSDN\)](#) as it strives to create a community of practice for like-minded MSD practitioners including development agencies, NGOs, donor projects, private consulting firms, and private sector firms working across both development and humanitarian contexts in Uganda. It's designed to be a valuable resource document for global humanitarian actors who are working in MSD programmes already or who are planning to apply the MSD approach in humanitarian settings in the future.



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Market Systems Development (MSD) seeks to change the way markets work so those typically excluded (such as refugees and the extremely poor) can participate and earn an income.

¹ UNHCR (2024a)

² UNHCR (2024a)

³ UNHCR (2024a)

⁴ Development Initiatives (2023)

2. Introduction to Market Systems Development (MSD)

History and purpose

In the early 2000s, the then UK Department for International Development (DFID)^{5,6} and other development actors⁷ began to describe an emerging framework they called “Making Markets Work for the Poor (MMW4P)” or simply “M4P”. M4P absorbed narrowly-focused private sector development approaches like business development services (BDS) into a more comprehensive market development framework.⁸ The intention was that M4P programmes would help accelerate pro-poor growth by changing the characteristics of markets in ways that enabled the poor to participate more in them.⁹ The concept was developed as a method for achieving the Millennium Development Goal which sought to eradicate extreme poverty by 2015.¹⁰

As different iterations of the framework were undertaken by actors including UNDP, IADB and IFC¹¹, DFID and the Swiss Agency for Development and Cooperation (SDC) commissioned three documents in 2008, including an operational guide, aimed at improving the understanding and uptake of the M4P approach¹². The approach continued to develop, and a second edition of the operational guide was released in 2015¹³, demonstrating the continual evolution of the M4P approach and its practical application.

Today, actors refer to this type of approach by a number of terms including Market Systems Development (MSD),¹⁴ and Inclusive Systems Development.¹⁵ [BEAM Exchange](#), the knowledge sharing platform for actors engaged in market systems approaches, primarily uses “MSD” and “market systems approaches” as its terminology. In the Ugandan context, the term “MSD” has also been adopted by the Uganda Market Systems Development Network (UMSDN), so MSD will be used throughout this paper.

Definitions

A **market system** is a multi-function, multi-player arrangement comprising the core function of exchange by which goods and services are delivered and the supporting functions and rules which are performed and shaped by a variety of market players.¹⁶ According to BEAM Exchange, the definition and objectives of **market systems approaches** are:

Market systems approaches: Approaches to poverty reduction based on the central idea that the poor are dependent on market systems for their livelihoods. Therefore, changing those market systems to work more effectively and sustainably for the poor will improve their livelihoods and consequently reduce poverty.¹⁷

Objectives of market systems approaches¹⁸

- To reduce poverty (including ending extreme poverty)
- To focus on transforming the economic systems or industries (market systems) in which poor households could or do participate by buying or selling goods, services or labor
- To catalyze change in how these systems function – making markets more financially rewarding, accessible, inclusive and resilient in the long term

5 DFID (2005)

6 Note: DFID merged with the Foreign and Commonwealth Office to create the Foreign, Commonwealth and Development Office (FCDO) in 2020.

7 Ferrand, Gibson and Scott (2004); Lindahl (2003)

8 Miehlebradt, McVay and Tanburn (2005)

9 DFID (2005)

10 Miehlebradt, McVay and Tanburn (2005)

11 SDC (2008a)

12 These include 1) a synthesis of the approach, 2) perspectives on the approach, and 3) an operational guide. Only the first two are available officially online: See SDC (2008a) and SDC (2008b)

13 The Springfield Centre (2015)

14 Bekkers and Zulfiqar (2020)

15 Buckley and Fogelberg (2019)

16 The Springfield Centre (2015)

17 BEAM Exchange (2024b)

18 BEAM Exchange (2024a)

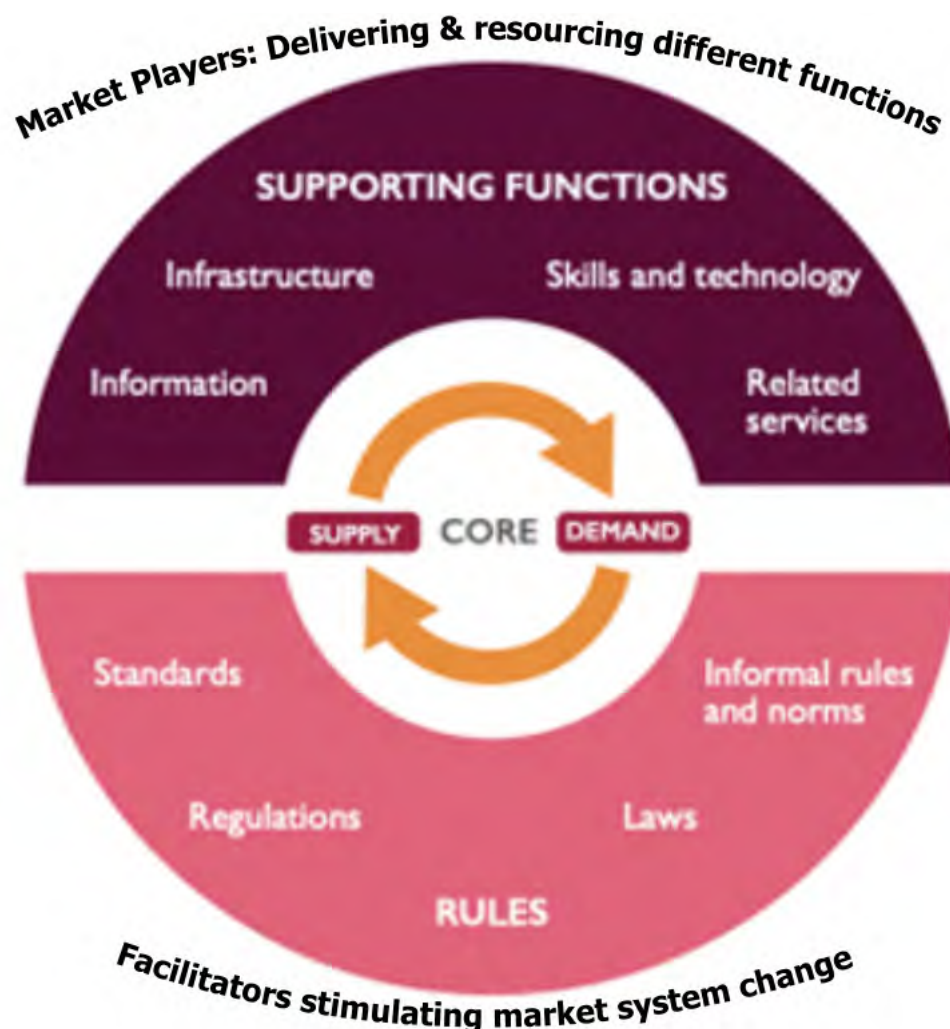
Furthermore, the Refugee Self-Reliance Initiative, a global network working to expand the opportunities of refugees so they can become self-reliant, describes MSD in refugee responses as:

Market Systems Development (MSD) is a systems-based approach that seeks to understand the constraints and opportunities within the market and social systems where displaced populations and host communities live. By conducting comprehensive assessments, MSD identifies underlying issues and develops targeted interventions that address these challenges. This approach aims to create sustainable and scalable solutions that empower communities and enhance their long-term economic resilience.¹⁹

Figure 1 shows the widely-accepted visualisation of the “market systems donut” which depicts the framework through which MSD approaches are commonly conceptualised.

An MSD programme in Southern Africa in 2003 was the first to experiment with visualising market systems in this way²⁰, and the idea was later adapted into the first iteration of the “donut” by a DFID publication in 2005.²¹ The donut can be visualised with varying components (i.e. different system rules, supporting functions and market players) depending on a specific MSD programme’s context and approach.

Figure 1: Market Systems Donut adapted from The Springfield Centre (2015) and Grant, Munyeché & Rose (2018)



¹⁹ Refugee Self-Reliance Initiative (2024)

²⁰ Ferrand, Gibson and Scott (2004); Lindahl (2003), p 12

²¹ DFID (2005), p. 9

The definitions below explain each component of the donut, according to the seminal M4P operational guide developed in 2015:²²

Core function: The exchange between providers (supply-side) and consumers (demand-side) by which goods and services are delivered at the heart of a market system.

Supporting functions: A range of context- and sector-specific functions that inform, support and shape the quality of the core function and its ability to develop, learn and grow

Rules: Formal (laws, regulations and standards) and informal (values, relationships and social norms) controls that strongly define incentives and behavior of market players in market systems

Market player: Any organisation or individual in the private or public sector, civil society/community groups, social enterprises, representative organisations, academic bodies, etc. **that is not exclusively sustained by donor financing**

Facilitator: A development agent/agency seeking to stimulate market system change, tasked with remaining outside of the market system they are intervening in. In developing market systems, facilitators actively avoid distorting those systems and must be conscious not to make market players reliant upon their continued presence.



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Facilitators endeavour to prevent **market distortion** which is when the intervention of an external agent creates perverse incentives among market players contrary to what is required for such players to uphold and build upon changes that will benefit the marginalised. In addition to these definitions which form the basis of the MSD approach, an additional concept which is especially relevant for markets in fragile contexts is that of **market systems resilience**.

USAID defines market systems resilience as the capacity of a market system to absorb, adapt or transform in the face of shocks and stresses.²³ It refers to the ability of market systems to allocate resources, draw on system-level resources (such as social safety nets, social capital, the financial system, or government assistance) and innovate in order to solve problems in the face of shocks and stresses. Example shocks and stresses that systems strive to create resilience around include:

- Economic shocks like food crop, cash crop and fuel price volatility;
- Social shocks like political instability, unstable or ineffective governance, and trade policies;
- Environmental shocks like natural disasters and environmental degradation; and
- Health shocks like pandemics and the impact of aflatoxin on nutrition and wellbeing.

²² The Springfield Centre (2015)

²³ USAID (2018)

Key principles and characteristics of the MSD approach

MSD is an overarching approach, not a prescriptive tool.^{24 25} There are no “blueprint” or “cookie cutter” instructions for how to apply it. Each actor or programme utilising the MSD approach will employ different specific methods for developing markets in ways that can work better for the marginalised. For example, the methods and entry points that programmes utilise to impact the rules in the market will depend on the unique national and/or sub-national policy environment, the cultural norms, the market players present or absent, etc. The methods used by programmes to support market functions will depend on the needs and capacities of the market players, the infrastructure available or not, the capacities of the facilitators, the timeframe of the programme, etc. Therefore, it is not possible to stipulate that all MSD programmes must integrate any one initiative or activity into their programming.



However, four key principles generally guide the bespoke design and implementation of a programme implementing the MSD approach. They are:

1. Programmes implementing the MSD approach **apply systems thinking**. This means looking at challenges, opportunities, events and patterns in a market system holistically (seeing the whole system); recognising the key relationships that shape how the system behaves; examining issues from the different perspectives of actors in the system; and working in interdisciplinary and cross-sectoral ways to bring about lasting and large-scale change.
2. Programmes implementing the MSD approach seek to make an impact through **systems facilitation**, not direct intervention. MSD programmes serve as facilitators, supporting market actors but not getting directly involved in the market themselves. Their goal is to change how the market works so that it benefits the marginalised, but do it in a way that avoids distorting the system with initiatives that will dis-incentivise or displace market players.
3. Programmes using the MSD approach make **sustainability** a particular priority. Instead of intervening directly in a market, the facilitators partner with private sector actors in the system to test new innovations, help make linkages and partnerships between market players, and work to change the formal and informal rules which govern the system. The goal is to ensure that the market system is changed over the long-term, even after the MSD programme is finished. A focus on sustainability should dictate the means an MSD programme uses to bring about change.
4. Programmes using the MSD approach seek to achieve **impact at scale**. They endeavor to impact entire systems and influence many market players. They are not concerned by the outcomes of individual businesses or organisations, but rather are concerned with if the programme is shifting how the majority are benefitting in the system. They aim to scale impact through purposeful evidence sharing of what works and subsequently rely on the system to spread the successful innovations.

²⁴ SDC (2008a)

²⁵ SDC (2008a), The Springfield Centre (2015) and Woodhill and Millican (2023)

Aside from these 4 key principles, MSD programmes also ideally have a number of key characteristics²⁶:

Characteristics of programmes utilising the MSD approach



1. Inclusive



2. Contextual and flexible



3. Evidence driven



4. Addresses underlying causes



5. Impacts both supply and demand



6. Change happens over long-term



7. Adaptative and willing to take risks

1. As the goal of the MSD approach is to reduce poverty by changing markets to work better for those who are marginalised, programmes utilising the approach are inherently **inclusive**. They seek to identify who is being left out of market participation and design strategies for changing the market so that it can better include them.
2. Programmes using the MSD approach are **designed according to the needs and circumstances in the local context**. They are flexible and the specific initiatives within the programme often evolve over time, depending on what is working in the specific context or not. There is no “one size fits all” approach to MSD.
3. Although they are flexible, they are **NOT ad hoc**. They are underpinned by rigorous assessment processes and analyses and guided by clear strategy and good practices. There is no single “correct” way to change a market, but each initiative in an MSD programme has a specific purpose and complements other initiatives within the programme (which is related to systems thinking, one of the key principles of MSD).
4. As part of the ongoing assessment, programmes utilising the MSD approach **seek to identify and then address the underlying causes** (instead of the symptoms) of weak market engagement of the marginalised. This shifts the focus in the programme from “putting out fires” to stopping the cause of the fire in the first place.
5. They examine **both the supply-side and demand-side** constraints in a specific market system and develop initiatives that can make both sides work better for the disadvantaged.
6. MSD programmes are **patient**; MSD facilitators recognise it takes time to change a complex market system. As such, MSD requires iterative interventions and longer timeframes.
7. MSD programmes are **willing to take risks** by experimenting, trying different initiatives and analysing their impact. As such, a key feature of MSD is evidence-based adaptive management - a process of frequently reviewing data to assess programme initiatives, reflecting on what the data means, and responding accordingly by either staying the course or changing course as needed to make a greater impact.²⁷

²⁶ SDC (2008a) and The Springfield Centre (2015)

²⁷ Byom, et al. (2020)

3. The Ugandan refugee response and MSD



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Context

As of November 2024, Uganda hosts over 1.7 million refugees and asylum seekers in 13 districts in the southwestern and northern regions of the country, as well as in the capital of Kampala.²⁸ The majority of refugees originate from two neighboring countries which are affected by protracted crises – South Sudan and Democratic Republic of the Congo.

Uganda has long been praised by the international community for its welcoming and progressive refugee policies. Refugees have the right to live, work and move freely under Uganda's [Refugees Act of 2006](#). Refugees are also afforded access to basic services including healthcare and education and allocated a small plot of land.

Although refugees are technically permitted to work and own businesses, their ability to exercise these rights is often limited due to the barriers they face when pursuing livelihood opportunities. Barriers refugees often face include:^{29, 30}

1. Issues stemming from personal documentation and lack of formal business registration
2. Limited access to markets including potential buyers and suppliers. This is due in part to the rural locations of the refugee settlements, and refugees' lack of business connections
3. Lack of access to start-up capital and adequate land
4. Limited access to formal financial services due to the remote location of the settlements, or unfriendly loan conditions that are difficult to comply with including for collateral, documentation and high interest rates
5. Lack of access to skilling opportunities and business development services; and
6. Discrimination and unfair treatment.

It is with these barriers in mind that Uganda must find pathways for refugees to take advantage of their right to work so that they can become self-reliant. Some strides towards this have been seen through policy commitments including:

Since 2017, Uganda has been a model of the GCR through the [rollout of the CRRF](#), one aim of which is to help refugees build self-reliance and shift away from traditional, dependent humanitarian aid methods like food and cash assistance.

The [Jobs and Livelihoods Integrated Response Plan for Refugees and Host Communities in Uganda \(JLIRP\)](#) specifically aims to enable secure, self-reliant and resilient refugee and host communities by promoting their social, economic and financial inclusion in local development by 2025. A number of government, humanitarian and development partners are [already contributing to the JLIRP's objectives](#).

Uganda pledged at the 2023 Global Refugee Forum (GRF) to create at least 300,000 economic opportunities for refugees and host communities by 2027 with a focus on agricultural opportunities, skills development and encouraging private sector investments.³¹

²⁸ UNHCR (2024b)

²⁹ U-LEARN (2023a)

³⁰ U-LEARN (2023b)

³¹ <https://globalcompactrefugees.org/pledges-contributions>

MSD in the Ugandan refugee context

With a strong policy focus on enabling self-reliant refugee and host communities, and a number of underlying constraints which have previously prevented these communities from participating fully in market systems, there is a strong case for actors to continue to experiment with and expand implementation of MSD approaches in Uganda's refugee response.

Agricultural markets are the main markets for the majority of the Ugandan (and refugee) population's livelihood. Below is a "market donut" representing some of the supporting functions and system rules specific to the agricultural markets in Uganda's refugee response. Each programme utilising the MSD approach which seeks to intervene in the refugee response ideally develops their own "donut" for the unique market(s) it wishes to change. This graphic serves as an example of the intervention points MSD facilitators may consider when building a context-specific programme in refugee response agricultural markets.

Figure 2: Matrix adapted from: ILO (2020) and Palladium (2020)

Supporting Functions	Core Supply - Demand	Rules / Norms
Extension services		Contract management
Aggregation and storage		Local taxes
Irrigation services		Power tariffs for millers
Local market infrastructure		Safety standards
Organisation of farmers		Export procedures
Market information		Product standards and certifications
Electricity extension		Business regulation
Access to land traction and transportation services		Tax policy on produce
Access to financial and inputs services		Land access regulations / Land ownership policies
Training and information on good agricultural practices		Household gender norms
Business skills and networks		Inter-community conflicts
Market Players: Farmers, traders, agri-input suppliers, private service providers (traction, transport, etc.), government extension workers, aggregators, individual consumers, manufacturers, etc.		



4. Overview of programmes using the MSD approach in Uganda's refugee response

In an effort to understand current and past efforts around utilising the MSD approach in Uganda's refugee response, the Learning Hub conducted desk research and interviews with various MSD programme staff to learn more about each programmes' approaches.

Programmes were profiled if they described themselves as taking a market systems development approach and as adhering to at least some of the key principles and characteristics for MSD programmes outlined in section 2. MSD is still a developing approach in Uganda, especially in the refugee response, so it is important to note that the programmes profiled may still be on the journey to implement a form of MSD that adheres completely to all of the key principles and characteristics.

In total, eight programmes have been profiled as of January 2025. A summary of each programme is presented in this section and elaborated in more detail in Section 6.

The information collected for the profiled programmes was amalgamated from public information available online, non-public programme documents sent to the Learning Hub by programme staff, as well as from interviews with programme staff. Each profiled programme was contacted and asked to verify the information presented in this document, however some programmes were unreachable for verification. This document is therefore meant as a general guide summarising the MSD programmes that have operated in Uganda's refugee response as of January 2025, but ultimately, exact and up-to-date information can always be sought from programmes themselves, especially considering the constantly evolving nature of MSD programmes.



Summary of programmes in Uganda's refugee response that have utilised/are utilising the MSD approach

1. Uthabiti (Building Resilience through Market-led Livelihood Opportunities) (April 2022 - June 2025)

Target Population: 22,460 youth and women (livelihood opportunities); 250 savings groups, cooperatives and CBOs; 30 SMEs; over 100,000 people directly and indirectly

Partners: Save the Children, Swisscontact, Grameen Foundation, Response Innovation Lab, & Innovation Village

Markets: Agriculture (grain, oilseeds, horticulture, apiary); Home Consumption markets (Fast Moving Consumer Goods (FMCG) distribution)

2. DREAMS (Delivering Resilient Enterprises and Market Systems) (September 2021 – August 2026)

Target Population: 36,000 households; 7 private sector actors and 2 financial service providers

Partners: Mercy Corps & Village Enterprise

Markets: Agriculture (poultry, cereal, apiary)

3. BRIDGE (ReHOPE "Intervention: Resilience and Emergency Response") (December 2018 - June 2020)

Target Population: 6,000 farmers; 15 agro-dealers/agents in GADC's buying network; 10 refugee agro-dealers/agents receiving direct business support through Mercy Corps

Partners: Mercy Corps with GADC, Fuzu, CTEN, ICRAF, Village Enterprise, Innovation Village and HYT

Markets: Agriculture (cotton, sesame, groundnuts and maize)

4. NU-TEC MD (Northern Uganda: Transforming the Economy through Climate Smart Agriculture Market Development) (May 2015 - March 2022)

Target Population: 294,000 poor smallholder farmers; 82 private sector actors

Partners: Palladium, Mercy Corps, AgDevCo, and Oxford Policy Management

Markets: Agriculture (including sunflower, soya beans, beans, greens, sesame, rice, cotton, coffee, and chickens)

5. SMILES (Sustainable Market Inclusive Livelihood Pathways to Self-Reliance) (Nov. 2022 - Oct. 2027)

Target Population: 14,000 extremely poor households, comprising 70,000 individuals who are 50% refugees and 50% host community

Partners: AVSI with DAI Global, REPARLE, IPA, and Makerere University Kampala

Markets: Agriculture (maize, beans, soya beans, horticulture); Energy (clean cooking, clean lighting solutions); Financial services (VSLA digitalisation and digitisation)

6. Feed the Future IAM (Inclusive Agricultural Markets) (October 2019 - November 2025)

Target Population: 3,600 refugees; 4,000 host community members; indirect beneficiaries

Partners: DAI Global with MarketShare Associates & Technoserve, Inc.

Markets: Agriculture (maize/corn, coffee, legumes, cassava, rice, livestock, millet, dairy, oil seed)

7. Matching Grant Intervention implemented under the PROSPECTS programme for Sesame Value Chain Development Project, using the Approach to Inclusive Market Systems (AIMS) (2021 - 2024)

Target Population: 7,007 farmers (2,990 refugees and 4,017 host community members)

Partners: International Labour Organization (ILO) in collaboration with Ag-Ploutos

Markets: Agriculture (Sesame)

8. Climate Smart Jobs (2023 - 2027)

Target Population: 143,000 households - 50% of which must be refugees or host community

Partners: Palladium with Swisscontact, CABI and Stanbic Uganda Holdings Ltd. on MSD component

Markets: Agriculture & agri-business, both on- and off-farm

7/8

7 of the 8 programmes target agricultural markets



2/8

2 of the 8 projects target off-farm livelihoods markets



1/8

1 of the 8 projects targets the energy and financial services markets



5/8

5 of the 8 programmes are currently active as of January 2025



1

1 programme (Climate Smart Jobs) builds on learnings from a past programme (NU-TEC MD)



2

2 of the programmes (DREAMS & SMILES) co-implement a graduation approach in addition to MSD



4.2

Programme timelines range from 1.5 - 7 years with an average timeline of 4.2 years





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MSD programs typically intervene in common support functions and system rules, incorporating these aspects into their programming



Market Linkages



Skilling and training



Mentoring and BDS



Access to quality products



Distribution and Transportation



Access to Financial Services



Inclusive Business Model

Four or less MSD programmes profiled included the following aspects in their programming

Clean Energy



Mechanisation



Insurance Schemes



Seed Capital or Subsidies



Mentoring and BDS



5. Summary of challenges & lessons learned

The 8 programmes profiled cited a number of implementation challenges, as shown in the list below from most to least frequently mentioned. Although the challenges to implementing the MSD approach in the Ugandan refugee response are varied and extensive, there has also been a lot of promising work done so far. Each cited challenge is accompanied by lessons learned by the programmes about overcoming them, in the hope that current or new programmes utilising the MSD approach in the refugee response can benefit from these nuggets of wisdom.

1. Challenge: Refugees have **limited access to adequate amounts of fertile land**, a major problem when attempting to impact agricultural markets because refugees need productive, affordable land to farm and engage in other agricultural livelihoods. This was the most common challenge cited; half of the programmes profiled named it specifically.

Lesson Learned: Refugees' **access to land is an essential aspect to consider** when implementing a programme using the MSD approach, especially one that targets agricultural markets. One solution a programme tried was to **engage with the Office of the Prime Minister and private landlords** to cost-share land clearance with refugee households through a cash-for-work approach to allow long-term and large-scale access to land.

2. Challenge: Three programmes noted that **impact in market development has taken longer than expected**. One programme specifically mentioned how limited timeframes for implementation limit the flexibility, adaptability and scalability of interventions and inclusive business models. While a slow pace of noticeable change is not a reason to disengage from refugee market development, it is a reality that must be considered and accounted for in programme design.

Lesson Learned: Programmes implementing MSD approaches must **plan for long-term interventions**. Effective MSD approaches take time; design programmes with a long-term view and work adaptively to slowly advance change.

3. Challenge: **Climate change** is dramatically affecting agricultural markets across Uganda as weather patterns become more unpredictable and difficult to plan around, and extreme weather impacts like flooding, droughts, pests and diseases negatively affect crop yields. Three programmes noted climate change as a key challenge impacting their progress in market development.

Lesson Learned: Considering that most MSD programmes in the Ugandan refugee response revolve around agriculture, it is important that programmes **help participants reduce risk and enable diversification**. One way of doing this is ensuring participants are engaged in multiple commodities and markets.

4. Challenge: Two programmes **struggled to attract PSAs with the necessary capabilities** needed to engage as partners. This can be partially attributed to an overall lack of private sector players engaged in and around refugee settlements, as well as stifling bureaucratic procedures at settlement level which further deter PSAs from engaging in refugee markets. Another programme is concerned that the **prevailing market conditions in settlements threaten PSAs' long-term sustainability** after the programme is finished.

Lesson Learned: One solution noted is to **identify and apply proven funding approaches** for channeling support to private sector actors. Facilitative support for PSAs can help them upskill to get the required capabilities, and make themselves sustainable over the long term so they can continue working in refugee markets. Also critically assess what technologies programmes introduce, taking into consideration what market players can afford to continue using after any subsidies are removed.

5. Challenge: **Lack of trusted relationships between different actors** including farmers, private sector actors, and others hindered market development in two programmes.

Lesson Learned: **Help build trust between actors**. Instead of intervening directly in a way that may distort the market, the programme can prioritise building trusted relationships between market actors which will long outlast the programme's timeline or budget. Building trust between actors takes time, but without it people cannot engage meaningfully and profitably in a market system.



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6. Challenge: One MSD initiative has been negatively affected by **market distortion caused by humanitarian actors** giving out free items such as seed and fertilisers. These “freebies” undermine competitive markets since farmers don’t need to purchase from PSAs; this can lead to the disengagement of PSAs over the long term and eventual erosion of a functioning market system.

Lesson Learned: Avoid activities that can create dependence or market distortion.

Vouchers and incentives can be a good starting point, but market relationships will only survive in the long-term if a sustainable relationship is created between buyers and sellers. **MSD programmes require mindset transformation** among participants, private sector actors and implementers alike. There is a need for distancing the typical NGO-model of operation from certain activities in order to empower communities.

7. Challenge: **The limited independent utilisation of services by programme participants threatens the sustainability of one programme.** The programme noted that many refugees and host communities are aware of market and financial services within the settlements but are hesitant to seek them out independently. If refugees are not seeking out services on their own without support, the initiative will not have been successful in meaningfully changing market players’ behaviours.

Lesson Learned: The programme noted the **power of collective support.** Enable relationships between participants to increase their negotiating power and promote linkages.

8. Challenge: One programme noted a challenge of **limited inclusion** because relatively low incomes, high domestic workload and illiteracy among women hindered their ability to participate in MSD activities. As inclusion is a key aspect of MSD initiatives, the relative inability of women to participate is a major hurdle that must be solved for.

Lesson Learned: **Integrate aspects that promote inclusion and incorporate social protection.** This is essential, especially when targeting women and youth.

The Uganda Market Systems Development Network (UMSDN) has also been providing information to actors to address the challenge of market distortion created by development and humanitarian actor interventions in Uganda. They post excellent resources related to various MSD topics available on their [LinkedIn](#).



6. Breakdown of programmes in Uganda's refugee response using the MSD approach

The summaries below provide more details about each of the 8 MSD programmes summarised in sections 4 and 5. The order of the programme summary list is random.

1. Uthabiti (Building Resilience through Market-led Livelihood Opportunities)

-  **Timeline:** April 2022 - June 2025
-  **Key Actors/Implementers:** Save the Children, Swisscontact, Grameen Foundation, Response Innovation Lab, and Innovation Village
-  **Funders/Donors:** USAID's Bureau for Humanitarian Assistance
-  **Implementation Area:**
- **Northern region:** Lamwo District (Palabek Settlement)
 - **Southwestern region:** Isingiro District (Nakivale Settlement)
-  **Target Population:**
- Provide new, value-added livelihood opportunities for 22,460 youth and women
 - Support and collaborate with 250 savings groups, cooperatives, and community-based organisations
 - Assist at least 30 small and medium-sized enterprises to increase their profits, diversify their products and services, and create jobs
 - Reach over 100,000 people directly and indirectly
-  **Programme Goal:**
- **Purpose:** To increase opportunities for participation in market-led and diversified livelihood opportunities, improve access to financial services and productive assets, and build the evidence base for nexus programming in Uganda and globally.
 - **Goal:** Refugee and refugee hosting households, particularly youth and women, have diversified livelihood opportunities to meet their basic needs and participate in economic growth.
-  **Market(s) Impacted:** Agriculture (grain, oilseeds, horticulture, apiary); Home Consumption markets (Fast Moving Consumer Goods (FMCG) distribution)





Key Market Constraints Targeted:

- Lack of adequate space and structures for aggregation and longer-term food storage; individual farmers lack drying space for their produce, access to tarpaulins, and storage space
- Lack of access to credit – very limited institutional microcredit schemes or cash transfer options are currently available
- Increased pressure on existing infrastructure due to the growing population and limited road network
- Lack of reliable energy and connectivity infrastructure
- Limited linkages to formal employment and skilling opportunities
- Limited access to extension services
- High levels of losses due to poor post-harvest handling techniques in the settlement.
- Lack of access to post-harvest handling technology, which increases losses and reduces resilience.



MSD Programmatic Approach:

- **Develop skills** through on-the-job training, mentorship, apprenticeships, and internships
- **Develop livelihoods** through pull-based initiatives that create demand for products and services
- **Strengthen market systems** through strengthening market linkages, decreasing transport inefficiencies, and developing inclusive business models
- **Improve access to financial services** through digitisation of village savings and loan associations, financial literacy training, and partnerships with financial service providers
- **Improve access to clean energy** through the creation of clean energy hubs
- **Manage the Catalytic Innovation Grant Fund** to provide funds to private sector partners, support innovators and micro-enterprises, and fund adaptive programming
- **Improve evidence-based nexus programming** by positively influencing policy, practice, and innovation through access to evidence.



Other Approaches Implemented alongside this MSD Programme: Humanitarian-Development Nexus (HD Nexus) approach

Programme innovations to highlight:

The programme's Catalytic and Innovation Grant Fund (CIGF) is an innovative grant facility providing possibilities for business growth and development. The Catalytic Innovation Grants support local innovations that promote diversified livelihoods, ease access to startup capital, and address unmet energy needs in refugee and host communities. Through the CIGF, Uthabiti identifies, validates and funds innovative ideas and solutions aimed at addressing mapped programmatic challenges, such as obstacles hindering refugees' transition from dependency to self-reliance.

Key Results/Achievements:

• Programme Reach

- ☐ 27,429 individuals reached directly by the food security activity by October 2024 (18,243 women; 9,966 youth; 18,276 refugees).
- ☐ 15,697 individuals (10,702 women; 5,477 youth; 10,897 refugees) supported in livelihood restoration activities.
- ☐ 8,550 people assisted through livelihood activities (5,410 women; 3,225 youth; 5,508 refugees).



• **Market Linkages and Opportunities**

- ☐ 24 formal relationships formed with private sector actors.
- ☐ 862 full-time equivalent off-farm jobs created for 1,007 individuals (31% women; 19% youth; 49% refugees).
- ☐ \$242,948 invested by the private sector across the two targeted settlements, facilitating \$3,885,759 worth of transactions from 4,897 metric tons of grain and oilseeds.
- ☐ 72% of targeted individuals adopted new livelihood opportunities, with 96% earning income through farming, trade, livestock, and small-scale businesses.
- ☐ 63% of targeted market actors (MSMEs) adopted new business practices facilitated by the activity against a target of 80%.
- ☐ 59% of enterprises and groups applied improved organisational or business level technologies against a target of 47%.

• **Financial Services**

- ☐ \$256,122 enabled in financial services (savings and credit) through partnerships with financial service providers, benefiting 4,139 individuals (68% women; 67% refugees).
- ☐ \$69,953 loans distributed to 83 VSLA groups, benefiting 2,168 individuals.

• **Training and Capacity Building**

- ☐ 5,950 farmers (3,710 women) provided with training on Good Agronomic Practices (GAP) and post-harvest handling.
- ☐ 3,883 individuals (2,510 refugees; 1,566 youth; 2,845 women) trained in foundational life skills that improved their competencies, behaviours, attitudes, and overall agency to harness opportunities created by the private sector partners.
- ☐ 901 enterprises trained in business skills through two newly established business development service centres.

• **Knowledge Sharing**

- ☐ 9 learning packages disseminated benefiting the wider refugee response, topics including skilling, entrepreneurship, energy, agriculture value chain, and self-reliance.

Challenges:

1. Refugees have little accessibility to services. Many refugees and host communities are aware of market and financial services within the settlements but are hesitant to seek them out independently without support, even after receiving linkage support through the programme.
2. Refugees lack seed capital for value addition to goods and services. Although improvements in business practices and financial management have led to higher incomes, income growth is hampered by a lack of capital and insufficient equipment for value addition.
3. Refugees in Palabek are especially disadvantaged. While many participants experienced improvements in income and food security, a significant proportion, particularly in Palabek and among refugees, faced declines, with one in four households reporting reduced income.
4. Market conditions in settlements are poor. Despite private-sector actors expanding into settlements with Uthabiti's support, concerns persist regarding the sustainability of their operations due to settlement-level market conditions.
5. Limited timeframe for implementation has limited flexibility, adaptability and scalability of interventions and inclusive business models.



Lessons Learned:

1. There is a need for collective support. One of the resources could be group and community support in promoting linkages.
2. Responsive feedback channels work more efficiently when implemented in agent models.
3. NGOs require mindset transformation. There is a need for distancing NGOs from certain activities to empower communities.
4. Climate change threatens the availability of water, which is required to ensure the sustainability of agricultural value chains.
5. There is a desire among programme participants for market power (the knowledge to organise and negotiate in the market).



Key Contact for More Information:

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Information Sources:

[Uthabiti Activity Factsheet \(2024\)](#)

[Uthabiti program overview](#)



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2. DREAMS (Delivering Resilient Enterprises and Market Systems)

-  **Timeline:** September 2021 – August 2026
-  **Key Actors/Implementers:** Mercy Corps & Village Enterprise
-  **Funders/Donors:** Conrad N. Hilton Foundation, ICONIQ Impact & IKEA Foundation
-  **Implementation Area:**
- **West Nile Region:**
 - ☐ Arua District (Rhino Camp Settlement)
 - ☐ Yumbe District (Bidibidi Settlement)
-  **Target Population:**
- 36,000 households over 5 cohorts
 - 7 private sector actors and 2 financial service providers supported to deliver products and services to the last mile
-  **Programme Goal:** DREAMS aims to build the self-reliance of refugees and their host communities to allow ultra-poor households to regain the security and dignity that comes from providing for one's family. DREAMS aims to reimagine how self-reliance is created and funded in situations of long-term displacement, persuading additional humanitarian and development donors that investing in sustainable, market-driven livelihoods could offer a long-term solution to build the self-reliance of refugees in protracted humanitarian contexts.
-  **Market(s) Impacted:** Agriculture - poultry, cereal and apiary value chains
-  **Key Market Constraints Targeted:**
- Unequal access to land, financial services, education, and market access among women and youth
-  **MSD Programmatic Approach:** DREAMS combines both market 'push' and 'pull' components to support refugees to achieve economic self-reliance. The 'push' is Village Enterprise's poverty graduation model, which provides the skills, connections, and capital to push poor households into markets, and the 'pull' is Mercy Corps' market systems development approach, which drives inclusive market growth that pulls businesses into a dynamic economy through market incentives.
- The MSD aspect of the programme develops relationships with private sector actors and increases their ability and incentive to provide technical support, inputs, and sales avenues to economically marginalised populations over the long term. The MSD components include:
- **Seed capital and subsidies:**
 - ☐ Organising participants into three-person business saving groups
 - ☐ Providing seed capital of \$200 to each small business group during the graduation programme aspect
 - ☐ Providing \$60 subsidies to purchase high-quality inputs such as hatchlings and seeds during the MSD programme
 - **Training and mentorship:**
 - ☐ Technical and business training for business saving groups
 - ☐ Mentorship for groups for 12 months after business start-up
 - **Private sector development:**
 - ☐ Integrating private sector actors into technical trainings provided to graduates via private sector actor's staff and community agents

- **Linkages to Financial Institutions (FIs):**

- ☐ Connecting business saving groups to financial institutions whenever possible

- **Linkages to buyers:**

- ☐ Facilitating connections to private sector off-takers/the open market

- **Impacting system rules**

- ☐ Collaborating with private sector actors, government, and communities to build access to finance and land
- ☐ Developing integrated water resource management
- ☐ Supporting enabling policy environments for business growth



Other Approaches Implemented alongside this MSD Programme: Graduation approach

Programme innovations to highlight:

DREAMS layers a MSD programme over a graduation programme. This first-of-its-kind model merges Village Enterprise's poverty graduation program with Mercy Corps' expertise in market systems development in order to equip refugees with the skills, resources, and markets to start sustainable businesses and graduate from extreme poverty. DREAMS uses community discussions and a participatory approach to address structural barriers for women, such as unequal access to land, financial services, education, and market access. It deliberately targets youth and women as 75% of the participant base.



Key Results/Achievements:

- **Increased Wealth**

- ☐ The first cohort of 1,200 who completed poverty graduation and were linked to private sector actors through the MSD programming demonstrated substantial improvements in their economic well-being, with increases in expenditure, assets, and total savings.
- ☐ 22% increase in average annual consumption and expenditure – from \$174.03/month to \$212.37/month
- ☐ 58% increase in assets from \$159.80 to \$253.78
- ☐ 694% increase in average annual savings from \$10.09 to \$80.11
- ☐ The revenue per 3-person business group was \$751 after 6 months and \$1,256 after 9-10 months of operation

- **Market Linkages**

- ☐ Midline results collected 6-7 months after graduation activities were completed show promising markers of positive, durable relationships with the private sector that support refugees' business aspirations and confidence in the future.
- ☐ 79% are still working in the sector they selected during graduation
- ☐ 86% have access to sales avenues for business production
- ☐ 86% are satisfied with prices received for their business production
- ☐ 71% are confident in their continued income from the selected sector
- ☐ 62% trust in market information

- **Gender**

- ☐ 72.3% of female graduates make decisions over the cash earnings from agricultural production, while 91% play a significant role in determining how earnings are allocated to cover household expenses. 67.5% of women have improved access to market information through private sector actors.

• Sustainability

- All nine private sector actors — in poultry, sesame, sunflower, soybean, and financial services — are still operating in West Nile seven months after graduation. They employ a total of 66 local agents, including 12 women, primarily drawn from the local refugee community.
- DREAMS' longest investment has been in the poultry sector, where two Private Sector Actors (PSAs), Chick Masters Ltd and Nutrofeed, have developed 12 local agents to enable access to high-quality chicks at the community level. These local agents — Mother Unit Operators (MUOs) — received subsidies for the first three orders of chicks. Six of the 12 MUOs are operational and ordering new chicks fully without grant support after the subsidies ended.



Challenges

1. Access to land is a critical barrier for refugees engaging intensively in crop production.



Lessons Learned:

1. Engage with the Office of the Prime Minister and private landlords to cost-share land clearance with refugee households through a cash-for-work approach to allow long-term and large-scale access to land.
2. There is a need to align timelines between the graduation and MSD programmes when co-implementing these types of programmes. Be aware that graduation programmes often follow a standardised curriculum and timeframe, but MSD programmes require context assessment and partnership negotiation with PSAs that take time at the beginning of the programme. These various timelines must be considered alongside crop cycle timing when working in agricultural markets.
3. Encourage participants to invest in multiple sectors to seek growth and ensure stability of their incomes.
4. Build trusted relationships between participants and private sector actors. Participants feel more confident engaging with specific value chains when training is provided by the PSA's community agents embedded in the community.



Key Contact for More Information:

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Information Sources:

[Mercy Corps & Village Enterprise - Bridging Poverty Graduation and Market Systems Development \(2024\)](#)

[Global Compact on Refugees - DREAMS Web page](#)

[Village Enterprise - DREAMS Web page](#)



3. BRIDGE (ReHOPE “Intervention: Resilience and Emergency Response”)

 **Timeline:** December 2018 - June 2020

 **Key Actors/Implementers:** Mercy Corps in collaboration with:

- 2 private sector organisations - Gulu Agricultural Development Company (GADC) and Fuzu
- 5 NGOs - Community Technology Empowerment Network (CTEN), Center for International Forestry Research and World Agroforestry (ICRAF), Village Enterprise, Innovation Village, and Haileybury Youth Trust (HYT)

 **Funders/Donors:** FCDO (Formerly Department for International Development (DFID))

 **Implementation Area:**

- **West Nile Region:**

- ☐ Moyo District (Palorinya Settlement)
- ☐ Arua District (Rhino Camp Settlement)
- ☐ Yumbe District (Bidibidi Settlement)

 **Target Population:**

- 6,000 male and female farmers trained, accessing services and inputs and selling their products to GADC
- 15 agro-dealers/agents become part of GADC's buying network
- 10 refugee agro-dealers/agents receive direct business development support through Mercy Corps

 **Programme Goal:**

- **Main Goal:** Increase income and resilience for refugees and host communities in West Nile

- **Three Main Objectives:**

1. Refugees and host communities gain access to jobs and start micro/small enterprises
2. Innovation Centres are recognised as hubs for learning, creativity, and employment linkages
3. Refugees and host farmers increase yield and sales of selected agricultural commodities

 **Market(s) Impacted:** Agriculture (cotton, sesame, groundnuts and maize)

 **Key Market Constraints Targeted:**

- There were critical gaps in knowledge on basic agronomy, post-harvest handling, and financial literacy skills at the smallholder farmer level. They are not easily developed and require long-term attention.
- Insufficient capital and limited access to finance are common problems among actors all along the agricultural value chain.
- Private sector actors are not always willing to offtake from smallholder farmers.



MSD Programmatic Approach:

- Agro-dealers distributed subsidised seeds (cotton, sesame, groundnuts and maize) to farmers via a voucher system instituted by BRIDGE.
- Private sector actors provided training to agro-agents so they can offer technical advice to farmers.
- Farmers were trained by private sector actors in six modules (organic farming principles, farming as a business, farmer groups, garden inspection, pest management and marketing).
- Farmers had their produce off-taken (readily bought off) by the private sector actor, the Gulu Agricultural Development Company (GADC). BRIDGE provided a monetary incentive for them to do this.



Other Approaches Implemented alongside this MSD Programme: Innovation Centre (IC) Approach

The Innovation Centre Approach

ICs are spaces dedicated to providing refugee and host communities with a safe environment that encourages capacity building, employment and entrepreneurial thinking. In the ICs, communities have the possibility to access the rooms for meeting and networking, to charge their electronic devices, and to connect to the internet, therefore to be in contact with families and friends living in the home country and to access online opportunities (information, on-line education, job-hunting, etc.).

ICs also offered:

- Training on computer literacy, ICT, CV creation, ISSB technology
- Linkage to online job offers
- Training on craft/briquette making
- Demonstration plots to support the agricultural MSD aspect of the project



Key Results/Achievements:

• Increased Incomes

- ☐ Farmers and agro-agents indicated a positive change in income level. Refugees cited a 46% increase, and host communities cited a 9% increase.

• Increased Productivity

- ☐ Interviews with farmers and agro-agents indicated an increase in yields and sales, driven by agricultural extensions and improved seeds.
- ☐ The training delivered to the lead farmers reportedly improved agricultural yields.
- ☐ Most of the improved seeds reportedly gave farmers higher yields and were more resistant to pests/weather changes. The voucher system allowed affordable access to improved seeds.

• Mixed Results with Sustainability

- ☐ Most of the changes were still in place at the time of evaluation; however, when changes implied a cost (e.g., new technology) or were triggered by external factors, they were less likely to be sustained beyond the project. The use of improved seeds was sustained, but the use of new technologies and relationships between farmers and agro-agents were only partially sustained once vouchers and incentives provided by the programme ended.



Challenges

1. There is scarcity of land. This was reported by refugee farmers as a key barrier to shifting from subsistence to commercial farming.
2. Women have lower access to income. This appears to be women's main limitation in benefiting from the MSD activities. Women had lower income to buy improved seeds and participated less in farmer training due to heavy domestic workload, illiteracy, and lack of information.



Lessons Learned:

1. The issue of access to land needs to be considered when planning agricultural activities for refugees.
2. Take into account participants' economic capacities and preferences during the introduction of new agricultural technologies (especially when costly)
3. Vouchers and incentives are a good starting point to facilitate relationships between market actors. However, relationships survive only if there is a gain in the relationship.
4. Encouraging farmer-to-farmer relationships could increase farmers' negotiation powers when interacting with wholesalers or big buyers.
5. To ensure women's meaningful participation as lead farmers and agro agents, their specific challenges (limited income to purchase seeds, own land, and time to attend extension training sessions) can be addressed (engage women where they are at, gardens, and farms, cost-sharing or additional discounts on subsidised seeds for female farmers).
6. When relying on a Training of Trainers model, it is important to closely monitor the replication of the training to ensure consistency in the quality of the training delivered. Distributed training handouts support self-study for sustainability.



Key Contact for More Information:

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Information Sources:

- [U-Learn Slidedeck on BRIDGE Evaluation \(2021\)](#)
- Mercy Corps Resilience Pilot - Resilience and Emergency Response (BRIDGE) Final Report (2020) (Non-public document)
- Resilient Market Systems: BRIDGE Funding Proposal to DFID (2018) (Non-public document)



4. NU-TEC MD (Northern Uganda: Transforming the Economy through Climate Smart Agriculture Market Development)



Timeline: May 2015 - March 2022



Key Actors/Implementers:

- **Market Development:** Managed by Palladium Ltd, delivered from May 2015 until March 2022.
- **Financial Services:** A medium-term credit facility for agribusiness delivered by Mercy Corps, from April 2018 until March 2022.
- **Investment:** A long-term equity and loans facility for agribusiness delivered by Africa Agriculture Development Company (AgDevCo) via an accountable grant, from December 2014 to March 2022.
- **Independent Monitoring, Learning, and Evaluation:** Delivered by Oxford Policy Management (OPM) from September 2015 to August 2021.



Funders/Donors: The UK Government through FCDO (Formerly Department for International Development (DFID))



Implementation Area:

- Northern region (Lango, Acholi and West Nile regions)



Target Population:

- 294,000 poor smallholder farmers (no specific refugee/host community targets)
- 82 private sector actors supported by Palladium



Programme Goal: NU-TEC MD aimed to increase resilience to climate change, accelerate economic transformation, and raise the incomes of poor people in northern Uganda. This was achieved by supporting the region's transition from an isolated, conflict-affected, and economically lagging area with high vulnerability to climate change into a dynamic, wealth-creating economy. The goal was to supply more and higher-value products to Uganda and the surrounding region while enhancing resilience to a changing climate.



Market(s) Impacted: Agriculture (including sunflower, soya beans, beans, green grams, sesame, rice, cotton, coffee, pork and chickens)



Key Market Constraints Targeted:

- Underinvestment in the agricultural economy of northern Uganda, creating poverty and vulnerability to climate change due to numerous, complex, and significant market failures.
- Poor quality seeds resulting in low yields, leading to low profits for farmers and limited supply to large processors, which in turn leads to high processing costs and uncompetitive locally produced products.
- Lack of access to quality and high-yielding seed varieties adapted to the changing climate, affecting smallholder yields and resulting in low marketable volumes. Most smallholders also have limited access to fertiliser.
- Up to 35% of produce in Northern Uganda is lost during or after harvest due to the under-supply and low access to affordable commercial on-farm storage technologies. Public subsidy has constrained the commercialisation of existing technology, leading to a lack of demand to drive supply and incentivise suppliers.

- Large tracts of land are available for cultivation in Northern Uganda; however, the mechanisation market suffers from an acute information gap at all levels, impeding investment in mechanisation and leading to issues with equipment deployment, profitability of operations, and operation and maintenance services for farm implements.



MSD Programmatic Approach:

Support was targeted at agribusinesses, rather than smallholders, although smallholders were the ultimate beneficiaries of better agricultural input supply and greater demand for their produce. Over the years, the MD component pursued a range of activities across 16 interventions but eventually concentrated on the most promising business models for scaling up and creating real systemic change. These were:

The Quality Declared Seed (QDS) intervention: The Quality Declared Seed (QDS) system existed before NU-TEC, but the MD component of the programme supported market actors to transition the promising intervention into a commercially viable business model by stimulating supply of QDS through co-investment in QDS production with local seed producers and by linking these seed producers with commercial agents and larger off-takers.

The Commercial Agent (CA) business model: In this model, NU-TEC MD partnered with 40 processors and off-takers, agricultural input suppliers and service providers to test, pilot and then adopt variants of the CA Model. The partner businesses recruited and trained over 926 commercial agents, about a third of whom were women. Over time a number of these CAs expanded their service offerings to farmers, with some offering climate-smart resilient services.



Other Approaches Implemented alongside this MSD Programme: None

Programme Innovations to Highlight: The Commercial Agent Model

The Commercial Agent Model (CAM) uses local agents to provide transformative services to farmers. Access to services leads to higher productivity and sales which translates to a win for the off-takers, the agents, the farmers and the service providers.

How it Works:

1. Companies adopt the CA model
2. Companies then identify and train Commercial Agents
3. Companies also link agents to service providers
4. Once trained, CAs equip farmers with climate smart solutions
5. CAs then provide services and sell products to farmers



Key Results/Achievements:

• Market Transformation

- ☐ NU-TEC MD has contributed to the economic transformation of the agricultural sector in Uganda and been an important catalyst for green growth with its support for climate-smart agricultural practices.

• Increased incomes

- ☐ An estimated 102,254 households secured real increases in agricultural income of at least 15% during their engagement with NU-TEC MD partners, with 33% being female-headed households.

• Increased Knowledge, Access and Change of Practices

- ☐ 238,353 individuals secured increased/improved access to climate information, markets, improved/ climate-resilient inputs (e.g., seeds), sources of financing, and diversified livelihoods or income

sources. More than 93,000 of these (41%) were women. This resulted in improved climate change adaptive capacities and adopted practices of climate smart agriculture.

- **Gender Impact**

- ☐ Gender studies conducted under the programme indicate an improvement in status of women supported by NU-TEC MD.

- **Increased Sales of Supported Businesses**

- ☐ A £115.1m change in sales among supported businesses could be attributed to project interventions.

Note: The NU-TEC MD programme is being followed by a new programme, Climate Smart Jobs (CSJ) which is Programme Profile #8 in this document.



Challenges:

1. Mobilisation delays to the Financial Services component, caused by the first choice supplier being unable to take up the contract, meant this component started three years late.
2. The COVID-19 pandemic significantly challenged the operating environment. The impact of the pandemic on the UK economy also led the UK government to reduce Official Development Assistance (ODA), causing several budget reductions to all NU-TEC MD components.



Lessons Learned:

1. Demonstration effects are critically important, but they are not everything. Awareness and understanding of an innovation (e.g., Quality Declared Seed and associated yield and income increases; Commercial Agent Model and associated market penetration) are necessary but not sufficient for practice change.
2. The lure of a quick route to scale through large market actors is appealing, but a programme's investment of time and energy may not necessarily translate into adoption (at least initially).
3. People matter. When programmes undertake interventions or pilot business models with specific market actors, they represent strategically placed bets in the market system. The selection of the market actor depends, in part, on the business profile, their track record, the market opportunity offered to both the actor and the programme, and the risk profile.
4. Staying true to MSD principles is tough and slow going, but necessary. Compared to similar MSD programmes, NU-TEC MD displayed considerable integrity in following established principles of market systems development. The component piloted many initiatives, consolidated successful interventions into commercially viable models, and looked to scale up the most successful models.
5. The prospects for copying are heightened when a programme maps, tracks, and leverages personal/trusted relationships across the market system. Securing initial traction with direct partners is often dependent on particularly influential actors 'getting it' and then bringing others within the organisation with them.
6. The prospects for copying within a constrained timeframe in thin markets are heightened where a programme acts intentionally. Tailored approaches are required to leverage change.
7. Affordability and cost-effectiveness heighten the prospects of scaling. Potential adopters consider the cost-benefit (in narrow and broad terms) of an innovation.
8. Scaling seldom occurs naturally and is more difficult without external stimuli, especially in the short term (usually development project timeframes).
9. The Quality Declared Seed and Commercial Agent Models – both separately and when paired – generate pro-poor, inclusive, and climate-smart benefits.
10. The Commercial Agent Model (in particular) facilitates vertical integration and offers untapped opportunities to grow climate-smart jobs and income streams
11. Programme interventions and business models do not work in and of themselves. They are only

effective when they trigger a positive response in the feelings and outlooks of those with whom a programme is working. A programme needs to walk in the shoes of those it works with and seek to understand what it can do to spark 'mechanisms' of self-belief, courage, pride, etc.

12. The efficacy of a programme's promotional activities depends, in part, on the extent to which there is clarity about precisely what is being promoted and the conditions necessary for the successful scaling of a business model. There is merit in thinking about a scalable model in terms of its core (i.e., its essential features), its foundations (i.e., the necessary preconditions upon which the model's efficacy depends), and its add-ons.
13. Everyday political economy analysis is as relevant to the market actor context as it is to the broader operating environment. NU-TEC's commitment to "lift the corporate veil" allowed it to better understand the 'authorising environment' within prospective/actual direct partners.
14. The programme also found limited usefulness in logframe-based benchmarks, particularly when considering VfM at the intervention and partner levels or where qualitative evidence might be concerned. Furthermore, for these benchmarks to be meaningful, the logframe must have been constructed with VfM and its level conversions in mind.

The following lessons were recommended for the programme's follow-up intervention, Climate Smart Jobs (CSJ).

1. Incentivise performance of CSJ implementing partners and suppliers via competition for resources.
2. Climate adaptation and mitigation create a stronger narrative for CSJ with baseline assessments which ensure the programme is focused on the most important issues.
3. Ensure sufficient focus throughout the programme on sustained and transformative impact – every element of NU-TEC is being taken forward by the market or other donors.
4. Women should be central from the beginning of the CSJ programme and have clear logframe targets which are not revised down in inception.
5. Expand the model to multiple financial institutions to test scalability but ensure the depth of transformation and sustainability is not lost.
6. Since SMEs required additional support to ensure business readiness, implement a capacity improvement plan and mitigation measures to increase capacity of SMEs to access finance.
7. Sustainable change takes time. Given this, the CSJ programme timeframe will allow four years for implementation.
8. Increase the requirement for collaboration by implementing partners and suppliers and set out clear governance arrangements from the beginning.



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Information Sources:

[NU-TEC MD Programme Completion Review \(2022\)](#)

[BEAM Exchange: NU-TEC MD Programme Profile](#)

[Swisscontact - NU-TEC MD Webpage](#)

[Palladium - The Village Agent Model Under NU-TEC MD](#)

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



Timeline: November 2022 - October 2027



Key Actors/Implementers:

- AVSI Foundation in partnership with:
 - ☐ DAI Global
 - ☐ Renewable Energy, Powering Agriculture and Rural Livelihoods Enhancement (REPARLE)
 - ☐ Innovations for Poverty Action (IPA)
 - ☐ Makerere University Kampala
- In collaboration with:
 - ☐ United Nations High Commissioner for Refugees (UNHCR)
 - ☐ Office of the Prime Minister (OPM)
 - ☐ District leadership of Kikuube and Kyegegwa



Funders/Donors: IKEA Foundation



Implementation Area:

- **Southwestern Region**
 - ☐ Kyegegwa District (Kyaka II Refugee Settlement)
 - ☐ Kikuube District (Kyangwali Refugee Settlement)



Target Population: 14,000 extremely poor households comprising 70,000 individuals who are 50% refugee and 50% host community.

- Special attention is on youth and women with a “Woman/Youth Plus household” approach, targeting a woman or youth as a primary participant and entry point for household engagement in the graduation and MSD multi-sectoral sequenced SMILES intervention.



Programme Goal:

- Goal: To ensure refugee and host community participants are resilient
- Purpose: Increased self-reliance



Market(s) Impacted:

- Agriculture (maize, beans, soya beans and horticulture)
- Energy (clean cooking and clean lighting solutions)
- Financial services (VSLA digitalisation and digitisation)



Key Market Constraints Targeted:

Agriculture constraints:

- Inadequate availability and accessibility of quality agricultural inputs in refugee settlements and host communities due to infrastructure limitations, and poor policy enforcement on standards.

- Limited access to better markets due to the remote location of settlements.
- Limited access to appropriate post-harvest technologies.

Energy constraints:

- Refugee and host community households are often unable to access higher quality products.
- The predominance of informal sellers of energy products in refugee settlement markets limits reach because these sellers have inconsistent relationships with manufacturers.

Financial services constraints:

- There is limited banking infrastructure. The absence of banks and financial institutions and suitable financial products within proximity to these communities restricts refugee and host community ability to access basic financial services.
- The predominant use of informal financial mechanisms, such as savings groups and money lenders, keeps refugee and host community members financially excluded and exposes community members to high interest rates and financial risks respectively.



MSD Programmatic Approach:

- **Linkage to markets** (input and output markets, financial services, energy solutions).
- **Partnership with national agri-input buyers and suppliers** to expand the commercial potential of refugee and host community farmers in value chains such as maize, beans, and horticulture.
- **Incentivise fintech providers** to use digital platforms to partner with local refugee-led Savings and Credit Cooperative Organisations (SACCOs).
- **Build last-mile distribution networks** with clean energy enterprises to expand solar pay-as-you-go business models to expand refugee livelihoods activities (e.g., household lighting, solar-powered irrigation, and affordable power for microenterprises).



Other approaches implemented alongside this MSD Programme: Graduation approach

Programme Innovations to Highlight:

- **Introducing Private Sector Actors (PSAs) to key actors in the settlements:** Operating in refugee settlements can be complicated for the PSAs. Although the project is careful not to portray PSAs as an extension of the humanitarian services AVSI provides, it supports PSAs to enter the refugee settlement market by facilitating entry meetings with OPM/UNHCR. The project also ensures all PSAs are introduced to the settlement's working groups where plans and updates are shared. This is a very good platform for PSAs to gain additional information about the market opportunities in the settlements.
- **Community Based Structure:** To enable the PSAs to navigate the tricky refugee and host community market, the project's community based structure works alongside PSA agents to aggregate demand and give them a platform during trainings to promote their products.



Key Results/Achievements:

• Attracted Private Sector Investment

- ☐ Incentivised three agriculture-related businesses to invest in refugee hosting areas (Kyegegwa and Kikuube) and deliver high-quality agriculture inputs to the market and offer buy back.
- ☐ Incentivised and de-risked two energy companies to invest in refugee hosting areas to deliver clean cooking and clean lighting technologies.

• Extended Financial Services

- Enabled 295 VSLA groups to access banking services.



Challenges:

1. SMILES has faced difficulty recruiting fintech companies with an integration into the banking system. A compatible fintech company was needed to support the project's complete digitalisation and digitisation needs. However, the search for a tested, trusted and compatible fintech company has so far been futile due the missing link to the banking system.
2. Most players in the energy value chain lack required documents. The search for an energy partner with an affordable energy solution and an appropriate business model to deliver the products to refugee hosting areas has so far been hampered. Many prospective candidates failed to meet the due diligence requirements and therefore it is impossible to partner with them.
3. Bureaucratic procedures deter PSAs. Although there is a clear commitment to enabling private sector investment in resilience zones, OPM at settlement level requires PSAs to have MOUs. This is a tedious process, which is a deterrent to PSAs harnessing opportunities in the refugee settlement markets.
4. Acquiring land is cost-prohibitive and reduces PSA investment. PSAs investing in agriculture need farmers to have access to affordable land. If it is not, farmers' demand for farming inputs reduces and they can only achieve low yields from lower acreage. This, in turn, lowers the PSAs' return on investment and therefore inhibits their investment in the settlements.



Lessons Learned:

1. Digitalisation takes time. The journey to completely enable VSLA groups to interact with the banking system, improve their records and have them digitised is a journey that cannot be completed in a 24-month cohort. Despite starting the bank linkage processes early enough before the maturity of VSLA groups (as is industry practice) the project has not been able to achieve this. This points to the need to design programmes that factor in longer periods (3-5 years) for complete digitalisation.
2. Having a "pause and reflect, adapt and scale" process is important. For example, in the co-design phase with market actors, a proposal for a new hybrid model product was made. However, the model had not been tested in a similar environment before. It is important to let the market use the model, have a moment to pause, reflect, and make adaptations before relaunching.



Key Contact for More Information:

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Information Sources:

[AVSI - SMILES Project Overview](#)

[AVSI - SMILES Project Web page](#)

[AVSI - SMILES Project News Update \(March 2024\)](#)

[DAI Global - SMILES Project Web page](#)

SMILES Deep Dive Value Chain Analysis Report (2023) (Non-public document)

6. Feed the Future IAM (Inclusive Agricultural Markets)

 **Timeline:** October 2019 - February 2025

 **Key Actors/Implementers:** DAI Global in collaboration with:

- MarketShare Associates
- Technoserve, Inc.

 **Funders/Donors:** USAID

 **Implementation Area:** Abim, Amudat, Amuru, Bududa, Buhweju, Bulambuli, Bushenyi, Gulu, Ibanda, Isingiro, Kaabong, Kabale, Kamwenge, Kanungu, Kapchorwa, Kasese, Kisoro, Kole, Kotido, Lamwo, Lira, Manafwa, Mbale, Mbarara, Mitooma, Moroto, Nakapiripirit, Napak, Ntungamo, Nwoya, Omoro, Oyam, Rubanda, Rubirizi, Rukungiri, Sheema, Sironko, and Tororo

Refugee response:

- **Northern region:** Lamwo District (Palabek Settlement)
- **Southwestern region:** Isingiro District (Nakivale Settlement) & Kamwenge District (Rwamwanja settlement)

 **Target Population:**

- 3,600 refugees
- 4,000 host community members
- Indirect beneficiaries (who benefit from the creation of more efficient markets)

 **Programme Goal:** FtF IAM seeks to increase incomes and improve the livelihood of households through agriculture-led inclusive economic growth. FtF IAM enables and incentivises market actors to test and scale business models that are inclusive for women, youth and marginalised groups and facilitates investments and behaviour changes that encourage other market actors to respond to market demand.

 **Market(s) Impacted:** Agriculture - maize/corn, coffee, legumes, cassava, rice, livestock, millet, dairy and oil seed

 **Key Market Constraints Targeted:**

- **Overview of Constraints**

- ☐ **Agri-Inputs Markets**

- ☐ Limited access to quality seeds and other inputs; smallholders not targeted as a market.
- ☐ Input sector governance and regulation not adequately addressing counterfeits.

- ☐ **Agri-Outputs Markets**

- ☐ Low quality products at aggregation and processing limiting access to higher value markets.
- ☐ Weak relationships between buyers and farmers that are short term and offer farmers limited services.



• Constraints in Refugee Markets

- ☐ Food rations are reducing, and refugees are increasingly motivated to invest in agriculture.
- ☐ Limited access to high-value markets that offer embedded services for the farmers.
- ☐ Low private sector engagement (agri-input dealers and off-takers) in agriculture value chains in the settlement.
- ☐ Limited access and underutilisation of the available financial services.
- ☐ Limited access to quality agri-inputs and embedded services e.g. extension services.
- ☐ High cost of hiring land for individual farmers (Rwamwanja and Nakivale – 150,000-200,000 per acre, Palabek 30,000-50,000 per acre).
- ☐ Limited access to technology for production (post-harvest handling) and quality management.
- ☐ Limited technical capacity by the processors to make the required operational and technological upgrades needed to sell to higher value markets.
- ☐ Processors have limited knowledge of the requirements of end markets.
- ☐ Limited access to extension services in the settlement which limits the production of quality produce.
- ☐ Poor agronomic practices
- ☐ Limited engagement in livestock farming



MSD Programmatic Approach:

- Co-financing/incentivising private sector actors to scale their investment in the settlements (agri-input distributors/manufacturers, high value market actors and Financial Service Providers)
- ☐ Scaling last-mile distribution of quality agro-inputs for the refugees
- ☐ More distributors and agro-retailers investing in refugee settlements, suppliers of quality inputs
- ☐ Building relationships with community-based agro-retailers; more farmers accessing and purchasing quality agro-inputs
- ☐ Engagement of financial service providers to develop products that address some of the financial landscape gaps through identifying more market-led solutions tailored to farmers' needs, for example, refugee settlement-based SACCOs
- ☐ Leveraging existing farmer groups, agency models and infrastructures established by previous USAID projects and other humanitarian agencies to attain steady supply chains or to increase market
- ☐ Creating an opportunity for the activity to engage the locals, OPM and private sectors to engage better
- ☐ Profiling existing and new partners to determine their interest/business opportunities
- ☐ Providing private sector processors with Technical Assistance (TA) in business development services, food quality and how to meet UNBS standards

Programme innovations to highlight:

- The MSD programme adapted proven business models to the refugee settlement context including the Consulting Service Provider (CSP model), the Agent Model, and the Kiosk Model.
- A "revolving fund" was designed and piloted to innovatively address access to finance constraints,



Other Approaches Implemented alongside this MSD Programme: None



Key Results/Achievements:

- Improved farmer practices
 - ☐ Farmers continue to invest in quality seed following the IAM partnership with private sector actors.
 - ☐ Farmers are seeing the value of insurance and independently investing in insurance.
- Increased private sector activity and improved practices
 - ☐ Over 30 private sector actors crowded into refugee settlements (Palabek, Nakivale, and Rwamwanja).
 - ☐ Some private sector actors (such as Yield Harvest and Okeba) view refugee settlements as potential markets and continue to make investments using different innovative models.
 - ☐ Small scale processors in refugee settlements (such as Tumaini Cooperative, Rwamwanja Farmers Cooperative, and Palabek Oil Millers) have improved their processes by adopting good hygiene practices and good management practices to meet the UNBS standards.
 - ☐ Processors sourcing from refugee settlements (such as Mukwano in Palabek, and New Kakinga Millers in Rwamwanja) are investing in making their supply chains more efficient and providing incentives for quality to farmers.
 - ☐ Two companies in refugee settlements are bundling insurance with other inputs sold to farmers (Yield Harvest and New Kakinga) with no subsidy.
- Increased understanding of MSD
 - ☐ Three MSD trainings were conducted, so NGOs and OPM now have a better understanding and appreciation of the market facilitation approach. Settlement-level OPM appreciates the facilitative approach and are now more receptive to private sector actors' operations in the settlements.
 - ☐ FtF IAM led the inclusion of the market facilitation approach in the 5-year settlement livelihoods and economic development plans (Northern and South-western regions).



Lessons Learned:

1. Influencing changes in approach takes time and requires strategic engagement with donors and policy makers in addition to the NGOs/implementing partners.
2. Private sector actors are open to working in resilience zones. However, PSAs must pursue individual Memorandum of Understandings (MoUs) with the settlement leadership.



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Information Sources:

[FtF IAM Refugee Rapid Market Systems Assessments Nakivale, Rwamwanja and Palabek Settlements Slide Deck \(August 2022\)](#)

[DAI - FtF IAM Web page](#)

[BEAM Exchange - FtF IAM Programme Profile](#)

[FtF IAM Year 3 Work Plan \(2021 - 2022\)](#)

[FtF IAM Year 3 Annual Progress Report \(2021 - 2022\)](#)

[Feed the Future Uganda Web page](#)

7. Matching Grant Intervention implemented under the PROSPECTS programme for Sesame Value Chain Development Project, using the Approach to Inclusive Market Systems (AIMS)



Timeline: 2021 - 2024



Key Actors/Implementers: International Labour Organization (ILO) in collaboration with Ag-Ploutos



Funders/Donors: Kingdom of the Netherlands



Implementation Area:

- **West Nile Region:** Madi-Okollo & Terego Districts (Rhino Camp Settlement). Terego District (Imvepi Settlement)



Target Population:

- 7,007 farmers (2,990 refugees and 4,017 host community members)



Programme Goal: To stimulate decent work prospects for refugees and host community members.



Market(s) Impacted: Agriculture - Sesame



Key Market Constraints Targeted:

- Inadequate infrastructure between settlements and urban centres. This is a major problem, especially for refugees.
- Limited access to technical training on good agronomic practices that would allow refugees and host community farmers to improve productivity.
- Limited or non-existent networks or alliances between refugees and host community farmers and traders. Instead, they largely act on an individual basis, which increases transaction costs.
- Inadequate access to finance, owing to the limitations of informal savings groups which serve refugees and host community members. Lack of collateral impedes refugees' access to the formal credit market. Although refugees can open bank accounts using their refugee cards or attestation cards identification, challenges still exist.
- In terms of rules and regulations, the key restrictions pertain to land access regulations:
- Refugees in Rhino Camp are allocated small tracts of land, which are often incapable of supporting adequate agricultural production. Land disputes between refugees and host communities (who have greater access to land) also constitute one of the few sources of tension between refugees and host communities.



MSD Programmatic Approach:

- ILO contracted a private company off-taker (exporter), Ag-Ploutos, who has an incentive to expand the sesame supply chain. They signed MOUs with the District Local Government to allow access to and enforce contracts with farmers.
- Ag-Ploutos manages the matching grants from ILO for 10 local enterprises trading in sesame. Each of the 10 enterprises received a grant of 30,000 USD, matched with their own investment

of at least 30% to mobilise farmers, improve input supply and provide extension services through village agents.

- A co-pay approach is widely used especially for financial assistance and contract enforcing. Ag-Ploutos provides linkages to financing for farmers. For example, the intervention piloted crop insurance, leveraging the government-subsidised agriculture insurance scheme. In terms of contract enforcement, besides working with the local government, subsidised purchases from farmers foster a sense of ownership and support contract adherence.
- Ag-Ploutos was trained on the ILO's MSD approach. All 11 enterprises, including Ag-Ploutos, were trained on ILO business development tools such as the Gender and Enterprise Together (GET Ahead) tool, which they used in turn to train farmers. Ag-Ploutos also extended BDS to the 10 local enterprises to improve their business practices and become investment ready.
- Ag-Ploutos also hired and trained village agents to provide services to farmers including profiling farmers, selling inputs, agronomy and business training and to aggregate their grain at harvest. They are paid on commission.
- Digital profiling of farmers (Know Your Information - KYI) is key to increasing ratings by FSPs to access financial services.
- Sesame farmers were trained on Occupational Safety and Health (OSH) in partnership with a workers organisation, National Organisation of Trade Unions (NOTU). Awareness raising on labour rights by NOTU and district labour officers for all private companies was done with input from ILO's workers specialist.
- Other training sessions are provided to farmers to improve the resilience of their agricultural practices against adverse climate conditions. For instance, there are training sessions on climate-smart technologies, irrigation, and more.



Other Approaches Implemented alongside this MSD Programme: None

Programme Innovations to Highlight

- Village aggregation centres are set up as a one-stop shop for farmers. These centres provide training, facilitate the processing and value addition for produce, and provide a location for buying and selling inputs, including high-yield seeds through a co-payment approach, etc.
- A village agent model is used which pairs each agent with 100 farmers. Trainings are provided on agronomy, financial literacy and marketing, and agents are commissioned based on the quantity of produce from the farmers they are associated with.



Key Results/Achievements:

- Farmer Access to Inputs
 - ☐ 4,200 farmers have accessed high-yielding sesame variety seeds & other inputs through farmer groups that also have Village Savings & Loan Associations (VSLAs).
- Farmer Certification
 - ☐ 2,500 sesame farmers have been supported to register for organic certification. Of these, 2,175 farmers have been successfully certified.
- Aggregation and Supply of Products
 - ☐ 507.3 tons of sesame worth USD 600,000 has been procured by Ag-Ploutos from participants.
 - ☐ 42.2 tons of organic sesame worth USD 66,759 has been procured from project participants.

- ☐ A stable sesame supply chain has been developed. Ten local farms are working with 266 village agents.

- Job Creation

- ☐ The model has created jobs for 266 village agents & improved farmers' access to agricultural services. Twenty two jobs were also created by 11 companies.

- Extension of Financial Services

- ☐ Partnerships have formed with financial institutions to extend services to actors (farmers, village agents & local firms). For example, Equity Bank now extends production loans to farmers.



Challenges:

1. Refugees have limited land access. Attempts at block farming on hired land from local landowners led to multiple people claiming the same land.
2. Climate change and unpredictable weather patterns affect productivity resulting in low yields.
3. Market distortion was created by humanitarian actors giving freebies (i.e. seed, fertilisers) to refugees.
4. The mindset of receiving free distributions of goods is still present in many farmers, affecting their proactiveness in engaging in market activities.
5. Relationship building between farmers and the off-taker is difficult. Some farmers side-sell, which damages their relationship with the off-takers.
6. Village agents misrepresent or falsely report the numbers of farmers they engage with by overstating their engagement numbers.



Lessons Learned:

1. Working with local governments is beneficial for enforcing contracts with farmers, especially for co-payments and in-kind loans.



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Information Sources:

[ILO Market Systems Brochure](#)

[MSD intervention in refugee response in Uganda](#)

8. Climate Smart Jobs



Timeline: 2023 - 2027



Key Actors/Implementers: Palladium, together with partners Swisscontact, CABI, and Stanbic Uganda Holdings Limited, are implementing the MSD component of the programme.

The CSJ programme has three other active components:

- **The SME Financing Component** implemented by ACELI.
- **The Sustainable Land Management Component** implemented by Catholic Relief Services & Ecotrust.
- **The Trade and Investment Component** implemented by British International Investment (BII).



Funders/Donors: Foreign Commonwealth & Development Office (FCDO)



Implementation Area:

- Northern Region, including the refugee-hosting district of Kiryandongo



Target Population:

- The CSJ MSD Component seeks to enhance the climate resilience of smallholder farmers via climate-smart agriculture. The programme is expected to increase incomes by 15% for at least 143,000 Ugandan households. Of these households, 50% must be female-headed, and 50% must be refugees or members of host communities.



Programme Goal: The Climate Smart Jobs programme will seek out innovative, technology-based solutions to issues for agriculture in Northern Uganda and scale them in the most efficient ways possible. The MSD component of the programme aims to fortify communities against the impacts of climate change, fostering sustainable practices within the agricultural sector.



Market(s) Impacted: Agriculture & agri-business, both on- and off-farm



Key Market Constraints Targeted:

- Constraints affecting smallholder farmers especially women, refugees & host communities to engage in commercial agriculture and to adapt to climate change



MSD Programmatic Approach:

The Climate Smart Jobs programme is building on the Northern Uganda - Transforming the Economy through Climate Smart Agriculture (NU-TEC MD) programme which is Programme Profile #4 in this document. The CSJ programme is being delivered through a market systems development approach that involves partnerships with the private sector. The programme seeks to onboard private sector companies to adopt and adapt business models that seek to solve the challenges of smallholder farmers as it relates to climate change.

The focus is on the following work streams:

- Soil and water management at the farm level for new and existing crops
- Climate Smart inputs and services
- More efficient and green handling services for the post-harvest activities. [Commercial agent model](#) - bundling products and services to more farmers.
- Innovations for women's access
- Innovations for women's agency
- Business models for refugees and host communities
- Accelerating climate change solutions for smallholder farmers through media
- Agroforestry
- Carbon markets
- Circular economy
- Running the Uganda Climate Innovation Fund



Other Approaches Implemented in the Program: None



Key Results/Achievements:

- Onboarding of 16 private sector actors to pilot, scale and replicate innovative and inclusive climate solutions within the refugee and refugee hosting districts.
- 172 organisations have been informed by technical and advisory support. Provisional evidence indicates that they are altering practices in line with the objectives of the support provided.
- 24 organisations have received financial support to develop and/or test the commercial case of the supported innovation.



Challenges:

- Market systems development programming is complex. Change is unpredictable and rarely occurs in a linear fashion.



Lessons Learned:

- The programme is in the early stages of implementation and did not have tangible lessons to share as of January 2025.



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Information Sources:

[Climate Smart Jobs Website](#)

[Climate Smart Jobs: Component 1 Fact Sheet](#)

[Commercial Agent Model Infographic](#)

[Swisscontact - CSJ Project Summary](#)

7. Conclusion

This compendium seeks to contribute towards a common understanding of the MSD approach in Uganda including its origin, goals, key definitions, and operating principles. As the application of MSD in humanitarian settings is still only in the beginning stages in Uganda, this compendium, alongside efforts from the Uganda Market Systems Development Network (UMSDN), is aimed towards aligning that understanding.

As this compendium shows, at least 8 current or completed programmes have utilised the MSD approach in Uganda's refugee response. Given Uganda's commitment to increasing refugees' self-reliance, this context is a promising environment for actors to embrace the approach, continually improve its application, and achieve demonstrable systemic change that benefits refugees and host communities.

This compendium is the first in a series of resources U-Learn plans to develop around MSD in Uganda's refugee response. Throughout the process, some interesting threads have emerged which U-Learn plans to investigate further in upcoming research within the refugee response and Uganda as whole. These areas of exploration include:

Refining of Definitions

- Do the definitions and MSD principles/characteristics outlined here resonate with Ugandan MSD actors? Where are the tensions?
- How do each of the profiled actors feel they are (or are not) applying the principles and characteristics of MSD programmes, as outlined in section 2?

Further Information Gathering About Current Programmes

- What are the various "push" (supply) and "pull" (demand) factors each programme implements to stimulate markets? Public information about some actors was highly summarised, so further investigation into how exactly their MSD programmes operate could be beneficial.
- What are MSD actors doing to prevent market distortion, pursue scale and increase sustainability?

Complementarity Between MSD and Graduation Approaches

- What is the benefit of including graduation programming before or alongside MSD programming for more effective impact (push and pull) in refugee contexts?

Comparison With Global MSD Programmes

- Are there any examples of MSD programmes around the world that are implementing the 4 principles of MSD especially effectively, especially any being implemented in refugee contexts? If so, how do the MSD programmes in Uganda's refugee response differ or correlate with them? What has so far inhibited programmes in Uganda from fully implementing the 4 principles? What are the opportunities?

Evidence of Learning and Impact

- Are MSD programmes in Uganda currently learning from each other? If so, how? If not, why not?
- Have any MSD programmes and actors in Uganda's refugee response created long-term change in the way markets operate? If so, what? And what is the evidence to this effect?



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