

Interview

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Micro, small, and medium enterprises (MSMEs) are the backbone of Uganda's economy and the engine of its food system. From smallholder farmers and produce traders to millers, processors, retailers, and food vendors, these businesses ensure that food moves from farm to fork every day.

Yet, Damalie Ssali, executive director of the Global Alliance for Improved Nutrition, says that while MSMEs feed the nation and employ millions, they often operate within policy and regulatory environments that can be complex, costly, and difficult to navigate.

At the same time, Uganda faces a pressing nutrition challenge that affects productivity, learning outcomes, and long-term economic growth.

As the country pursues its ambitious Tenfold Growth agenda and agro-industrialisation strategy, she says, strengthening MSMEs in the food sector has become more critical than ever. Sound standards, supportive policies, and strong governance systems can help small businesses formalise, expand, and deliver safer, more nutritious food to consumers.

In this conversation she explains how improved nutrition, better quality systems, and MSME-focused reforms can work together to drive inclusive growth, strengthen human capital, and unlock Uganda's economic potential.

Why are MSMEs central to GAIN's mission?

They sit at the heart of Uganda's food system. From smallholder farmers and market vendors to processors, distributors, retailers, and restaurants, they grow, handle, and sell the food Ugandans eat every day.

GAIN's mission is to ensure that food is safe, affordable, and nutritious, especially for children, women, and low-income families. Achieving this requires working closely with MSMEs because they form the backbone of food supply chains. When these businesses thrive, they create jobs, strengthen local economies, and expand access to nutritious food.

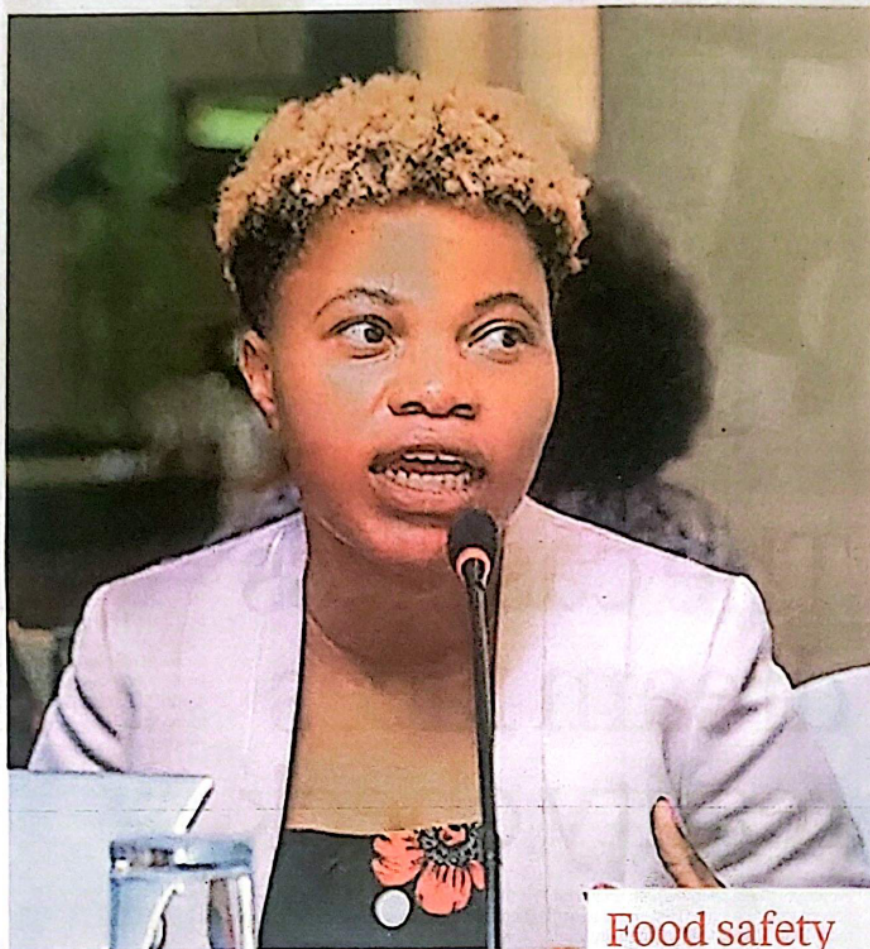
How do MSMEs fit into the Uganda's tenfold growth agenda?

Uganda aims to grow its economy tenfold to about \$500b by 2040. Agro-industrialisation, which focuses on adding value to agricultural products, is a key pillar of that ambition.

Much of this transformation depends on MSMEs. Small-scale processors, aggregators, traders, and manufacturers add value to crops, reduce post-harvest losses, and generate employment across rural and urban areas.

However, economic growth depends on a productive workforce. Uganda has a very young population, with nearly half under 18. This presents a demographic opportunity, but only if young

Powering growth through MSMEs



Damalíe Ssali, the Global Alliance for Improved Nutrition executive director, says stronger MSMEs and food systems can drive nutrition and economic growth. PHOTO/FILE

ished. When children are undernourished, they struggle in school. When adults lack essential nutrients, productivity declines. Even the strongest MSMEs cannot expand in an economy where the workforce is unhealthy. Strengthening nutrition strengthens human capital, which in turn supports MSME growth and sustainable economic transformation.

Are current policies responsive to MSME needs?

Recent consultations on the MSME Policy (2015) and the National Standards and Quality Policy (2012) were encouraging. Stakeholders acknowledged that both policies need updating to reflect today's economic realities, particularly the challenges facing micro and small enterprises.

Still, consultations alone are not enough. The real test lies in translating discussions into practical reforms that reduce burdens on MSMEs while maintaining consumer protection and food safety.

What barriers do MSMEs face es-

pecially in the food sector?

Many MSMEs struggle with standards and quality requirements. Procedures can be complex, compliance costs high, and regulatory processes intimidating, especially for smaller enterprises.

In many cases, small traders are treated the same as large factories. This discourages formalisation and limits growth.

Policies can be improved by simplifying registration and certification processes, reducing unnecessary compliance costs, and applying risk-based approaches that reflect the size and nature of the business.

Enforcement should be paired with training, technical guidance, and improved access to finance so that businesses can upgrade and meet required standards.

When regulation is supportive rather than punitive, MSMEs are more likely to formalise, grow, and improve food quality.

Why does governance of quality institutions matter?

For MSMEs, predictability and fairness are critical. When standards bodies, testing laboratories, and inspection agencies operate transparently and efficiently, businesses clearly understand what is expected of them. This builds confidence and encourages investment.

Weak governance, on the other hand, creates uncertainty and increases costs. Small businesses are often the most affected and may withdraw from formal markets altogether.

Strong governance builds trust between MSMEs and government, and between consumers and local products. That trust enables small businesses to compete in supermarkets, schools, hospitals, and export markets.

How can policies better support women and youth-led enterprises?

Women and youth operate a large share of Uganda's micro and small businesses, particularly in food trade and processing. Yet they often face higher barriers, including limited access to finance, smaller networks, and greater compliance burdens.

Policymakers can support them by engaging directly beyond urban centres, using clear communication, and designing financial and regulatory support tailored to small enterprises. Compliance costs and regulatory requirements should not disproportionately affect micro businesses. Inclusive policies must reflect these realities to avoid benefiting only larger firms.

What message do you have for MSMEs?

MSMEs already feed Uganda and are central to the country's economic and nutritional future.

Malnutrition remains a serious challenge. About 50 percent of children under five and 25 percent of women of reproductive age are anaemic. This affects learning, productivity, and long-term economic performance.

Malnutrition is estimated to cost Uganda about 5.6 percent of GDP annually through lost productivity and poor health. This is not just a health issue; it is an economic issue.

By improving food quality and nutrition, MSMEs are not only strengthening their businesses but also contributing to a healthier and more productive Uganda. With supportive policies and strong governance, MSMEs can drive agro-industrialisation and help realise

Food safety
'Our mission is to ensure that food is safe, affordable, and nutritious, especially for children, women, and low-income families'