



# UGEFA Green Finance Dialogue

What are “green SMEs” and what do they need to grow?

Sustainable Tourism | 13 November 2020



UGANDA  
GREEN ENTERPRISE  
FINANCE ACCELERATOR

Funded by



European Union

Implemented by



adelphi

# Uganda Green Enterprise Finance Accelerator

We improve access to finance for green enterprises in Uganda.

## WE SUPPORT GREEN ENTERPRISES

We support green enterprises to develop the business and financial plans needed to access financing and scale their environmental and social impacts.



### Catalyser Programme

Engage with enterprises in hands-on interactive workshops focusing on key topics for financial readiness and growth

### Loan Facilitation

Match enterprises with our partner banks to access loan facilities designed to meet their financial needs

### Accelerator Programme

Support enterprises with loan management to invest in growth, scaling their contributions to job creation and a green economy



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## Establishment of Tailored Loan Mechanisms

Collaborate with financial institutions to support the development & piloting of loans tailored to green SMEs

## Technical Assistance for Banks

Support banks to expand their customer base to green & growing SMEs, including with innovative portfolio development tools

## Interactive Green-Climate Finance Trainings and Dialogue Fora

Provide trainings for financial institutions to build a case for green SME financing & leverage opportunities for green-climate finance

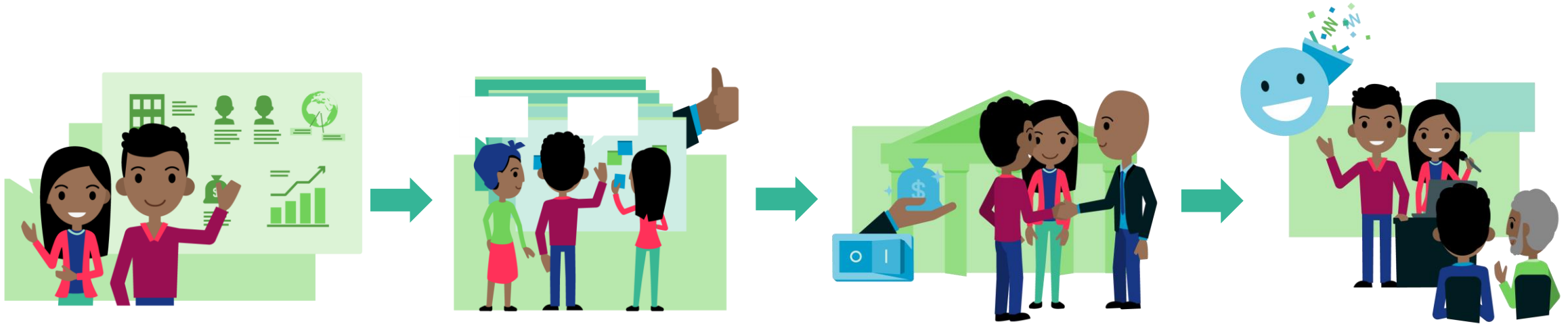
## WE REDUCE RISKS OF FINANCING CHANGE

We reduce the risk of financing change by working together with commercial banks to provide green SME lending.



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## WE SUPPORT THE TRANSITION TO A GREEN ECONOMY IN UGANDA

**100**

**Enterprises**

successfully submitted applications to commercial banks in Uganda to access tailored loan finance

**6.1 Mio USD**

**in Debt Financing**

provided to green SMEs across sectors to invest in growth

**Up to 1800**

**Jobs Created**  
in green sectors



# WE WANT TO COLLABORATE WITH YOU!

## TODAY...

- Share experiences in supporting green enterprises to grow
- **Map financing needs & pathways** for green enterprises in target sector
- **Lay the groundwork for collaboration** in order to jointly scale access to finance for green SMEs in Uganda

## MOVING FORWARD...

- **Co-publish results from today's session as *Sectoral Brief*** to inform financiers and other ecosystem actors of opportunity to finance the future of green SMEs
- **Align joint project priorities & continue to collaborate** in order to facilitate access to finance for green SMEs in Uganda while driving the transition to a resilient, green and inclusive economy in Uganda

## ONGOING OPPORTUNITIES



### Access to Networks & Visibility

around topics of green enterprise business advisory and financing for (green) enterprises that you work with



### Regular Networking Touchpoints

through future UGEFA Green Finance Dialogue sessions (including **Green Entrepreneurship Day** at Kampala Innovation Week on 27 Nov), Ecosystem Networking Breakfasts and more



### High-level Profiling & Insight Dissemination

at annual Green Finance Dialogues and via various formats for sharing ecosystem insights and data, within ecosystem studies/briefs, enterprise case studies and solutions prototyping sessions



# Agenda of the Session

15 MIN

WELCOME & INTRODUCTIONS

05 MIN

CELEBRATE GREEN SME ACHIEVEMENTS

55 MIN

MAP INVESTMENT PATHWAYS

15 MIN

WRAPPING UP & LOOKING FORWARD



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Uganda Green Enterprise Finance Accelerator

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# Sustainable Tourism sector overview

Catalysing green growth through sustainable tourism

In 2018, 1.5 million international arrivals, combined with a growing number of domestic tourists, generated 7.75% of GDP and 6.7% of total national employment ([CBI, 2020](#)).

In 2013, there were 113 registered tour operators and 82 registered travel agencies. The tourism sector also encompasses tourism-related employment in the wildlife sector, transportation, retail, culture, sports and recreation industries ([UTD Master Plan](#)).

As a growing sector, and of importance to job creation and economic growth, the tourism sector holds opportunity to **generate income and jobs while protecting Uganda's vast wildlife and biodiversity, and strengthening cultural heritage.**

## Targets for the sustainable tourism industry by 2030 (UGGDS):

- Increase foreign tourism from US\$123.5 million to US\$500 million.
- Increase value of other tourism values from US\$543.5million to US\$1billion.
- At a labour productivity of US\$5,217.65/worker, create 359,213 green jobs.



## Relevant Policies and Strategies

[Uganda Vision 2040](#)

[Uganda Tourism Development Master Plan 2014-24](#)

[Third National Development Plan \(NDPIII\) 2020/21 - 2024/25](#)

[Uganda Tourism Act](#)





[National Tourism Policy 2014](#)

[Uganda Wildlife Act](#)

[The Uganda Green Growth Development Strategy 2017/18 - 2030/31](#)



# Sustainable Tourism businesses

	Role of SMEs	Common business activities
 <p><b>Tours</b></p>	SMEs operate tour and travel circuits (bicycle tours, air balloon travel, marine activities on Lake Victoria and river rafting on the Nile River).	Delivering tours, partnering with other tour companies, marketing and promotion.
 <p><b>Agro-tourism</b></p>	Agro-tourism involves tourism for crops such as coffee or cocoa, with the crops sold for income once they are grown.	Delivering tours, tastings, packaging the product, selling products to buyers.
 <p><b>Handicraft</b></p>	SMEs are involved in the production of local handicrafts, which can also be related to wildlife conservation and community inclusion.	Sourcing materials, training, production of the handicrafts, promotion and distribution.
 <p><b>Eco-accommodation</b></p>	SMEs construct and run eco-lodges using locally available sustainable materials and green technologies.	Construction of the eco-lodges, training, community engagement, running the eco-lodges, marketing and promotion.





# Sustainable Tourism businesses

	Role of SMEs	Common business activities	Financing needs
 <p><b>Tours</b></p>	SMEs operate tour and travel circuits (bicycle tours, air balloon travel, marine activities on Lake Victoria and river rafting on the Nile River).	Delivering tours, partnering with other tour companies, marketing and promotion.	Financing for training staff...
 <p><b>Agro-tourism</b></p>	Agro-tourism involves tourism for crops such as coffee or cocoa, with the crops sold for income once they are grown.	Delivering tours, tastings, packaging the product, selling products to buyers.	Financing for low carbon machinery to process products...
 <p><b>Handicraft</b></p>	SMEs are involved in the production of local handicrafts, which can also be related to wildlife conservation and community inclusion.	Sourcing materials, training, production of the handicrafts, promotion and distribution.	Financing for new distribution channels...
 <p><b>Eco-accommodation</b></p>	SMEs construct and run eco-lodges using locally available sustainable materials and green technologies.	Construction of the eco-lodges, training, community engagement, running the eco-lodges, marketing and promotion.	Financing for land and construction costs...



# Share your thoughts...

- What was your “aha moment” today?
- What are you excited about for the next year?
- What can we take forward together as a group or bilaterally?

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# We look forward to connecting again!

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## Business



Accommodation & tours

## Financing Needs



building reliable business systems (esp. financial management)

Diversity of profit-sharing schemes (e.g. co-ownership) in key conservancy areas

"Soft costs" (organisational development, marketing, conservation & social impact measurement & monitoring, etc.)

Training for accommodation & tour operators to be "green" (expensive)

Support to become registered

Accommodation facilities

## Financing Successes & Challenges



Little coordination on development objectives / trajectory of key tourism/conservancy areas

Financing models to support collaborative management of natural resources?

Donor-supported examples (but still largely overlooked)

General lack of tourism sector financing by banks

Financing for more advanced tourism SMEs with strong marketing & avail. collateral

Financing examples of accommodation facilities, but green link?

Great Lake Safaris got financing

Limited awareness of "greening" in financial sector (typically limited to solar & cookstoves)

Limited awareness among SMEs / aspiring entrepreneurs of what "sustainable tourism" is

Off-grid / mini-grid for tourism

Need for reliable energy source (& greater energy efficiency)

Offer bundled products & services alongside energy tech

Solarisation of tourism industry (productive use of energy)

Finance for delivering (bundled) tech to communities

Handicrafts

Trainings & certification

cost is high - too expensive to afford the certification

ISO14001

link to institutions that provide certification

production is quite low - can't fulfill larger orders

## Ecosystem Insights

Sector integration, e.g. via bundled products with clean energy for productive use; agro-processing

Proof to banks of "bankability" of enterprises

Support for impact delivery (& sharing proof with financiers)

Collaborative management of natural resources (report, GALI)

Building convincing business cases with impact & "bankability" proof

Guidelines to support communities with understanding & tapping into "green tourism" opportunity

not one universally accepted certification e.g in organic depending on market

digitising and showcasing of handicrafts, digital financial services

linkages important

strategic technical assistance

integrate - how to share this information

