

Rwenzori Region

Human Capital Development Investment Profile Briefing Summary



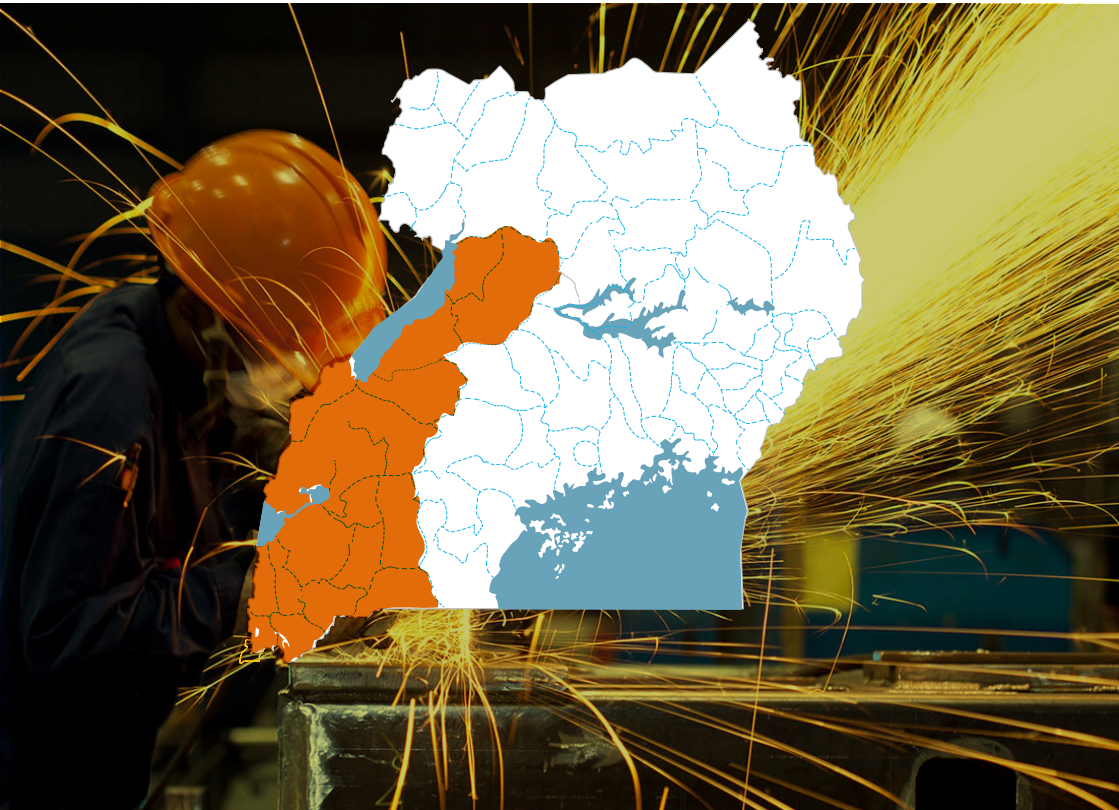
2020





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MEDICAL

Uganda



at a glance

Area
 Total: **241,038 km²**
 Land: **197,100 km²**
 Water: **43,938 km²**

Land boundaries
 Total: **2,729 km** border countries (5):
 Democratic Republic of the Congo **877 km**,
 Kenya **814 km**, Rwanda **172 km**,
 South Sudan **475 km**, Tanzania **391 km**

Climate
Tropical; generally rainy with two dry seasons (December to February, June to August); semi-arid in northeast

Land use Agricultural land: **71.2%**, forest: **14.5%**, other: **14.3%** (2011 est.)

Natural resources
 Copper, cobalt, hydropower, limestone, salt, arable land, gold

Rwenzori region ethnicity
 Bakiga, Basongora, Bafumbira, indigenous Batooro, Batagwenda, Banyarwanda, Bakonzo, Bamba, Banyabindi.¹

Population growth rate
3.24% (2020 est.)

Population
42,009,100 (September 2020 est.)

Gross Domestic Product
USD 34 Billion

Terrain
 Mostly plateau with rim of mountains

Foreign Direct Investment
4.9% of Gross Domestic Product

Natural Hazards
 Landslides and Floods

Standard & Poor's Rating
B with Stable Outlook

Fitch, and Moody's Rating
B+ Negative

Human Capital Development Ranking
0.528 - 159 out of 189 countries and territories

Number of Households
320,000- Rwenzori region
9,576,000 Uganda (UBOS 2020 est.)



1.2 Rwenzori region



Vocational training institutions



Regional hospitals

The Rwenzori region is a border region with the Democratic Republic of Congo found in mid-Western Uganda and it is comprised of nine districts, namely, Kabarole, Kasese, Bundibugyo, Ntoroko, Kyenjojo, Kyegegwa, Bunyangabu, Kamwenge and Fort portal municipality.

Human Capital Development, including health and education is fundamental to the development of the Rwenzori Region. The development of skillsets through development of education institutions as well as the development the health sector through hospitals and health centers is at the heart of the Education and Health Sector Development profiles for the government. This strategic drive from the GOU provides an opportunity for both local and international investors to invest in two strategic opportunities within the region:

- Establishment of a vocational training institutions across the region;
- Establishment of hospitals across the region.

2. Investment opportunities in human capital development

Human Capital Development (including health and education) presents opportunities for an investor in the region in two varying areas:



Establishment of a vocational training Institution thus having up to **35%** return on investment.

Establishment of a vocational training institution: The nine districts of the region representing over 3 million Ugandans have gaps in the skillsets available to cope with the expanding needs of the region in all sectors of the economy. This is especially the case in that over 80% of the population is below 24 years of age, representing a broad catchment area for a potential market. Studies have shown that an international investor will benefit from a guaranteed market for the services, opportunity to create employment and empower a population creating an impact while having up to 35% return on investment. In addition, there are numerous government incentives in the education sector for the investors (both local and foreign) looking to this area.



Establishment of hospitals across the region

Establishment of hospitals across the region: Health is an important sector within the Rwenzori region. The demand for health care has meant that government systems can be over burdened. The GOU through the Health Sector Development Plan has encouraged private players (both local and foreign) to join hands individually or with government through a public-private partnership to develop and offer services to the population. This presents an opportunity for international investors to seize the opportunity within the region, create an impact on the sustainable socio-economic transformation of the region while securing a return on each dollar invested.



The financial models developed show the cashflows, rate of return for investments, break-even and sensitivity analysis, and the internal rate of return for an investor looking to invest within the respective opportunities in the Rwenzori region.

The returns derived are considered acceptable to attract both local and foreign investors into the region. Moreover, there are several government programs to incentivise investors within the Rwenzori region.



3. Market, profitability and returns



Establishment of a vocational training institution



Establishment of hospitals across the region



The broad catchment areas including the Eastern part of Congo makes enhances the market for the services and makes the projects scalable and profitable.

Investments in Human Capital Development sector within the Rwenzori region are projected to be profitable for investors but also provide an opportunity to make social, economic and environmental impact.

This makes investment in Human Capital Development attractive in two primary areas:

- Establishment of a vocational training institution;
- Establishment of hospitals across the region;

The broad catchment areas including the Eastern part of Congo enhances the market for the services and makes the projects scalable and profitable.

4. Key enablers, strength and sustainability



4.1 Strength

The following are key strengths in the Human Capital Development sector:

- Political commitment to both equitable access and quality education for all Ugandans;
- Enabling policy frameworks;
- Increasing — though modest — budget allocations to the sector;
- Government commitment to provide instructional materials;
- Government commitment to improve the welfare and motivation of teachers;
- Qualified human resource in the sector, and;
- Liberalized Education and Sports sector.



4.2 Sustainability

Providing employment to the **youthful population**

Investment in Human Capital Development sector provides an opportunity for Social, Economic and Environmental transformation in the region through providing employment to the youthful population, and income and capacity building of the population.





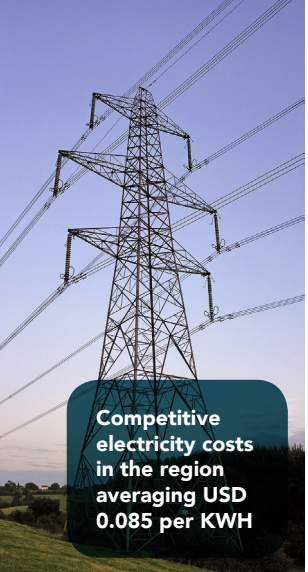
5. Risk assessment and incentives



5.1 Risks

The following key risks are identified in the Human Capital Development sector:

- Non-Performance risk;
- Idle Capacity risk;
- Revenue risk;
- Construction risk;
- Inflation risk;
- Currency risk;
- Sovereign risk / Political risk, and;
- Infrastructure risk.



Competitive electricity costs in the region averaging USD 0.085 per KWH

	Government	Private
Financing risk		Y
Revenue risk		Y
Inflation risk		Y
Performance risk	Y	
Political contingency risk	Y	
Social contingency risk	Y	
Ecosystem risk		Y



5.2 Incentives

- Competitive electricity costs in the region averaging **USD 0.085** per KWH;
- Industrial rent averages **USD 4 – 6** per square metre;
- Equipment imported duty free;
- **100%** tax allowable on training costs;
- Tax breaks.





6. Policy, legal and institutional framework

6.1 Policy framework

Each investment opportunity has a detailed set of policy, legal and institutional frameworks that established and embedded within the government systems to facilitate seamless execution of the relevant activities.

6.2 Legal framework

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6.3 Institutional framework

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7. Additional information

7.1 Financing

- Debt;
- Equity;
- Mezzanine;
- Grant/Aid;
- Asset-backed securities.



Uganda's HDI value for 2018 is

0.528

7.2 Skills level

The skills level in Rwenzori region is analysed in the context of Uganda's Human Development Index (HDI). Uganda's HDI value for **2018 is 0.528** — which put the country in the low human development category— positioning it at 159 out of 189 countries and territories.

Management roles requiring skilled manpower can be obtained from the capital – Kampala.



7.3 Social, environmental and economic factors

The proposed projects have been made in the context of the Social, Environmental and Economic factors and the Sustainable Development Goals. These projects provide the highest opportunity to maximise the gains in the population within the region.



Get in touch



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