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## **URSB'S ROLE IN SUPPORTING MSME GROWTH IN UGANDA'S ECONOMY**

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MSMEs play an important role in our economy and employ an estimated 80 percent of Uganda's workforce in both the formal and informal sectors, but during times of crisis, they are often the least resilient. This is because typically, they have limited operational capital, less cash reserves, smaller client bases, low capacity to manage commercial pressures and lack fixed assets like land which have been a requirement in the past to be able to access credit.

Due to their critical role in job creation and growth, the Uganda Registration Services Bureau (URSB) has strategically placed emphasis on protecting and enabling these MSMEs harness opportunities that have been presented by the pandemic. As the central body for registration of vital services, URSB unveiled appropriate interventions and policy measures to guide the resuscitation of entrepreneurship, while positioning the other related services like registration of marriages, intellectual property and offering corporate rescue mechanisms to the ailing entities. This re-enforcement strategy has been credited for the steady turn-around of the fortunes of some of these MSMEs.

### **Entrepreneurship support initiatives**

URSB has been working directly with MSMEs to ensure that they take advantage of the benefits accrued to a formalized business. This has been done mostly by providing insights for growth through trainings, seminars, workshops, and other engagements like expos and exhibitions. Vulnerable and specific-target groups like the women entrepreneurs have been re-trained, re-skilled and re-tooled in collaboration with their mother agencies like the Uganda Women Entrepreneurs Association Limited (UWEAL), Kampala City Traders Association (KACITA), Uganda Small Scale Industries Association (USSIA). Guidance on best practice examples and recommendations on how to harness post-Covid-19 opportunities have been intensified.

Access to affordable credit remains one of the biggest challenges to the survival and growth of most of Uganda's MSMEs. The Security Interest in Movable Property Act (SIMPA) No. 09 of 2019 established the Security Interest in Movable Property Registry System (SIMPO). SIMPO is a credit management tool that gives lenders a platform where they can register their security interests on movable properties. These can include household items, livestock, farm produce, farm harvest, motor vehicles, accounts receivables, farm machinery to the basic of all like household property among others. From September 2019 to March 2021, over 1126 women have accessed affordable credit from financial institutions using their movable assets.

## **Formalization of operations**

With the lockdown instituted to prevent the fast spread of COVID-19, many small businesses were presented with a chance to engage in manufacturing of needed necessities. The ability of MSMEs to quickly adjust their systems and lines to meet immediate requirements has played in their favor to exploit demand for basic needs like confectionery, cleaning aids, fabrication, distribution services, textiles and others in sectors like agriculture especially food, dairy and fruit supplies.

With the strategic launch of the *all-digital, all-online* service model, URSB supported many informal businesses to formalize and standardize their activities to meet the requirements with ease, remotely from the comfort of their bases. 60% of the services are provided electronically without requiring one to physically interface with URSB. This has seen increased registrations of entities involved in the local supply chains for basic needs, small-scale manufacturing firms engaged in the making of cleaning detergents, face masks, packaging and Information communications technology (ICT) e-education, e-working, e-markets, e-commerce, e-shops. Additionally, others have been able to diversify their operations to exploit opportunities through exporting to the region, engaging in domestic tourism, start of healthcare systems like mobile home drug delivery systems among others.

## **Commercialization of Intellectual Property**

Uganda's MSMEs make up over 90% of the private sector and manufacture 80% of goods, and are the spine of technological innovation and new products. The launch of National Intellectual Property Policy in September 2020 with the sole aim of supporting the nurturing, protection and commercialization of Intellectual Property has encouraged the creative sector to use their ingenuity and creativity to come up with solutions for day to day challenges especially in situations where we have very low access to skilled labour. URSB is instrumental in supporting the NDPIII theme of 'Sustainable Industrialization for inclusive growth, employment and wealth creation' by providing an environment where MSMEs can continue to innovate and create transformational solutions to ease the business environment and create wealth.

## **Strengthening of partnerships**

Through partnership with the Stanbic Business Incubator Centre, URSB will carry out business trainings regionally to provide a platform for young entrepreneurs to access vital information that will guide in their business formalizations. These partnerships have been extended to Local Governments. The Masaka Local Authorities have already availed space for operations of our regional office to address the needs of the very skilled and enterprising youth in Masaka. The office will be officially opened on March 25<sup>th</sup>, 2021 and will meet the registration needs of people from Lwengo, Lyantonde, Sembabule, Kalangala, Bukomansimbi, Kalungu, Kyotera, Rakai, Lwemiyaga and Masaka city.

With support from Government and other stakeholders, we continue to jointly support efforts to get our economy back to its feet through these incentives especially, the ones specific to allow our MSMEs thrive.

