

TOWARDS A SUSTAINABLE TOURISM ECONOMY IN UGANDA

MARCH 2024

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FOREWORD

Jan Sadek, Ambassador of the
European Union to Uganda

DEAR READERS,



I am delighted to introduce the publication of the “Towards a Sustainable Tourism Economy in Uganda” report, commissioned by the European Union and developed by Africa Rise/Landell Mills. The goal of this document is to help us at the European Union, as well as EU Member States and other Development Partners, to better understand the state of affairs of the tourism sector; not only in reference to hospitality and tour operations but to the whole value chain of the tourism ecosystem. This includes transport, food & beverage, handicrafts & souvenirs, and support services among others.

Over the years, the European Union has worked closely with the Ugandan Government and the private sector to advance the tourism industry, which plays a vital role in the country's economy, development and cultural preservation. With some of its Member States present in Uganda, the EU has been a steadfast partner in promoting tourism's role in economic development, job creation, facilitating access to finance and fostering environmental stewardship. We have witnessed substantial progress over the years, with increased investment and infrastructure development in tourism hotspots, the enhancement of community-based tourism initiatives, and the preservation of critical ecosystems.

However, there is plenty of work to do to unleash the full potential of the Ugandan tourism value chain at all levels, national, regional and internationally. This study aims precisely to do so, to help us understand the challenges and opportunities for promoting Uganda as a fine choice for holidays, exploring amazing nature and culture, organizing international summits, conferences and meetings and much more.

There is, no better occasion to launch this publication than the 3rd edition of the Uganda-EU Business Forum, where tourism is one of the main strategic sectors. I sincerely wish that this study, in combination with the panel discussions, the exhibits in the tourism pavilion and the gathering, discussion and networking amongst key players will mobilize high levels of private investments by presenting the opportunities offered by the country to local, diaspora and European investors.

From our part, the EU and its Member States will continue to invest in sustainable tourism and nature-based tourism projects and initiatives. We will also support efforts to strengthen institutional capacity for tourism management, promote community involvement in tourism development and work closely on initiatives to improve the standards and sustainability of the industry.

To that aim, I am pleased to announce that the European Union is developing a new programme to support Sustainable Tourism in Uganda to the tune of EUR 15.5 million to support both, public and private initiatives to ensure that the “Pearl of Africa” shines even brighter while remaining a beacon of sustainable and responsible tourism.

A handwritten signature in black ink, appearing to read 'Jan Sadek'.

2. EXECUTIVE SUMMARY

T

he COVID-19 pandemic landed an unprecedented blow on the travel and tourism sector around the world. However, since 2021, tourism has started

to recover and in many areas of the sector has at least returned to 2019 levels. Although the market is coming back, the dynamic of the travel markets has changed, with greater focus on 'off the beaten path' destinations, sustainable tourism, meaningful interactions with communities as well as personal health and wellness (escaping the daily grind).

TOURISM IN UGANDA

Tourism contributes 5.9% of Uganda's GDP (2019) and employment in the sector is estimated by the World Bank at around 670,000 (7.4% of the Uganda labour force).[1] Other studies put employment even higher. International arrivals reached 1.5 million in 2019, however only 126,000 visitors classified themselves as leisure travellers, indicating this market is still relatively small. Within the leisure traveller segment, 32% booked a package tour, with leisure visitors spending an average of 7-12 nights in Uganda. The mean package cost per person for organized tours was €2,172 in 2019, with a daily in-country spend of around €270.

Independent (non-group) leisure travellers spent on average €300 on accommodation, €152 on tours & entertainment experiences and €107 on crafts, souvenirs and shopping.[2]

THE MARKET DYNAMICS

Although Uganda struggles internationally with its brand recognition and image (especially compared with regional peers such as Kenya and Tanzania), it does receive very high satisfaction ratings from travellers that visit the country. Online search ranking for general travel terms was not a strong area for Uganda, however the country was more competitive in niche-market searches such as ecotourism, nature-tourism, active lifestyle, hiking and arts/cultural tourism. Uganda ranks highly on the World Economic Forum 2019 Travel and Tourism Competitiveness Index in the areas of natural resources and nature-based tourism as well as price competitiveness.



[1] Leveraging Sustainable Tourism to Support Growth & Diversification, World Bank Group, June 2023

[2] Statistical & Economic Analysis of Uganda's Tourism Expenditure & Motivations Survey 2019, World Bank Group

TOURISM BUSINESS NEEDS

The most important needs identified by tourism businesses included:

	Access to Capital: <ul style="list-style-type: none">• Identified as the top area of interest for the tourism private sector.• Structured loans that meet tourism businesses needs, reasonable rates and longer-term• Ability to access capital for equipment and technologies• Better understanding within banks of the tourism sector	
	Sustainable Tourism Certification (and fair-trade tourism) <ul style="list-style-type: none">• Cost effective certification and verification for sustainable and fair-trade practices that fits the Uganda context• Support the tourism sector (lodging, tour operators, activity providers, etc)• Packaging and circuit development for sustainable/fair-trade tourism companies	
	Product Diversification & Development <ul style="list-style-type: none">• Beyond parks - development of community conservancies and forest lands.• Beyond wildlife - well organized and high-quality cultural encounters & community experiences	
	Small Business Technical Support <ul style="list-style-type: none">• Strengthen businesses capacity in financial literacy, bookkeeping and tax requirements• Identifying and preparing for loans• Marketing, social media, etc	
	Language Skills <ul style="list-style-type: none">• Especially for guides• In non-English source market languages such as Spanish and French.	

THE TOURISM SUPPORT SYSTEM

Tourism is seen as an important sector for Uganda, yet the level of support for the sector does not fully align with its potential. Limited budgets and gaps in aligning the activities of supporting organizations mean that opportunities are lost.

There are several organizations supporting tourism efforts in the country, these include the government through the Ministry of Tourism, Wildlife and Heritage and its parastatal organizations as well as the Uganda Development Bank and other agencies that support the private sector. The private sector is represented through a number of tourism specific associations as well as the Private Sector Foundation Uganda. Eleven donor organizations are also supporting tourism in various ways and have formed a 'Tourism Donor Working Group,' that helps to align their activities within the sector.

GAPS & RECOMMENDATIONS

The following gaps have been identified in the sector as it related to nature-based and sustainable tourism. These include:

- 1.Tourism operators that are implementing sustainable practices (or would like to) have no locally appropriate third party system to validate their actions for buyers (international tour operators/travellers)
- 2.Communities that play a vital role in protecting the natural assets on which tourism relies do not have aligned incentives to do so (i.e. a meaningful stake in the tourism economy)
- 3.Based on available data and the reality of available marketing budgets, Uganda can be more competitive in niche tourism markets than general safari tourism markets, but targeted research and better data is needed and alignment of budgets and marketing efforts on these target segments
- 4.There is opportunity for greater product diversity in Uganda's tourism offer and communities can have a role in this

5. Tourism operators struggle to access capital resources that fit the needs of their businesses

6.A number of ongoing efforts are supporting the tourism sector that could be scaled to help them achieve their full potential

A number of recommendations have been proposed in this document, including:

- 1.Support ongoing efforts to establish a sustainable tourism certification program in Uganda that is cost competitive and provides defensible verification of sustainability actions for buyers
- 2.Strengthen ongoing efforts to establish conservancies in Uganda that support community ownership/engagement in tourism as well as conservation. This includes establishing mutually beneficial partnerships with the private sector
- 3.Expand current efforts that provide practical entrepreneurial skills to expand the tourism products and support services needed for tourism operations in natural landscapes, such as crafts, tourism activities, support services, etc.
- 4.Support packaging, promotion & sales of Ugandan sustainable tourism products and circuits (along with other niche market segments that are complimentary). In addition gather research on target markets and establish a more robust system for tourism data collection & dissemination
- 5.Work with Ugandan banks to improve their understanding of the tourism sector, provide advisors to help them better understand the actual risk of tourism investments and improve access to capital through preferential loan terms for businesses that support sustainable tourism actions

LEGEND



Main road (tarmac)

Murram road



**International
Airport**



Border crossing

DEMOCRATIC
REPUBLIC
of CONGO



andrew@eastafricamaps.com

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3 .INTRODUCTION



What is the state of the tourism sector in Uganda?

Who supports tourism in the country and what are they focused on?

Where needs & opportunities exist, especially relating to nature-based and sustainable tourism?

These are the questions this document seeks to answer, based on a study of the tourism sector conducted by the EU supported Africa RISE program in 2023.

The goal of the study was to consolidate and summarize currently available data relating to each component of the tourism sector; identify what government, private and donor partners are doing to support and strengthen the sector as well as where gaps and opportunities exist, specifically around nature-based and sustainable tourism.

Uganda's tourism sector is diverse, with many interconnected components, some directly linked to tourism and others more indirectly supporting the sector. This document looks at each major component to understand the current situation in each, what major actions are taking place in each and where opportunities exist. Major components of the tourism sector that are reviewed include:

- Tour Operations
- Transport
- Accommodation
- Food & Beverage
- Activity Providers, Events & Attractions
- Crafts & Souvenirs
- Support Services

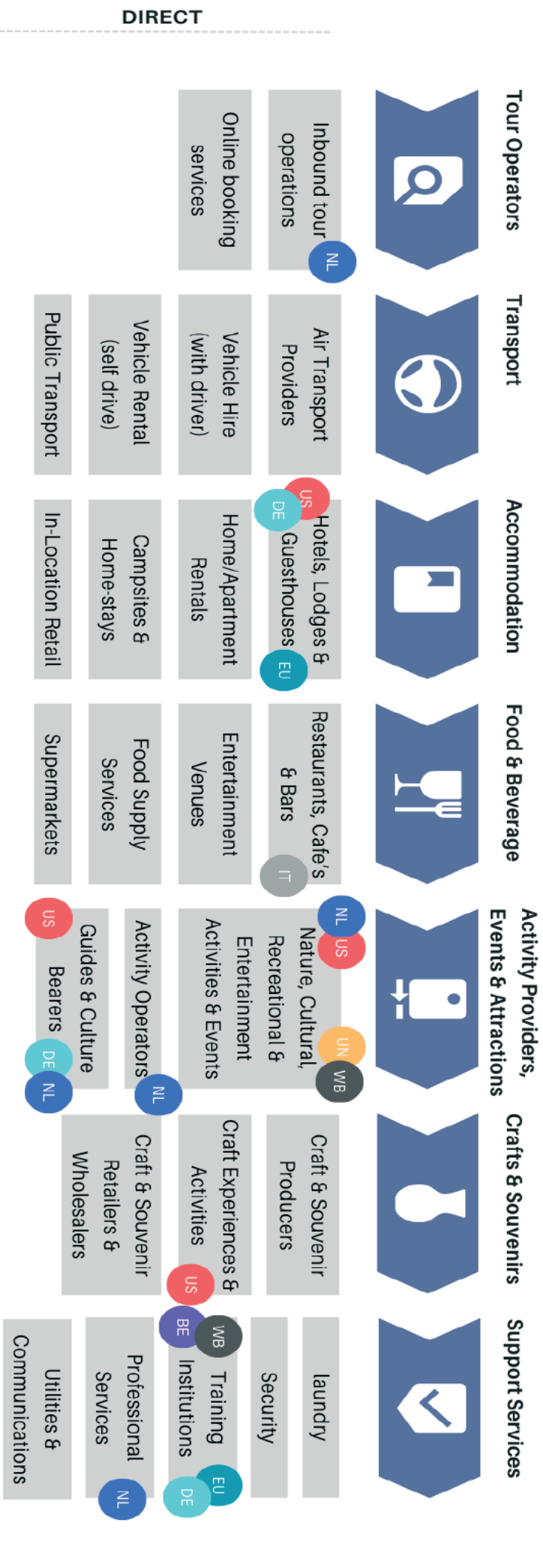
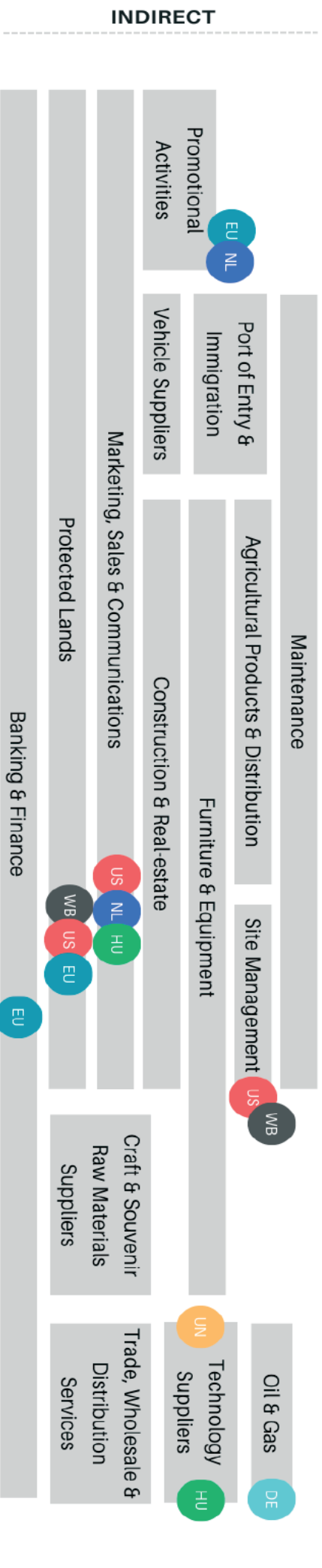
These are analyzed further in Section 4 'The Ugandan Tourism Sector,' along with Section 5 'The Enabling Environment.'

A graphic depiction of the tourism value chain can be found in **Figure 1**. Colored circles on the graphic represent development organizations, that are working on specific components of the tourism value chain. More information can also be found in Annex 1.

Development Partners Working in the Tourism Value Chain

EU Delegation	EU	Austrian Development Agency	AT
GIZ / Germany	DE	Hungary	HU
CBI / Netherlands	NL	Italy	IT
ENABLE / Belgium	BE	US agency for International Development	US
World Bank	WB	UNDP	UN

UGANDAN TOURISM VALUE CHAIN



TOURISM ENABLING ENVIRONMENT



4. THE MARKET CONTEXT



4.1. GLOBAL MARKET DYNAMICS

The COVID-19 pandemic landed an unprecedented blow on the travel and tourism sector around the world. However, since 2021, tourism has started to recover and in many areas of the sector has at least returned to 2019 levels. Although the market is coming back, the dynamic of the travel markets has changed. Demand dynamics in the market are being influenced by what is referred to as the 'pandemic effect' – a greater realisation that travel is a key part of individual mental health and wellness, a greater desire and focus on sustainability as well as positive local impacts. Some of the most significant shifts include:

- An increase in traveller goodwill linked to a growing sense of responsibility to make travel choices for the benefit of others (while also ensuring a great experience for travellers). This trend is occurring across all major geographic source markets, including Asia and the Middle East, although is strongest in European and North American markets.
- After decades of the concept of 'sustainability' being linked almost exclusively to impact on the planet, the Booking.com 2021 Sustainable Travel Report[3] found that the people aspect of tourism is of growing importance. Travellers want tourism not only to be 'green' (to benefit the planet) but also to be 'good' (to benefit local people and communities), including preserving cultural heritage (84%), the need for positive economic impacts for local communities (76%), and a desire for authentic experiences in travel plans (73%).
- Based on its 2022 study of over 30,000 tourists from 32 countries[4], the Booking.com Sustainable Travel Report found that 71% of global travellers say that they want to travel more sustainably over the coming 12 months. Additionally, a 2021 report by the World Travel & Tourism Council found that 83% of travellers surveyed will make sustainable travel a priority in the future.[5]
- Despite this, many travellers indicate that they do not know where to find sustainable options. Research suggests, however, that when presented with sustainable options, a traveller's intention to make 'good' choices is more likely to be converted into action. This may provide an opportunity for Uganda to present itself as a leading sustainable tourism destination.

- Based on the Adventure Travel Trade Association's Annual Industry Snapshot Report (June 2023), 68% of Tour Operators surveyed have obtained or are actively pursuing some form of sustainability certification. This figure marks a significant increase from 45% reported in the previous year (2021).[6] A challenge often cited by international tour operations, however, is finding suppliers that are also certified.

Within these general shifts, demand related to the experience travellers are seeking is also changing. Emerging preferences include:

- An interest in nature-based experiences, which have obvious health and wellness benefits as well as a desire to be active, participate and engage in a place.
- Rural tourism and 'off-the-beaten-track' destinations are also a focus. The 2022 Booking.com Sustainable Travel Report found that 42% of respondents struggle to find less crowded alternatives to well-known destinations, with 28% saying that "travel companies proposing alternative destinations to prevent overcrowding would encourage them to make more sustainable travel choices."
- A growing desire to connect with local people during their travels. The Booking.com study also reported that 34% of travellers do not know how or where to find activities or tours where they can engage with local people in authentic ways and that benefit the local community, yet this is deemed as one of the most significant 'value-add' components of the travel experience.

Domestic and regional tourism has also emerged as a relatively untapped and more stable market for many long-haul dependent destinations, including those in Uganda. Diversifying product offerings and experiences is a growth opportunity that can draw benefits to lesser-known areas and distribute tourism spend more widely. It should be noted that although domestic and regional markets are a good diversification strategy, international markets (in normal years) are also important and often higher revenue markets to maintain in the mix.

[3] <https://globalnews.booking.com/bookingcoms-2021-sustainable-travel-report-affirms-potential-watershed-moment-for-industry-and-consumers/>

[4] <https://globalnews.booking.com/download/1161485/booking.comsustainabletravelreport2022final.pdf>

[5] Trending in Travel – Emerging Consumer Trends in Travel & Tourism in 2021 and beyond, WTTC

[6] Adventure Travel Trade Association's Annual Industry Snapshot Report (June 2023)

4.2. UGANDA MARKET DYNAMICS

International arrivals to Uganda reaching 1.5 million in 2019 and 2.4 million domestic tourists, however most international arrivals were from neighbouring and regional countries (76% from East Africa, with Kenya representing 46% of total arrivals). Excluding cross border trade, about 600,000 international visitors are considered 'high-spending foreigners,' including leisure, business, visiting friends & family, MICE (meetings, Incentive travel, Conferences and Exhibitions), etc. Approximately 126,000 visitors classified themselves as leisure travellers in 2019. Although not their primary travel motivation, it should be noted that some of the other travel segments will also likely conducted leisure tourism activities while in Uganda.

Within the leisure traveller segment, 32% booked a package tour, with 23% booking a package from their home country and 9% when in Uganda. The remainder organized their own travel within Uganda. the top three age groups in the leisure travel segment were ages 65+ (35%), 24-34 (26%) and 15-24 (21%). It is estimated that the average leisure traveller spends 7-12 nights in Uganda; 43% travel as singles, 40% travel as couples/pairs, and 17% in groups. Some of the single and couple travellers may join larger group tours for components of their travel. A portion of the non-package tour visitors come for primarily religious mission and other philanthropic related activities, but may conduct some leisure activities while in country.

Of approximately 324,000 visits recorded in 2019 to Uganda National Parks, 48% came from foreign non-residents. The next largest category was Ugandan students (24%), followed by East African Community (EAC) residents (19%) and foreign residents (4%). Murchison Falls, accounted for 32% of visitation (over 100,000 visitors), Lake Mburo 10% (around 34,000) and Kidepo approximately 4% (12,000).[7]

Visitor Experience

Although Uganda struggles internationally with its brand recognition and image (especially compared with regional peers such as Kenya and Tanzania), it does receive very high satisfaction from travellers that visit the country. An analysis of major online review and booking platforms reported a higher overall satisfaction among travellers to Uganda than peer countries, especially relating to the tourism product, accommodations, and local climate (Figure 2).[8]

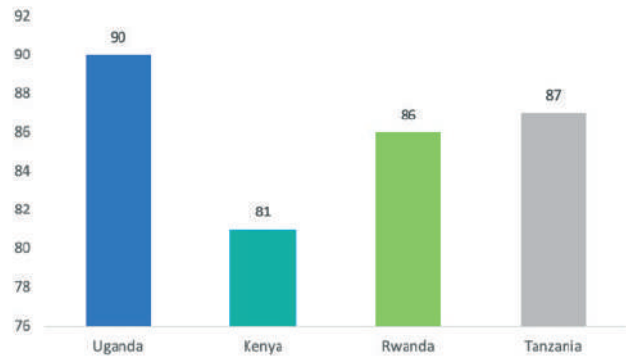


Figure 2: Global Tourism Perception Index

Global Tourist Perception Index
Source: Mabrian, 2023

[7] State of the Wildlife Economy in Uganda – 2022, African Leadership University
[8] Leveraging Sustainable Tourism to Support Growth & Diversification, World Bank Group, June 2023



Online search ranking for general travel terms was not a strong area for Uganda, however the country was more competitive in niche-market searches such as ecotourism, nature-tourism, active lifestyle, hiking and arts/cultural tourism. Interestingly, interest in nature-based tourism increased for travellers to Uganda after the pandemic, but interest in national parks decreased, possibly indicating the markets interest in activities within a broader natural landscape, rather than only on national parks. These results indicate a need to focus marketing and product development efforts on specific niche markets, such as nature and ecotourism and diversification of tourism product outside of national parks. There is also a need to more precisely define profiles for niche market segments to allow industry stakeholders to refine their own promotional efforts to these niches.

Uganda has had a focus in recent years on its domestic travel market, which grew significantly during the pandemic as a portion of the overall market and continues to be a relevant market, even as international arrivals have recovered. This market does not always look for the same type of tourism products as international markets; further supporting the need to understand and profile market segments as well as for product diversification to cater to specific niches. Ensuring the domestic market is a significant element of the overall tourism mix also helps to buffer the sector from future potential shocks, such as another pandemic, terrorism, etc.

5. THE UGANDAN TOURISM SECTOR



5.1. TOURISM SUPPLY

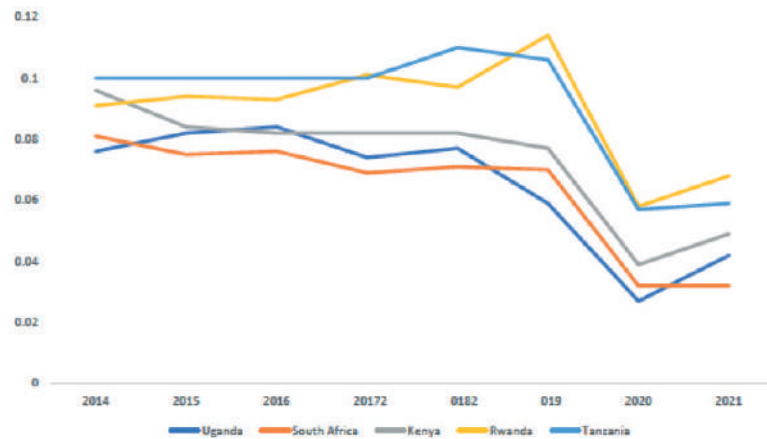
Once in-country, international visitors expenditure was primarily on accommodation (39%), food and beverage (24%) and air/road transport (12.5%). Domestic travellers spent a higher percentage on air/road transport (62%), followed by food and beverages (20%) and accommodation (7.5%). The latter possibly being skewed by a significant portion of domestic travellers staying with friends and family.

Data shows that the mean total package cost per person for organized tours was €2,172 in 2019. The mean per-person daily spend is around €270. This is up 93% since 2012. Discretionary spending on-top of the package price was estimated at about 20% in 2012 (no conclusive data for 2019). This equates to around €434 per trip. Independent (non-group) leisure travellers spent €300 on accommodation, €152 on tour, guide & entertainment experiences and €107 on crafts, souvenirs and shopping.[9]

Employment in the sector is estimated by the World Bank at around 670,000 (7.4% of the Uganda labour force), although a recent study by GIZ indicated the sector may support closer to 1.5 million jobs overall.[10] Many of these jobs are still considered informal employment.

The sector was estimated to contribute 5.9% of the country's GDP in 2019 and its leading source of foreign exchange.[11] Although very significant, the contribution of the sector to GDP has actually decreased from a peak of 8.4% in 2016 and is below that of regional competitors such as Kenya, Tanzania and Rwanda (Figure 3).

In 2020, as with all other countries, the tourism sector was severely impacted by the COVID-19 pandemic, with international arrivals decreasing to around 500,000 and the sectors contribution to GDP falling to 2.7%. Uganda's tourism sector has also experienced a number of additional constraints to the sectors recovery, with the Ebola outbreak in 2022 and the anti-homosexuality act as well as terrorist attacks in 2023. Each of these factors contributing a negative image of the country within major source markets.



Source: World Bank

Figure 3: Tourism's Contribution to GDP (2014 to 2021)

The WWF run Nature-Based Tourism Platform conducted a study of over 100 tourism enterprises (private and community owned) in 2021/22.[12] The study found that major needs for Nature-based tourism enterprises included financial support, infrastructure maintenance and development as well as skills and capacity building. Marketing and promotion were also mentioned as a need.

Uganda has abundant natural and cultural attractions as well as the businesses and infrastructure to be a significant tourism player in the region. Yet Uganda currently lags behind its regional peers, ranking 112th out of 140 countries on the World Economic Forum 2019 Travel and Tourism Competitiveness Index.[13] For comparison, Kenya ranks 82, Tanzania 95 and Rwanda 107 (Figure 4).

Where Uganda ranks highly on the ranking is in the areas of natural resources and nature-based tourism as well as price competitiveness. The country also does reasonably well in regards to environmental sustainability, cultural resources and openness to international markets. These are all qualities that could be leveraged to strengthen tourism in the country, especially sustainable tourism.

[9] Statistical & Economic Analysis of Uganda's Tourism Expenditure & Motivations Survey 2019, World Bank Group

[10] Linkages Between Tourism and Oil and Gas Sectors in Uganda, GIZ / J. Ayorekire, 2023

[11] Leveraging Sustainable Tourism to Support Growth & Diversification, World Bank Group, June 2023

[12] Country Summary: Uganda, African Nature Based Tourism Platform, January 2022

[13] Travel and Tourism Competitiveness Index, World Economic Forum, 2019 (Uganda was not included in more recent reports)

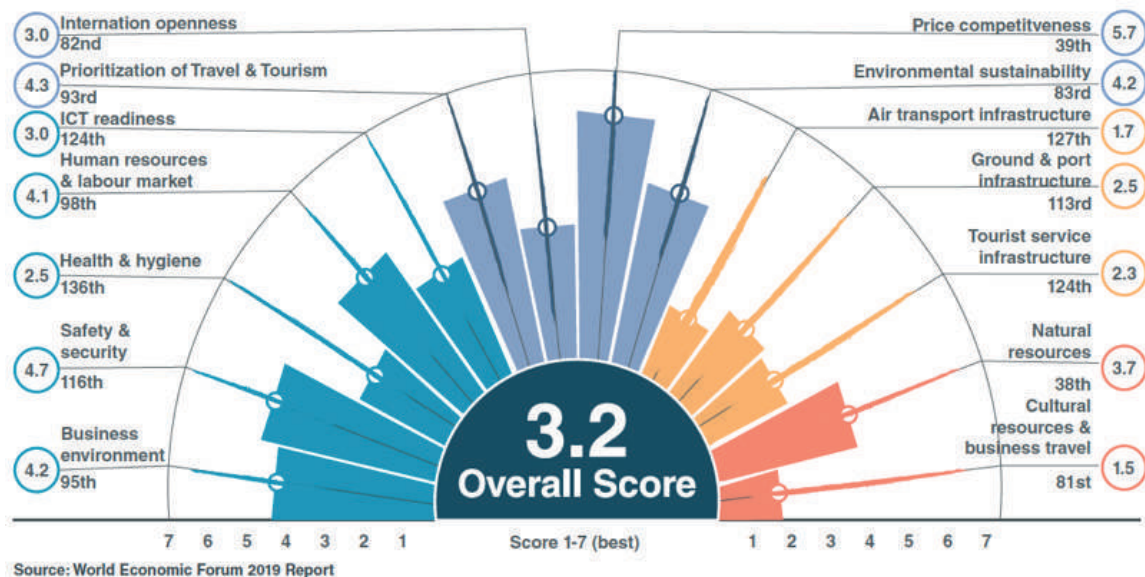


Figure 4: Uganda's Profile in World Economic Forum Travel and Tourism Competitiveness Report 2019

5.1.1. Tour Operators

There are over 600 tour operators operating in Uganda with membership to the Uganda Tour Operators Association. There are also probably more operators, agents and booking services that exist in the country that are not affiliated with the association. Most tour operators package tours for leisure visitors, but some also specialize in the business and MICE (Meetings, Incentive travel, Conferences & Exhibitions) markets.

Although there are a large number of tour operators, the majority are small (5 or less staff), with limited access to market. Many cater to travellers that are already in-country (domestic, resident, independent travellers, etc.), while a smaller number have connections with international source markets, usually through partnerships with outbound tour operators in the source market that help to sell the Ugandan businesses packages.

The international leisure travel market is relatively small in Uganda, leading to a fairly crowded operating environment for tour operators. Many operators also offer essentially the same thing, making it hard to compete unless already one of the larger, well-established business.

In such a crowded operating environment within Uganda as well as broader global competition, there is need for diversification in the tourism offer provided by tour operators, to distinguish their offer from others in the market. Additional needs within the sector include better access to market and promotion within target source markets. As with many tourism businesses, access to capital is also a need, especially for equipment such as vehicles.

5.1.2. Transportation

Travel within Uganda is primarily by road. 21% of Uganda's roads are paved (as of 2018) with 70% considered in good condition. However certain tourism arteries, such as the road to Murchison Falls National Park (northern section) and Kidepo or from Mbale-Sironko-Budadiri-Bumasifwa are in poor condition or un-paved. Uganda also has one of the highest per capita road death rates in the region, indicating a road network that has constraints that may impact further tourism development in the county.

Boats are used as a part of some tourism experiences, for example Murchison falls, and on Lake Victoria as well as other lakes for accessing island sites with nature-based activities in the lakes. Where these are needed they tend to exist in reasonable availability and quality, but there is also considerable opportunity to further develop lakes for transport and as tourism attractions.

Although regional flights to Uganda from other East African countries are price competitive, long-haul international flights from Europe and other destinations tend to be approximately €180 higher than equivalent flights to Kenya or Tanzania. This may be due to the relatively few long-haul flights to the country in comparison with Kenya and Tanzania, which results in less competition for seat sales. Attracting additional long-haul carriers is not a simple task and requires a clear increase in international arrivals to attract new entrants. Consistent tourism promotion of the country by the government along with engagement with key airlines would help attract potential carriers to come into the market if they feel they can leverage government promotional efforts to fill flights.

The domestic airlift within Uganda is limited mainly to charter flights, which are expensive for most travellers. Anecdotal information and information from tour operators indicate there could be potential for establishing low-cost, scheduled domestic flight circuits, especially if also tied into urban hubs for business travellers. However, to operationalize such a service, the airlift would likely need to be underwritten (to cover potential losses) for at least two years to establish the circuits reliability in the market and get companies used to using it.

As tour operators tend to have a 12–18 month booking window between reservation and arrival, they need to be sure a scheduled service flight will still be operational in 18-months otherwise their costing for tours could be significantly impacted. Additionally, the Uganda tour market (other than the high-end market) is primarily based on driving circuits, so the establishment of a scheduled airlift would require operators or lodges to base their vehicles in the field, which would require structural adjustments and possibly additional cost due to the need for more vehicles.

5.1.3. Accommodation

There are over 3,400 accommodation establishments within Uganda (2022), an increase of around 300% since 2009.[14] Most of these facilities are in urban areas, but the provision of accommodations within and around major national parks and nature-based tourism attractions has also increased significantly in the past decade.

According to a Uganda Hotel Owners Association study (2022), occupancy rates for accommodation facilities outside of Kampala are around 30% and around 17% in National Parks. At a national level, this implies an oversupply of accommodation facilities in nature-based destinations at the current time. National information is not available on the quality of the accommodation facilities, but based on the teams personal experience in a number of key natural landscapes, there are a significant number of accommodation facilities, especially just outside of National Parks, that have been built in recent years but are poor quality, lack staff capacity to effectively manage them, or have very limited understanding of, and access to, tourism markets.

Although there is an oversupply of facilities around major National Parks, in other emerging tourism destinations such as conservancies, or Northern Uganda (with the exception of Kidepo National Park) accommodation facilities are much more limited. In these locations more, or upgraded, facilities would be needed to attract greater visitation and establish tourism circuits.

The Uganda Tourism Board (UTB) have recently commenced a process for grading and quality assurance for accommodation facilities in Uganda. This should help to standardize accommodations within Uganda and provide more reliable information to visitors.

Although many accommodation facilities in and around protected areas claim to be sustainable or an ‘ecolodge,’ non are actually certified as such. With increased market demand for sustainable tourism suppliers, there is a significant market opportunity to establish a certification system in the country to help attract this market. However, this would have to be cost effective and fit with Uganda’s context as international certification systems are generally cost prohibitive.

5.1.4. Food & Beverage Services

There is no reliable data on the number of food and beverage facilities in Uganda. Relating to the tourism sector, food and beverage services are available in almost all accommodation facilities catering to tourists. Food and beverage services vary in quality, depending on the facility, but are generally good based on satisfaction data online.

The supply of food, especially fresh produce, to accommodations in and around rural and protected landscapes is a consistent challenge for tourism businesses. Many source food from Kampala or other major cities and drive it in on a regular basis, including fresh and frozen goods. This system is costly and challenging for foods that do not travel well, such as leafy greens or for frozen/cold goods that require consistent temperatures. Many accommodation owners/managers have expressed the desire to purchase locally and to support local food production, especially fresh produce. A number have tried sourcing locally, with very mixed results. To be effective, production has to be of a consistent high quality and available when accommodation facilities require the food (i.e. match tourism high seasons, etc.).

The USAID B4R project is supporting some testing of a hydroponics system that can be established in rural areas as a co-management system with local communities and the company that provides the hydroponic systems. The Belgium ENABEL program is also interested in local food systems for the tourism sector. This may be an interesting model to further scale to address supply chain issues relating to fresh produce.

5.1.5. Support Services

In addition to those providing direct services to travellers, there are a number of key support services that supply to the tourism sector and make up a part of its value chain. Food suppliers are a critical support service but have been covered in the Food and Beverage section earlier. Additional support services include craft and souvenirs, internet/phone, banking, laundry and waste management.

The Ugandan craft and souvenir sector is established but could be expanded considerably, with a focus on Ugandan made products. Many of the items on sale in the country are imported into Uganda, yet there is a strong culture of craft making in the country that is underutilized. Strengthening the local craft industry, improving products and, where possible, diversifying the revenue streams for producers through craft tourism experiences are all needed.

Generally phone and internet connectivity is reasonable, although it can be spotty in more rural areas. The cost of connectivity is higher relative to regional peers, but is likely not a significant limiting factor for travellers or tourism businesses. Banking facilities and ATMs are accessible in all major urban hubs, usually with multiple service options. Many accommodation facilities in protected areas and rural landscapes now have electronic payment systems available, to pay with credit card or mobile money, however they can be unreliable (dependent on the cell network) and a number still require cash for payments.

[14] Profiling the Uganda Hotel Sector, Uganda Hotel Owners Association, 2022

Waste management for many tourism businesses operating in protected and rural landscapes is a significant challenge. Single-use plastics, such as water bottles, as well as other waste items are hard to sort and dispose of properly in remote environments. Much of it is burnt and buried.

For the majority of tourism businesses outside of urban areas there are no waste management services available, nor recycling. The priority cited by many facilities was management of plastics, including ways to reduce the use of single-use plastics (e.g. clean drinking water systems that remove the need for disposable water bottles) and recycling pickup systems that can be established in tourism areas to support all tourism facilities (e.g. collective recycling pickup). There is also a need for broader waste management systems for tourism businesses in rural areas.

5.2. KEY PRIVATE SECTOR AREAS OF INTEREST

The most important needs identified by tourism businesses included:



Access to Capital:

- Identified as the top area of interest for the tourism private sector.
- Structured loans that meet tourism businesses needs, reasonable rates and longer-term
- Ability to access capital for equipment and technologies
- Better understanding within banks of the tourism sector

Sustainable Tourism Certification (and fair-trade tourism)

- Cost effective certification and verification for sustainable and fair-trade practices that fits the Uganda context
- Support the tourism sector (lodging, tour operators, activity providers, etc)
- Packaging and circuit development for sustainable/fair-trade tourism companies

Product Diversification & Development

- Beyond parks - development of community conservancies and forest lands.
- Beyond wildlife - well organized and high-quality cultural encounters & community experiences

Small Business Technical Support

- Strengthen businesses capacity in financial literacy, bookkeeping and tax requirements
- Identifying and preparing for loans
- Marketing, social media, etc

Language Skills

- Especially for guides
- In non-English source market languages such as Spanish and French.

[14] Profiling the Uganda Hotel Sector, Uganda Hotel Owners Association, 2022

6. THE ENABLING ENVIRONMENT



The Uganda National Development Strategy III identifies tourism as a key growth sector, however the specifics and timeline for putting this into action is not defined and current budget allocations for tourism look like they may decrease significantly in the future, rather than grow to invest in implementation of the strategy. Partners such as the EU and others may therefore play a vital role in putting components of the strategy into action

6.1. BUSINESS & INVESTMENT ENVIRONMENT

According to the World Bank study on tourism, there are as many as 25 licences and taxes applied to tourism firms, such as accommodation facilities, in Uganda. The complexity, bureaucracy and number of taxes/licences as well as the lack of a clear framework is identified as a constraint for the sector.[15] In comparison, the licences and taxes required for an accommodation facility in Kenya is up to 14, while those required in Tanzania are as much as 55. Although there is room for improvement, simplification and streamlining in this area, it is likely less of a priority than other factors, such as access to capital, workforce skills, marketing and product diversification to grow the sector. This is confirmed in the sector survey conducted by the Nature-Based Tourism Platform of tourism businesses and referenced earlier in this document.

The World Bank study as well as stakeholder interviews conducted by the team highlights the issue of a clear plan, facilitated investment process and public/private collaboration as constraints to the sector. Collaboration among the tourism public and private sectors is cordial but 'unstructured,' with no systematic approach to coordinating players within the sector. This contributes to limitations in presenting a clear path for investors in the sector as well as a clear and unified path in developing and promoting tourism. This lack of coordination and a clear direction, means that actions to strengthen the tourism sector are often ad hoc.

Tourism businesses stated a priority regarding the business environment was the 'rationalization' of taxes, to make them simpler and more efficient to manage for businesses.

6.2. ACCESS TO CAPITAL

According to the recent World Bank and EU reports on the sector, access to capital is a major constraint. Commercial banks see the tourism sector as high risk, leading to high interest rates for tourism businesses. A Uganda Hotel Owners Association study from 2022 reported commercially available loans for the sector tended to carry interest rates of 20–25%. Lending mechanisms also tend to favour shorter-term loans that are not well suited for tourism infrastructure investments, such as accommodation facilities, which require time to become profitable and repay loans.[16] Many tourism investments are also smaller scale, making them less attractive to lending organizations due to the proportionally higher administrative costs.

A contributing factor is also the understanding of tourism within bank staff and how to structure financial mechanisms that work for tourism businesses as well as the lender. In other countries, such as Tanzania, loan guarantee programs supported by the EU are being established to 'de-risk' tourism loans for commercial lenders, provide technical assistance to lenders to understand risk and opportunities for specific projects more clearly. This could potentially be replicated in Uganda, building on the current collaboration between the Uganda Development Bank (UDB) and EU.

To support access to finance to sustain tourism businesses impacted by COVID-19, the EU and UDB developed the UDB-EU Tourism COVID-19 Response Facility to provide loans and soft grants for tourism businesses and recently published a new call for applications.

Eligible Criteria

- A. A registered business in Uganda
- B. A good credit record backed by a Credit Reference Bureau Report (CRB)
- C. Audited financial accounts for the last 2 financial years
- D. Evidence that they have registered and paid NSSF and PAYE for a minimum of 5 staff.
- E. Able to retain for at least 2 years a minimum of 75% of the employees employed at the time of signing the contract and demonstrate that the staff is paid 100% of their gross salary inclusive of all the statutory obligations
- F. comply with all statutory requirements like local council trading licenses, NSSF, PAYE and other URA tax obligations

[15] Leveraging Sustainable Tourism to Support Growth & Diversification, World Bank Group, June 2023

[16] Blended finance options for nature-based tourism in Africa, Dr. Anna Spenceley, 2022

The loans target working capital requirements to retain staff and operate the business at concessional rate of 12% per annum (although the effective cost to the borrower will not exceed 8%), with a 24-month grace period, and an extending working capital tenor of up to 5 years.[17] 'Greening' costs, such as renewable energy technologies or waste management are also allowable costs.

The grants, which are attached to the repayable loans, range from 25–40% of the total funds, depending on the size of the company. Recipients are required to retain 75% of their staff over two-years. Business advisory services are also provided, and minimum applications are UGX 100 million (about €23,500 equivalent).

On November 30th 2023 tourism private sector stakeholders were invited to a meeting hosted by the EU to learn about the new call for applications for the UDB-EU Tourism COVID-19 Response Facility as well as provide feedback on the program. During this meeting stakeholders recommended adjusting some of the requirements for qualification for the facility. Issues raised included:

- The 5-20 staff requirement. Most tourism SME's have now migrated to an online business model, which means more streamlined staffing
- There was also a general feeling that the use of funds parameter be widened to include subsidizing sustainability certification, benchmarking trips to sustainable tourism destinations (similar to the agriculture sector, where farmers are taken to Netherlands to experience best sustainable farming practices), and using funds for skills development/training in bookkeeping and business enterprise
- The private sector also felt there is a need for pre-finance business support to sensitize the applicants on the details and parameters of the facility before the call for applications. The general feeling was this would better align and manage expectations

i. Regional & Global Sustainable Finance Mechanisms & Models

A number of regional and global finance programs that related to tourism are listed below. Some can be accessed directly by business, while others are funds that Uganda's commercial and development banks can access to then lend on to tourism businesses.

The [Mastercard Foundation in Uganda](#) supports youth with jobs and enterprise creation. Tourism is one of their priority sectors, and they have the stated goal to strengthen Uganda's growing tourism and hospitality sector. They have supported the Private Sector Foundation Uganda (PSFU) with funding for the 'Covid-19 Economic Recovery and Resilience Response Program (CERRP Project)'. The objectives of this project are to:

- Improved marketing and product development among tourism and hospitality MSMEs
- Improved supply chain and sourcing of products and services for the players in the tourism value chain
- Promote alternative routes to markets through digitization/virtual tours
- Improved institutional capacity and promoted corporate governance
- Promote and adopt improved industry standards for tourism business enterprises
- Improve skills for enhanced service delivery among actors in the value chain

[The Eco Business Fund](#) is a blended finance (public and private funds) and technical assistance fund to promote business and consumption practices that contribute to biodiversity conservation, to the sustainable use of natural resources and to mitigate climate change and adapt to its impacts. The Fund invests via intermediaries, committed to promoting green finance, or directly in businesses that pursue sustainable production and consumption. The Fund works in Latin America, the Caribbean, and sub-Saharan Africa, including Uganda. Tourism is one of its core focus areas.

The Nature Conservancy (TNC) and ThirdWay Africa (TWA) launched the [Africa Conservation and Communities Tourism \(ACCT\) Fund](#), as a COVID-19-relief facility providing high-impact loans to conservation tourism operators in Sub-Saharan Africa. The Fund utilises a blended capital structure (grants, debt and equity) to help safeguard tourism companies with the highest potential to support critical conservation landscapes and the communities that depend on them. Its blended finance structure allows the vehicle to attract commercial investment capital, while also being able to offer affordable lending terms to tourism operators. The Fund reached its initial fundraising goal in May 2023 to support its activities and has the ultimate goal of raising a total of USD 100 million.

[The Proparco](#) is a subsidiary of Agence Française de Développement (AFD) and its goal is to support the private sector in developing countries. Proparco provides funding to local banks and financial institutions in Africa to support sustainable development projects, including renewable energy, water, and sanitation, as well as to support SMEs and microfinance projects. One of their initiatives ([EURIZ](#)) is designed to give SMEs easier access to financing from financial institutions, as well as to help financial institutions to partially cover their risk and thereby develop their loans for SMEs.

The African Development Bank (AfDB) has a program called ["Affirmative Finance Action for Women in Africa"](#) (AFAWA), which provides funding to local financial institutions in Africa to support women-led businesses. The AfDB provides the funding, but the local financial institutions determine how to disburse the funds and which projects to support.

[17] Uganda Development Bank (2022) UE-UDB Tourism Intervention Fund, Presentation

A partnership between the [African Development Bank \(AfDB\)](#) and the [EIB](#), also exists with the goal to enable and enhance entrepreneurship and innovation across Africa in a commercially viable way, and incorporating a blending mechanism with the EU. The initiative uses an integrated approach via investment in target funds, a Technical Assistance Pool, and an Entrepreneurship Lab.

The **EU External Investment Plan (EIP)** includes the [EFSD+](#) guarantee tool. The guarantees are used to de-risking loans made by local partner lending institutions, working together with the European Investment Bank (EIB). Two calls for EFSD+ guarantee projects are scheduled between 2021 and 2027. The first, for €6bn, began in April 2022 with thematic windows of connectivity (renewable/clean energies, transport, digital infrastructure and health), which align with potential 'greening' efforts for the tourism sector in Uganda. The program can support both the public sector as well as the private sector.

6.3. LABOUR, CAPACITY & SKILLS

Although Uganda has a large population and potential tourism workforce, the availability of skilled labour in the tourism sector is limited. The 2019 World Economic Forum Travel and Tourism Index ranks Uganda 122 of 140 countries for availability of qualified tourism labour. An estimated 52.6% of those employed in the tourism sector are classified as self-employed and in the informal sector. Of these 68% are female. The largest proportion of employment in the sector is in food and beverage, followed by transport and accommodations.[18] It is further estimated that 75% of tourism jobs are at an operational level, 16% supervisory level and 9% managerial.

The Uganda Hotel and Tourism Training Institute (UHTTI) is the major government run tourism training facility in the country. Others also exist, including 32 institutions that provide tourism and hospitality training in Uganda, nine of which are public and 23 private.

Although all provide certificates or degree in tourism, employers cite a gap between the academic knowledge of graduates and the practical skills needed by the employees. There is a need for closer involvement of the private sector in tailoring and co-creation of the curriculum to customize it to the needs of the industry (e.g. soft skills, marketing, culinary skills) as well as, involving actual tourism and hospitality industry experts and lodge/hotel/tourism operators and owners in the training activities and programs (i.e. as teachers and mentors).

A lot of support is being provided by training institutions and donors in the space of skilling and training the tourism workforce. Less traditional training programs and academies have also recently been developed in Uganda by Eye Opening Works, with support from GIZ and CBI. These provide practical community level training for front-line tourism staff (or potential entrants into the sector).

Four academies have been established, in Rwenzori, Mount Elgon, Karamoja and the Southwest region. Collectively they have so far trained 1,200 people. For more information on the modules and one of the academies that was developed, see: <https://ukarimuacademy.org/>. Support is needed in scaling these activities, with a focus on, and linked to, tourism businesses and tourism product development to support diversification of the tourism offering in Uganda.

6.4. SUSTAINABLE TOURISM

There is growing demand for sustainable tourism experiences within the travel market and travellers are seeking to purchase from businesses and destinations that can demonstrate there are sustainable (or making significant strides in sustainability). Sustainability in the tourism sector can be achieved in a number of ways, some of them policy and regulatory based, while other can be more incentive-based systems such as certification that recognize and promote businesses that are verified as sustainable (or green, fair trade, etc.). The global standard for sustainable tourism certification programs is the Global Sustainable Tourism Criteria (www.gstcouncil.org).

The availability of sustainable tourism certification (or similar) programs in Uganda is currently very limited.[19] Travelife, which provides certification to tourism businesses, is active in East Africa, but currently lists no companies as having achieved the Travelife certification in Uganda. Tourism businesses have cited the cost of global GSTC accredited certification programs and Travelife as a major limiting factor in their adoption in the country. There is a need for a more cost-effective program for Ugandan tourism businesses.

Booking.com's Travel Sustainable Badge is active in the country, with 30% of the Ugandan listings on the site carrying this designation. Receiving a Travel Sustainable Badge is a lot simpler than full certification programs and its adoption in Uganda is an indication that there is interest in positioning as sustainable among the accommodation sector.

[Fair Trade Tourism Africa](#) is another certification body based in Southern Africa and currently only serving this region, but with an expressed interest in possibly expanding to Uganda.[20] The organization certifies businesses based on fair wages and working conditions, fair purchasing and operations, equitable distribution of benefits, and respect for human rights, culture and the environment. Their standard is also recognized by the GSTC, but they are not certified by the GSTC.

[18] Profiling the Uganda Hotel Sector, Uganda Hotel Owners Association, 2022

[19] CBI Sustainable Tourism Certification Overview and Guidance for the Ugandan Tourism Sector, April 2023

[20] Interview with ENABEL project, July 18th 2023

6.5. ORGANIZATIONS SUPPORTING TOURISM IN UGANDA

This section briefly summarizes the organizations that are supporting the tourism sector in Uganda, including donors, government, and private sector associations.

6.5.1. EU Delegation

The EU delegation in Uganda has supported several initiatives in the tourism sector, including:

The Green Tourism Project (GreenTU) was a pilot program with the objective to boost the transformation of Uganda towards an inclusive green economy by enhancing the sustainability and competitiveness of the sector. Actions includes development of practical guides to Sustainable Consumption and Production (SCP) Practices, implementation of Environmental Management System (EMS) ISO 14001, work on the policy environments for SCP, consumer awareness campaign as well as connections to financial institutions for 25 hotels in Uganda. Guides and materials can be accessed at:

 <http://www.greentu.eu/>.

As described in the 'Access to Capital' section earlier in this document, the EU is also supporting access to capital for the tourism sector through a partnership with the Uganda Development Bank (UDB). The program is a €16 million loan and grant facility, with €6 million from the EU and €10 million from UDB. A second call for applications was recently launched to provide loans and soft grants for tourism businesses. As of February 2024 95 hotels and tour operators have been approved for funding from the facility.

The EU has also supported young tourism entrepreneurs through a regional program with the Aga Khan Foundation and in cooperation with the Young Tour Operators Association (YTOA) as well as The Tour Guides Forum Uganda (TGFU). The EU financed the training and coaching of 200 young tourism entrepreneurs in digital marketing and adventure tourism business promotion, both in Kampala and Arua (West Nile).

Additionally, the EU is supporting the work of Northern Rangelands Trust (NRT) out of Kenya that is support community conservancies in northern Uganda. They have worked with the Uganda Conservation Foundation and UWA to conduct study tours to NRT conservancies for community members in the landscape as well as other awareness building efforts. They plan to continue this work and are applying for grant funding to support the operational management of the conservancies and tourism investments.

 www.eeas.europa.eu/delegations/uganda

6.5.2. GIZ

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has been working in the tourism sector in Uganda to increase employment, employability and work conditions to bridge the mismatch between the qualifications local jobseekers have and the skills that are in demand by employers. One project phase was completed in 2023, with a new project currently being designed building on past work, but with more of a focus on women and the green economy (WE4D). This will be implemented from 2024 through 2026.

GIZ has also supported a program with Eye Opener Works to develop non-traditional, open-source training programs to improve skills in the tourism sector, with a specific focus on community and local employment. 1,200 people were trained through four local academies (Rwenzori's, Mount Elgon, Karamoja, South West), including formal skills development and internship programs. The academies now have 18 training modules on a number of tourism related subjects, including hospitality, women driver guides and product development. For more information on the modules, see:

 <https://ukarimuacademy.org/>.

 www.giz.de/en/worldwide/310.html

6.5.3. CBI / Netherlands

The Centre for the Promotion of Imports from developing countries (CBI) is supported by the Netherlands government and provides insights and research on how to attract tourists from Europe through an online portal (www.cbi.eu/market-information/tourism) as well as specific activities within Uganda.

In Uganda they are implementing a project focus on Transforming Uganda Tourism (TUT). The projects' aim is to develop the Ugandan travel industry into a resilient, environmentally and socially conscious sector and enable tour operators in Uganda to attract travellers that are seeking sustainable tourism experiences. supports the capacity building (training and coaching) of about 50 Ugandan tour operators that have a commitment to sustainability to develop long-stay, sustainable, inclusive and diverse tourism products. Topics include business skills, sustainable product development, digital marketing, certification, marketing, networking and promotion in the European markets. The project runs through 2026.

The TUT-project also cooperates with Ugandan organizations on the export promotion of sustainable tourism products and connecting those products to European markets via special events at trade fairs, road shows, and via online channels. The project works with individual tour operators as well as the Uganda Tourism Board (UTB), Uganda Tourism Association (UTA) and Association of Uganda Tour Operators (AUTO).

The Netherlands Embassy also supported the formation of an Adventure Tourism Group in Uganda along with product development, packaging and market connections between Dutch and Uganda tourism companies. The program has developed 28 new tourism products for the adventure tourism market.

 www.cbi.eu/projects/tourism-uganda

6.5.4. World Bank

The World Bank has supported several tourism studies and initiatives over the years. This includes a recent economic review document on 'Leveraging Sustainable Tourism to Support Growth & Diversification' (2023), statistical and economic analysis of the sector in 2020 and analysis of opportunities for growth for community-based tourism enterprises in the Albertine Graben (2021).

There are two World Bank loans to the government that include tourism components, the most significant is for €132 million, focused on "Investing in Forest and Protected Areas for Climate Smart Development Project." This project is implemented by the Ministry of Tourism, Wildlife and Antiquities as well as the Ministry of Water and Environment.

A component of the loan is the Competitiveness for Enterprise Development Project (CEDP), where the World Bank is supporting the Uganda Hotel and Tourism Training Institute (UHTTI) with facilities and equipment as well as marketing and promotion through UTB with support for destination representatives in North America, Europe, Japan and China. They also have plans to support equipment and infrastructure development, such as canopy walks, visitor centres, etc. in National Parks and Central Forest Reserves.

The target wildlife areas are; Mghinga Gorilla National Park, Bwindi Impenetrable National Park, Queen Elizabeth National Park, Rwenzori Mountains National Park, Semuliki National Park, ToroSemliki Wildlife Reserve, Kibale National Park, Katonga Wildlife Reserve, Kabwoya Wildlife Reserve, Murchison Falls National Park, and Ajai Wildlife Reserve.

A second loan for €54 million is also targeting support for local governments (District Tourism Officers) to enhance their capacity and skills (tourism kits, financial literacy programs, project management, product development) as well as other support.

 www.worldbank.org/en/country/uganda

6.5.5. ENABEL

ENABEL is the development agency of the Belgian Government. They have recently completed a project working on tourism skills development and access to non-formal training and have just started a new 5-year project focused on recovery of good jobs that were lost during the pandemic, skills for women and youth, development of new tourism products (with UTB). ENABEL is also developing a 'fair tourism' label/certification program in Uganda.

Additionally, ENABEL is in the early planning and design stage of a 'green entrepreneurship' project. Tourism may be a part of the program scope (although this is still to be confirmed) and would focus on employment in the green economy.

 www.enabel.be/country/uganda/

6.5.6. World Wildlife Fund (WWF)

WWF are implementing the African Nature-Based Tourism Platform program, which has been designed to facilitate access to funding and building the longer-term resilience of the nature-based tourism sector (specifically communities and small/medium sized business) in eastern and southern Africa, including Uganda.

The program provides a data clearinghouse of information on SME's and communities involved in nature-based tourism. It then provides a networking and facilitation role to connect funders, communities and small/medium sized business (<https://naturebasedtourism.africa>). Some examples of their recent work, includes:

- A program with Kiva.org to provide short-term 0% loans to nature-based tourism businesses (for more information click here). The loans are between \$50–400,000 and will be crowd funded through the Kiva platform.
- Skills and organizational capacity building for organizations, such as the Umoja Conservation Trust to strengthen community conservancies and structuring private partnerships (lodges, etc.) that can fund their long-term success. WWF and Umoja will also be publishing a report on the needs for community conservancies in Uganda that will provide further insight into the landscapes.

 www.wwfuganda.org

6.5.7. USAID

USAID do not have a stand-alone tourism program, but are supporting the sector through a number of activities, mainly focused around biodiversity, conservation and community conservancies. The Biodiversity for Resilience (B4R) project, provides technical assistance and support to communities managing biodiversity around Kidepo, Murchison and Lake Mburo National Parks as well as support to Budongo, and Kalinzu Central Forest Reserves.

On the tourism side, the B4R project have supported community tourism product development, private sector development and travel philanthropy programs in Kidepo, Murchison and Lake Mburo landscapes. They are also supporting the development of a canopy walkway and visitor centre in Kalinzu Central Forest Reserves.

USAID plan to continue to support the [Uganda Biodiversity Trust Fund \(UBF\)](#) with \$2.5 million to support capacity building and grant making through this organization, with the goal to link biodiversity to tourism. This Fund is also supported by the EU. UBF serves as a catalyst for mobilizing, managing, and channelling financial resources for biodiversity conservation and sustainable use of natural resources in Uganda.

USAID, through the B4R program, has conducted a feasibility study for a Carbon Credit Scheme for the landscape and community conservancy area south of Kidepo. They are looking for strategic partnerships to move this project forward and make it Investor-Ready (a tourism partner to build an eco-lodge as a part of the community conservancy and a carbon credit program).

 www.usaid.gov/uganda

6.5.8. UNDP

UNDP has supported the Ugandan tourism sector through legal and policy framework (Tourism Policy) and 2014-24 Tourism Masterplan, as well as Strategic Plans for UTB, UWA, UWEC, AUTO and UTA. Terms of Reference are being developed by UNDP to review and evaluate the current National Tourism Masterplan 2014-2024, that will inform the next (10) year Tourism Development Masterplan.

Four major sectors of livelihood change have been identified as the most effective for providing jobs, at scale. They are Agriculture, Tourism, Minerals and Trade. Tourism is seen as a strong pillar that cuts across several sectors and can be a strategic lever for addressing youth unemployment.

 www.undp.org/uganda

6.5.9. Space for Giants

Space for Giants is an NGO that is working on tourism investment planning for Uganda's protected areas. In 2022 Space for Giants signed an agreement with the Uganda Wildlife Authority and 9 district governments for the co-management of Pian Upe and Amudat Community Wildlife Area (Uganda's second largest protected area). Under the deal, Space for Giants will raise new finances and become the day-to-day managers of the Reserve while UWA retains oversight authority. In addition to a number of conservation and carbon initiatives, they are planning for tourism investment in the region, including collaboration with interested private investors for a lodging and activity concession in the landscape.

 www.spaceforgiants.org

6.5.10. Swisscontact

Swisscontact is supporting agri-tourism in Uganda, specifically coffee, cocoa, apiculture (beekeeping) and horticulture with an emphasis on employment and sustainability. A recent study, funded by SwissContact, identified key bottlenecks in the Agri-tourism sector such as little or no trainings offered to the industry, poorly packaged agritourism products, no standardised agri-tourism policy as well as limited links between agri-tourism products and the market.

 www.swisscontact.org/en/countries/uganda

6.5.11. Hungarian Development Agency

Through Senso-Media Fejlesztő és Szolgáltató Zrt, the Hungarian government is supporting a 'Smart Tourism' program in Uganda. The program is producing and installing digital infrastructure and systems to support the tourism sector, including:

- Digital kiosks for the promotion and marketing of tourism in Uganda and cashless payments
- Production and installation of indoor ICT Digital Poster devices for the promotion of tourist products
- Development of content for a Ugandan tourism mobile application and an interactive website
- Development of data analysis tools suitable for collecting statistical data providing real-time tourist information

 <https://nefe.kormany.hu/en>

6.5.12. Uganda Government Agencies

Uganda Development Bank (UDB)

UDB is the grant coordinator for the EU funded €6 million Tourism Covid-19 Response Facility (see Access to Capital, section 5.2). UDB is currently accepting applications for the loan program targeting working capital requirements to retain staff and operate the business at concessional rate of 12% per annum (although the effective cost to the borrower will not exceed 8%).

UDB have included tourism as a strategic area of focus for the organization and have \$200 million allocated for tourism investments. They also plan to introduce blended finance products tailored for the tourism sector and to promote certification of tourism actors in greening and sustainable tourism. UDB has identified an opportunity to link access to finance for tourism actors for certification and greening initiatives (UDB and the wider Ugandan banking community) e.g., certified businesses being able to access blended facilities at 5-10% as an incentive. Further discussions are needed between partners, but this could tie into efforts underway through the ENABEL and CBI programs.

 <https://www.udbl.co.ug>

Ministry of Tourism, Wildlife and Antiquities

The mandate of the Ministry of Tourism, Wildlife and Heritage (MTWH) is to formulate and implement policies, strategies, plans and programs that promote sustainable tourism, wildlife and cultural heritage conservation for socio-economic development and transformation of Uganda. The Ministry also oversees a number of parastatal organizations, including the Uganda Tourism Board, Uganda Wildlife Authority, Uganda Wildlife Education Centre and Hotel and Tourism Training Institute.

The Third National Development Plan (NDP III) states that several interventions are to be undertaken to develop Uganda's tourism and conserve its heritage resources between FY 20/21 and FY 24/25. These include:

1. Increase annual tourism revenues from USD 1.45 billion to USD 1.862 billion;
2. Maintain the contribution of tourism to total employment at 667,600 people;
3. Increase inbound tourism revenues per visitor from USD1,052 to USD1,500;
4. Maintain the average number of International Tourist arrivals from the U.S, Europe, Middle East, China and Japan at 225,300 tourists;
5. Increase the proportion of leisure to total tourists from 20.1 percent to 30 percent;
6. Increase the number of direct flight routes to Europe and Asia from 6 to 15.

The NDP III provides the roadmap for development of the tourism sector, which will be further fleshed out in 2024 by the development of a new national tourism strategy through the support of the World Bank (the previous strategy was from 2014-2024). However, resources to implement the plans have not been fully committed and it appears the government will in-fact decrease the budget of the Ministry, limiting its ability to implement the plans outlined above.

 <https://www.tourism.go.ug>

Uganda Convention Bureau (UCB)

In recent years Uganda's ranking in Africa, as reported by the International Congress and Convention Association (ICCA) has consistently been amongst the top 10 African destinations hosting international meetings. Recognizing the significant opportunities in the MICE (Meetings, Incentives, Conferences and Exhibitions) tourism sector, the Ministry of Tourism, Wildlife and Antiquities launched the Uganda Convention Bureau (UCB) in early 2018 to professionalize the industry in Uganda.

Uganda Convention Bureau's fundamental role is to market and promote Uganda as a MICE destination, bid for MICE events and collaborate with private sector stakeholders to grow the industry as a whole. The Bureau offers advice, guidance and support to international meeting and event planners through every stage of planning. UCB plays an important strategic role in supporting government goals for MICE tourism, increasing the country's market share of meetings and events, and thus helping drive the economic development agenda forward. Several notable large-scale events have taken place in Uganda recently, including the Group of 77 (G77) and Non-Aligned Movement (NAM) summits in Kampala.

 <https://ucb.go.ug>

Uganda Wildlife Authority (UWA)

UWA is Uganda's Government agency responsible for the management and protection of Wildlife in and outside protected areas. UWA generates a large portion of its revenues from tourism, including entry fees (part to which goes to a community fund), concessions for lodging and activities as well as their own tourism services, such as guided activities (gorillas, chimps, bird watching, etc.) and their banda's. This revenue is vital for the ongoing protection and operations of the park.

In addition to direct management of Uganda's national parks, UWA also has oversight for community wildlife areas in the country. Where the parks have well-established tourism facilities, there areas may offer opportunities for new investment and creative collaborations with the private sector and other partners. An example of this can be found in the partnership between UWA, Space for Giants and local communities where the ultimate plan is to engage with a small number of private operators to also develop tourism facilities in the area along with wildlife protection and other conservation activities.

 <https://ugandawildlife.org>

Uganda Tourism Board (UTB)

- 1.Encouraging domestic and inbound tourism spending through scaling marketing and promotion as well as establishing regional tourism information centres.
- 2.Increasing the availability and quality of supportive infrastructure, including upgrading accommodation and attraction facilities and facilitating a greater role for the private sector in delivering services in protected areas.
- 3.Diversifying and developing tourism products such as for hiking, climbing and other adventure sports in wildlife reserves and agri-tourism through competitive tour packages.
- 4.Expanding the pool of skilled employees along the tourism value chain, calling on a greater role for local hospitality sector enterprises and their integration in tourism value chains

In August 2023 UTB resumed a push for grading and classification of tourism businesses in the country, with a focus on accommodations.[21] A team of East African Community assessors are focusing on urban hotels, but eventually have a plan to cover the whole country and are rolling out the program in phases. Ensuring grading of accommodations in Uganda comply with the East African standards will help to ensure that visitors are well informed about the types of accommodations available and receive the service and facilities they expect.

 <https://utb.go.ug>

National Forest Authority (NFA)

NFA is the Ugandan government agency mandated to manage 506 Central Forest Reserves (CFR's) totalling to 1,262,090 ha of land cover. Although Uganda has a legal and policy framework to protect forest and other wildlife areas, implementation has been weak and forest laws are unevenly enforced. Uganda's natural forests are being lost and degraded at one of the highest rates in the world, despite their importance for tourism, role in supporting other natural resource-based activities and importance to mitigate climate change. The total net loss of Uganda's forests between years 2000-2015 was estimated at 1.8 million ha, making an average annual loss rate of 4%. The drivers of forest loss and degradation include; agricultural expansion, wood extraction for energy, increased urbanization due to high population growth, free grazing animals and wildfires.

A number of CFR's have tourism facilities and activities, especially those with chimp activities, while additional forests have potential for tourism, but are relatively undeveloped. To date tourism development in NFA lands has been fairly ad-hoc, but recently NFA has developed Ecotourism Standards and Guidelines for tourism within CFR's. This is the first time NFA have developed a comprehensive playbook for how tourism should be developed and managed in their forests and formed from the desire to operationalize tourism more effectively within CFR's. These guidelines include innovative benefit sharing mechanisms with communities for tourism operations. NFA are working with USAID to build a canopy walkway and visitor interpretation centre in Kalinzu Forest that will be leased to a private operator using the new guidelines as well as with the World Bank on visitor centres in three other forests.

 <https://www.nfa.go.ug>

[21] <https://utb.go.ug/press-releases/uganda-tourism-board-resumes-grading-and-classification-exercise>


A recent government decree looks to wrap NFA into the Ministry of Water and Environment. It is unclear at the current time how this will impact tourism within the forest reserves.

6.5.13. Uganda Tourism Private Sector

Uganda Tourism Association (UTA)

UTA is the apex organization that brings together all the tourism associations, operating as a lobbying and advocacy platform for the sector. Recent projects include the **Covid-19 Economic Recovery and Resilience Response Program (CERRP Project)**, with support from MasterCard Foundation and the Private Sector Foundation Uganda (PSFU). This 5-year intervention has the objective to:

- Improved marketing and product development among tourism and hospitality MSMEs
- Improved supply chain and sourcing of products and services for the players in the tourism value chain
- Promote alternative routes to markets through digitization/virtual tours
- Improved institutional capacity and promoted corporate governance
- Promote and adopt improved industry standards for tourism business enterprises
- Improve skills for enhanced service delivery among actors in the value chain
- UTA has also been involved in projects through the Competitiveness for Enterprise Development Project (CEDP), funded by the World Bank, that has supported the renovation and building a new training hotel at the hotel training school in Jinja (UHTTI), UTB marketing and promotion through hiring of Market Destination Representatives (MDRs) in key source markets and Tourism Buses for UTA to promote subsidised domestic tourism promotional trips.

 <https://ugandatourismassociation.org>


The Association of Uganda Tour Operators (AUTO)

Uganda Tour operator association, representing the interests of professional tour operators. Members offer a range of services, including special interest safaris, air safaris, incentive travel group safaris, custom safaris for individual travelers and camping safaris (luxury & budget).

 <https://ugandatouoperators.org>

Exclusive Sustainable Tour Operators Association (ESTOA)

ESTOA is a unique tourism association of like-minded tour operators established to focus on enhancing and promoting the sustainable tourism sector in Uganda. Their mission is to promote sustainable and regenerative tourism practices to support the marketing of Uganda as a responsible tourism destination.

 <https://estoa-uganda.org>


Young Uganda Tour Operators (YUTO)

An association that was founded in 2019 and officially registered in 2020, to bring together Small and Medium Enterprises (SMEs) in Tourism, owned mainly by the youth in Uganda

 www.yuto.ug

Uganda Green Enterprise Accelerator (UGEFA)

UGEFA provides access to finance for green enterprises and supports sustainable transition to a green economy, by facilitating tailored loans as well as direct technical support. It provides a platform for SME's and financial institutions to build and scale innovative products and services and create jobs in green sectors. UGEFA combines capacity building for post-revenue, scalable green enterprises and collaborates with financial institutions to facilitate access to tailored missing middle finance.

 <https://ugefa.eu>

Uganda Hotel Owners Association (UHOA)

UHOA is a lobbying and advocacy organization for hotel and lodge owners in Uganda. Their goal is to create an strong enabling environment for the accommodation industry in Uganda, build the capacity of members and assist members to improve occupancy rates. UHOA also serves as repository for hospitality resources like an annual hotel guide, a tourism services directory, industry classification protocols, and a shared services career guidance portal.

 <https://www.ugandahotels.org>

Uganda Association of Conferences Incentive Industry (UACII)

UACII was established in 2018 with the goal to be the recognized professional association for the MICE Industry of Uganda. Membership of UACII comprises qualified, specialist MICE companies that include hotels, venues, Professional Conference Organizers, Destination Management Companies and other service. Their mission is to lead, facilitate and develop Uganda's business tourism (MICE) industry competitiveness and commercial sustainability.

 <http://uacii.com>


The Uganda Safari Guides Association (USAGA)

Formally established in 2004 by tour guides and specialists in tourism sub-activities such as birding, butterflies, reptiles, and cultural tourism, to provide a platform to increase their visibility and recognition as key actors in the tourism industry.

 <https://ugasaf.org>

The Association of Uganda Women in Tourism Trade (AUWOTT)

Formed to empower and bring women in the tourism and hospitality sector together. Empowerment is defined as a critical aspect of gender equality implies a society in which women and men enjoy the same opportunities, outcomes, rights and obligations in all spheres of life. A critical aspect of promoting gender equality in the empowerment of women, with a focus on identifying and redressing power imbalances and giving women more autonomy to manage their own lives.

 <https://associationofugandawomenintourism.com>

Uganda Community Tourism Association (UCOTA)

The official umbrella body for the interests of community tourism groups in Uganda to ensure that the local tourist host communities benefit from tourism. UCOTA has over 70 member groups country wide, representing 2,121 individuals of whom 63% are women.

 <https://ucota.or.ug>

The Uganda Association Of Travel Agents (TUGATA)

Registered in 1999, the organization represents over 100 both IATA and non-IATA registered members of the Association. The Association maintains a permanent staff to support the objectives of its members.

 www.tugata.com

The National Arts and Cultural Crafts Association of Uganda (NACCAU)

Established in 2003 to promote, preserve and transform Uganda's tourism and traditional culture by partnering with producers and dealers of visual arts and crafts. NACCAU buys products from member producers and sells them domestically and internationally at their National Arts and Crafts Village located next to National Theatre. By so doing, the association advertises and promotes Uganda's rich cultural heritage while at the same time alleviating poverty among its members and other stakeholders among whom are disadvantaged people.

 <https://www.naccau.co.ug/>

Private Sector Foundation Uganda (PSFU)

PSFU is Uganda's apex body for the private sector, including over 200 business associations, corporate entities as well as major public sector agencies that support private sector growth. PSFU is as a focal point for private sector advocacy and projects relevant to the tourism and hospitality sector, including the **Competitiveness and Enterprise Development Project (CEDP)** described in the UTA section above.

 <https://www.psfuganda.org>

Oil & Gas Sector

GIZ conducted a study on tourism and the oil and gas sectors in Uganda in June 2023. Both sectors are major economic drivers for the country, and both operate in the Albertine Rift region of Uganda. Murchison Falls National Park and other protected lands in the region, have been major tourism destinations for decades, but now host oil exploration, and eventually extraction. These operations are of concern to the tourism sector as well as conservation groups due to the potential for degradation of the landscapes as well as the wildlife within it. The study found that there are currently limited linkages between the sectors as well as a lack of comprehensive tourism planning that would help to guide development in the region especially relating to tourism and the oil and gas sector.

When oil extraction starts in earnest in the region, and especially within Murchison Falls National Parks, it is unclear what impact this will have on the natural landscape and tourism operations in the area. The juxtaposition of both sectors in the same space and the potential for environmental impacts from extraction activities could, in the worst case, be disastrous for the tourism sector (and nature), and at best is an image and messaging challenge, with visitors expecting an untouched National Park.

Tourism private investment in Murchison National Park and the surround landscape, continues to grow and has accelerated in the last decade since oil exploration commenced. With the exception of the period around the COVID-19 pandemic, visitation has also steadily increased, so for now at least, tourism to the region has not been negatively impacted by the oil and gas sector. This seems to indicate that, although there is risk, investors and tourists do not see it as significant enough issue to stop them from developing tourism facilities and traveling to the area.

6.5.14. Additional General Comments

In addition to the specific programs and plans listed in the previous sections, the following were comments that organizations working on tourism projects made relating to supporting and strengthening sustainable tourism in Uganda.

- **Positioning and Promotion of Uganda as a Sustainable Destination:** A fairly consistent comment across interviews was the desire to position Uganda as a sustainable (green/eco) destination. This was seen as an opportunity due to market demand from source markets. It is unlikely that Uganda would be able to position the whole country as sustainable, but efforts to position a collection of tourism business as such would be possible, potentially around tourism circuits within the country.
- **Duplication of Efforts:** There is general consensus that better coordination and collaboration is needed between the donor community, government agencies and departments, and the tourism private sector. The Uganda National Development Strategy III (page 19), under the Tourism Program Implementation Plan, provides for a Tourism Program Working Group with a Secretariat that is co-chaired by the PS-Ministry of Tourism and a representative from the Private Sector. To date only a few meetings of this working group have taken place, due to financial constraints and poor coordination.

7. GAPS & RECOMMENDATIONS

There are many needs within Uganda's tourism sector; it is therefore critical to focus and prioritize. The emphasis of this report is on understanding the Ugandan tourism sector in general but ultimately providing guidance on ways to strengthen sustainable tourism in the country.

Gaps:

1. Tourism operators that are implementing sustainable practices (or would like to) have no locally appropriate third party system to validate their actions for buyers (international tour operators/travellers)
2. Communities that play a vital role in protecting the natural assets on which tourism relies do not have aligned incentives to do so (i.e. a meaningful stake in the tourism economy)
3. Based on available data and the reality of available marketing budgets, Uganda can be more competitive in niche tourism markets than general safari tourism markets, but targeted research is needed and alignment of budgets and marketing efforts on these target segments
4. There is opportunity for greater product diversity in Uganda's tourism offer and communities can have a role in this
5. Tourism operators struggle to access capital resources that fit the needs of their businesses
6. A number of ongoing efforts are supporting the tourism sector that could be scaled to help them achieve their full potential



Recommendations:

1. Support ongoing efforts to establish a sustainable tourism certification program in Uganda that is cost competitive and provides defensible verification of sustainability actions for buyers
2. Strengthen ongoing efforts to establish conservancies in Uganda that support community ownership/engagement in tourism as well as conservation. This includes establishing mutually beneficial partnerships with the private sector
3. Expand current efforts that provide practical entrepreneurial skills to expand the tourism products and support services needed for tourism operations in natural landscapes
4. Support packaging, promotion & sales of Ugandan sustainable tourism products and circuits (along with other niche market segments that are complimentary). In addition gather research on target markets and establish a more robust system for tourism data collection & dissemination
5. Work with Ugandan banks to improve their understanding of the tourism sector, provide advisors to help them better understand the actual risk of tourism investments and improve access to capital through preferential loan terms for businesses that support sustainable tourism actions

Four area of focus are recommended below. These are built on the premiss that action should be led or guided by the tourism private sector but supported by other stakeholders in the sector (government, donors, etc.) in a coordinated and collaborative way. Actions should also look to scale ongoing activities and building partnerships where possible, rather than start new stand-alone initiatives.

A More Sustainable Tourism Sector

Some of the major issues identified by the sector include the negative impact tourism has (or could have) on the environment and the need for simple as well as cost-effective steps towards addressing these impacts.

Many tourism businesses, especially those outside of urban areas, are taking steps to improve their sustainability, however they have no viable way to independently verify this to international clients looking for such actions. Many of the global programs that are currently available are simply too expensive to be viable as a scalable option in Uganda. A cost-effective sustainability certification system, tailored to Uganda, is needed to provide defensible verification of the sustainability actions taken by tourism businesses. Such a program also needs a mix of communications and outreach, training, technical support, auditing as well as promotion to tourism markets to ensure its viability.

Leisure tourism is primarily based on tourism circuits that connect tourism sites, services and attractions into packaged experiences for visitors. A program centred on certifying sustainable tourism businesses, therefore also needs to focus on developing and strengthening 'sellable' and 'defensible' sustainable tourism circuits in Uganda. By working with tour operators, accommodations, activity & experience providers and support services the circuits that are formed would help the country position itself as a sustainable tourism destination globally, with the backing of third-party verification along the value chain. Organizations currently working in this area include ENABEL and CBI along with UTB.

A More Connected Tourism Sector

Addressing the potential negative impacts of tourism and diversifying tourism experiences through local ownership also provides an opportunity for Uganda to distinguish itself in the regional and global market. Directly competing for the general safari tourism market with countries such as Kenya and Tanzania, that invest much more resources into their tourism promotion efforts, will not be effective. Rather Uganda can focus its efforts on niche markets (ape, birding, natural/cultural heritage, adventure & experience seekers, etc.) and leverage trends that show travellers are seeking more sustainable, 'off the beaten path,' experiences that allow travellers to engage with communities more meaningfully.

There is a need to better profile these target markets and sub-segments of them, so as to be able to form targeted niche strategies specific to each market profile. Establishing a public/private tourism 'observatory' that can gather and disseminate tourism data in the country would also help the sector understand the market and adapt where needed.

A targeted marketing campaign promoting niche sustainable tourism products and circuits is also needed. This would help position Uganda as a sustainable tourism destination, help to encourage businesses to participate in the sustainability program mentioned above and build the capacity of all involved in messaging and marketing sustainability tourism.

Such an effort could also address the lack of coordination between government, private sector and local communities by facilitating collaboration and connectivity between these sector players to codesign and manage such marketing and messaging campaigns. To stimulate action, these programs would need the support of donor partners as the main funding source as well as government and the private sector contributing resources so that all partners have a stake in the actions.

CBI is currently working on some initiatives with sustainable and adventure tourism operators in Uganda as well as market connectivity to European markets. UTB, is also a part of World Bank funding that includes promotional efforts for the country.

A More Diversified Tourism Sector Through Community Involvement & Ownership

There is also a need for involve communities that live in and natural areas with significant tourism assets more meaningfully. This includes both the skills and capacity to develop and own tourism products and services, either in whole or through creative partnerships.

An asset many communities have is land. They need support to leveraging that asset, to benefit from it more meaningfully and structure partnerships that are equitable and mutually beneficial.

Considerable existing efforts are focused on tourism training to boost skills and capacity of the tourism workforce, however more support is needed to build the capacity of communities to own part of the tourism value chain and benefit from a share in tourism revenues beyond simple employment. Opportunities exist for small businesses that can provide unique tourism experiences to tourism markets or provide other services to tourism facilities.

Nature-based tourism is a critical component of Uganda's tourism product and there is a need to diversify the offer beyond National Parks to other natural landscapes. This includes areas where communities can have a significant role in the potential revenue stream that tourism generates (i.e. own a part of the asset).

Wildlife conservancies are a well-established and largely successful model in Kenya, Tanzania and other countries, and this model is starting to emerge in Uganda, although still in its infancy. There is a need to support current activities focused on conservancies in the country so that communities can leverage their land assets to form creative and mutually beneficial partnerships with the private sector.

In many of these landscapes, there is a critical need for tourism planning to ensure tourism development occurs in a sustainable and well managed way. Business planning and investment structuring for these conservancies is also needed to model how tourism can bring benefits to communities and support protection efforts within these landscapes. With these plans investors will be more willing to engage in the landscapes and the communities more ready to effectively host investment.

Organizations currently working in the community conservancy space include NatureAfrica, Umoja Conservation Trust, the USAID B4R project and Space for Giants, but more support and coordination among partners is needed. GIZ and Eye Opener Works have also been collaborating on an initiative to develop non-traditional skills and capacity programs for the tourism sector that could be expanded and scaled to support these efforts.

Greater Access to Capital

A key pillar to scaling and diversifying sustainable tourism in Uganda is access to finance for businesses and investors. The first step is to enhance understanding of tourism in general and sustainable/nature-based tourism more specifically, within commercial and development bank staff. This includes access to technical advisors that help them better assess the risk of tourism investments or loans. As debt financing tends to be expensive, and to incentivise investment in sustainable tourism technologies and facilities, there is also a need for de-risked loans that can provide lower interest rates and longer-terms than currently available commercial loans.

To address these issues, and stimulate greater investment in sustainable tourism, the current UDB/EU Tourism Intervention Fund could be adjusted and extended. The broad structure for the current facility can remain the same, however pivot away from COVID recovery, removing the employment requirement (maintaining 75% of employees) and focus funding for business expansion/enhancement (sustainable certification, sustainable technologies, electric vehicles or similar innovative technologies that may be modelled, product innovation, community engagement) as well as start-ups that include strong community and conservation benefits.

Annex 1: Development Partners (DPs) list of interventions supporting tourism in Uganda (2023)

Development Partner	Project title	* Sub-sector	Implementing Agency	Aprox. budget	Status & Remarks/links C-Completed, O-Ongoing, P-Planned, S-suspended.
Belgian Government	Thematic Portfolio Social Protection in Central Africa – Uganda project Albertine & Rwenzori regions	CB-HR Development	ENABEL	1.3M EUR	O- 2021-2026 -Apprenticeship scheme in the hotel sector. -Design Fair Tourism certification framework -Product development and marketing.
Belgian Government	WeWork Green and Decent Jobs for Youth Albertine, Rwenzori and Busoga regions	CB-HR Development Research & Studies, Enabling Environment	ENABEL	TBD	O- 2023 – 2028 Access to quality formal and non-formal skills development Business Development Services Work readiness programme /job placement scheme Labour market and skills needs assessments Employment services
European Union	WeWork Green and Decent Jobs for Youth Kampala Metropolitan, Busoga and West-Nile regions	CB-HR Development Research & Studies, Enabling Environment	ENABEL	TBD	P- 2023 – 2028 Access to quality formal and non-formal skills development Business Development Services Work readiness programme /job placement scheme Labour market and skills needs assessments Employment services Support to Tourism Sector Skills Council Capacity building and strengthening coordination of skilling actors in the tourism sector
European Union (EUTF)	Skills Development Fund - vocational & entrepreneurial skills for refugee and host communities - Northern Uganda / Kiryandongo	CB-HR Development	ENABEL		O- December 2020- December 2025
European Union	Skills and Governance + Nationwide	CB-HR Development Enabling Environment	ENABEL	TBD	O-2021 – 2024 Work readiness programme /job placement Anti-corruption governance support
Booking Cares, GIZ	Ukarimu – open-source curriculum & skilling clusters for tourism & hospitality training – country wide	CB-HR Development	Mango Tree, Eye Opener Works (EOW)		O-
European Union	Uganda Green Enterprise Finance Accelerator (UGEFA)	Product Development Access to Finance	Adelphi (+ 3 commercial banks)	EUR 6 mio	O- January 2020 – January 2025. Green Economy Investment Fund for SMEs (not only Tourism)
European Union	Greening the Tourism Sector in Uganda – Support MSMEs apply for sustainability accreditation	Sector Management & Enabling Environment Marketing & Promotion	Fundacion Gaiker, UTA, UCOTA	EUR 950K	C- Concluded in 2022 http://www.greentu.eu/

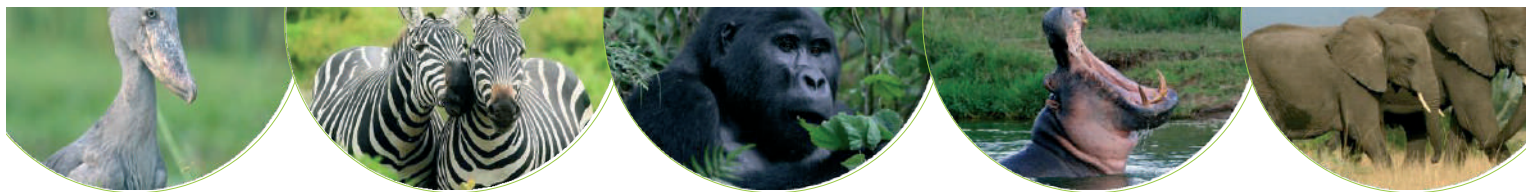
Development Partner	Project title	* Sub-sector	Implementing Agency	Aprox. budget	Status & Remarks/Links C-Completed, O-Ongoing, P-Planned, S-suspended.
European Union	EU-UDB Tourism Facility	Sector Management & Enabling Environment COVID Response Access to Finance	Uganda Development Bank (UDB)	EUR 6 mio + EUR 10 mio from UDB	O- Grants blended with loans to support hotels and tour operators to withstand COVID crisis, avoid laying off staff and becoming environmentally friendly. End date October 2024. 125 applications received. 50 already receiving facility, others in process of approval.
European Union	Support of the Protection of Historical Buildings in Kampala, Jinja and Entebbe	Sector Management & Enabling Environment	Cross-Cultural Foundation of Uganda (CCFU)		C- Provided a collection of maps, books and publications on Uganda's built heritage. Development of a free mobile phone app to locate and get explanations of all sites. (www.crossculturalfoundation.or.ug)
European Union	Uganda Railway Museum in Jinja	Product Development Marketing & Promotion	Cross-Cultural Foundation (CCFU), SOGEA-SATOM, Uganda Railways Corporation (URC)		C- The first of its kind in Uganda and the second in East Africa. Inaugurated on 16th of March 2022 https://crossculturalfoundation.or.ug/test-page/
European Union	Digital marketing and adventure tourism business promotion	Sector Management & Enabling Environment COVID Response	Aga Khan Foundation (AKDN) + Young Tour Operators Association (YTOA) + Tour Guides Forum Uganda (TGUFU)		O- This is part of a broader regional programme to respond to COVID providing life skills, livelihood opportunities and business development support for the youth. Implemented by Aga Khan Foundation (AKDN) in Kampala and Arua (west Nile)
European Union	Handicraft and Souvenir Development Project (HSDP)	Product Development Marketing & Promotion	Ministry of Tourism, Wildlife & Antiquities		O- Implemented through the Enhanced Integrated Framework (EIF)
European Union	Sustainable Tourism initiative	All sub-sectors	TbC	EUR 10 Mio	P- Starting sector assessment to identify gaps and needs. Under the framework of environmental conservation and green deal.
GIZ	East African Tourist Guides Portal project	Sector Management & Enabling Environment	USAGA		O-
GIZ	Marketability of the East African Cultural Crafts	Sector Management & Enabling Environment	UTA		S-
Hungary	Multisectoral International Development Programme in Uganda - smart tourism	Product Development Sector Management & Enabling Environment	Senso-Media Fejlesztő és Szolgáltató Zrt.	EUR 1 mio	O- Contributing to the Ugandan tourism sector becoming a "smart tourism" destination through digitization https://www.sensomedia.hu/en/fooldal
Italy	A group of carabinieri comes every year to Uganda to train UWA rangers on anti-poaching, conservation, security, first aid, and CITES Convention.	Human Resource Development	Carabinieri (Italian police) and UWA		

Development Partner	Project title	* Sub-sector	Implementing Agency	Aprox. budget	Status & Remarks/ Links C-Completed, O-Ongoing, P-Planned, S-suspended.
Irish Aid	Skills Development Fund – tour guide & hospitality skilling – Karamoja region	CB-HR Development	ENABEL		O-
Netherlands Embassy in Uganda /CBI	Transforming Uganda Tourism (TUT) project. Scaling up sustainable and inclusive tourism in Uganda	Sector Management & Enabling Environment	Netherlands Enterprise Agency (RVO) + Centre for the Promotion of Imports from developing countries (CBI)	EUR 1.7 mio	O- 2021-2026 Sustainability training, certification, digital marketing training and resilience building
UNDP	Kidepo Critical Landscape Conservation project - protect Kidepo National Park and its surrounding forest reserves conserve animals and plant species therein	Sector Management & Enabling Environment	UWA, National Environment Management Authority (NEMA), National Forestry Authority (NFA)		
UNDP	Review of Tourism Act, 2008	Sector Management & Enabling Environment	MoTWA		O-
UNDP	Uganda Tourism Ecosystem Platform (UTEPE)	Sector Management & Enabling Environment			
UNDP	Rapid Financing Facility – Fort Portal Tourism City	Sector Management & Enabling Environment			P-
UNDP	Support to Agri-tourism	Sector Management & Enabling Environment			
UNDP	Support to MICE	Sector Management & Enabling Environment			
USAID	STAR - improve trails in 3 national parks: Mgahinga, Queen Elizabeth, Rwenzori Mountains	Product Development	US Forest Service International Program (USFS), UWA		C-
USAID	‘HIV AIDS awareness and prevention program’	CB-HR Development	RTI, UHOA		C-
USAID	Uganda Tourism for Biodiversity Program	Sector Management & Enabling Environment	African Wildlife Foundation (AWF)		C-
World Bank	Matching Grant to support MSME’s in Tourism	Product Development	PSFU		C-
World Bank	Competitiveness and Enterprise Development Project (CEDP) – strengthen public & Private sector – supported purchase of UWA buses and boats	Product Development	PSFU		C-

Development Partner	Project title	* Sub-sector	Implementing Agency	Aprox. budget	Status & Remarks/links C-Completed, O-Ongoing, P-Planned, S-suspended.
World Bank	Competitiveness and Enterprise Development Project (CEDP)	Marketing & Promotion	PSFU, private sector		O-
World Bank	Skills Development Facility	CB-HR Development	PSFU, MoFPED		O-
World Bank	Re-development and upgrading of the Uganda Hotel and Tourism Training Institute (UHTTI) and Crested Crane Hotel in Jinja	CB-HR Development	UHTTI, MoTWA		O—phase II
World Bank	Capacity building support	Sector Management & Enabling Environment	MoTWA		O-
World Bank	Investing in forests and areas for climate smart development project	All sub-sectors	UWA	USD 140 Mio.	O- Launched in 2022. Tourism as a component of the overall project

*** Sub-sectors:** Tourism Product Development/ Marketing & Promotion /Capacity Building - Human Resource Development/ Tourism Sector Management and Enabling Environment/ COVID Response/ Access to Finance/ Research & Studies

Research & Studies: There is a repository with at least 20 recent studies and reports related to Tourism in Uganda at <https://europa.eu/capacity4dev/eu-support-to-tourism-in-uganda/documents> produced by members of the TDWG and other stakeholders in the sector.



TOURISM RECOVERY FACILITY CALL FOR APPLICATIONS STILL OPEN!



Uganda Development Bank (UDB) in partnership with the European Union (EU) allocated funds in form of a grant attached to a loan (also known as 'facility') to enable the sector soar through the hardship of COVID19. The facility seeks to stimulate businesses operating in the tourism sector, which has been heavily impacted by COVID-19 by providing a grant and soft loan with flexible terms aligned to the current needs of the sector. A total approximate pool of UGX 62 Billion (UGX40 Billion UDB loan plus UGX 22 Billion EU Grant) was set aside for this intervention.

The facility will have the following components and additional benefits:

- (i) A non-repayable grant attached to the loan based on the number of staff maintained in the company during the two years' period that they will benefit from this intervention in comparison with the number of staff in the company at the time application.
- (ii) Concessional loan interest rates not exceeding 12%; however, the effective cost of the facility to the borrower shall not exceed 8%.
- (iii) Extended working capital loan tenor of up to 5 years inclusive of a 2 years' grace period.
- (iv) Business advisory services as a non-monetary intervention.

Eligibility:

Interested firms must meet the following criteria to be considered eligible.

- (a) The applicant must be a registered business in Uganda in form of a company, an association or a cooperative.
- (b) The applicant must have a good credit record backed by a Credit Reference Bureau Report (CRB). A good record could include but is not limited to; no adverse reports from banks, no bounced cheques and/or no overdue loans.
- (c) The applicant must have audited financial accounts for the last 2 financial years (i.e., 2020 and 2021) at the time of application.
- (d) The applicant must provide evidence that they have registered and paid NSSF and PAYE for a minimum of 5 staff. Filings with NSSF and URA will be required to be submitted.
- (e) The applicant must be able to retain for at least 2 years a minimum of 75% of the employees employed at the time of signing the contract and demonstrate that the staff is paid 100% of their gross salary inclusive of all the statutory obligations during the two years' period that they benefit from this facility.
- (f) The applicant must comply with all statutory requirements like local council trading licenses, NSSF, PAYE and other URA tax obligations at the time of application.
- (g) An entity and its sister organizations can apply individually if the total amount applied for does not exceed UGX1 Billion (for both loan and grant).

Evaluation/Credit Assessment:

The applicant will be evaluated/assessed on the following aspects:

- (a) Assessment of the applicant's two years audited accounts to verify their financial and economic capacity to confirm whether they had enough revenue to cover costs.
- (b) Assessment of the eligibility of the costs in the detailed breakdown of projected costs for the 2 years' period tagged to this facility.

- (c) An assessment of the adequacy of security provided in comparison with the facility amount requested. Security provided should be 1.2 times the value of facility requested.
- (d) Assessment of CRB report to confirm repayment history, overall borrowing, facility terms, connected exposures (same shareholding), collateral pledged, pending applications and rejections.
- (e) An assessment of the profiles of directors & key technical personnel to assess their technical and management capacity and their long-term interest in the business.
- (f) A site visit to confirm existence and the extent to which the business has been impacted by COVID-19 will be done for all applicants that have qualified to access the loans.

Eligible expenditures under the facility:

Eligible costs for 2 years operations	Non-eligible costs
- Gross Salaries of staff	- Loan-refinancing.
- Operational costs, e.g., utilities, repairs, and services of motor vehicles/ equipment etc.	- Construction.
- Marketing (in particular, Travel Life or ISO 14001 Certification costs)	- Annual subscriptions and memberships
- Costs associated with greening e.g., alternative sources of energy, waste management and related costs like solar panels etc	

Facility Limits:

The minimum amount accessible to an entity under the facility to an applicant shall be UGX100 Million and the maximum (single obligor/same shareholding) shall be approximately UGX 1 Billion.

The grant will be attached to the loan term sheet signed with UDB. The grant will be provided in addition to the loan amount. Loan term sheet amounts need to be fully repaid by the borrower to UDB.

The maximum percentages of the grant to the facility requested and the maximum amounts of grants for each category are the following:

Table: Funding caps per target group (UGX)

Lot no.	Category (according to number of employees prior to COVID 19 outbreak)	Maximum Grant percentage to facility requested	Maximum Grant amount/ Funding (Euro)
1	5 - 20	40%	30,000
2	20 - 50	35%	40,000
3	50 - 100	30%	50,000
4	100 & above	25%	60,000

Requirements for facility application:

- (a) A Management report (on official company letterhead) and application form including 2-year operational budget, funds disbursement schedule and loan repayment proposal.
- (b) Registered Resolution to borrow.

- (c) Constituting documents (such as articles and memorandum of association, partnership deeds, Charters, etc.).
- (d) A copy of the last 2 years audited accounts from an ICPAU registered firm.
- (e) Management accounts for the most recent financial period.
- (f) 6 months Bank statement(s) for the most current audited financial year.
- (g) Loan statements for all existing loans, if applicable, including copies of loan offer letters or agreements from other financial institutions.
- (h) Security for the proposed loan, including current valuations of the assets and details of any encumbrances carried out by approved bank valuers.
- (i) Credit Reference Bureau Report as at the time of application of the company & all its shareholders/ directors
- (j) Off taker agreements/purchase agreements where significant sales are on credit or under contract for 6 months prior to the application date
- (k) Quotation(s) accompanied with profile(s) of the proposed supplier(s) for marketing and certification services.
- (l) Proof of NSSF compliance at the time of application, or,
- (m) Proof of PAYE compliance at the time of application
- (n) Latest Annual Returns of Directors and Shareholders.
- (o) Profile of directors & key technical personnel.
- (p) Latest Tax clearance certificate.

How to apply:

- Entities are encouraged to download the application form from the Bank's website UDBL-Online-App Or <http://eservices.udbl.co.ug/tourism-application>
- Or hand deliver to UDB offices, **Plot 6, Nakasero Road Kampala, Rwenzori Towers, 1st Floor, Wing B** during working hours [Monday to Friday 8:00am - 5:00pm, closed on public holidays]
- The Hand-delivered applications must be clearly marked with the reference 'Application for Tourism Sector Intervention Facility' together with the full name and address of the applicant at the bottom of the envelope. A signed and dated certificate of receipt will be given to the deliverer.
- Applications sent by any other means (by fax, post or by e-mail) or delivered to other addresses will be rejected.
- Applications will be assessed on a first come first serve basis until the facility is exhausted.

As of March 2024 around 100 establishments are already benefitting from the Facility

For further inquiries, please visit us at our offices located on; Plot 6 Nakasero Road, 1st Floor, Wing B, Rwenzori Towers

OR CALL: Freda on 0776954232 or 0312355500

OR VISIT OUR WEBSITE: www.udbl.com

OR EMAIL: tourism@udbl.co.ug / fakull@udbl.co.ug

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