



LAMWO DISTRICT

INVESTMENT PROFILE



Empowered lives.
Resilient nations.

LAMWO DISTRICT



Figure 1: Map of Uganda showing the location of Lamwo District

SNAPSHOT ON LAMWO

Geography	
Location	Northern Uganda
Neighbors	Kitgum, Pader, Gulu and Amuru districts and S.Sudan in the North
District area	5,588.3 KM ²
Arable land area	5029.5 KM ²
Socio-Economic Characteristics	
Population (2016 estimate based on 2014 Census)	137,948
Refugees and Asylum seekers (August 2016)	3,993
Languages	English, Acholi
Main Economic Activity	Agriculture
Major tradeables	Cotton, sunflower, simsim, rice, millet, sorghum, Ground nuts and beans
Market target	South Sudan, North and Eastern DRC and Uganda of approximately 71 million people
Infrastructure and strategic positioning	
Transport network	Road Transport
Communication:	MTN, Airtel

GEOGRAPHY

- ➔ The district has an area of 5,588.3 km², of which 90% is arable. However the district is sparsely populated with population density of 24.5 persons per sq. km and therefore uses limited land in agriculture.

DEMOGRAPHY



| *South Sudanese refugees arrive in Lamwo district*

➤ Lamwo is one of the Ugandan districts that are participating in settling the refugees who have migrated from South Sudan because of politically triggered violence. The refugees are registered in a reception center, allocated plots of land in a refugee settlement and supported to build homes, farm and establish income generating businesses. This effort is in line with Uganda's transformational approach of making refugees in Uganda self-reliant and locally integrated with the host communities thus alleviating their restriction, lack and uncertainty.

➤ In 2016, the population of Lamwo District was estimated at approximately 137,948. The population of the district is young, with age group under 18 constituting up to 58.2%. This puts a great pressure on the working population. The population trend is presented in the table below:

| *Lamwo population trend*

Census year	Population
2014 (Census)	134,431
2015 (Estimates)	135,600
2016 (Estimates)	137,948

Source: UBOS Statistical Abstract 2016

MAIN ECONOMIC ACTIVITIES

- ➔ Crop farming is the main source of livelihood of the population. Cotton is the main cash crop and other cash crops such as sunflower, simsim, rice, millet, sorghum, Ground nuts and beans are growing in importance.
- ➔ Recently barley and wheat have also been introduced and are grown commercially. Livestock farming supplements crop farming.
- ➔ The district experiences two rainy seasons from March to June and from August to November which favours continuous growing of crops thus contributing to the communities' food security.

WHY INVEST IN LAMWO DISTRICT

- ➔ Lamwo is a prime investment site based on its unique features including its tourist attractions, fertile soils, conducive weather and available land. It is strategically located within a large market of the population in South Sudan, North and Eastern DRC and Uganda of approximately 71 million people. The following offer reasons for investing in Lamwo:

Extensive Natural resources

- ➔ The district has an area of 5,588.3 km², of which 90% is available fertile arable land. Given the sparse population density of 24.5 persons per km², the community uses a small land area for agriculture. There is therefore available land which can be exploited for commercial agriculture.
- ➔ Lamwo has abundant water resources which can be harnessed to support agricultural production. These sources include;

boreholes, shallow wells, springs, wetlands and rainwater. These can provide a reliable source of water for farm irrigation.

Enabling Environment

➔ The Government of Uganda has demonstrated strong commitment to create and strengthen the environment for existing and new investors to be competitive within Uganda, regionally and internationally.

➔ Transport Infrastructure

Government has constructed roads especially feeder roads, with a focus on enabling and enhancing the progress of business operations and other income generating activities.

The Aringa Bridge, for example, was rehabilitated in 2014 financed by the Japanese Government under its partnership with the Government of Uganda. The completed bridge reopened access into Lamwo for investors and traders to conduct business.

Lamwo district has one major gravel surface road that connects it to Adjumani through Atiak on the west and to Gulu on the East. The district also has a murram road network linking its rural areas. Within the Second National Development Plan 2015/16 – 2019/20, Government plans to tarmac the district's major road (Lamwo – Adjumani – Atiak).



| Aringa Bridge in Lamwo



| Nyimur Multipurpose Water Resources Project

➤ Energy infrastructure

Government has focused on expanding electricity generation and supply nationwide with the aim of significantly reducing the overall unit cost and making it affordable and readily available for industrial and domestic use. In 2011, Government commissioned a new national grid power line to Lamwo district.

➤ Other agricultural infrastructure developments

» The Agoro Irrigation Scheme is another infrastructural development in Lamwo which is aimed at fostering commercial agriculture of non-traditional crops such as wheat and barley as well as other high value fruits.

» Nyimur Multipurpose Water Resources Project

This project, in the inception phase, is in the Nyimur River valley found in Lamwo district in Uganda and Magwi County, Eastern Equatorial in South Sudan. Uganda is a partner and instrumental in this project implementation under The Nile Basin Initiative. The project consists of a 26M head dam reservoir on Nyimur River and five modules of irrigated lowland rice of measuring approximately



Girls at a High School in Lamwo

5,105 ha. A mini hydropower plant with a capacity of 350 kW is also included in the dam component.

While the project is aimed at social development of the community, it will create a large base of high productivity cultivation (irrigated agriculture) that will make available enough produce supply for agro-processing businesses. The agricultural products generated from this scheme and further scale-up investments can find abundant markets mainly from within Uganda, South Sudan and DRC.

Skilled workforce

The Government has set up primary and secondary schools and also spearheaded the provision of scholarships for science students in higher institutions of learning. Lamwo has 65 primary schools, six secondary schools and two technical schools. Skilled and affordable workforce are abundantly available.

Supportive Local Government structures

The local government structures integrate the political structure under the district Chairman and the technical structure under Chief Administrative Officer (CAO) in order to provide efficient services. Investors are assisted by the different departments in the local government depending on the issues at hand. Uganda Investment Authority (UIA) is promoting the one stop centre concept at the district level where the Chief Commercial Officer (CAO) is the facilitator of new investors, to fulfil all required steps in investment start up.

UIA has further embarked on establishing District Investment Committee (DICs) to spearhead investment attraction, facilitation and aftercare in different sectors. The DIC is a 10 member task force comprising five local government representatives: the District Chairman, CAO, the District Commercial Officer (DCO), District Planner and the Lands Officer while the other 5 members are chosen from the private sector.

Attractive Incentive regime

- ➔ Uganda's incentive package for both domestic and foreign investors provides generous terms, particularly for medium- and long-term investors whose

projects entail significant plant and machinery costs. Below is a snapshot of selected incentives. The incentive structure is currently under revision. For details, refer to www.ugandainvest.go.ug/downloads/

Category 1- Initial Allowances:

Initial capital expenditures which are deductible once from the Company's Income:

- » 75% of cost of plant and machinery for an investment located outside Kampala, Entebbe, Jinja area;
- » 100% of scientific research expenditure;
- » 100% of training expenditure;
- » 100% of mineral exploration expenditure;
- » 25% of start-up costs are deductible over four years.

Category 2- Annual Depreciation Allowances:

The following allowances, under declining balance method, are provided for assets as specified in 4 classes below:

- » Class 1: 45% on Computers & Data handling equipment;
- » Class 2: 35% on Automobiles, Construction and Earth moving equipment;

- » Class 3: 30% on Buses, Goods Vehicles, Tractors, Trailers, Plant & Machinery for farming, manufacturing and mining;
- » Class 4: 20% on railroad cars, Locomotives, Vessels, Office furniture, fixtures etc.

Category 3 - Other Annual Depreciation Allowances include:

- » 5% on Industrial Buildings, Hotels & Hospitals;
- » 20% on Farming - General farm works;
- » 20% on Horticultural Plant and Construction of

Green-houses using straight line depreciation

- ➔ In addition to the above incentives, there is a zero rate of import duty on plant and machinery as well as a uniform corporate tax rate of 30%.
- ➔ The depreciation allowances, plus the deductible initial capital allowances are provided without discretion to eligible investors in order to reduce their taxable income during the crucial early years of a project. The investor therefore keeps a high proportion of its cash flow and income for further investment.

INVESTMENT OPPORTUNITIES IN LAMWO

Investment opportunities in Lamwo include, but not limited to:

Tourism

- ➔ Developing modern tourist sites and museums, focusing on the sites of political/historic importance such as: the site where King George II of England stayed as he sought asylum during World War II; the Ngom-Lac Primary School in Lukung Sub County site at which 417

Ugandans were massacred by Field Marshall Idi Amin Dada among others.

- ➔ There are also opportunities to involve local communities in village walks, outdoor recreational activities and cultural heritage should be explored. This will bring not only economic benefit to local individuals and communities as a whole but it also will enable them to participate more actively in the conserva-

tion of their natural, historical and cultural attractions. There are opportunities in provision of tourism promotion services dedicated to marketing tourist attractions in the Northern region and building the Northern Uganda's image. Other appropriate investments are in skilled guides and well-placed camping sites and lodges throughout the area's hills and mountains, waterfalls, rivers and lakes. Furthermore, investment opportunities exist in construction of high end hotels, guest houses and residential accommodation.

Environmental Conservation

- ➔ Deforestation and environmental degradation in the whole of West Nile region has resulted from tree cutting for firewood, opening land for crop cultivation, using poor farming methods, overgrazing herds of cattle,

goats and sheep. The pressure of increased population of frequent migrants from Southern Sudan and Eastern Congo fleeing from civil and political conflicts in those countries has seriously contributed to this situation. Investment in large scale tree planting and large scale tree nurseries is an opportunity for substantial income generation, reforestation, and revival of the environment and creation of jobs that can diversify sources of income for the local communities.

Commercial agriculture

- ➔ Given that the district is sparsely populated, with large tracts of uncultivated arable land, investment in large-scale commercial agriculture is a major attraction. New investors would particularly scale up the existing commercial agriculture initiatives such as in coffee, barley and wheat, and the high value fruits.

SUCCESSFUL EXISTING INVESTORS

- ➔ Farmer entrepreneurs in Lamwo are operating small scale rice mills especially since 2011 when the district was connected to the national electric power grid. These mills are helping many farmers process their rice

and selling as groups directly to buyers, thus overcoming the exploitation from middlemen in Lira and Gulu.

- ➔ Local business men operate small scale metal fabrication workshops and carpentry

workshops. There is a trend of upgrading such workshops by investing into more modern machinery as a result of availability of electricity. Before the electricity was extended into Lamwo

the investors used generators to run these workshops.

- ➔ Other businesses include local trading in consumer goods eg textiles, food commodities, Supermarkets; and Agricultural commodity dealers

RISKS AND CHALLENGES

- ➔ Lamwo district is generally safe. However, the regional security is fragile because the northern and western border parts of West Nile region are porous and the border controls are very weak. The instability across the border in South Sudan may cause uncertainties in the district business environment. This district is destination for refugees that

enter from DRC and South Sudan is a situation that impinges on food security and poses a strain on land and social economic services. Moreover, the adverse climatic changes resulting in irregular rainfall is expected to have a bad impact on the production and sustainable supply of food to the increasing population.

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