



Beyond the last mile: applying MSD in host and refugee markets in Ethiopia and Uganda

12 March 2024



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The Donor Committee for Enterprise Development

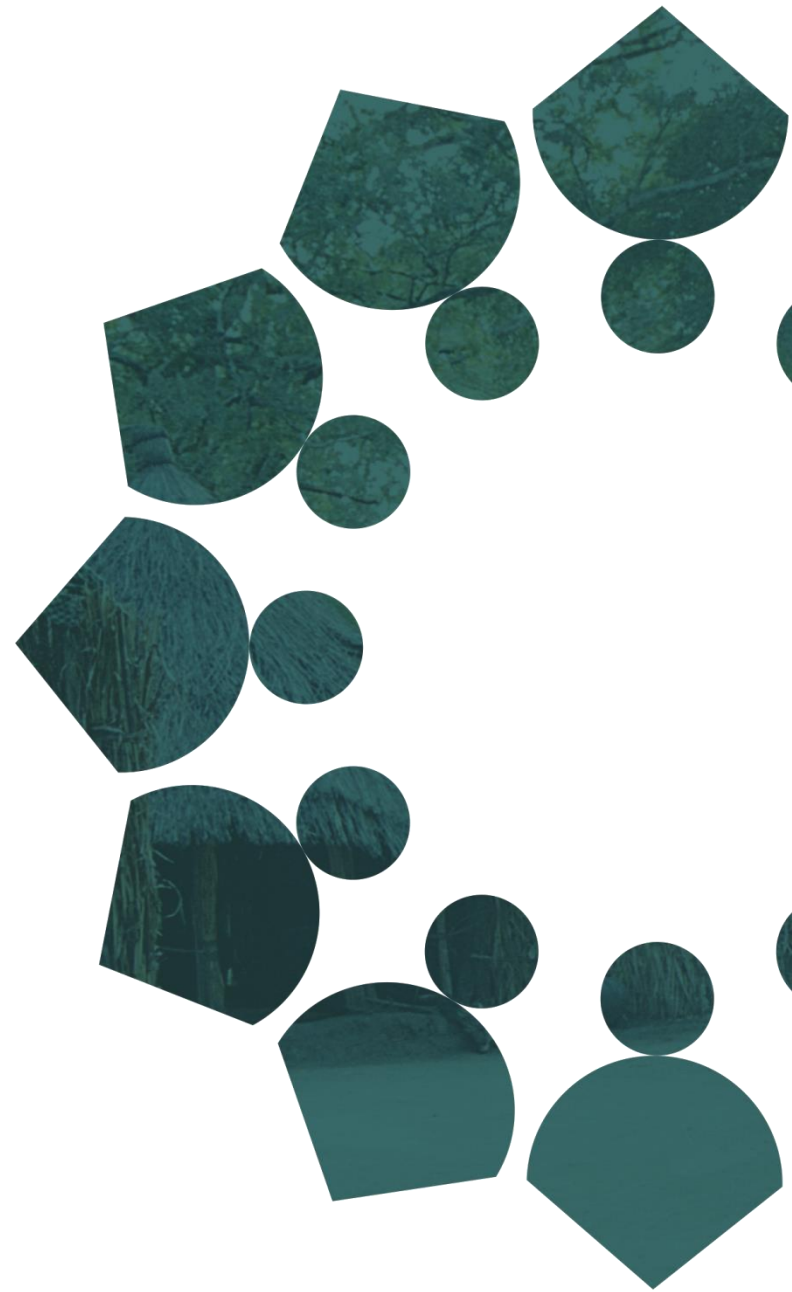




Beyond the Last Mile, Reaching Refugees

12th March 2024

A UK-Aid Funded Project





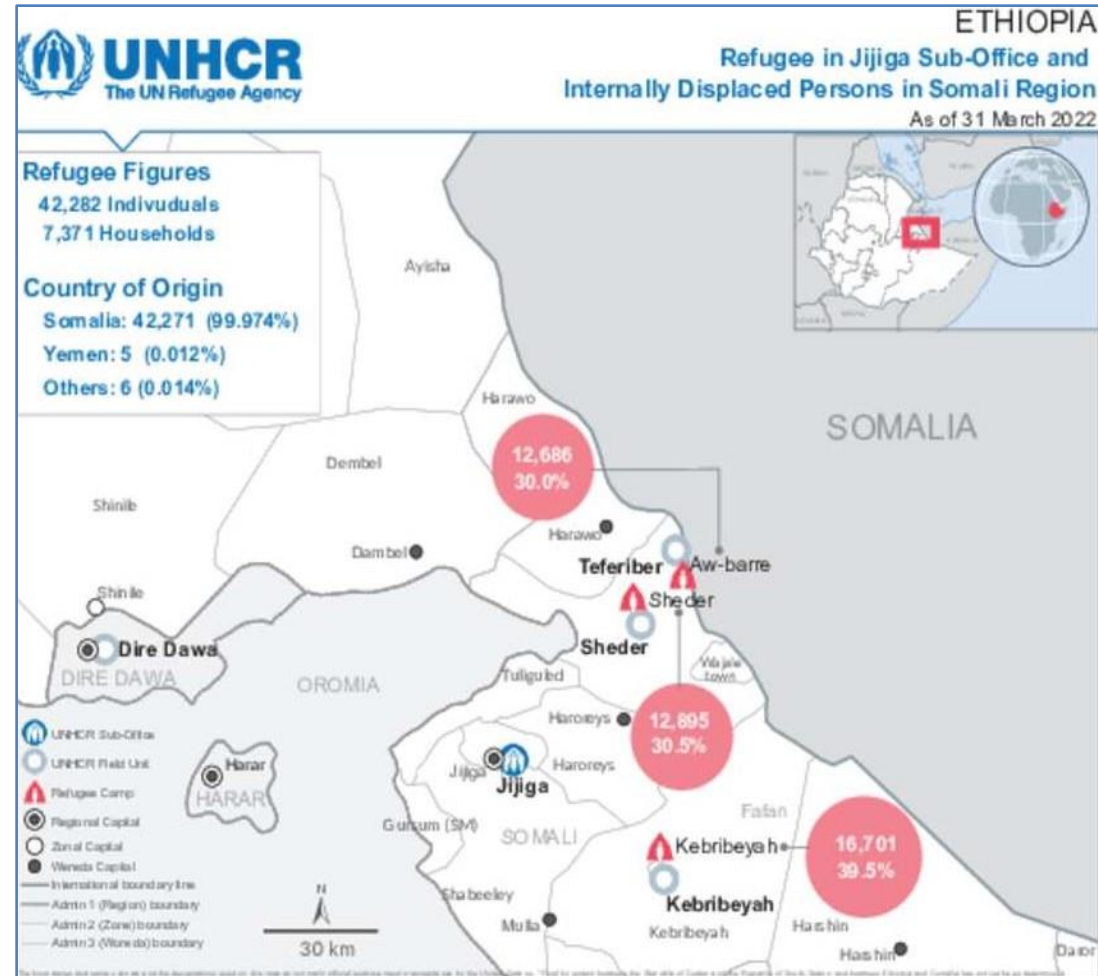
- 250,000 Somali and 380,000 South Sudanese refugees in Somali and Gambella – long term displacement
- Remote border locations – disconnected, border economies, difficult to reach, unattractive to business
- Restrictions – socio-economic rights; mobility; camp access; no business licenses
- No land for farming, few assets but economically active – small-scale livelihoods, informal micro-business. On average poorer than host community. Evidence of remittances with Somali refugees
- Camps are large population centres and markets have developed in and around camps

- Partnerships with national lead firms, regional MSMEs and micro-business
- Successful business models emerging in DFS, poultry, agro/vet inputs BUT mainly reaching the host community. Refugee engagement lagging behind:
 - DFS – 89% of new agents and 85% of new DFS customers host community
 - Agro-vets – 14/17 agro-vets and 67% of customers from host community
 - Poultry – 75% of commercial poultry farms from host community
 - Goat traders/fatteners – 8/11 from host community
- Lead firm ability to go beyond the last mile - refugees operate informally, at too small a scale and with very limited capital/no access to finance.
- Refugee market is viable - as consumers of livelihood enhancing goods & services, as producers and as entrepreneurs - but need to adapt.

Increasing Refugee Engagement / How to reach refugee markets?



- Refugees engage in local markets – need to reach these small markets in small towns and/or inside the camps.
- Increased focus partnering with regional SMEs, often linked to national lead firms - regional firms are more committed to the local market e.g. EthioFeed
- Need to pro-actively find and support / finance refugees to scale-up



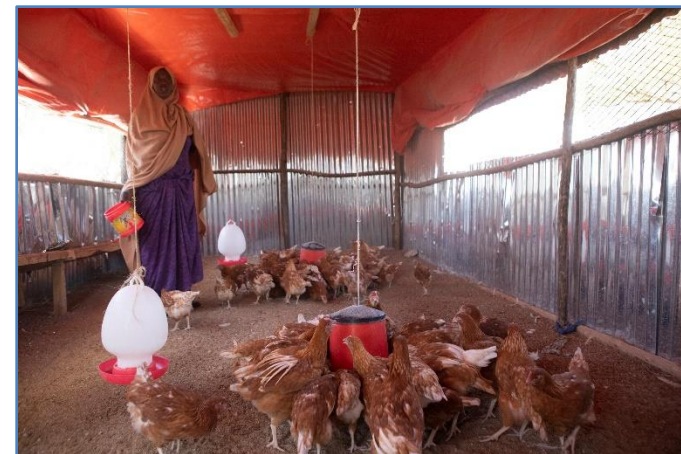
Regional Firms Supplying Refugees



Adaptation



- 'Hands-on' process – need to find the refugees running micro enterprises
- Micro-grant agreements with informal businesses to scale up
- Minimal co-financing – less than 20%
- Reduced scale compared to host community business.
- Now more than half our direct partners are refugee businesses



- Refugee markets are viable, but not easy to reach
- National / lead firms supplying regional firms supplying refugee micro-business
- Need to build the system
- Micro-grants still required – no other financing options
- Businesses are sustainable - most businesses supported by SHARPE are still running and profitable

Thank you!





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BEYOND THE LAST MILE Uganda Inclusive Agricultural Markets Activity

12 March 2024





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*Seed Multiplier- Christine Asimwe- Okeba
Kamwenge*

AGENDA

- 1 **Introduction – FTF IAM Activity in Uganda**
- 2 **Characteristics of Refugee Hosting Districts**
- 3 **How we partner with the Private Sector**
- 4 **Experience working with other Agencies**
- 5 **Takeaways**



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USAID UGANDA FEED THE FUTURE INCLUSIVE AGRICULTURAL MARKETS ACTIVITY

- Six-year Agricultural market systems development Activity
- Funded by USAID Uganda
- Aims to increase incomes and improve the livelihoods of households through agricultural-led inclusive economic growth
 - With a specific mandate to target and apply MSD in Resilience zones, including refugee hosting districts
 - To improve the agricultural markets in the districts to be inclusive of refugees and other marginalized groups.
- Implemented by DAI, TechnoServe and MarketShare Associates



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REFUGEE HOSTING DISTRICTS

- Dispersed across Uganda – Mostly in the North and Southwestern Uganda
- FTF IAM is focusing on 3 Districts
- Not homogenous – difference in location, climate and even the range of economic activities possible
- Some districts are more agricultural productive than others
- Agriculture is main activity in all the three regions, Trade with neighboring districts/regions
- Direct transfers from humanitarian and development agencies
- Transfer earnings make a large proportion of refugee incomes



Commission-based agent under Okeba Ltd supporting refugee farmers to understand the agronomy of growing seeds for Iron Rich Beans in Rwamanja Western Uganda



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WORKING WITH THE PRIVATE SECTOR - OUR APPROACH



Attracting the private sector to establish operations in the refugee-hosting districts – Involves incentivizing large private sector organizations from outside the districts to move into refugee-hosting districts



Co-investments in partnership development

- Strengthening collaboration with local partners
- Strengthening business model to work for local partners
- Cost sharing on local infrastructure



Market assessments

- to identify business opportunities
- potential partners/businesses already operating in the districts



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WORKING WITH THE PRIVATE SECTOR - OUR APPROACH

Incentivizing local private sector within the refugee hosting districts to exploit opportunities within the districts

- Involves identifying local private sector – traders, enterprise groups, saccos and VLSAs
- Preparing them to engage with external private sector
- Building capacity to deliver services

Linkages and networks with other businesses



- Linkages to suppliers of goods and services
- Engaging local businesses to promote GAP
- Production and sale of seeds to farmers in the districts
- Establishing collection centres / warehouses to aggregate grains

Building capacity to deliver services



- Technical Assistance to build internal capacity
- Innovative use of grants to support expansion of service delivery



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WORKING WITH OTHERS

Government – This is a “work in progress”. Blows hot and cold. Requires investments in taking government along. Getting the private sector to speak about what they do to the Government. Training and invitation to learning events. A constant engagement that requires much patience!

Other Development Agencies – This is making good progress. Good demand for a systems approach to design and implementation. Use of MSD training. Regular interaction during sector working groups. Accompaniment for field visits, sharing of data, and partner information.

Private Sector – Use of innovative grant mechanisms, identifying real private sector, especially those who have not worked in refugee areas but see an opportunity. Picking entrepreneurial local private sector and building their capacity to work with others



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KEY TAKEAWAYS

- 01** Effective use of TA and Innovative grant mechanisms – Try a mix of approaches. These markets are broken in many ways hence trying out new/a variety of ways must be the norm.
- 02** Working with Private sector partners who have the right mindset. Check for leadership and business focus. Provide short trial/pilot time to check commitment and business acumen of partner. The more time invested in understanding the problem at hand, the better the results
- 03** MSD is more likely to reach households who are already looking for and engaging in some form of entrepreneurial activities. Work with local entrepreneurial groups and link them with channels for engaging with mainstream economic sectors outside the refugee area. Knowing the economic profile of the target group is important.
- 04** Programs must be willing to take some risks. Try different approaches to engagement. Allow to cover some expenses that may be distortionary but with clear exit strategy.



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THANK YOU!

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