Innovations Against Poverty (IAP) II challenges private sector enterprises to innovate products, services and business models that contribute positively to the fight against poverty and climate change. It is a specialised fund project with a specific mandate to identify and support innovative inclusive businesses that are commercially sustainable and deliver developmental benefits for low income populations; especially women and youth in rural and urban settlements.

IAPII is a multi-country (Uganda, Ethiopia, Zambia, and Cambodia) project funded by Swedish International Development Cooperation Agency (SIDA). The project which started in September 2016 has successfully completed its first phase (September 2016 - October 2019); awarding over EUR 900,000 to eight innovative and inclusive business companies in Uganda. In October 2019, the project secured additional funding for the extension phase that will run up to December 2023.

The Challenge

Exclusion of low income people from market opportunities is one of the main reason for increasing poverty at the base of the pyramid population (BoP).

The public sector in developing countries such as Uganda often face challenges of limited resources to address poverty and the impact of climate change especially among low income groups that constitute the majority of their populace.

Private sector participation in tackling poverty presents a real opportunity to catalyse change and lift the poor out of poverty. Most private sector actors however struggle to stay afloat due to limitations in business skills to manage the businesses and funds.

They also lack investment capital to develop new innovative products/ and business models for low income markets.
IAP Approach

IAP provides co-investment grants and inclusive business advisory services to selected companies. The grants cushion investment risks associated with new innovations (products, services and new business models) and new markets. Business advisory complements grants support to improve the technical capacities of investees in areas including business operations, inclusive business plan models, investment plans, innovations, and gender in business.

Impact: Results and benefits

EUR 591,503 co-invested by IAP in eight inclusive businesses, creating significant results and impact:
- 206 new jobs for low income earners created.
- 8,050 low income individual’s income increased as a result of working in the business value chains.
- 3,736,353 people at the base of the pyramid have benefited from access to basic goods and services.
- EUR 4,108,548 in sales revenue generated by the investees from selling products and services in low income markets in the last 2 years.

Project focus for 2019 onward

Scaling support to inclusive and innovative businesses to increase their social and environmental impact.

Building on lessons from Phase I, the project will focus on improving the quality of implementation, co-investments, results, and impact with emphasis on supporting investees to secure crowd investments for sustainability of their businesses.

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