

Research Application Summary

**Experiences and Lessons of Youth Agribusiness Incubation at Bishop Stuart University,  
Western Uganda**

Kalibwani, M. R.

Bishop Stewart University, P.O. Box 09, Mbarara, Uganda

\*Corresponding author: [rmkalibwani@faest.bsu.ac.ug](mailto:rmkalibwani@faest.bsu.ac.ug)

---

**Abstract**

Business incubation, a process aimed at supporting the development and scaling of growth oriented, early stage enterprises, can play a significant role in promoting youth entrepreneurship and solving the challenge of youth unemployment. In Uganda, although there is a growing private sector in the country, about 30% of the youths who are institutionally qualified are unable to find jobs due to academic curricula that do not provide employable skills, and entrepreneurial skills to start their own enterprises, among other things. The overall objective of this project therefore was to establish a youth agribusiness incubation hub that would enhance the development of entrepreneurial skills for innovative employment opportunities of young graduates. Specifically, the project seeks to build capacity of young graduates in smart business skills and enterprise management, establish partnership with private and public sectors, and other stakeholders for the purpose of mentoring young graduates, nurture innovative enterprises and ensure their potential to succeed in an open and competitive market environment, and facilitate linkages between the innovative enterprises, potential markets, and relevant market information. This paper shares experiences and lessons in implementing the two-year project that was funded by Mastercard foundation and the Regional Universities Forum for Capacity Building in Agriculture (RUFORUM) at Bishop Stuart University in western Uganda. Experience shows that youth agribusiness incubation has the potential to enhance entrepreneurship for innovative employment opportunities among young university graduates.

Keywords: Agri business incubation, entrepreneurship, start-up enterprises Uganda, youth employability

**Résumé**

L'incubation d'entreprises, un processus visant à soutenir le développement et la mise à l'échelle d'entreprises précoces orientées vers la croissance, peut jouer un rôle important dans la promotion de l'entrepreneuriat des jeunes et dans la résolution du défi du chômage des jeunes. En Ouganda, bien que le secteur privé soit en pleine croissance dans le pays, environ 30% des jeunes qui sont institutionnellement qualifiés sont incapables de trouver un emploi en raison de programmes académiques qui ne fournissent pas de compétences adaptées à la demande patronale, et de compétences entrepreneuriales pour démarrer leurs propres entreprises, entre autres. L'objectif global de ce projet était donc d'établir un centre d'incubation d'entreprises agroalimentaires pour les jeunes qui améliorerait le développement des compétences entrepreneuriales pour des opportunités d'emploi innovantes pour les jeunes diplômés. Plus précisément, le projet vise à renforcer les capacités des jeunes diplômés en matière de compétences commerciales et de gestion d'entreprise, à établir des partenariats avec les secteurs privé et public et les autres parties prenantes dans le but d'encadrer les jeunes diplômés, à soutenir les entreprises innovantes et à garantir leur potentiel de réussite dans un environnement de marché ouvert et concurrentiel, et à faciliter les liens entre les entreprises innovantes, les marchés potentiels et les informations commerciales pertinentes.

Ce document partage les expériences et les leçons tirées de la mise en œuvre du projet de deux ans financé par la fondation Mastercard et le Forum régional des universités pour le renforcement des capacités en agriculture (RUFORUM) à l'Université Bishop Stuart dans l'ouest de l'Ouganda. L'expérience montre que l'incubation d'entreprises agroalimentaires pour les jeunes a le potentiel de renforcer l'esprit d'entreprise pour des opportunités d'emploi innovantes chez les jeunes diplômés universitaires.

Mots clés : Incubation d'entreprises agroalimentaires, entrepreneuriat, entreprises en démarrage en Ouganda, employabilité des jeunes

---

## Introduction

Business incubation is a process aimed at supporting the development and scaling of growth oriented, early stage enterprises (Khalil and Olafsen, 2010). This process provides entrepreneurs with an enabling environment at the start-up stage of enterprise development, to help reduce the cost of launching the enterprise, increase the confidence and capacity of the entrepreneur, and link the entrepreneur to the resources required to start and scale a competitive enterprise (Khalil and Olafsen, 2010). For the development of any country, Nkem *et al.*, (2015) acknowledge that business assistance such as that offered by business incubation is the much needed business model to achieve entrepreneurship. In particular, business incubation can play a significant role in promoting youth entrepreneurship and start-up enterprises, and provide an essential bridge to solve the challenge of youth unemployment (Omweri, 2016).

In Uganda, the youth, aged 18-30 years, represent 22.5% of the country's population (UBoS, 2016), and comprise about 64-70% of unemployed persons (UBoS, 2012; Magelah and Karugonjo, 2014). This is because about 400,000 youths are released annually into the job market to compete for only 9,000 available jobs. At the same time, although there is a growing private sector in the country, about 30% of the youths who are institutionally qualified are unable to find jobs due to academic curricula that do not provide employable skills, and entrepreneurial skills to start their own enterprises, among other things (Magelah and Karugonjo, 2014). Yet facilitating youth participation in viable and sustainable agricultural ventures, in most developing countries, is believed to have the potential to drive widespread poverty reduction among the youth and adults alike (FAO, 2014).

The overall objective of the project described in this paper was to establish a youth Agribusiness Incubation Hub (AIH) that will enhance the development of entrepreneurial skills for innovative employment opportunities of young graduates. Specifically, the project has the following objectives; (i) to build capacity of young graduates in smart business skills and enterprise management, (ii) to establish partnership with private and public sectors, and other stakeholders for the purpose of mentoring young graduates, (iii) to nurture innovative enterprises and ensure their potential to succeed in an open and competitive market environment, and (iv) to facilitate linkages between the innovative enterprises and potential markets, service providers and relevant market information.

## Implementation Approach

The Agribusiness Incubation project is being implemented at Bishop Stuart University (BSU) and Mbarara Municipality in south-western Uganda, in partnership with Excel Hort Consult Agribusiness Incubator (EHCAI), a private incubator operating in East and Central Africa. The Agribusiness Incubation Hub at BSU is one of several agribusiness incubation hubs being established across Africa with a grant from the <sup>1</sup>TAGDev Programme, a partnership between the Regional Universities Forum for Capacity Building in Agriculture (RUFORUM) and the Mastercard Foundation. The grant was channeled through RUFORUM's Agricultural Enterprises Challenge Program (RECAP). At BSU, university students, both under- and post graduates, from across

faculties and departments of the University, were encouraged to attend sensitization sessions at the beginning of the project, to acquaint themselves with the planned activities and operations of the Incubator. The students were encouraged to work in groups of up to five members to identify innovative business ideas that could be supported and developed in the Incubator. The support that was given to the incubatees included technical training to develop and test products, smart business skills and entrepreneurship training, and enabling access to potential market actors and other relevant stakeholders. This paper shares the experiences of BSU in implementing the two-year RECAP project.

### **Experiences and Lessons:**

**Building the capacity of incubatees in smart business skills and enterprise management.** In order to build the capacity of the incubatees in smart business skills and enterprise development, a smart business skills training program was developed by the project team. The program comprised of selected aspects of entrepreneurship which were thought to be vital for the development and management of an enterprise. Together with the training program, an enterprise development committee was formed to oversee enterprise development. Some training sessions took place in organized workshops. These workshops took place after regular class time in the evenings, and also during holidays where it would be possible to have full day(s) of training. Some trainings were organized by lecturers and business coaches of the AIH at BSU, while other trainings were organized and facilitated by partnering entrepreneurs of operational SMEs in Kampala and Mbarara. There were also trainings organized by specialized groups. For example the Social Media Training was facilitated by the Youth in Technology and Development (YITEDEV) (U) Ltd., and supported with training materials by the Technical Centre for Agricultural and Rural Cooperation (CTA), Netherlands. The training on Intellectual Property Management (IPM) was facilitated by the Ministry of Science, Technology and Innovation (MoSTI). The smart business trainings were spread out between the second half of the first year and the second year of the project. Spreading out the training was to enable the incubatees to learn a particular aspect of smart business as it became relevant in their own business setting. A total of 52 students were admitted into the AIH with 10 business ideas, and these were each able to access on average at least two of the trainings.

**Nurturing innovative enterprises.** In order to nurture the students' enterprises, young successful SMEs who were themselves products of incubation elsewhere were identified and requested to share their stories with the incubatees. Notable among these were Mr. Sam Turyatunga, producer of Uhuru Juices in Kampala, and Mr. Silver Tumwesigye, producer of Red Star Wines in Mbarara. These were found to be enthusiastic about sharing their experiences with the incubatees in order to help them develop their own businesses. The AIH took advantage of this, and took the incubatees for exposure visits to the respective facilities, where they were able to interact with the successful entrepreneurs in an informal setting. These young successful entrepreneurs have continued to be available to give advice to the incubatees for the purpose of nurturing their enterprises.

**Establishing partnerships.** The AIH established partnerships with members of public and private sector for the purpose of mentoring the young entrepreneurs. These partnerships enabled the sharing of human, financial, and infrastructural resources with the partners to enable youth business incubation. Bishop Stuart University already had running Memoranda of Understanding (MoUs) with three partners for purposes of collaborating in research, and youth skills development, among other joint undertakings. These are Excel Hort Consult Agribusiness Incubator (EHCAI), AVSI Foundation, and PHARMBIOTRAC project of Mbarara University of Science and Technology (MUST). Our AIH leveraged these collaborations to access required services and resources from the partners. The AIH also initiated two more contracts during the two-year period of its implementation; an MoU was signed between BSU and the PUM senior expert organization in Netherlands, and BSU subscribed to the African Agribusiness Incubators Network (AAIN) based in

<sup>1</sup>The Transforming African Agricultural Universities to meaningfully contribute to Africa's growth and Development (TAGDev) Programme

Ghana. Other partners have been engaged by AIH to undertake specific tasks in the AIH whenever they are called upon. A selection of partners that have been engaged and their responsibilities and terms of engagement are shown in Table 1.

**Facilitating linkages with potential markets.** In order to facilitate access to markets, AIH as part of smart business training organized a Web 2.0 and social media training, facilitated by the Youth in Technology and Development (YITEDEV). The training was aimed at enabling the young entrepreneurs engage and have an on-line presence so as to have a wide audience getting to know about their products and services, among other things. The young entrepreneurs had to create company names, logos, as well as brand names by which they would be known. They created face book and twitter accounts, whatsapp and e-mail contacts, among others, for purposes of attracting potential customers. These were also emphasized by the private sector partners that interacted with the students. So far, over 10 companies have been formed and one has registered with the Uganda Registration Services Bureau (URSB). Table 2 shows the details of some six companies formed by the incubatees. The AIH has also participated in two regional and three national exhibitions for the purpose of creating awareness among the general public and potential market, of the products and services of AIH.

### **Lessons from two years of project implementation**

**A model of business incubation developing a diversity of business ideas.** The AIH adopted a model of business incubation where students were allowed to identify any innovative business ideas related to agriculture as opposed to a model adopted by other incubators, where an incubator chooses to develop a single value chain (World Bank, 2013). This model has been found to give the students a chance to exercise their imagination, and create a diversity of products and business ideas. Students were able to move on to other new ideas that were found to be equally manageable, apart from the ones originally selected e.g producing decorations, and school chalk. This model is appropriate in a university setting.

**Building the capacity of staff as business mentors.** Selected members of staff from across university departments were trained by the PUM expert to become business coaches/mentors. This enhanced the capacity of AIH to offer business mentorship to the young entrepreneurs in AIH. Students themselves come from different faculties and departments. So the availability of business coaches from different departments gives them an opportunity to interact with staff from their own faculties if they so wish, or alternatively to interact with staff from other disciplines and faculty.

**Engaging young successful entrepreneurs in the private sector.** Private sector has been widely acknowledged to be important in developing youth entrepreneurship (Khalil and Olfasen, 2010; World Bank, 2013; Nkem *et al.*, 2015). Our AIH found, in particular, young successful entrepreneurs who were themselves products of incubation process elsewhere to be very enthusiastic about supporting fellow youth to succeed as entrepreneurs. A youth business incubator should endeavor to look out for such young successful entrepreneurs who will act as role models for the incubatees.

**Engaging a diversity of partners.** Engaging a diversity partners provided the much needed diversity of resources to support business incubation. The AIH was able to acquire start-up funds from AVSI Foundation, Science labs from the PHRAMBIOTRAC project at MUST, students and staff training from ECHAI, among others.

### **Challenges**

The Youth Agribusiness Incubator has faced a number of challenges. Notable among these are the following:

**Production space:** a business incubator of this nature requires space for different activities that have

to be undertaken. It requires production facilities and equipment for the different products which in many cases are not shared among products. For example, a banana fibre extraction facility and equipment would be different from a facility and equipment required to process food products. The availability of production space therefore has been a challenge.

**Incubation activities are time consuming:** although exciting and beneficial, engagement in incubation activities is time-consuming for both students and staff. A 5-day training for students means missing regular lectures, and organizing the same training during holidays would be costly in terms of accommodating students who would otherwise have gone home. Some students who would benefit from this engagement are likely to have opted out for fear of compromising their class performance.

**Premature ‘hatching’ of businesses:** Although AIH has not yet worked out the modalities for hatching students’ businesses, a few students have completed their courses at the University and graduated before their businesses could attain sufficient sales and profitability to hatch out of the incubator. While a good number of them are able to continue coming to the university for further mentorship, a number are unable due to long distances from their homes.

**Table 1. Selected partners, their responsibilities and terms of engagement with AIH**

Partner	Description	Responsibility in AIH	Terms of engagement
ExcelHort Consult Agribusiness Incubator (EHCAI)	Private agribusiness incubator, based in Mbarara, western Uganda	Supported business skills development, staff capacity building, and implementing partner of AIH with BSU	Has an MoU with BSU
Youth in Technology and Development (YITEDEV) (U)	A non-profit organization that aims to create opportunities for youth through the use of appropriate technology, based in Mukono	Trained incubatees and gives follow up support in the use of social media tools	Engagement letter from AIH
TURSAM Investments Ltd.	An agribusiness food processing enterprise based in Nansana, Kampala	Trained and gives mentorship support to incubatees in fruit juice and vegetable processing	Engagement letter from AIH
TEXFAD Ltd.	A vocational business incubator, based in Seeta, Mukono	Trained incubatees in banana fibre extraction and processing	Engagement Letter from AIH
AVSI Foundation (U)	A not-for-profit organization that works towards development that is sustainable and capable of responding to real needs of the people.	Provided start-up financial support to 10 enterprises in AIH, business skills development to entrepreneurs, and staff capacity building	Has MoU with BSU
PHARMBIOTRAC	A Pharm-Biotechnology and Traditional medicine Centre at MUST	Shared Pharmacology and Microbiology Labs for testing of developed products	Has MoU with BSU
PUM senior expert organisation	An organization of senior business experts based in the Netherlands, and volunteering their services in developing countries.	Trained 15 BSU staff to be Business Coaches/mentors in the AIH, initiated links between AIH and government ministries.	MoU with BSU
Agri-preneurship Alliance	Promotes and stimulates youth driven entrepreneurship in Agriculture and Agribusiness in developing countries, based in Switzerland.	Administered a blended-learning course, of ‘Entrepreneurship in Agribusiness’ to BSU students, facilitated by Business Coaches	Partnership through RUFORUM
African Agribusiness Incubators Network (AAIN)	A continental network of agribusiness incubators, based in Accra, Ghana	Trained staff of BSU in business incubation management.	BSU subscribed to AAIN
Ministry of Science, Technology and Innovation (MoSTI)	A government ministry mandated for the development of innovations and business incubators.	Trained students in Intellectual Property Management (IPM), held an IPM clinic at BSU	Engagement letter from AIH

**Table 2. Details of selected companies formed by incubatees of the AIH at Bishop Stuart University**

Company/Logo	Products	Contacts
 Magezi Energy Company Ltd.	Agricultural waste-briquettes, briquette stoves, briquette chick brooder	WhatsApp: +256 702702856 Facebook page: Magezi Energy Company Twitter: @magezienergy Tel: +256 702702856 Email: magezienergycompany@gmail.com
 Royal Family Investment Ltd.	Herbal yoghurt (beet-root, aloe-vera, hibiscus, moringa)	Facebook page "Rofi-foods" Whatsapp +256 706471213 Twitter @Rofi-foods Blog "Rofi-foods" Email: Rofifoods@gmail.com Tel : +256 706471213
 Active Living Consult	Lemon after-shave, Lemon hand-wash, lemon liquid soap	Facebook: Active Living Consult Twitter: @consultactiveliving Tel: +256 753082473 Email: activelivingconsult2019@gmail.com
 MACNEL Organic Fruit Drinks	Papaya products (pawpaw seed powder, papaya juice, papaya jam)	Facebook: MacNel Organic Fruit Drinks Twitter: @macnelD Whatsapp: +256 750900137 Email: macnelfruitdrinks@gmail.com Blog: MacNel Organic Fruit Drinks Contacts: Tel: +256 750900137 /+256 779988938/+256 787493020
 MICTON AGRI-FOODS Ltd.	Fresh yoghurt (lemon-grass flavor)	Twitter: @erofreshyoghurt Whatsapp: +256 703143344 Email: muhanguzimicheal77@gmail.com <a href="https://miconagriinvestments.food.blog/">https://miconagriinvestments.food.blog/</a>
 Murod Dairy Products Ltd.	Dairy products	Twitter: @murodairyproducts Whatapp: +256 779943177 Email: muhindoronald074@gmail.com

AIH= Agribusiness Incubation Hub; BSU= Bishop Stuart University

## Conclusion

The experience from implementing this two-year project shows that youth agribusiness incubation has the potential to enhance the development of entrepreneurial skills for innovative employment opportunities among young university graduates. University graduates, after agribusiness incubation will either be able to develop their own agricultural enterprises, or be employable by those who need the skills they have acquired, in addition to the regular training offered to them by the university.

## Acknowledgement

The authors gratefully acknowledge funding for this project from the Mastercard Foundation and RUFORUM, as well as technical support from RUFORUM staff and partners. This paper is a contribution to the Fifteenth RUFORUM Annual General Meeting held 2-6 December 2019 in Cape Coast, Ghana.

## References

- Food and Agriculture Organization of the United Nations (FAO). 2014. Youth and agriculture: Key Challenges and Concrete Solutions. A publication of FAO, in collaboration with the Technical Centre for Agricultural and Rural Cooperation (CTA) and the International Fund for Agricultural Development (IFAD).
- Khalil, M. A. and Olafsen, E. 2010. Enabling innovative entrepreneurship through business incubation. The Innovation for Development Report 2009-2010. World Bank Group.
- Magelah, P. and Karugonjo, B. 2014. Youth unemployment and job creation in Uganda: Opportunities and Challenges. Advocates Coalition for Development and Environment (ACODE) Infosheet.
- Nkem, O.O., Onyemerela, C. and Olugu, M.U. 2015. Entrepreneurship and business incubation programme: The sure couple. *International Journal of Science, Technology and Management* 4 (1): 1627-1633.
- Omweri, K. F. 2016. The role of business incubation centers in promoting youth entrepreneurship in Kenya: A case of youth entrepreneurial program at NAILAB Center. MSc. Dissertation, University of Nairobi, Kenya.
- Uganda Bureau of Statistics (UBOS). 2012. Statistical Abstract. UBOS, Kampala.
- Uganda Bureau of Statistics (UBOS). 2016. The National Population and Housing Census 2014 – Main Report. UBOS, Kampala, Uganda.
- World Bank. 2013. Training Module 12 on Agribusiness Incubation. [www.infoDev.org](http://www.infoDev.org)