

New development body to standardise business support services

BETTY NDAGIRE

Trade.

For decades, Uganda's Business Development Services (BDS) ecosystem has operated largely informally, with providers scattered and uncoordinated.

But a recent initiative by the Ministry of Trade, Industry and Cooperatives aims to transform the sector, giving small and medium enterprises (SMEs) the professional support they need to grow and compete.

Mr Patrick Mugisha, the Commissioner for Business Development at the Ministry of Trade, outlined the significance of the initiative.

"A milestone that we have taken as a ministry is being able to disrupt the existing BDS ecosystem, which, for a very long time, has been uncoordinated and informal. We are bringing sanity into the ecosystem by aggregating service providers into an association," Mugisha said.

He explained that the goal is to recognise BDS service providers as professionals, similar to accountants or engineers, and to establish standards guiding both their organizational capacity and the quality of services offered to businesses.

"Traditionally, BDS is demand-driven: a business asks for services, and a provider presents a proposal. But in Uganda, with 90 percent of the private sector dominated by MSMEs, of which 70-75 percent are informal, we are exploring how BDS can strategically help these businesses transition to the formal sector," he added.

Mugisha emphasized that non-financial services offered by BDS, such as financial literacy, intellectual property management, or staff capacity building, are key to making businesses competitive.

"Non-financial does not mean free. You invest in the service, but the goal is to position businesses to attract investment and scale sustainably," he said.

The Ministry has also set up two system-based standards to ensure quality delivery of BDS. Each standard costs Shs40,000, and the government will initially purchase 100 standards to incentivize early adoption by service providers.

"These standards are not for free, but the money goes directly to the Uganda National Bureau of Standards (UNBS). It is affordable and accessible, and it helps bring order to the ecosystem," Mugisha explained.

Harrison Richard Kaziro, regional network facilitator for the Agribusiness Market Ecosystem Alliance (AMEA), described how the new BDS framework complements ongoing efforts to professionalise MSMEs.

"Our focus is to accelerate the professionalisation of agri-SMEs, which form the backbone of the economy. Government has been trying to support BDS access because MSMEs cannot develop without technical assistance. But the system to provide these services has been broken," he said.

Mr Kaziro highlighted AMEA's collaborative approach, bringing together partners who traditionally work in silos. "We mobilise actors and work alongside government to strengthen systems that deliver services to MSMEs. This BDS association fits into the quality aspect, ensuring providers adopt standardized curricula and deliver services efficiently," he said.

According to Kaziro, over the past six years, nearly half a million dollars has been invested in strengthening BDS systems in Uganda, with support from partners such as AGRA, IFAD, GIZ, and Agldeas Foundation.

"This step is a beginning. The real work starts now: enabling the association to function, supporting continuous professional development, certification, and marketing services to MSMEs," he added.

The government is also addressing market access challenges for SMEs. Mr David Bahati, the Minister of State for Trade, Industry and Cooperatives, highlighted both opportunities and obstacles.

"You can imagine the markets in DRC Congo and South Sudan. We have secured preferential markets in Europe and China through the African Continental Free Trade Area. But SMEs are not yet producing enough to supply these markets," Mr Bahati said.

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