



Access to finance

Pathway to scale pilot initiative redefining access to capital. **pg 8- 9**

Business Insight

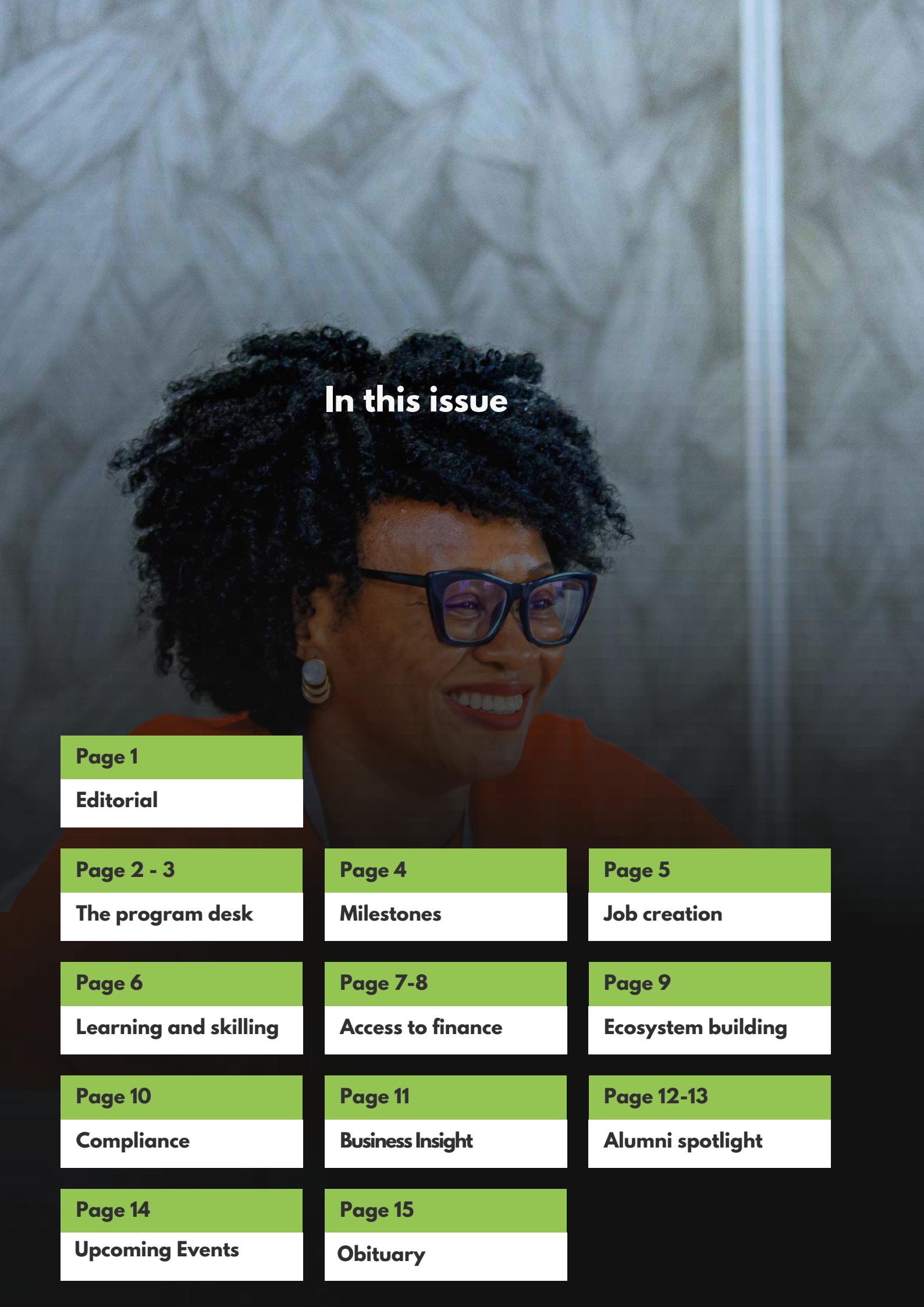
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Reset, Renew, Rebuild

VOL. 001 / 2026

A smiling woman with curly hair and glasses is the background for the top half of the page. The text 'In this issue' is overlaid on her face.

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Building a market-led and sustainable access to finance small business ecosystem

Richard Zulu, PmP
Team Principal, Outbox



According to the MSME Recovery Fund: Recovery and Survivability Report 2025, small business entrepreneurs continue to demonstrate resilience through the adoption of digital tools to support their operations, diversifying their income and leveraging community networks to access customers, information, and temporary financial support.

However, sustainable access to finance continues to elude small business entrepreneurs. This is due to the high interest rates, lack of collateral requirements, and complex application processes, among others. These challenges are not new to those actors operating in the enterprise development space. It is these challenges that have been sung in conferences, on rooftops, and on various platforms. However, the pace of addressing is not as fast as the need for sustainable small business financing.

At Outbox, we believe that we must work together with our partners to focus on working with leverage points to build resilience behaviors among various actors that move finance closer to the small business entrepreneur. With that in mind, the last half of this year 2026 will be spent laying the Foundation that can enable us to answer a few questions we believe can build a sustainable access to finance ecosystem in Uganda and beyond:

- How can the programs we implement enable us to build market-enabled structures that support income diversification and market access for small business entrepreneurs
- How can we best invest in the digital capabilities of enterprises to improve access to finance and markets
- What market shifts can we facilitate that would consider small businesses as an asset class, to which affordable and tailored financing is worth deploying?

It is our belief that if the Hi-Innovator program can effectively design market led/market demand driven interventions, there is a good opportunity that we can effectively sustain the deployment of the program financing to small businesses even beyond a program period, while including effective business support services to it.

As an implementing organization for the Hi-Innovator, the real test is not in what we deliver, but in the outcomes, we enable, and how sustainably those outcomes endure.

As you review what has been done in the quarter, we ask you the reader to always share your thoughts and suggestions on how best we can answer the questions I raised earlier.

As the enterprise support ecosystem continues to mature, the focus must shift from isolated success stories to systemic impact. Programs must be designed and delivered not just for immediate results, but for long-term sustainability.

“The future of enterprise support lies not in isolated success stories, but in building systems that sustainably move finance closer to small businesses.”

Richard Zulu, PmP
Team Principal, Outbox



Festo Nyakaana
Monitoring & Evaluation
Specialist at NSSF

Six years of progress: The rising role of compliance in building a resilient innovation ecosystem

Over the past six years, Uganda's innovation ecosystem has undergone a steady but important transformation. What began as a largely informal, high-risk, and founder-driven space has evolved into a more structured, accountable, and increasingly investment-ready landscape. While innovation, speed, and ambition fueled early growth, it is the gradual strengthening of systems—particularly compliance—that is now shaping the ecosystem's ability to scale and endure.

In the early days, startups were largely assessed on their ideas and growth potential. Regulatory alignment, governance, and financial discipline were often secondary considerations. This enabled rapid experimentation, but also introduced significant vulnerabilities—limited investor confidence, weak institutional relationships, and operational inefficiencies that constrained long-term growth. That reality is now shifting.

Compliance is increasingly being recognized not as a constraint, but as a core enabler of business resilience. Startups are beginning to understand that operating within legal and regulatory frameworks, maintaining proper financial records, and adopting basic governance structures are not just administrative tasks—they are critical foundations for credibility and growth.

This shift is particularly evident in how businesses engage with capital. Investors today are more discerning; they are not only backing ideas, but also the systems behind those ideas. A startup that demonstrates financial discipline, transparency, and regulatory alignment is far more likely to attract and effectively deploy both debt and equity financing. In this sense, compliance becomes a gateway to opportunity.

Beyond investment, compliance also strengthens how startups interact with the broader ecosystem.

Whether engaging with government agencies, financial institutions, or development partners, compliant businesses are easier to support, easier to trust, and better positioned to scale. It signals readiness—not just to grow, but to operate as part of a formal and interconnected economic system.

The Hi-Innovator experience over the years reflects this clearly. Across multiple cohorts, a consistent pattern has emerged: startups that invest early in compliance tend to perform better as they grow. They transition more effectively into the scale-up phase, navigate regulatory environments with greater ease, and show stronger resilience in the face of market disruptions.

The path to compliance is not always straightforward. For many early-stage entrepreneurs, it can feel complex, costly, and disconnected from immediate priorities—often leading to delays until it becomes unavoidable.

This is where ecosystem actors must step in. Accelerators and support organizations need to embed compliance into their programs—simplifying requirements, providing practical tools, and making it a proactive part of business growth. At the same time, regulators can ease this transition through streamlined processes, digital systems, and more flexible compliance frameworks.

Six years into the Hi-Innovator journey, one lesson is clear: resilience is not built on innovation alone, but on the systems that sustain it. Compliance bridges creativity with credibility and ambition with accountability. As the ecosystem matures, the businesses that will succeed are those that combine speed with structure—building not just fast, but right.



Milestones

5-year impact in figures

SKILLING



81K+

Individuals skilled through the Business Academy

NSSF COMPLIANCE

UGX 1.7B+

NSSF remittances from Hi-Innovator SGBs

ACCESS TO FINANCE



438

Funded SGBs

WOMEN LED SGBS FUNDED

298

Number of women led SGBs funded in the portfolio

ESOS

15 Number of ESOS in the Hi-Innovator consortium

EMPLOYMENT

200K+
Employment opportunities created and sustained

WOMEN IN WORK



31K

Women in work

Job creation

Since its inception in 2020, the Hi-Innovator program has remained committed to creating dignified and fulfilling work for youth and women through entrepreneurship. Over the past six years, the program has made a contribution to job creation, with over 200,000 jobs created across different sectors.

The program has created jobs for over 31,000 women through supporting women-led businesses. 50% of these women are in direct jobs, and 27% are in indirect employment. Agriculture remains the largest generator of jobs, followed by manufacturing, digital services, and health.

202,323

Total number of jobs created

“

I had no job and couldn't take care of my children. I wanted them to attend good schools and eat well, but I just couldn't afford to. As a mother, that broke me. When I got this job, all this changed. Today, I can take care of my children which is fulfilling.”

Florence Rebo
Employee, Bugiri Crop Kings
A Hi-Innovator business



31,990

Number of women in work



Learning and skilling

Entrepreneurship skilling is effective when learning is practical, accessible, and embedded in the real journey of running a business. Through the Business Academy, entrepreneurs build strong foundations at their own pace, apply what they learn directly to their businesses, and continue growing through peer communities and local support organisations.

This combination of structured learning, shared experience, and ongoing support ensures that skills translate into real business impact, not just course completion.



81,000+

Individuals trained under
the Business Academy

“

Entrepreneurship skilling is not a one-time course, but a continuous, evolving learning journey. Entrepreneurs develop practical skills incrementally, applying them in real-world business scenarios to solve immediate challenges and test innovative ideas.

Dorothy Amunot,
Senior Learning & Community Associate,
Outbox



Access to Finance

Access to finance is a key aspect of the Hi-Innovator program, designed to help small and growing businesses access early capital and become investment-ready. For the first five years, the program supported 438 businesses, each receiving up to USD 20,000 in seed funding. The seed funding model is structured and accountability-based where entrepreneurs first complete the Hi-Innovator Business Foundational Course, go through due diligence, attend a bootcamp, and then pitch to an independent Investment Committee.

Funds are released in milestones to ensure proper use, and all supported businesses must comply with NSSF requirements. Over time, ESOs started running full-cycle accelerators, offering closer, localized support. With this approach, 230 businesses have gone on to secure follow-on financing, which has led to the creation of the Pathway to Scale initiative, which partners with banks to unlock larger external financing.



438

Businesses funded



We supported 438 SGBs with seed funding across nine cohorts. Each received USD 20,000. The funding was tied to a goal of creating 132,000 jobs, a target that was exceeded by generating 202,323 jobs.”

Clare Kemigisha
Growth Associate , Outbox



\$8.6M

Total seed funding unlocked by the Hi-Innovator portfolio businesses

Access to Finance: Pathway to scale pilot



For years, Uganda's Small and Growing Businesses (SGBs) have been constrained by the "missing middle" financing gap—too large for microfinance, yet too risky for commercial lending. In response, the Pathway to Scaling (PTS) pilot has emerged as a transformative initiative, intentionally designed to redefine how high-potential enterprises gain access to capital and technical support.

Backed by a \$1.4 million debt financing pool and anchored in rigorous technical assistance (TA), the Pathway To Scale pilot represents a shift from ad-hoc support to a deliberate, market-responsive financing model. Co-funded by KCB Bank Uganda, NCBA Bank Uganda, KCB Foundation Uganda, and Hi-Innovator (an NSSF Uganda initiative implemented by Outbox), the program aims to systematically de-risk growing enterprises and transition them from grant dependency to commercial credit readiness.

At its core, the pilot seeks to unlock debt financing—averaging \$140,000 per business—by ensuring that participating enterprises build the financial discipline, governance structures, and strategic clarity needed to responsibly absorb and service commercial credit.

A model designed for intentional, systemic change

The pilot is testing a new financing architecture that integrates tailored technical assistance, de-risking mechanisms, and structured debt. This approach enables partners to evaluate not only loan performance but also the financial behavior and willingness of entrepreneurs to invest in their own growth.

The pilot's goals reflect this shift:

De-risk SGBs intentionally: Through deep enterprise coaching and investment readiness support.

Unlock capital deliberately: Mobilizing a \$1.4 million pool for at least 10 bank-ready businesses.

Validate sustainability: Testing whether a combined TA + debt model can scale beyond the pilot phase.

To ensure the funding reaches truly scalable enterprises, the program instituted strict selection criteria focusing on formal compliance, operational maturity, financial capacity (UGX 400M+ annual revenue at least once in three years), and alignment with sectors prioritized by banks—particularly agriculture, light manufacturing, green economy ventures, and women and youth-led enterprises.

To date, the program has:

- Onboarded and contracted 11 seasoned Coaches from Ankolo Consulting's network
- Recruited and trained 17 Co-coaches
- Conducted three refresher trainings, multiple Q&A sessions, and ongoing 1:1 quality assurance engagements

This network is essential for institutionalizing structured growth practices within Uganda's SME sector—long after the pilot concludes.

Business coaching: Re-engineering strategic identity

The pilot's coaching phase delivered a profound shift in how enterprises view competition, differentiation, and operational excellence. Using Blue Ocean Strategy and investment readiness frameworks, coaches guided businesses to uncover blind spots, refine value propositions, and position themselves for scalable growth.

Key outcomes included:

- Eliminating grant dependency by demonstrating ROI of paid technical assistance
- Strengthening strategic differentiation aligned with bank underwriting
- Creating preliminary, de-risked pipelines prepared for commercial debt

Strategy development: Converting vision into execution discipline

Enterprises were supported to build:

- SMART goals grounded in market realities
- Accurate, bankable financial projections
- Detailed operational and governance structures

This stage aimed to transform SGBs from informal, visionary startups into bank-ready institutions capable of justifying large-ticket commercial lending.

The Pathway to Scaling pilot represents a deliberate, systemic rethinking of how high-potential Ugandan enterprises access capital. By combining rigorous technical assistance, disciplined vetting, and commercially structured debt, the program is shifting the SME landscape from grant dependency to investment readiness.

As the pilot continues, its insights will guide the development of a scalable, sustainable financing model—one capable of unlocking growth for the country's most promising enterprises while strengthening the broader entrepreneurial ecosystem.

\$1.4M

Funding available to support scaling businesses

\$140K

Average funding to be unlocked per business



Are you moving fast, or moving forward?

Greetings Innovators,

Welcome to the Hi-Innovator quarterly newsletter. A couple of months into the year, the initial momentum has met the reality for every individual. Plans have been tested, and the pace has been both exciting and demanding. But in all that busyness, most of us have not stopped to ask the hard questions regarding what is working and what is not. This edition is an invitation to do just that.

This is the perfect time to pause. Not because things are going wrong, but because the year is unfolding quickly and we need to reflect to see what is working and what is not. Pausing is about making sure you are moving in the right direction. When we pause, we see things clearly.

We notice where our businesses are strong and where there are gaps. We see which decisions are driving real growth and which ones are just keeping us busy. We spot the things we have been meaning to fix but keep putting off. Honest reflection is one of the most helpful tools for an entrepreneur.

For the Hi-Innovator community, this is a moment to reset with purpose. Sometimes renewal means going back to the basics with clearer eyes. And rebuilding happens in the small decisions made every week, fixing a process, closing a compliance gap, or finally having that conversation you have been avoiding.

Every section in this edition carries the same message that growth is built through structure, discipline, and consistent decisions made over time. The work we do now will shape how far we go moving forward.

So as you read on, take a moment to reflect and honestly assess how you are moving. Then let your answer guide how you move forward.

This is your moment to pause, reflect, and reset. Use it.

**The Hi-Innovator
Communication Team**

Building an enabling ESO ecosystem

Over the past six years, the Hi-Innovator program has collaborated with 15 ESOs to deliver technical assistance and seed funding to SGBs across Uganda.

This partnership-driven approach has strengthened the entrepreneurial ecosystem by equipping ESOs with the tools, knowledge, and structures needed to provide high-quality support to emerging enterprises. Although the program initially aimed to engage 20 ESOs, its work with the 15 selected partners has significantly enhanced their capacity to nurture and scale SGBs, laying out a strong foundation for long-term, sustainable enterprise growth in the country.



Working with the Hi-Innovator Program has strengthened our entrepreneurial support and incubation models, expanded our agribusiness impact, and enhanced our capacity to train and mentor enterprises while boosting our visibility, credibility, and community impact.



Fred Twinobusingye
CEO, Excel Hort Consult Agribusiness
Incubator

15

Number of ESOs in the Hi-Innovator consortium

Building a compliance culture

One of the program's critical focus areas has been strengthening business compliance, particularly in relation to taxation, NSSF remittances, and adherence to minimum market and product standards. To achieve this, the program has facilitated targeted training and technical assistance to help SGBs appreciate the central role that compliance plays in long-term business growth and sustainability.

As a result of these efforts, participating enterprises are now contributing more than UGX 1.7 billion in monthly NSSF remittances. Additionally, over 55% of the supported businesses are currently compliant with key regulatory bodies, including URA, NSSF, and URSB—demonstrating a significant shift towards formalization and responsible business practice.

UGX 1.7B+

NSSF remittances by Hi-Innovator portfolio businesses



One of the things the program emphasized was compliance with NSSF remittances. Remitting employee savings to NSSF has created a sense of security among our employees and as a result boosted their work satisfaction

Mukuve Ivan
Founder, Bugiri Crop Kings



Getting your house in order: Leveraging compliance as a growth strategy

Many growing businesses are focused on growing, expanding into new markets, attracting new customers, and increasing revenue. Yet they often overlook a more foundational question: Is the business structurally ready to grow? In my advisory work with SMEs and scaling companies across Uganda, I see that compliance often makes the difference between sustainable expansion and an avoidable crisis.

Why compliance and tax planning matter for sustainability

From recent internal reviews across advisory engagements, more than 60% of SMEs seeking funding support had at least one unresolved tax discrepancy. These were not fraudulent businesses; they were simply disorganised.

In one case, a profitable contractor experienced a three-month funding delay because their management accounts did not reconcile with filed tax returns. The issue was a lack of alignment.

When compliance is structured properly, it protects cash flow, improves credibility with lenders and Development Finance Institutions, and strengthens governance at the board level.

Common compliance mistakes businesses make

- Reactive compliance. Acting only after receiving a notice from the tax authority.
- Under-declaration of income to manage tax exposure in the short term.
- Payroll inconsistencies, including incorrect PAYE bands and delayed NSSF remittances.
- Mixing personal and business finances.
- Failing to conduct quarterly compliance reviews.

Practical steps businesses can take to rectify these

- Conduct a compliance health check covering VAT, PAYE, withholding tax, and NSSF.
- Reconcile management accounts with submitted tax returns
- Review payroll structures and consultant classifications.
- Organise documentation, including contracts, invoices, expense support, and asset registers.
- Schedule a mid-year tax planning session.



Businesses that implement compliance reviews significantly reduce audit exposure and are better positioned for financing opportunities

How compliance supports investor readiness

Clean records shorten due diligence timelines, reduce perceived risk, and strengthen valuation conversations. compliance signals maturity, discipline, and leadership accountability.

You can build a compliance rhythm by practicing monthly bookkeeping, quarterly tax reviews, and annual tax planning. When compliance becomes routine, it transforms from a stress factor into a competitive advantage.

As we continue to grow our businesses, let's strengthen the compliance foundation. The businesses that organise now will be the ones that confidently expand.

By Sanyu Daisy Namayanjja
Senior Tax & Accounts Associate
Bennett Advisory Uganda Limited



Florence (third from the right) with part of her team at Equator Commercial

Product development, compliance, and growth: Equator Commercial scaling by improving health

Florence Kakande, founder of Equator Commercial Farming and Processing, began her journey with one product, pumpkin flour. What started as small-scale pumpkin farming gradually shifted into value addition, but scaling remained a challenge due to limited capital, weak product development structures, and gaps in compliance and certification.

In 2021, Florence joined the first cohort of the Hi-Innovator Program. While she initially sought funding, the combination of financial support, mentorship, and structured business training became a turning point. Through the program, she improved her product development process, worked with professional nutritionists, refined formulations, and improved compliance and certification standards.

With the funding and technical guidance received, the company not only diversified its offerings but also strengthened its operations. Coffee and maize flour have since been added to the product range, further expanding its market reach.



From 200 farmers, we now have profiled 2,500 farmers who are trained on good agricultural practices from the farm to post-harvest handling. We also link them to government extension services. The trainings are done twice a year to easily demonstrate what they ought to do.”

Florence Kakande
Founder, Equator Commercial

“From one product, I was able to develop five product lines. We created blends for babies, pregnant and breastfeeding mothers, diabetic consumers, and plain pumpkin flour. Expanding our product lines pushed us to certify our products and opened doors to new markets,” she shares.

Today, Equator Commercial has increased its annual turnover from 183 million in 2023 to 245 million in 2025, employs 12 staff members, and works with 320 farmers. As the business grows, Florence is now seeking follow-on financing to expand operations and begin production from her own premises.

Six years later, Equator Commercial reflects how technical support, funding, and capacity building can transform a single business into an established enterprise with various product lines



From 200 to 2,500 farmers: How Ubora built a growing specialty coffee enterprise



Micheal Okech
Founder, Ubora Specialty Coffe

Michael Okech founded Ubora Specialty Coffee Ltd in 2016 to address the problem of poor-quality and adulterated coffee on the market while ensuring farmers earned better prices. Although demand for premium coffee existed, the business struggled with traceability of farmers and was operating informally with a small team, limiting its ability to meet buyer standards and scale.

Joining the Hi-Innovator Program marked a turning point. Through structured training, mentorship, and funding support, Ubora formally registered the business, strengthened internal systems, and began profiling farmers to improve traceability and quality control.

“The course alone helped us appreciate what a business ought to be. We were operating informally, but as the program went on, we understood the benefits of compliance. In the bootcamps, we were mentored on how to run a formal business and we organized ourselves better. The program made us investment-ready,” Okech explains.

With this foundation, the company expanded its farmer network and strengthened production.

“From 200 farmers, we now have profiled 2,500 farmers who are trained on good agricultural practices from the farm to post-harvest handling. We also link them to government extension services. The trainings are done twice a year to easily demonstrate what they ought to do.”

Today, Ubora works with 2,500 farmers, employs 15 permanent staff and over 50 casual workers, and has increased production capacity from 360 metric tons to 1,000 metric tons annually.

Six years later, Ubora Specialty Coffee stands as a formal, structured, and growing enterprise — demonstrating how compliance, farmer engagement, and ecosystem support can transform an informal operation into a scalable agribusiness.



1000
Tons of coffee
produced annually



From 200 farmers, we have now profiled 2,500 farmers who are trained on good agricultural practices from the farm to post-harvest handling. We also link them to government extension services. The trainings are done twice a year to easily demonstrate what they ought to do

Micheal Okech
Founder, Ubora Coffee Speciality Ltd

2,500

Farmers trained

Smart Foods on the mission to nourish every Ugandan household with soy-based products

In Uganda, millions of children under the age of five face malnutrition, while non-communicable diseases continue to claim thousands of lives each year. At the same time, many women involved in the soybean value chain struggle with limited access to land, income, and agricultural knowledge, barriers that affect both their productivity and their livelihoods.

Smart Foods was founded to address this gap, improving access to nutritious food while creating economic opportunities for women in the soybean value chain.

Working directly with smallholder farmers in Eastern Uganda, the company supports them with access to land, quality inputs, crop insurance, and a guaranteed market for their produce. In return, Smart Foods sources high-quality soybeans which are processed into a range of nutritious products, including soymilk powder, tofu, yoghurt, fortified porridge flour, and school nutrition blends that enrich meals served to children.

The journey began modestly with just 20 farmers. Today, the company works with 280 women farmers, a growth that reflects both rising demand and stronger community partnerships.

However, the road to growth was not smooth. Six years ago, Smart Foods faced significant operational challenges. Production capacity was limited, distribution systems were weak, and market visibility was low.

A turning point came through the Hi-Innovator program. With new equipment, the company significantly increased its production capacity. The acquisition of a refrigerated truck strengthened the cold chain for yoghurt and tofu, improving product quality, shelf life, and customer trust. Distribution also expanded considerably, enabling the business to reach more customers consistently.

“Whenever you have a good quality and consistent product, it helps you grow the market and retain your customers,” the team shares. Beyond financial support, the program’s bootcamps and business development training helped Smart Foods strengthen its internal systems and refine its strategy. The company became more structured and investment-ready.

Today, Smart Foods products are stocked in over 70 tier-one outlets in Kampala, including major supermarkets, and are supplied to both primary and secondary schools.



Martin Ssali
Founder, Smart Foods Uganda

70 Outlets in Kampala
with Smart Foods
products



We are now at a level where investors can look at us as a worthwhile business to work with. Post Hi-Innovator, we have been selected as one of the top 50 Africa Business Heroes twice in a row, in 2024 and 2025.”

Miartin Ssali
Founder, Smart Foods Ug

Mark your calendars for these

Masterclasses

17 April 2026

Leveraging social media for SME business success: How to market, engage and convert customers online.

30 April 2026

Techniques for forecasting, budgeting, and strategies for avoiding cash Shortfalls

15 May 2026

Intentional career development: planning, positioning, and progression

29 May 2026

Automating for growth: Tools & systems for businesses looking to scale.

12 June 2026

Strategic branding and marketing for sustainable SME growth

26 June 2026

How to get your product certified: Requirements, processes, and best practices

Forever part of our community

In honour of the founders we have lost and the lasting impact they left behind. We celebrate lives of purpose and vision. These were innovators who contributed to the entrepreneurship ecosystem, each leaving behind a mark through the businesses they nurtured and the communities they impacted.

Though they are no longer with us, their work continues to live on in the businesses they started, the people they inspired, and the legacy they leave behind.

We remember them with deep respect and gratitude.



Dr. Tadeo Koba

Agribiz Uganda Limited
Cohort 1



Canon Mophat Maffu

Blessed Bee for life Trade Post
Company Ltd
Cohort 1



Ainomugisha Micheal

Miagro Shoppers Limited
Cohort 1



Don James Katumba

Katall Kankiiza Dairy Enterprises Ltd
Cohort 2



Namagera Prossy

PJ Confectionery
Women Accelerator Window 1

Keep in touch



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