INFORMATION NOTE

LOCAL ECONOMIC DEVELOPMENT STRATEGY

MOYO DISTRICT & OBONGI DISTRICT

WEST NILE SUB REGION

REPUBLIC OF UGANDA

A Private Sector-focused Local Economic Development Strategy

The Moyo District and Obongi District Local Economic Development (LED) strategies are designed to support the Ministry of Local Government and the Moyo and Obongi District Local Governments to implement the National LED Policy, which provides a mechanism for deepening the decentralization process. Underpinning the national policy is the key assumption that private sector development will be a major driver of investment and enterprise growth. Accordingly, the Moyo and Obongi LED strategies are geared towards improving competitiveness by driving inclusive and equitable growth, increasing employment, strengthening domestic and export trade earnings and improving livelihoods.

Moyo and Obongi Districts are in the West Nile region, which hosts over 800,000 refugees from mostly South Sudan, representing roughly two-thirds of all refugees in Uganda. The LED strategies consider these populations for their value as potential catalysts (producers and consumers) to bolster the development aspirations of West Nile—both during exile and eventually when conditions are deemed suitable for safe and sustainable return. Obongi District is home to Palorinya Settlement with more than 122,000 registered refugees. Moyo District is hosting self-settled refugees and is moreover strategically located having provided a safe corridor for refugee movements into the West Nile region. The LED strategies therefore include refugees and the host communities across both districts as contributors and beneficiaries.

Enabling Pillars of the Moyo and Obong LED Strategies

The LED strategies focus on the following pillars:

- **LED-enabling infrastructure** including transport, electricity, water, telecoms, land, business parks and business incubators.
- **Supporting local firms** by addressing market failures that constrain growth.
- **Upgrading human capital:** Shoring up capacity for value addition, including market driven vocational skills training.
- **Attracting investment:** Improving the enabling environment for business including through tackling issues such as improved regulations on taxes, licenses, duties, business registration and access to land.
- **Changing attitudes**: Working with community leaders and opinion shapers to improve attitudes towards civic participation, entrepreneurship, employment and investment to promote local economic development.

The National LED Policy is anchored on laws and sectoral policies that facilitate the attainment of its objectives. They include: *Medium Term Planning Framework for Poverty Eradication, Wealth and Prosperity; Local Government Act; National Trade Policy; National Land Policy; Micro, Small and Medium Enterprises Policy; National Tourism Policy*; amongst other relevant sector-based policies. Together they aim to uplift household standards, promote increased private sector investments;

increase number and quality of jobs; improve infrastructure; develop competitive industries and to improve gender equality—all issues that support the LED Strategy.

Methodology

The development of the strategies was consultative. It involved leadership from the Ministry of Local Government and the Chairpersons LCV and Chief Administrative Officer (CAOs) of Moyo and Obongi Districts as well as participation from technical officers, community leaders, private sector institutions and development partners working in the two districts. The strategy development process involved close cooperation with the GIZ RISE[1] project that is co-funded by the European Union Emergency Trust Fund for Africa (EUTF) and the German Federal Ministry of Economic Cooperation and Development (BMZ).

With the aid of the LED Consultant, the CAOs mobilized their technical teams in the research process and convened consultative meetings with stakeholders including public sector institutions, private sector actors, community leaders, refugee leaders and development partners. High-level stakeholder consultations were held to guide and endorse the directions proposed by the technocrats.

The districts carried out self-assessments of their productive sectors, identified key opportunities for advancement for those sectors and listed challenges faced in optimizing benefits from the sectors. This in turn enabled the Consultant to build the strategies around efforts to leverage and optimize natural advantages for rapid LED.

Key Sectors

The sectors emerging as pillars for LED strategies for the two districts were:

- Agriculture and agro-processing
- Trade and Logistics
- Tourism
- Mining

Selected Projects with High Impact for LED

The scoping phase of the LED strategies identified key inhibitors affecting LED enablers and the priority sectors for the two districts. Current LED-enabling initiatives have been profiled. Solutions and key activities are proposed for refinement with stakeholders and implementation. Some examples are listed on the following page.

[1] RISE contributes to the CRRF objective 3 which aims to support resilience and self-reliance of refugees and host communities. The RISE project also contributes to objective 1 of the European Union Emergency Trust Fund for Africa (EUTF) to foster greater economic and employment opportunities, establishing inclusive economic programmes that create employment opportunities, especially for young people and women in local communities, with a focus on vocational training and creation of micro- and small enterprises. Further, it supports objective 2 of the EUTF to strengthen resilience of communities and the most vulnerable, as well as refugees and displaced people.

LED-enabling infrastructure, land, trade and logistics

- Upgrade the infrastructure for local markets to spur safer, more profitable trade and enhanced revenue opportunities for the districts.
- Develop the Afogi-Juba corridor to facilitate trade between the West Nile region and South Sudan. This requires improved road infrastructure, a one stop border post at Afogi and upgrading of trade facilitation needs. Located less than 100km from Moyo Town, Juba International Airport can provide international access to the rest of the world.
- Develop a regional land registry for West Nile to bring land administration services closer to the district's inhabitants.

Agriculture and agro-processing

- Stimulate investment in storage infrastructure for grains and other foods including improving capacity for professional management and storage of supplies.
- Identify high potential commodities suitable for processing such as dried mango, mango juice, *simsim* and sunflower oils.
- Work with public sector and private sector to expand production, improve extension services and stimulate investment in processing, resolve burdensome regulations and improve access to services such as certification of products.
- Improve the quality of agriculture-facilitating infrastructure to encourage large scale and mechanized farming.

Skills and innovation

- Comprehensive mapping of private sector, development and humanitarian institutions with capacity in identified priority areas for LED.
- Consider transforming such institutions into regional centers of excellence that can provide enhanced research, training and other forms of capacity building.

Tourism

- Conduct feasibility research based on such factors as the marketplace, the competition, available technology, manpower and financial resources.
- Develop investor profiles for specific opportunities and provide investor facilitation services.
- Invest in mapping attractions, better data development and smart marketing and communication strategies.
- Remove bottlenecks through investment in transport and tourism infrastructure and transparent concessions for attractions.
- Improve the skills gap for tourism operators.

Enterprise Support and Finance

- Flexible venture financing that can be deployed to small, flexible investments to identify ideas that can are early-stage, innovative but are still unproven.
- Expand vocational training beyond low income, low trade vocations like hair salons and metal work. Training to be tied to sectors and skills of high value to investors such as machinists, pack house workers and skilled farm labor.
- Establish the West Nile Challenge Fund to stimulate investment into the region.

Institutional and regulatory environment for business

- Improve access to and reduce the cost of accessing critical government services such as tax compliance, business registration, enforcing contracts, and obtaining permits such as construction permits.
- Obtain support for Moyo and Obongi townships to develop and implement LED-facilitating development plans.
- Develop programs to expand the rights of refugees to live and work.
- Identify and remove obstacles to women workers and entrepreneurs.

The LED Consultant

UNHCR engaged consultant Alfred K'Ombudo to support the Chief Administrative Officers of Moyo District and Obongi District to develop their respective LED strategies.

K'Ombudo brought a wealth of experience to this flagship initiative as a former Program Manager of the World Bank Group's Investment Climate Program for the East African Community. He has extensive experience in advising several African governments on private sector development issues. Through senior assignments at the World Bank, International Finance Corporation, UNHCR, UNDP and at the eight-country East Africa Trade & Investment Hub, he has designed and implemented ground-breaking local economic development, trade and investment climate projects. These include advising the Governor of Turkana County, Kenya (where Kakuma Refugee Camp is located) and UNHCR to design a private sector development strategy as part of the Kalobeyei Integrated Socio-Economic Development Program (KISDEP), advising the Nigerian Presidency on developing the African Peer Review Mechanism, designing and managing East African Community (EAC) investment and livelihood programs, and leading several task forces for Kenyan counties to establish turn-around strategies for investment. For his work, K'Ombudo has received several accolades including double mentions as Kenya's Top 40 Under 40, laureate of the Choiseul 100 Economic Leaders of Africa, and winner of the International Finance Corporation's Knowbel Award for Excellence. K'Ombudo's other achievements include:

- Adjunct Lecturer, MBA Programme, United States International University, Nairobi
- Advised Uganda Investment Authority during the formulation process for the Uganda Investment Code (2019)
- Designed capacity strengthening handbook for Ugandan business membership organizations in the off-grid energy sector (August 2019)
- Published several implementation reports tracking Uganda's compliance with its commitments to the EAC Common Market Protocol in partnership with Ministry of East African Community Affairs (2015-2017)
- As part of East Africa Trade & Investment Hub, led capacity support to several trade-facilitating agencies in Uganda including Uganda Bureau of Standards, Ministry of Trade, Industry & Cooperatives and Ministry of Agriculture (2015-2018)

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