

EVI-SICEE POLICY BRIEF No. 03

Streamlining Business Registration for increased scalability of Women and Youth-Led Clean Energy Enterprises in Uganda

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KEY MESSAGES

- Close to half (47.7%) of the 1,318 clean energy enterprises surveyed in Uganda are not formally registered, cutting them off from credit, public contracts, and growth support.
- Women and youth face identical top five barriers including financing, awareness, government support, start-up costs, and limited markets pointing to a systemic, not incidental, failure.
- Three integrated reforms can change this; a one-stop digital registration platform, targeted tax relief for new registrants, and reserved public procurement contracts for women- and youth-led enterprises.

1. BACKGROUND AND CONTEXT

The brief is part of the Evidence for Informing Optimization and Scaling of Youth and Women-Led Clean Energy Enterprises (EVI-SICEE) project, a multi-country initiative implemented by the African Centre for Technology Studies (ACTS) in partnership with Makerere University Business School (MUBS) and other partners, and supported by the International Development Research Centre (IDRC). The project seeks to understand and address systemic barriers facing women and youth entrepreneurs in the clean energy sector across Uganda, Kenya, Malawi, and South Africa.

This brief focuses on Uganda's clean energy sector, which holds enormous potential, despite low adoption by those likely to benefit most. Only 25% of Ugandans have grid electricity, 38% use off-grid solar, and just 3.8% have access to clean cooking solutions (UBoS, 2024; IEA, 2023). More than 80% of the country's energy needs are still met by solid biomass (firewood and charcoal) with severe consequences for health, environment, and economic productivity.

Women and youth-led clean energy enterprises (CEEs) sit at the heart of Uganda's energy future. The EVI-SICEE Baseline Survey data (2025), covering 1,318 enterprises across 19 districts in Central and Eastern Uganda, shows that young entrepreneurs aged 18–30 account for 72.7% of respondents, with women making up 46% of the total sample. The sector is young, predominantly female, and overwhelmingly micro-scale but full of potential.

That potential, however, is constrained by persistent informality. Of the 1,318 enterprises surveyed, 52.3% are registered with the Uganda Registration Services Bureau (URSB). This means close to half are not formally registered. More than 46% are still navigating the registration process, and a significant number have no plans to formalize at all citing procedural complexity, cost, and limited awareness. Enterprises without registration plans tend to be mobile vendors, home-based operations, or youth-led start-ups that treat formality as something inaccessible rather than irrelevant.

This persistent informality is not just a compliance problem, it is a growth problem. Without formal registration, enterprises cannot access credit, participate in government procurement, or join formal value chains. With 86% of these businesses employing only one to five people and operating at thin margins, staying informal means staying small.

What does the EVI-SICEE data reveal about barriers?

Women and youth entrepreneurs face overlapping yet distinct barriers. The table below draws directly from the survey data to show how these barriers are ranked and what they mean in practice.

Table 1: Ranking of the barriers faced by women and youth-led CEEs in Uganda

Barrier	Youth Rank	Women Rank	What this means practically
Limited access to financing & funding information	1st	1st	<i>Most enterprises (92.9%) rely solely on personal savings; bank loans reach only 11.5%</i>
Lack of awareness of sustainable business models	2nd	2nd	<i>79% have never run an awareness campaign; 75.9% unaffiliated with any industry association</i>
Low support from government & funding agencies	3rd	3rd	<i>Only 9% received any formal business support in the past two years</i>
High start-up costs	4th	4th	<i>61% started with a single employee; 88.5% operate from rented premises</i>
Limited opportunities for business expansion	5th	5th	<i>Most CEEs serve only district or sub-district markets; only 5 export internationally</i>
Weak community engagement	6th	9th	<i>Youth struggle more with trust and legitimacy in new markets</i>
Limited product diversification	7th	7th	<i>Most enterprises concentrated in downstream sales and distribution only</i>
Uncertainty about profitability	8th	6th	<i>Women express greater concern about long-term viability</i>
Confidence in business selling models	9th	8th	<i>Women draw on prior informal trade experience</i>

The top five barriers are identical for both groups. Meaning that the problem is systemic, not incidental. Women face entrenched socio-cultural restrictions on asset ownership, particularly land titles that disqualify them from collateral-based lending. Youth face informational deficits and saturated local markets. Both groups are largely on their own, only 24.1% hold membership in a clean energy association or business network.

2. ANALYSIS: WHERE THE SYSTEM IS FAILING

The survey data tells a consistent story, the current system makes formality more costly than informality, and more complicated than most micro-entrepreneurs can navigate. Four structural failures explain why.

Complex, multi-agency registration processes

Business registration for CEEs involves multiple agencies including Uganda Registration Service Bureau (URSB), Uganda Revenue Authority (URA), local governments, and sectoral regulators each with its own requirements, timelines, and fees. There is no single point of entry. For a young woman running a solar kiosk in Iganga or a youth-led clean cooking enterprise in Butaleja, navigating this system means taking time away from the business, paying for transport, and often returning multiple times before completing registration. The survey confirms the scale of this burden where over 46% of enterprises are still mid-registration, and a notable proportion have abandoned the process entirely.

High costs relative to business scale

Registration fees and ongoing compliance costs, including tax filings, licenses, and regulatory permits, represent a real financial barrier for businesses that started with a single employee and limited capital. Consider the context where 92.9% of these enterprises rely on personal savings as their sole source of startup capital, and bank loans reach just 11.5% of entrepreneurs. For a business earning below UGX 500,000 per month the most common revenue bracket in the survey, compliance costs can consume a disproportionate share of already low margins.

Limited awareness of what formality unlocks

Many informal entrepreneurs simply do not know what formalization can open up for them. The survey reveals that only 9% of enterprises received any formal business support in the two years preceding data collection, and 53 different agencies were cited as support providers, reflecting a fragmented, uncoordinated landscape rather than a functioning system. Without clear guidance on how registration connects to credit access, legal protection, and market participation, formality appears to be a cost with no visible return.

Gender and age structural disadvantages

Women face structural barriers in asset ownership, particularly land titles, that render them ineligible for the collateral-based lending that formal financing typically requires. Youth meanwhile, struggle with market legitimacy; perceived inexperience limits their ability to win customer trust and secure contracts. Both groups report that lack of collateral and lack of capital are their top two gender-related barriers to growth.

3. CURRENT POLICY MEASURES AND GAPS

What Exists

- Uganda has a reasonable policy framework on paper. However, significant gaps remain between stated commitments and implementation on the ground.
- Uganda Vision 2040 and the Fourth National Development Plan (NDP IV) establish universal energy access and inclusive economic empowerment as national priorities but lack sector-specific implementation pathways for CEE formalisation.
- The Revised National Energy Policy (2023) emphasizes renewable energy and private sector engagement, but contains no concrete measures to reduce administrative burdens for micro-enterprises.
- Energy Efficiency and Conservation Act promotes the adoption of clean cooking technologies but lacks complementary financial instruments targeting women- and youth-led enterprises.
- Small and Medium Enterprises (SME) Development Policy provides general business development support but does not differentiate clean energy enterprises or address their unique multi-agency regulatory requirements.

What is missing

Fragmented regulatory architecture - A limited single coordination mechanism exists across URSB, URA, Local Governments, and Sectoral regulators. This fragmentation imposes excessive transaction costs and procedural delays, the exact kind of burden that deters resource-constrained women and youth from formalising.

No market linkage incentives - Public procurement frameworks contain no provisions for preferential access or set-asides for registered women- and youth-led CEEs. This is a missed lever because guaranteed contracts would make formalisation worth the cost.

Weak information dissemination - With 75.9% of entrepreneurs unaffiliated with industry associations, government outreach on formalisation is failing to reach those who need it most. No coordinated awareness campaign or technical assistance programme currently bridges this gap.

4. POLICY OPTIONS

Three evidence-based policy options are presented below. Each is grounded in the EVI-SICEE survey findings and supported by comparable experience from the region.

Option 1: One-stop digital registration platform for clean energy enterprises

Establish a centralized digital platform integrating services from URSB, URA, and local governments to streamline CEE registration. The platform should include mobile access for rural entrepreneurs, auto-populated tax registration upon business registration, and a real-time status tracker. Piloting in Central and Eastern Uganda where the EVI-SICEE survey was conducted would leverage existing digital infrastructure including URA's Electronic Fiscal Receipting and Invoicing Solution (EFRIS) at <https://ura.go.ug/en/efris/> and URSB's online portal for Online Business Registration System (OBRS) at <https://obrs.ursb.go.ug>

Evidence: Kenya's eCitizen platform, supported by the World Bank's Kenya Investment Climate Program, simplified business registration and achieved a 30% increase in formalisation rates (Wille & Masinde, 2017). A similar result in Uganda would directly reach the 46%+ of enterprises currently mid-registration.

Option 2: Targeted tax relief and compliance subsidies for newly registered CEEs

Provide a three-to-five-year tax exemption for women- and youth-led clean energy enterprises in the first years after registration, coupled with subsidies for ongoing compliance costs. This directly addresses the most commonly cited barrier: the financial cost of formality relative to business scale. Administered through the Ministry of Energy and Mineral Development (MEMD), the relief would be time-bound to avoid long-term fiscal exposure, with eligibility criteria tied to MEMD-certified clean energy product categories.

Evidence: *Rwanda's targeted tax relief programme for SMEs led to a 25% increase in formal business registrations (Rwanda Revenue Authority, 2022), demonstrating that well-designed financial incentives do change entrepreneur behaviour.*

Option 3: Preferential public procurement for registered women- & youth-led CEEs

Reserve a defined percentage (the survey evidence suggests 20% is achievable) of government clean energy purchasing contracts for registered women- and youth-led CEEs by 2028. Clear eligibility criteria, aligned with the Parish Development Model, would enable local targeting and prevent capture by larger, better-connected firms. This approach transforms registration from a cost centre into a gateway to revenue, making formality economically rational.

Evidence: *South Africa's preferential procurement policies increased SME participation in government contracts by 20% (National Treasury, 2021), demonstrating how procurement policy can serve as a powerful lever for economic inclusion.*

5. POLICY RECOMMENDATIONS

To unlock the potential of women- and youth-led clean energy enterprises, we recommend the following integrated package of actions. These three recommendations are designed to work together because a digital platform without tax relief still imposes cost barriers; tax relief without market access limits the incentive to register.

#	Recommendation	What It Involves	Lead Institution
i	One-Stop Digital Registration Platform	Build a digital portal integrating URSB, URA, and local government licensing, with mobile access for rural areas. Pilot in Central and Eastern Uganda, leveraging existing EFRIS and URSB digital infrastructure.	URSB, URA, Ministry of ICT
ii	Targeted Tax Relief for Women- and Youth-Led CEEs	Introduce a three-year tax exemption for newly registered women- and youth-led CEEs, with subsidies for compliance costs. Administer through MEMD and link eligibility to the Parish Development Model for local targeting.	MEMD, Uganda Revenue Authority, Ministry of Finance
iii	Preferential Public Procurement	Reserve 20% of public clean energy procurement contracts for registered women- and youth-led CEEs by 2028, with clear and transparent eligibility criteria aligned to the Parish Development Model.	MEMD, Public Procurement and Disposal of Public Assets Authority (PPDA)

6. CONCLUSION

Uganda's clean energy transition will not happen by itself. It will be built by indigenous enterprises largely run by young women and men who are already doing the work with almost no formal support. The survey's most striking finding is not the barriers these entrepreneurs face. It is their resilience despite those barriers. 92.9% are self-financing, over 500 enterprises operate ten to twelve hours a day, and they are reaching communities that no formal institution has yet served.

What these entrepreneurs need is not charity. They need a system that makes formality easier than informality, one that rewards compliance rather than punishing it, and that connects them to the markets and financing they are currently locked out of. The three options in this brief including a one-stop registration platform, targeted tax relief, and preferential procurement are not radical interventions. They are practical, evidence-backed reforms that align directly with what Uganda's clean energy entrepreneurs say they need.

Implemented together, they would reduce barriers to entry, enhance market access, and position women and youth as the engines of Uganda's inclusive energy future consistent with Uganda Vision 2040, the National Development Plan IV, and Uganda's commitments under the Sustainable Development Goals.

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