

Call for organisations to manage small business grants in response to Covid-19

1 - Background

The International Labour Organization (ILO) is part of a Partnership on Inclusive Jobs and Education for Host Communities, Refugees and other Forcibly Displaced Persons, known as PROSPECTS. The Partnership is a multi-year program, funded by the Government of the Netherlands, that brings together five agencies (IFC, ILO, UNHCR, UNICEF, World Bank) to devise collaborative and innovative approaches for inclusive job creation and education in contexts characterized by forced displacement. The program encompasses three pillars, namely Education, Jobs, and Protection and operates in eight countries across East Africa, Horn of Africa and the Middle East employing an area-based approach, in which the partner agencies jointly focus their activities on selected regions in each country. In Uganda, the partner agencies have selected Arua and Isingiro districts to focus their interventions. Under the partnership, the ILO, together with IFC and World Bank, leads interventions to create jobs, including through enterprise development.

2 - Impact of Covid-19 on enterprises

The measures taken by Ugandan government in March 2020 to combat COVID-19 that included suspension of non-essential economic activities and restrictions of movements have had a negative impact on enterprises. While the efforts are essential to protect lives and avoid the collapse of the health system, these measures are having enormous impacts on workers and employment, due to production disruption and drastic drops in demand for goods and services.

Enterprises are in extreme distress and the decline in economic activity is likely to push many out of business. Micro, small and medium-sized enterprises are particularly vulnerable, since they tend to have fewer assets and more limited cash reserves, as well as lower levels of productivity.

Although the Government has put in place stimulus packages to support the economy and help enterprises manage under the crisis, these measures may be susceptible to leave some of the most vulnerable groups behind, such as refugees and micro enterprises in the informal sector. Yet the informal sector employs a significant percentage of the population targeted by the PROSPECTS programme. The ILO therefore would like to make contribution towards resuscitating micro and small enterprises that are based in the Programme areas in Arua and Isingiro districts.



3 - ILO grants to micro and small businesses

The ILO is looking for organisations to partner with and implement a small grants package for micro and small enterprises to enable them withstand the effects of Covid-19 pandemic. These grants, ranging between USD 500 to 1,000, will target enterprises owned by refugees and host communities (Rhino camp for refugees in Arua district) and Nakivale Refugee Settlement for refugees in Isingiro district

4 - Objective of the grants

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5 - Eligibility of criteria for the organisations

- ▶ A business association/cooperative society whose members are operating in either Arua or Isingiro districts, serving host communities and refugees
- ▶ A business association/cooperative society whose members are involved in producing products or providing services that mitigate the effect of the Covid-19 and help refugees and host communities to cope with the effect of the pandemic.
- ▶ A businesses association/cooperative society whose members have been affected by government measures to control Covid-19 and require financial support to resuscitate their business operations.
- ▶ The applicant organisations should demonstrate capacity to administer small grants among their members (including those in informality) and report on how/where such grants were invested as well as the impact of the grants.
- ▶ The proposals should indicate how the businesses targeted with the grants will operate in the context of the Covid-19 SOPs related to a particular sector/business.
- ▶ The applicants should be organisations registered in either Arua or Isingiro districts or their activities recognised by government and district authorities in each of the districts.

6 - Application process: The interested applicants should send their applications to: kampala@ilo.org not later than August 7, 2020.

