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Bridging Gaps in Youth-Employment Policies: A Pathway to Decent Youth Employment in Uganda.

Authors Susan Kavuma | Peter Babyenda | Nakigudde Claire | Anitah Kyamugabwa | Brenda Kiconco | Hennery Sebukeera | Stephen Wainaina | Ramos Mabugu

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Abstract

Uganda has a total population of about forty-six million people, the majority of whom (77%) are young. Rising youth-unemployment and other issues present a challenge that hinders the full potential of this population. The National Labour Force Survey established that about 30% of youth who are institutionally qualified cannot find jobs, and the situation is worse for semi-skilled and unskilled youth. We provide a comprehensive review of youth-employment policies and empirical studies relevant to attempts to accelerate the creation of dignified and fulfilling work opportunities for youth, and we identify gaps in knowledge that can guide future research agendas. Finally, using such approaches as desk review, focus-group discussions, and key-informant interviews with programme implementors, labour officers, youth leaders, development partners, and selected beneficiaries covering thirteen districts throughout Uganda, we conduct a follow-up review of youth-employment policies that documents changes in policies and practices since the first review in 2022. The findings show that some beneficiaries have been able to create jobs and improve their earnings and employability, but youth-employment programmes continue to face difficulties in fund management, monitoring, and standardisation/certification of training and skills programmes. The findings further highlight the fact that youth-employment programmes have shown little progress since 2021, making clear the need for reinvigorated monitoring and follow-up of beneficiaries, standardisation of training programmes, greater investment in demand-led youth-employment programmes, improved coordination, monitoring, preparation of beneficiaries, and enhanced adherence to programme selection criteria.

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Authors

Susan Kavuma
Senior Lecturer, School of Economics, Makerere University, Kampala, Uganda
suzkav@yahoo.com

Peter Babyenda
Lecturer, School of Economics
Makerere University, Kampala
pbabyenda@gmail.com

Nakigudde Claire
Ministry of Gender, Labour, and Social Development, Kampala, Uganda
clairenakigudde@gmail.com

Anitah Kyamugabwa
Research Analyst, Policy Analysis
Development Research Institute (PADRI), Kampala, Uganda
aniitahkyamugabwa@gmail.com

Brenda Kiconco
Uganda National Youth Council
Kampala, Uganda
kiconcobrenda@gmail.com

Hennery Sebukeera
Manager, Project Planning, National Planning Authority, Kampala, Uganda
hennery.sebukeera@npa.go.ug

Stephen Wainaina
Development and Public Policy Consultant
Nairobi, Kenya
wainainacs@gmail.com

Ramos Mabugu
Faculty of Economics & Management Sciences, Sol Plaatje University, SA
rmabugu@gmail.com

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I. Introduction

About 77% of Uganda's population of forty-six million is made up of young people. This youthful demographic faces unemployment and limited access to decent jobs (Asiimwe, 2023). When provided with the appropriate knowledge, skills, and opportunities, youth can be a positive force for development (Indrawati & Kuncoro, 2021). The 2021 National Labour Force Survey, however, found that 30% of qualified youth could not find jobs, and outcomes for semi-skilled and unskilled youth were worse. Barriers that prevent young people from accessing dignified and fulfilling jobs include poor access to quality education, skills gaps, limited availability of formal jobs, inadequate job information, and the dominance of the informal sector (Guloba et al., 2021).

Recent data show that 51% of youth aged 18-29 are classified as Neither Employed nor in Education and Training, reflecting their disengagement from the labour market and education. Gender disparities in labour-force participation also persist, and young women, including graduates, face greater difficulty securing dignified and fulfilling work, leading to lower labour-force participation. Youth unemployment and underemployment are among the most critical challenges of today both globally and regionally. At 32.6%, the youth-unemployment rate in Sub-Saharan Africa is the highest in the world (Guloba et al., 2021) and is significantly higher than the global average (16%) and overall unemployment (5.12%) ("Youth From," 2023).

Youth in Sub-Saharan Africa are also nearly three times more likely to be unemployed compared to adults (Bandiera et al., 2022). The persistence of such high rates not only threatens the economic stability of the region and specific countries but also underscores the urgent need for targeted interventions to harness the demographic dividend. Furthermore, the rising incidence of working poverty among young people and the level of informality lead to vulnerable and insecure jobs (Guloba et al., 2021; Bandiera et al., 2022). To address these issues, the Ugandan government has implemented policies such as the revised 2007 National Employment Policy, which is now the 2024 National Employment Policy, the 2024 National Employment Strategy, and the Parish Development Model (Parish Development Model), allocating 30% of Parish Development Model funds to youth. More youth skill centres and rehabilitation facilities for people with disabilities have been established, in addition to an

increase in the National Special Grant for people with disabilities.

The 2024 Public Procurement and Disposal of Public Assets guidelines reserve 15% of the annual procurement budget for youth, women, and persons with disabilities. Government entities must also reserve procurement opportunities under UGX 30 million for these groups, promoting entrepreneurship and job creation.

Between 2021 and 2023, a mixture of economic, political, and institutional factors influenced the few observed changes. Economic shifts associated with budget releases for youth-employment programmes affected funding and implementation. Political interference and policy realignments also played a role, as new policies such as the 2024 Public Procurement and Disposal of Public Assets guidelines and 2024 National Employment Policy have provisions that influence resource allocation and regulatory frameworks for youth employment. Additionally, institutional factors, especially monitoring and evaluation and program tracking, continue to affect the smooth running of youth-employment programmes.

Despite the comprehensive framework of youth-employment programmes and policies, and the institutional machinery in place for their implementation, Ugandan youth still face a multitude of challenges, including inadequate dignified and fulfilling work and underemployment. Many young people still lack employability, entrepreneurial skills, and soft skills. Information sharing on job opportunities is limited, education mismatches persist, and the would-be solution—Technical and Vocational Education and Training—has yet to be entrenched across the country, with many still considering such training to be for academic failures and not an avenue for acquiring skills (Seremba, 2022; Bbaale et al., 2023).). In addition, youth in Uganda continue to face difficulty in licencing their businesses and lack adequate tax education and assistance, making it hard for youth to start up and sustain their businesses (Guloba et al., 2021).

Therefore, this study aims to provide a comprehensive review of relevant youth-employment policies that provide information and lessons that may accelerate efforts to create employment opportunities for youth. It addresses such questions as what youth-employment programmes have addressed in terms of structural inefficiencies and inclusive challenges in Uganda's labour market. In addition, the study provides empirical knowledge and best practices to inform the review of youth-employment policy and the development of

strategies by the Ugandan government. The paper further identifies key knowledge gaps that will inform the Mastercard Foundation's research agenda and its research work with other partners on youth employability and documents changes in policies and practices since the first review in 2022.

To achieve these objectives, we adopted a mix of research methods, using both primary and secondary quantitative and qualitative data sources. Key secondary data sources included the Uganda National Household Surveys (2016/17 and 2020/21), the Uganda Annual Labour Force Survey Reports (notably for 2017/18), and evaluation reports on youth-employment programs from the Uganda Bureau of Statistics. Additional reviews were conducted on youth-employment programmes evaluations by the Economic Policy Research Centre and scholars such as Bechange et al. (2021) and Bbaale et al. (2023). Primary data on the other hand were collected through field surveys at national and subnational levels, incorporating 135 key-informant interviews (key-informant interviews) and twenty-eight focus-group discussions across thirteen districts: Kampala, Wakiso, Masaka, Mbarara, Kabaale, Fort portal, Hoima, Jinja, Mbale, Lira, Soroti, Gulu, and Arua. Further insights were obtained through four validation workshops, which involved various stakeholders, to refine findings on youth-employment programmes. The findings of this study are intended to support the Mastercard foundation to deepen its country-based engagements in Uganda and build a community of practice by mobilizing research participants and a wide range of stakeholders.

II. Context

2.1 Overview of Youth Labour-Market Outcomes in Uganda

This section summarizes key labour-market indicators specifically for youth from the 2021 Annual Labour Force Survey from the Uganda Bureau of Statistics (2019). The survey, following the 2018/19 and 2017/18 Annual Labour Force Survey, estimated the youth population at 9.3 million (22% of Uganda's total population) and noted that 51% of youth were Neither in Employment, Education, nor Training

Most employed youth (90%) were in informal, non-agricultural jobs, with 72%

reporting satisfaction with their main jobs. The Youth Labour-Force-Participation Rate rose from 43% in 2019/20 to 51% in 2020/21. About 50% of young people had jobs that matched their education qualifications, while 38% were under-educated, resulting in education mismatches.

Regarding employment transition, 48% of youth were in employment transition, 24% had transitioned already to employment, and 22% had not started transitioning. Among those employed, 51% were in self-employment, and 47% had stable jobs. Youth unemployment stood at 17% in 2021, up 4% from 2019/20, with higher rates among young women (20%) than young men (14%). Urban youth faced higher unemployment (19%) compared to rural youth (15%). Sub-regionally, Bukedi recorded the highest unemployment (41%), followed by Bunyoro (22%) and Kigezi (8%).

In 2021, 4.8 million young people were in the labour force, with young men (2.7 million) outnumbering young women (2.1 million). Urban youth had a higher Labour-Force-Participation Rate (60%) than rural youth (40%), and that rate increased with education, peaking at 76% for youth who had completed post-primary/secondary training and above.

2.2 Policy Context

The Ugandan government introduced its first National Employment Policy in 2011 to promote productive and decent employment for all, including youth. The policy guided stakeholders in creating quality employment opportunities and focused on employment-intensive growth, labour-market information, skills development, rural employment, improvement of the informal sector, growth in the private sector, and revised labour standards. It also provided guidelines on external labour migration, vulnerable group employment, gender equality, and youth inclusion.

After twelve years, the 2011 National Employment Policy was revised to address implementation gaps, resulting in the National Employment Policy of 2024. Developed through extensive consultations, the revised policy aligned with Vision 2040, the third National Development Plan (NDP III) and the recently approved fourth National Development Plan (NDP IV), which integrates governance, labour standards, technology, health, and the

environment and addresses labour migration by establishing bilateral agreements for safe migration that primarily benefit youth.

Policies that highlight the importance of skill development, vocational training and adequate preparation of youth for the employment market include the Education Act (2008), Universal Secondary Education Policy (2007), Business, Technical and Vocational Education and Training Act (2008), and the revised secondary education curriculum. These. For example, Universal Primary and Secondary education ensures free access to education for all as a way of increasing employability. In addition, social protection policies like the National Orphans and Vulnerable Children Policy (2004) and the National Social Protection Policy (2015) further support youth-employment development and protect youth against exploitation in their jobs.

Improving youth job prospects remains a government priority, and Uganda's frameworks tackle labour-market challenges and leverage untapped sectors such as oil, gas, tourism, information and communication technologies, digitalisation, and agriculture. However, limited growth in labour demand, gaps in education quality, and high dropout rates, especially among women, continue to hinder youth-employment efforts in Uganda.

III. Methods

We used a mixed research approach, incorporating primary and secondary quantitative and qualitative data. Primary data were collected at the national and subnational levels through focus-group discussions and key-informant interviews. The research team selected participants based on their engagement in the implementation of youth-employment policies and programs. The selection of the study areas followed the sampling framework used by the Uganda Bureau of Statistics and was aligned with the 2021 study sample to compare changes over time. In the first phase (2021 study), eighty-three key-informant interviews and twelve focus-group discussions were conducted in nine districts, including Kampala, Wakiso, Masaka, Mbarara, Hoima, Jinja, Mbale, Lira, and Gulu. We collected data about youth-employment programmes primarily to supplement household

survey data.

Table 1: Key-Informant Interview and Focus-Group Discussion Sample Distribution During the 2021 Field Survey

Category	Location	Young Men	Young Women	Total	Percentage (%)
Key-Informant Interviews	Upcountry	38	18	56	67.47
	Kampala	8	6	14	16.87
	National Level	8	5	13	15.66
	Total	54	29		
	(%)	(65%)	(35%)	83	100
Focus-Group Discussions	Kampala	4			33
	Upcountry	8			67
	Total	12			100

Source: Bbaale et al. (2023).[5]

In this follow up study, we sampled districts from all the regions as per the Uganda Bureau of Statistics sampling framework and covered a total of thirteen district local governments and ten cities and municipalities across the four main regions of Uganda (Table 2).

Table 2 shows that 135 key informants were interviewed (44% were young women. Twenty-eight focus-group discussions were conducted with 280 participants, of which 46% were young women and 2% belonged to marginalised groups (persons with disabilities and refugees). In addition, four validation workshops were conducted to gather input to the findings. Participants included civil-society organizations, the youth-employment programme beneficiaries and non-beneficiaries, youth leaders, and policy makers.

Table 2: Key-Informant Interviews and Focus-Group Discussion Sample Distribution During the 2024 Field Survey

Category	Location	Young Men	Young Women	Total	Percentage (%)
Key-Informant Interviews	Upcountry	43	34	77	57
	Kampala	21	15	36	27
	National Level	12	10	22	16
	Total (%)	76 (66%)	59 (44%)	135	100
Focus-Group Discussions	Kampala	20			71
	Upcountry	8			29
	Total	28			100

Source: Authors' computations.

IV. Review of Youth-Employment Programs

4.1 Legislative Description of Youth-Employment Programmes (de jure)

Over the years, the government of Uganda, in collaboration with development partners, has implemented several programs to address youth unemployment, all of which have followed a multi-sectoral approach at both the national and subnational levels (Table 3).

Table 3: Existing Youth-Employment Programs Reviewed

Name	Start	Status	Objectives	Target groups	Outcomes	Implementors	What's new since 2021
Youth Livelihood Program	2014	Ongoing	1. Equipping young people with marketable vocational skills and tool kits for entrepreneurship and job creation. 2. Providing financial support to youth. 3. Providing youth with entrepreneurship and life skills as an integral part of their livelihoods. 4. Providing youth with relevant knowledge and information for a positive mindset change.	Unemployed and low-income youth (18-30), school dropouts, persons with disabilities (persons with disabilities), and youth living with HIV/AIDS.	Empowered youth to realize their socioeconomic potential, increased self-employment and income. In financial year 2023/2024 alone, a total of 23,083 youth projects benefitted a total of 263,897 young people in agriculture, trade, and services and industry. This created about 1,250,000 direct and indirect jobs.	Ministry of Gender, Labor, and Social Development, all local governments, and Kampala Capital City Authority.	Merged with the Uganda Women Entrepreneurship Program

Name	Start	Status	Objectives	Target groups	Outcomes	Implementors	What's new since 2021
Uganda Women Entrepreneurship Program	2015	Merged with youth Livelihood Programme	Empower Ugandan women for economic development.	All women aged between 18-65, those with disabilities and those living with HIV/AIDS.	Improved women's income.	Implemented by the Ministry of Gender, Labor, and Social Development, all District Local Governments, and the Kampala Capital City Authority	Merged with youth Livelihood Programme
Green Jobs Programme	2015-2020	Ongoing	Create decent green Jobs.	Educated And uneducated youth.	Ensured workplace re-skilling and skill-building, and enhanced productivity and efficiency.	Implemented by the Ministry of Gender, Labor, and Social Development, All Central government, District Local Governments, and the Kampala Capital City Authority.	The Programme has National Apprenticeship and Graduate Volunteer Programme came up.

Name	Start	Status	Objectives	Target groups	Outcomes	Implementors	What's new since 2021
National Special Grant for Persons with Disabilities	2020	Ongoing	Promote the wellbeing of persons with disabilities through livelihood building and income generation for national development	Persons with disabilities, including youth with disabilities	Improved incomes and wellbeing for persons with disabilities. In financial year 2023/24, 6,282 enterprises, benefitting 49,372 persons with disabilities were supported.	Ministry of Gender, Labor, and Social Development and local governments.	More two rehabilitation centres opened in Entebbe and Jinja.
Presidential Initiative on Skilling the Girl and Boy Child (formerly Presidential Initiative on Skilling the Girl Child)	2017	Ongoing	Providing young girls with hands-on skills that will enable them to create jobs and generate wealth.	Young women and young men aged 17-35	Acquired baking, ladies' tailoring, hairdressing, makeup, knitting, shoemaking, weaving skills	The Office of the President and the State House	Redesigned to skill both girls and boys and more centres opened across the country.

Name	Start	Status	Objectives	Target groups	Outcomes	Implementors	What's new since 2021
Youth Apprenticeship Program	2013	Ongoing	Improve the employability and skills of unemployed youth by providing opportunities to work (via volunteering) with micro and small-scale businesses	Fresh graduates and unemployed youth	Acquired record keeping skills, stock management skills; customer service, sales, marketing skills and improved innovativeness.	Uganda Investment Authority, private sector, Vantage Communications Limited, the Directorate of Industrial Research, and the Ministry of Education and Sport.	Implementation modalities are still the same.
Youth Inspiring Youth in Agriculture Initiative	2017	Ongoing	Increasing youth employment in agriculture by fostering young Agripreneurship role models	Youth and youth leaders.	Created Youth peer-to-peer support activities, technical training, agricultural product exhibitions, policy dialogue.	The Ministry of Agriculture, Animal Industry, and Fisheries and the Food and Agriculture Organization	Implementation modalities are still the same

Name	Start	Status	Objectives	Target groups	Outcomes	Implementors	What's new since 2021
The Uganda Youth Venture Capital Fund	2013	Ongoing	Provide venture capital debt financing to viable projects proposed by young entrepreneurs and enable youth to benefit from associated mentoring services from participating banks.	Youth, both male and young women	Created viable and sustainable private-sector SMEs for youth.	The Ministry of Gender, Labor, and Social Development	Implementation modalities are still the same.

Name	Start	Status	Objectives	Target groups	Outcomes	Implementors	What's new since 2021
Parish Development Model	2022	Ongoing	Increase household income and improve the quality of life of Ugandans with a specific focus on total transformation of subsistence households (both on-farm and off-farm, in rural and urban settings) into a money economy.	Groups of all age groups	Enhanced incomes of about USX 20 million (USD 5,409.64) per annum by 2025.	All district Local Governments and Kampala Capital City Authority.	Full implementation in all districts.

Name	Start	Status	Objectives	Target groups	Outcomes	Implementors	What's new since 2021
The Presidential Initiative on Wealth and Job creation (Emyooga)	2019	Ongoing	Increase employment opportunities, Improve the household incomes of target beneficiaries, enhance the entrepreneurial capacity of beneficiaries through sensitisation, skill-building and tooling.	All active Ugandans aged 18 and above, Savings and Credit Cooperatives/Associations	Improved employment, income and livelihoods.	Selected District Local Governments, Ministry of Trade, Industry and Cooperatives, Ministry of Finance, Planning and Economic Development, State House	Implementation modalities are still the same
Young Africa Works	2008	Ongoing	Provide 3 million Ugandan youth with dignified employment	Smallholder farmers, teachers, out of school youth, and agricultural youth across the country.	Increased youth participation in tourism, agriculture, and SMEs.	Mastercard Foundation	Implementation modalities are still the same

Name	Start	Status	Objectives	Target groups	Outcomes	Implementors	What's new since 2021
I-serve Volunteer Program	2016	Ongoing	To empower young people by providing them with opportunities to contribute to their communities and develop leadership skills. To build the capacity of volunteers by providing training and skills development opportunities.	Youth	Created employment placements for graduates and improved youth employability. placement projects.	Kampala Capital City Authority	Not much change
Generating Growth Opportunities and Productivity for Women Enterprises (Generating Growth Opportunities and Productivity for Women Enterprises)	2023	On- going	Improve the availability of resources for young women entrepreneurs, particularly in host and refugee regions	60,000 young women owned enterprises (including 3,000 refugee-owned businesses) 280,000 women entrepreneurs and employees (including 42,000 refugees and 14,000 host community members).	Increased access to entrepreneur services by young women entrepreneurs.	Ministry of Gender, Labor, and Social Development, Private Sector Foundation Uganda, District Local Governments	Newly introduced.

Name	Start	Status	Objectives	Target groups	Outcomes	Implementors	What's new since 2021
Digitalization of the Informal Sector (Jua-Kali) Enterprises for Productivity and Job Growth (DIGI TRUCK) Project	2023	Ongoing	To equip Jua-kali Entrepreneurs with the digital competences necessary for personal development and enterprise growth, to enhance labour productivity in the informal sector	Youth, Out- of School children, Women and persons with disabilities	Enhanced basic digital literacy to 12,000 jua-kali entrepreneurs and their employees	Ministry of Gender, Labor, and Social Development, Private Secor	New

4.2 Actual Implementation of Youth-Employment Programmes (de facto)

Presidential Industrial Hubs: This program, initiated by the president to address rising youth unemployment, covers nineteen zones across Uganda. It targets youth aged 18-35, equipping them with employable skills to support industrialization and growth of cottage industry. The hub focuses on skill-building, value addition, agricultural training, and common-user facilities. Training is hands-on, conducted in local languages, and lasts six months with accommodation provided. Skills taught include welding, carpentry, baking, and tailoring. The program is open to all youth, regardless of education, with selection handled by local committees. While the hubs provide essential services, they face such challenges as high demand and budget constraints.

Parish Development Model Involves a structured application process for youth seeking funding. Applicants must fill out forms, get signatures, and be part of enterprise groups that are assessed by local committees. Once approved, funds are deposited into group accounts. A youth chairperson represents youth in the Parish Development Committee, ensuring 30% of resources are allocated to them. The program also prioritises vulnerable groups like women and persons with disabilities. However, a lack of tracking systems hinders effective monitoring, as one Community Development Officer noted: "Even with a tracking system, if the programs are poorly designed, it won't help."

Special Grant for Persons with Disabilities: Beneficiaries apply through registered community groups, with funds deposited into group accounts. The shift to central government distribution aims to prevent misuse by local leaders. However, funds are often misused by group members. Strengthening formal monitoring and financial training could improve impact.

Youth Livelihood Program: Requires beneficiaries to open bank accounts to access funds. Political interference during implementation, however, especially during elections, has created problems. Beneficiaries misuse funds as indicated by low recovery rates, currently standing at 26%; sometimes, they divert the money to other activities such as funding

weddings. Some, however, successfully reinvest the funds into group businesses and improve their livelihoods.

EMYOOGA: This program supports economic activities through group formation and financial assistance. Participants form groups of up to ten, register, and open bank accounts and are required to contribute 20,000 UGX each to access the funds. Groups in similar sectors, such as agriculture or hairdressing, form Savings and Credit Cooperative Organizations to manage funds and ensure that other beneficiaries can access the funds in future.

In conclusion, demand-driven and skill-based youth-employment programs are performing better than supply driven programs such as youth-livelihood programs. Therefore, youth-employment programs are likely to perform better if they are inclusive and if beneficiaries are adequately prepared, frequently monitored, and can apply for these programs voluntarily.

4.3 Start Up and Taxation Policies

In Uganda, many young people face challenges in obtaining startup capital because of economic constraints and limited financial services. Despite these barriers, youth entrepreneurs are using various methods to secure funding, such as family support, savings from previous employment, casual labour, and income-generating activities. Some also receive funding from the government, private sector, or development partners. In rural areas, Village Savings and Loan Associations provide loans to support small businesses, particularly in places with limited formal banking services. Though less common, some youth entrepreneurs also explore commercial bank loans, despite stringent requirements for collateral and credit history.

Government initiatives like Youth Livelihood Program, Uganda Women Entrepreneurship Programme, Emyooga, and the Parish Development Model have largely provided beneficiaries with seed capital that does not require collateral security. Although the grant is revolving, it is interest-free with a grace period of about three years. These have

eased access to capital by youth. "The Emyooga programme has significantly helped us. It enabled us to invest in our business ideas and gain confidence," said a young woman beneficiary. Some beneficiaries have expanded their businesses using the funds, with one pig-farming entrepreneur noting, "The Parish Development Model allowed me to expand my herd, build better pigsties, and purchase feed, overcoming major challenges. These programs also foster networking, which helps increase market access and business growth. Another participant shared, "The Parish Development Model has connected us with supporters who buy from our business." Another added, "Emyooga helped me start a soap-making business, attracting customers and increasing my income."

The Presidential Skilling Programme and industrial hubs equip youth with employable skills, provide startup kits, and offer free access to equipment for processing and selling products. While these initiatives provide relief, heavy taxation on startup businesses remains a major challenge. Young entrepreneurs face numerous taxes, such as trade licenses and property tax, which consume a large portion of their earnings, especially in the early stages. This hampers their ability to grow and reinvest in their businesses. One beneficiary explained, "High taxes make it hard to repay loans and sustain the business." This highlights the need for tax reforms to reduce the burden on young entrepreneurs and encourage growth.

One beneficiary suggested a tax holiday for new businesses for the first five years to allow stabilization. They also argued that funds from government programs should not be taxed, ensuring youth receive the full amount for business development. Additionally, better coordination between city council taxes and Uganda Revenue Authority taxes could prevent double taxation, easing the financial burden on small businesses. "I have paid taxes equal to more than half my business capital," said another beneficiary. Therefore, addressing the issue of taxes is crucial to supporting youth and vulnerable groups in starting their own businesses.

V. Empirical Review of Youth-Employment Programme Evaluations

Blattman et al. (2014) conducted an evaluation of a government program in Northern

Uganda, aimed at supporting poor and unemployed youth, in which each program participant received an unsupervised grant of $382, which was primarily invested in tools, materials, and some skills training. In four years of its existence since 2010, the program resulted in a 57% increase in business assets, a 17% rise in work hours, and a 38% growth in earnings among participants compared to the control group. Many beneficiaries formalized their enterprises and hired additional labour. While the program significantly improved economic outcomes, it had no measurable impact on social cohesion, antisocial behaviour, or protest levels. Therefore, other youth-employment programs should be evaluated to ascertain their contribution to employment, income, and such social aspects as mind change and behaviour.

Kyambadde's (2023) study of the Parish Development Model highlighted key factors for its successful implementation, including beneficiary participation. Quantitative findings emphasized the importance of involving beneficiaries, such as Savings and Credit Cooperative managers, in both planning and implementation. However, participation was minimal in the planning stages and low during implementation, limiting benefits for Savings and Credit Cooperatives. Mobilizing and educating beneficiaries about their roles can enhance participation, with strong leaders, including cultural, religious, and civil society figures, required to spearhead efforts. Additionally, sufficient funding and preventing misuse by officials are crucial. A comprehensive database of potential beneficiaries will help ensure funds are used for their intended purpose and that future evaluation studies can ascertain the impact of the program.

Agaba and Turyasingura (2023) found a strong relationship between participation and project success. They concluded that government-funded youth projects can only be sustainable if beneficiaries are integrated into decision-making. Their recommendations for improving Parish Development Model include involving beneficiaries at the highest levels, ensuring leadership at the local level, and reducing corruption through better fund management.

Inadequate use of past data, lack of technical expertise, and insufficient guidelines on fund usage have also been identified as challenges. Progress should be tracked with specific indicators, ensuring environmentally sound loans, parish-level fund analysis, and securing

loans with guarantors. Promoting good farming practices, prioritising knowledge-sharing, and piloting programs before nationwide implementation are also vital for success.

The Auditor General's report for 2022/2023 raised concerns about the Youth Livelihood Program and the Uganda Women Entrepreneurship Programme. It revealed low recovery rates for both programs: only 23% of the Youth Livelihood Program funds (UGX 39.8 billion) and 48% of the Uganda Women Entrepreneurship Program funds (UGX 32.3 billion) had been recovered by June 30, 2023. The low recovery was attributed to inadequate sensitisation, insufficient monitoring, and weak enforcement. The report also highlighted that recovered funds had not been re-loaned to other groups, undermining the programs' goals.

The report also revealed challenges in implementing the Parish Development Model, including ineffective information systems and delays in data collection. Furthermore, USD 1.8 million (UGX 6.66 billion) for the Generating Growth Opportunities and Productivity for Women Enterprises project remained unused due to misallocation of funds.

The evaluation findings provide valuable insights on what works in youth-employment programmes. However, studies remain limited, and most youth-employment programs have not been evaluated. The key lessons from these studies include: beneficiary participation is crucial for program success, and the active involvement of beneficiaries in planning and implementation is necessary to improve the outcomes of youth-employment programmes; strong, effective leadership is a must; and accountability enhances program efficiency, including proper fund management, anti-corruption measures with clear guidelines, and better financial tracking to ensure funds are used effectively. Finally, data-driven decision-making and structured monitoring for youth-employment programmes must be embraced.

5.1 System Design and Data Management

The Ministry of Gender, Labour and Social Development hosts the Labour Market Information Management System to facilitate analysis, reporting, and communication of results to stakeholders. The Labour Market Information Management System will interface with other government systems, focusing on labour and employment statistics, including data

on Ugandans working abroad. It will be updated regularly to track performance indicators of the National Employment Policy 2024 and assess its outcomes. The system will link to monitoring and evaluation processes to track implementation progress, outputs, challenges, and lessons learned.

The Ministry of Gender, Labor, and Social Development is also rolling out the Disability Management Information System to automate processes from application to grant acquisition. This system will be accessible via an online portal: https://www.dmis.mglsd.go.ug. Monitoring and evaluation are crucial for ensuring the National Employment Policy's effectiveness, and stakeholders must report on their interventions. Performance data will be recorded in the Labour Market Information Management System to assess progress.

5.2 Media Reports on Youth-Employment Programmes since 2022

According to an article published by Uganda's Nilepost News on April 17, 2024, the government allocated UGX 267 billion to 5,322 vetted Savings and Credit Cooperatives under the Parish Development Model. Each Savings and Credit Cooperative received about UGX 50 million, and the Wendi mobile wallet platform facilitated the disbursement. Over 500,000 beneficiaries have received payments exceeding UGX 200 billion, benefiting more than 5,000 Savings and Credit Cooperatives nationwide.

On April 25, 2024, the Daily Monitor reported that the implementation of the Parish Development Model was at 63% according to the National Development Plan III mid-term review. Progress included fund disbursements, training, and income-generating activities, though delays and logistical issues remained.

A January 2024 article, "2024 is 'Do or Do Better' for PDM," highlighted the minister's statement that the year is crucial for improving the Parish Development Model. The president extended the recovery period from two to three years because of concerns that electoral process would affect the program.

On May 1, 2024, the Cooperator News reported President Museveni's initiative to monitor Parish Development Model funds, addressing irregularities such as misconduct by government officials and misuse of funds. In Luwero Subcounty, 70% of the funds were used effectively, with the remaining 30% diverted for unplanned expenses like school fees.

A June 18, 2024, article by the Cooperator Newsletter entitled "GROW Project Funds Misallocated" raised concerns over the distribution of expenditures. It revealed that out of the US$ 217 million (UGX 803 billion) grant, only US$ 35 million was available for women-led enterprises, while most funds were used by the Ministry of Gender, Labour and Social Development and the Private Sector Foundation for secondary activities.

VI. Political Economy of Youth-Employment Policies

6.1 The (In)adequacy of Youth-Employment Policies

Uganda continues to implement youth-employment programs and policies aimed at creating dignified work opportunities, particularly for young women and vulnerable groups. The National Youth Policy of 2001, enhanced by the 2024 National Employment Policy, provided a framework for empowering youth and fostering their economic participation. Key initiatives included: Youth Livelihood Program, which offers financial support, training, and mentorship to young entrepreneurs, including marginalized groups; the Uganda Youth Venture Capital Fund provides startup capital and business development services, promoting innovation and job creation; and the Youth Livelihood Program, which merged with the Uganda Women Entrepreneurship Program in the 2024/2025 financial year. Uganda also prioritises skills-development programs like Technical and Vocational Education and Training to equip youth with the competencies needed in the labour market. These policies aim to reduce gender disparities and empower young women in Uganda's economy. Youth organizations play an active role in policy development, implementation, and monitoring in several ways:

1. Sensitising youth: Media platforms such as radio talk shows and WhatsApp groups inform youth about government policies. Every region has a youth representative in parliament and local youth structures.
2. Monitoring budget processes: Youth organizations advocate for fair resource allocation for youth programs in the national budget and National Development Plan. Youth representatives often provide input into government policies.
3. Online discussions: The internet facilitates discussions among urban youth, who use platforms like WhatsApp, Twitter (now referred to as X), and Facebook to monitor and evaluate government programs.
4. Civil Society Organizations: These organizations advocate for transparency in the use of resources.
5. Youth councils: Local councils engage with community leaders on youth issues, updating on government programs and partnerships.
6. Uganda Parliamentary Forum on Youth Affairs: This forum assesses youth policies and ensures youth interests are addressed in government programs.
7. Youth employment interventions: Focus on the supply side of youth employment is disproportionate, with limited attention given to labour-demand growth, as noted by a key-informant interviews in Kampala Capital City Authority.

Youth across different regions, including men and women of varying ages, face unique employment challenges that require support based on their specific needs, skills, and local economic conditions. The revised 2024 National Employment Policy has aimed to address these disparities by introducing an integrated framework that directly connects job creation efforts with labour-intensive economic sectors such as agriculture, manufacturing, and services. By aligning education and training programs with industry demands, this approach seeks to reduce the mismatch between graduates' skills and the needs of the market, ensuring that young job seekers are better prepared for available opportunities. Additionally, the policy emphasizes structured job-placement mechanisms, including digital job-matching

platforms, apprenticeships, and work-based learning, to facilitate a smoother transition from education to employment.

6.2 Youth Coordination Structures and Mechanism Before 2020 and Challenges

The Ministry of Gender, Labour, and Social Development is responsible for planning, coordinating, and providing policy guidance on youth affairs, working with other government sectors and stakeholders. The Ministry has nevertheless struggled to perform this role effectively as the result of weak coordination mechanisms and a lack of a structured planning. This has led to the proliferation of youth structures, complicating coordination at both the national and district levels.

Key coordination structures include the Department for Youth Affairs at the Ministry of Gender, Labour, and Social Development, District Youth Officers, and Assistant Community Development Officers. Many districts have not recruited officers, however, and existing officers, such as probation and social welfare officers, handle youth activities with limited resources alongside other duties, weakening the functionality of youth coordination at the district level.

Other coordinating bodies include the National Youth Council, which is replicated at district and lower levels, as well as local government youth structures. The Uganda Youth Forum, Uganda Youth Network, and Uganda Youth Parliamentary Forum complement these efforts, alongside student organizations such as the Uganda National Students Association. Despite these efforts, multiple structures have led to coordination challenges.

Coordination mechanisms are hindered by political influence and internal conflicts because youth councils are often affected by political party dynamics. Funding issues at local government levels, overlap in roles, and the aging of youth leaders further complicate coordination.

From key-informant interviews and focus-group discussions, these challenges were identified:

1) Limited coordination efforts, leading to duplication and inefficiency.

2) Ineffective information flow due to the lack of a coordination mechanism.

3) The absence of a functional framework to guide youth participation in programming.

To address these issues, the Ministry of Gender, Labor, and Social Development introduced the National Coordination Mechanism for Youth Programmes in 2021, aimed at harmonizing planning, implementation, and management of youth initiatives across all sectors.

6.3 Different Stakeholders and their Roles in youth Coordination Mechanism

At the national level, the Department for Youth and Children Affairs in the Ministry of Gender, Labour, and Social Development provides policy guidance, planning, supervision, monitoring, resource mobilization, and coordination of national programs. It also oversees Youth Desks in various ministries and works with technical support teams to guide youth structures.

Youth parliamentary representatives advocate for legislation and funding for youth programs. Through the Uganda Parliamentary Forum on Youth Affairs, they collaborate with the National Youth Council, which provides political oversight, monitors programs, and supports lower-level councils in resource mobilization with the Ministry of Gender, Labour, and Social Development and development partners, to mobilize and empower youth. The Uganda National Students Association advocates for students' interests and shares information. The National Youth Council also coordinates civil society youth networks at the national, regional, and district levels.

At the district level, the Department for Community Development leads coordination of youth programs, including in subcounties. The District Youth Council carries out advocacy, planning, monitoring, and resource tracking, supported by a technical team of development

partners and civil-society organizations. Similar structures exist at the county and subcounty levels, including Subcounty Youth Forums.

VII. Conclusions

Uganda's youth-employment programs continue to play a crucial role in addressing unemployment and underemployment among young people. Government efforts, complemented by support from development partners and the private sector, have provided financial assistance, skills training, and employment opportunities to youth across diverse socioeconomic backgrounds. Persistent structural inefficiencies, inclusivity challenges, and gaps in program implementation have nonetheless continued to hinder their full impact.

Weak coordination and overlapping mandates among government ministries, departments, and agencies, along with inadequate monitoring and evaluation, have contributed to low loan-recovery rates as well—only 26% for Youth Livelihood Program and 48% for the Uganda Women Entrepreneurship Program. Weak tracking systems and a lack of follow-up mechanisms have resulted in misuse of funds, poor financial management, and political interference in beneficiary selection.

Another major challenge is the mismatch between education and the needs of the job market. Over 50% of Ugandan youth work in jobs unrelated to their qualifications, while 38% lack the necessary education and skills for available opportunities. Vocational training and skills development, which could help close this gap, remain underfunded and stigmatized as being only for academic failures. This is largely due to the limited integration of Technical and Vocational Education and Training into mainstream education.

Inclusivity challenges also persist in Uganda's labour market. Young women face higher unemployment rates (20%) compared to young men (14%), due to social norms, caregiving responsibilities, and limited access to capital. Although there are targeted programs, marginalized youth—including young women, refugees, persons with disabilities,

and rural youth—continue to face barriers to access, participation, and program sustainability.

Taxation and regulatory burdens further restrict youth entrepreneurship. Many young entrepreneurs struggle with high startup taxes, multiple business licenses, and complex regulatory procedures. Despite ongoing calls for a five-year tax holiday to support new youth-led businesses, such relief measures remain unimplemented.

Active beneficiary participation and community engagement improve program outcomes; stronger monitoring, evaluation, and data-driven decision-making enhance efficiency; and structured apprenticeships, internships, and job-placement mechanisms improve labour-market linkages, ensuring youth are better connected to employment opportunities.

Addressing these structural inefficiencies, inclusivity barriers, and policy gaps is essential for Uganda's youth-employment programs to create a sustainable impact and develop dignified and fulfilling employment opportunities for youth. Between 2021 and 2023, a few changes were observed in program implementation, funding allocation, and policy focus, all of which were driven by a combination of economic constraints, political considerations, and institutional adjustments. Economic factors, such as delays in budget releases and fund recovery, among others, affected the implementation of youth-employment programme. Political will to enhance youth skill-building and provide financial support for job creation is increasing, though internal program assessments exposed inefficiencies in loan recovery, beneficiary selection, and tracking mechanisms. While the 2024 National Employment strategy has introduced more targeted interventions, persistent structural barriers continue to limit the overall effectiveness of youth-employment programs, underscoring the need for long-term, evidence-based policy adjustments.

7.1 Policy Implications

Coordination, mobilization, and sensitisation of youth-employment programmes is needed. A youth leader noted that many young people were unaware of the Emyooga program, for example, while a young woman who took part in a focus-group discussion

pointed out that the Youth Livelihood Program collapsed because youth misused the funds without proper guidance. Limited awareness reduces youth-employment programmes coverage, efficiency, and effectiveness, so greater focus is needed on sensitisation.

Despite government funding, resources are lacking for training, monitoring, and technical support. Without proper training and follow-up, beneficiaries mismanage funds. A Community Development Officer explained that large program budgets are not matched by adequate operational support. Therefore, operational costs, training, and follow-ups should be prioritised in budgeting.

Youth-employment programmes also face challenges in fund recovery due to non-compliance and poor group dynamics. Measures should be introduced to ensure compliance and timely repayment. Additionally, cases of fund mismanagement, diversion, and nepotism among leaders complicate program effectiveness and require closer oversight. There is thus a need to introduce measures to increase the recovery of these funds, including the promotion of demand-led youth-employment programmes as opposed to supply-led youth-employment programmes (Bandiera et al. (2022).

Engaging directly with beneficiaries to gather feedback is essential for program improvement. Participants from various programs shared positive experiences, such as learning new skills and receiving start-up capital. Concerns were raised, however, regarding insufficient funding, such as in cattle-keeping groups where allocated funds were inadequate for the purchase of enough livestock to start a farm.

To improve youth-employment programmes, youth skill-building programs should be standardized and should involve civil society organizations to ensure cooperation among existing programs.

7.2 Research Gaps

Empirical evaluation of youth-employment programmes at the macro level is limited, given that most existing evaluation largely covers programs at the district level. Instead,

regular, country wide evaluation of youth-employment programmes is necessary. Future research should focus on the informal sector as well, where many young people are employed, and conduct comparative studies across youth-employment programmes to understand what works best in various contexts. Addressing these research gaps will help design more effective and inclusive programs.

7.3 Policy Recommendations

7.3.1 Policy Levers for Employment

Key-informant interviews and focus-group discussions pointed out the ways in which Uganda lacks a comprehensive youth-employment policy. As a result, youth employment challenges are addressed indirectly through broader policies that do not specifically target youth issues, limiting the effectiveness of interventions. The absence of a specific policy leads to fragmented, poorly coordinated initiatives, making it difficult to address youth unemployment effectively.

7.3.2 Tracking and Monitoring Systems

Improved monitoring and evaluation systems would ensure transparency and effectiveness and could address such issues as mismanagement and diversion of funds.

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