



Private Sector Foundation Uganda (PSFU)

Policy Advocacy and Business Development Department

July 1st to September 30th 2022 Quarter Report

Presented to

The Policy Committee

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1.0. Introduction.

As an Apex Body of the private sector in Uganda, Private Sector Foundation Uganda (PSFU) is delighted to report to our members, partners, and other stakeholders on some of the activities we have been engaged in during the period under review. The summary of activities as outlined below is based on our four strategic mandates as an organization which are:

1. Research and advocacy on policy issues that affect private sector enterprises.
2. Maintain institutionalized dialogue with the government on behalf of the private sector in Uganda.
3. Review of business legislation and regulation to make it more efficient for private sector operations.
4. Business development support for SMEs i.e. product development, standards improvement, market access, technology acquisition, and application and skills training.

The Policy Advocacy and Business Development Department has an obligation to actualize the mandates of PSFU, especially in research, evidence-based advocacy and business development. As part of that, the department is thus required to engage PSFU's membership and development partners to achieve the short-term and strategic objectives of the institution. It is based on that background that we report on the activities accomplished this quarter from July to September 2022 in an effort to achieve that objective. The activities are arranged based on four core mandates of; research and membership engagements; writing of policy position papers and briefs on issues affecting members; advocacy and public sector engagements; business development services.

SECTION ONE

RESEARCH AND MEMBERSHIP ENGAGEMENTS

As part of the department's mandates, we are required to do research to inform our advocacy and other membership interventions as an organization. This is done through membership engagements in form of membership visits and consultative meetings. In the period under review, the following **activities have been done** to this effect;

1.1. Education and Sports Sector Consultative Meeting.

On 23rd August 2022, PSFU hosted the Education and Sports Sector members for a consultative meeting on the issues affecting the education and sports sector, especially the reforms and the 1992 Government White Paper on Education. A position paper was written, verified by members and submitted to the Education Policy Review Commission (EPRC) for further action. On this matter, PSFU will be following up with the EPRC for the actualization of the proposals made. The same paper will in part inform our advocacy strategy in the course of this and the next financial years as part of our Platform for Action. A detailed paper is also to be published on the PSFU website.

1.2. Health Sector Consultative Meeting.

PSFU held a meeting with members of the health sector to discuss a broad of issues affecting the sector. A range of issues ranging from public-private partnerships in health service delivery to private health sector financing were raised by members. A position paper is being developed to this effect. After developing the paper, it will be sent to members for further input and verification. Upon verification, the same will be included in PSFU's annual Platform for Action. The issues raised will inform our advocacy in this and the next financial years. The detailed paper will be shared with all stakeholders once it is ready and published on the PSFU website.

1.3. Real Estate and Construction Sector Consultative meeting.

In the period under review, PSFU Policy and Business Development Team hosted a consultative meeting with actors in the Real Estate and Construction Sector. The meeting is part of the midterm review of the National Development Plan Three (NDPIII), the development of the Platform for Action and Budget Strategy for FY 2023/24. In the meeting,

issues affecting the growth and development of the sector and solutions to the same were discussed. Some of the issues raised will inform our advocacy for the sector for FYs 2022/23 and 2023/24. Furthermore, some of the issues will be part of the Private Sector Budget Strategy Paper to be presented at the Budget Conference on 13th September 2022. Members will be updated from time to time on the progress of the action points agreed upon in the meeting. Some of the issues raised include;

- i. Facing the sector, members requested for a platform that has members from both Public and private sector. This platform will always help members raise their issues and they would get timely responses in most cases from responsible people.
- ii. **Sensitization on standards in the construction and Real Estate sector;** most members confessed that there was a gap on the issue of standards among the sector members and for this information to members in the sector. The sector members requested PSFU to organize between UNBS and the sector members.

1.4. Culture and Creative Arts Sector Consultative Meeting.

PSFU hosted a 2nd consultative meeting for the Culture and Creative Arts Sector. The meeting which was Chaired by Mr. Daniel Kazibwe – Sector Chair discussed a broad range of issues affecting the sector. The issues range from the informal nature of the sector to the limited skills of actors. The meeting further proposed some of the solutions to their challenges including having a training fund for the sector and more dialogues with the government actors. The meeting resolved to have a two or more days retreat with the public sector actors which would be a B2G engagement to further discuss the issues affecting the sector's growth and come out with a clear way forward. PSFU committed to fast-tracking the retreat idea.

1.5. Forestry Sub-sector Consultative Meeting.

The Sector Agriculture, Agribusiness and Forestry held a meeting with members in the forestry sub-sector under the Chairmanship of Hon. Victoria Sekitoleko. The meeting discussed policy issues and challenges affecting the private sector players from the realization of profits in agroforestry. The discussed issues range from lack of incentives for the sub-sector to unfair tax regime which is affecting the sector growth. To that effect, a position paper is being developed and that will inform our advocacy for the subsector and some of the issues will be included in the private sector position paper on FY 2023/24 Budget Strategy.

1.6. Tourism and Hospitality Sector Consultative meeting.

PSFU with the Chairmanship of Ms. Civy Tumusiime held a Tourism and Hospitality Sector Consultative meeting. The meeting's objective was to discuss the issues affecting the sector as part of; (i) NDPIII mid-term review, (ii) inform the Platform for Action Paper, (iii) inform the 2023/24 Private Sector Position Paper on Budget Strategy and (iv) development of sector positions to inform advocacy for the sector. Members raised a number of issues ranging from taxation to marketing and funding for the sector. The meeting agreed to host a two-day retreat which is being planned for the last week of October 2022. A position paper for the sector is being developed to that effect. Also, a one-day stakeholders' consultative workshop to develop the sectors' public-private sector strategy is being planned for first week of November.

1.7. Trade and Commerce Sector Consultative Meeting.

PSFU hosted Trade and Commerce Consultative Meeting. The meeting was attended by members in the trade and commerce sector with the Chairmanship of Mr. Lino Iciel and guidance of Mr. Issa Sekito. Members discussed the issues affecting the sector and proposed areas of intervention by both PSFU and the government of Uganda. Some of the issues raised are local, national, regional and global in nature. They range from Tariff Barriers to NTBs including trade facilitation issues. Some issues that require a budget response are part of a private sector position paper on Budget Strategy and others will be included in the sector's position paper and Platform for Action Paper as part of our Advocacy agenda. Some of those that were presented in the Budget Strategy for the next FY have already been responded to by the Minister such as increasing the availability of affordable financing and enhancing access to regional and global markets.

1.8. Agriculture stakeholder consultative meeting on Contract Farming Bill.

PSFU hosted a consultative meeting with members of the agriculture sector to discuss issues regarding contract farming. The purpose of this is to ensure that both farmers, aggregators and exporters within the agriculture value chain are protected under law. A position paper was developed based on the provisions of the draft Contract Farming Bill which is a private member's bill moved by Hon. Abed Bwanika – Shadow Minister for Agriculture.

1.9. Professional Services Sector Consultative Meeting.

PSFU under the Chairmanship of Ms. Sarah Kagingo hosted the Professional services sector members for a consultative meeting on issues affecting the professional services sector. Members raised a number of issues affecting the growth of the sector and among the many issues that were raised by the members, members agreed to concentrate on three key issues for advocacy and these include; Local content Bill and intellectual rights, Taxation and government regulations in the sector, Awareness on digital currency and need to know about government position on the issue. And finally, members were also interested in knowing on how best they can benefit from the grants and projects in PSFU.

1.10. Manufacturing sector consultative meeting.

PSFU under the Chairmanship of Mr. Humphrey Nzei hosted a hybrid meeting to discuss broad issues affecting the manufacturing sector. A range of issues ranging from the cost and quality of power, the Excise duty tax, the high cost of transport which has increased the cost of doing business, high cost of finance which may call for a special manufacturing fund to support the sector, increasing illicit trade and sub-standard products on market, the CET of 25% on wire rods which should be removed since these rods are only manufactured in Uganda. A detailed position paper is being developed to be shared with members in the sector.

1.11. ICT Sector Consultative meeting.

PSFU with the Chairmanship of Mr. Badru Ntege held a consultative meeting for the ICT sector. Members of the sector discussed the importance of integrating ICT in government programs including the Parish Development Model and raised a number of issues that are affecting the growth of the sector and implementation of the objectives set under NDP III. The position paper is under review. Once completed, it will be incorporated in the Platform for Action Paper and positions that necessitate government attention in form of budgeting will be included in the yet-to-be-completed tax policy proposals and budget strategy paper for the next FY budget.

1.12. Fish sub-sector consultative meeting.

During the period under review, PSFU held a virtual consultative meeting with members in the fish sub-sector. Members discussed issues affecting the sub-sector in both Aquaculture

and Capture fisheries and proposed areas of intervention by both PSFU and the government of Uganda. Some of the issues raised are local, national, regional and global in nature. A comprehensive position paper is being developed for incorporation in the PSFU Platform for Action. After the policy issues raised, below are some the action points generated for the meeting;

- i. Members in the capture fisheries write a paper about illegal fishing gears and fishing levy. This information would help to call for a meeting between the industry players and officials from; Uganda Revenue Authority (**URA**), Ministry of Trade, Industry and Cooperatives (**MTIC**), Ministry of Finance, Planning and Economic Development (**MoFPED**) and Ministry of Agriculture, Animal Industry and Fisheries (**MAAIF**).

1.13. Oil, Gas, Minerals, Energy and extractives sector consultative meeting.

PSFU held a consultative meeting with members of the sector under the Chairmanship of Hon. Dr. Elly Karuhanga. Members raised issues ranging from renewable energy use, harnessing the oil and gas sector opportunities, local content-related challenges and the urgent need to establish a local content fund under the Ministry of Energy and Mineral Development for the private sector in the oil and gas space. The sectoral position paper is almost complete and issues raised were incorporated in the Private Sector Position Paper on the Budget Strategy for the FY 2023/24. Others will be part of the tax proposals for the next FY tax policy regime.

1.14. Transport and Logistics Sector Consultative Meeting.

Under the Chairmanship of Mr. Charles Kareba, PSFU held a consultative meeting with members of the Transport and Logistics Sector. The meeting was part of consultations for the next FY Budget and tax policy proposals, the development of PSFU's Platform for Action Paper and the NDPIII mid-term review process. Issues and proposals raised by members made part of the Budget Strategy Paper for the FY 2023/24 and others will be included in the tax proposals paper yet to be sent to the Ministry of Finance, Planning and Economic Development.

1.15. Stakeholder meeting to conduct a study on the Impact of Digital Tax Stamps (DTS) on the manufacturing sector in Uganda.

PSFU held a meeting with stakeholders in the manufacturing sector to discuss on how to conduct a study on the impact of DTS study to Uganda's manufacturing sector. this study will help in guiding if the government has attained its objectives of reducing tax invasion and illicit products on the markets. To raise funds for the study, PSFU sent letters to key sector players for contribution and currently, UBL, BAT and coca cola have given a positive response towards financing of the study. Further, PSFU is in the process of procuring a consultant to conduct the study.

1.16. Inception meeting for a campaign on Illicit trade.

PSFU held a hybrid meeting with the members of the business community who have been affected by the Illicit trade. The idea was to come up with possible ++ways of organizing a consolidated campaign against illicit trade across all the affected sectors in Uganda and among these sectors are those in the alcohol, tobacco, beverages, agriculture, cosmetics, Consumer goods, petroleum and traders.

During the meeting, it was realized that some organizations like Uganda Breweries Limited (UBL) and British American Tobacco (BAT) had conducted some studies on Illicit trade and its impacts to the business community. Members present requested for access to the study materials for the studies conducted by these two organizations a for a better understanding of the issue at hand. Further, members in the meeting recommended a working committee of five people representing UBL, BAT, Crop Life, Unilever and PSFU to work together towards the development of strategies what would combat illicit trade in Uganda. Members of the working committee include; Jackie – UBL, Ruth – BAT, Betty Atto – Crop Life, Martin Maku– PSFU and Claire – Unilever. Finally, **PSFU was requested to coordinate meetings** with the different stakeholders both **Public (URA, UNBS, Police and other MDAs,)** and **Private industries** (Alcohol, Tobacco, Beverages, Agriculture, cosmetics, Consumer goods, petroleum and traders) in preparation for the workshop.

1.17. A follow up meeting on about wheat replacement.

Following a national dialogue on 22nd June 2022 which had an objective of finding home grown solutions for wheat as prices were soaring high as a result of the Russia- Ukraine war

and general distortions in the global supply chain, PSFU secretariat members had a meeting on 15th July 2022 to discuss on the outcomes and recommendations that had come out in the meeting. Among the key action points for the meeting were; a meeting with nutritionists and bakers to brain storm on the best substitute for wheat products, the need for Business Development Support (BDS) for product development to the lead firms already blending wheat and cassava, creation of a cassava plat form in the context of consumers vs markets, PSFU organize the second key stakeholder meeting (a focus group) to come-up with a strategy of engaging government on substitution of wheat, PSFU work with UNBS on quality issues for cassava and certification processes, develop a policy on starch importation to stimulate local production and finally need to research on the different blends to produce products that are acceptable by consumers.

1.18. Consultative meeting on Trade in services

The PSFU consulted the PSFU Trade core team which targeted 30 members from different sectors namely, Tourism, Logistics, Engineering. Professional services, Distribution and Education. This was the preparatory meeting to develop a position for the private sector to present it to the Trade in Services at the EAC Level with EABC meeting in Mombasa on 1st to 5th August 2022. The Objectives of the meeting were;

- i. To create awareness about the progress towards the development of the draft EAC services strategy, its objectives and draft interventions;
- ii. To consult the private sector players in the various services sector to capture their views and comments on the draft strategy and;
- iii. To build capacity of membership with in the services sector about the services negotiation processes and key terminologies.

1.19. The Meeting of the Regional Committee on Trade in services.

On, 1st to 5th August 2022, at Paradise Hotel, Mombasa, PSFU participated in an EAC meeting organized by EABC on Trade in services as part of the AfCFTA Trade in Services Negotiations. This meeting convened with the following objectives;

- i. To finalize the revised draft EAC Trade in services

- ii. To validate the data in the regulatory audits which had been captured in the excel template of the EAC mechanism on the removal of restrictions on trade in services.

These are the issues that were incorporated in the EAC strategy presented by the consultant,

- i. **Air transport;** EAC partner states should negotiate the multilateral Air service services agreement (MASA) to replace the Bilateral air service agreement (BASA).
- ii. **Tourism;** The use of the National IDs as a travel document across all Partner States should be negotiated to include all the Partner States.

SECTION TWO

WRITING OF POLICY BRIEFS AND POSITION PAPERS

Evidence-based policy advocacy on behalf of our members is one of our core mandates as a department and one that makes us strong as PSFU. This form of advocacy is always based on policy positions and brief papers that we develop through consultations with our members in different sectors. As it is a norm, PSFU's advocacy strategy is premised on the bottom-up approach. As part of this mandate, the following **policy briefs and position papers have been developed** during the period under review;

2.1. Policy Brief on Maize Value Chain Development.

During the time under review, PSFU developed a Policy Brief Paper on "Investment in Value Chain Development: A Solution to the Increasing Prices of Maize". The paper was developed following skyrocketing prices of maize and wheat as a result of global food prices inflation. The paper is informing our advocacy in that area as it makes proposals for both private and public sector interventions to develop the maize value chain. The paper has been also published on PSFU website for members' and other stakeholders' access.

2.2. Policy Brief Paper on Cooking Oil and Soap Prices.

During the time under review, the department developed a PSFU Policy Brief No. 001/2022 on "Analysis of the Increasing Cooking Oil and Soap Prices". The Policy brief was developed following the skyrocketing prices of soap and vegetable oil as a result of geopolitical tensions in Europe and COVID-19 shocks which affected the global supply chains. The paper has been at the centre of our advocacy and was presented to the Prime Minister by the CEO and some recommendations were adopted and are to be a priority in the next FY budget.

2.3. Private Sector Position Paper on Local Content Bill.

PSFU through consultation with members developed a position paper on Local Content Bill. The paper was used to advocate for the passing of the Local Content Bill which was initially returned to Parliament by the President. Chair and members, we are glad to report to you that our proposals were adopted and the Bill was passed on Tuesday 6th September 2022. The bill is yet to be sent to the President for ascent. We are still advocating for the same to be accented to by H.E. the President.

2.4. Private Sector Position Paper on Budget Strategy for FY 2023/24.

Chairman and members, PSFU developed a Private Sector Position Paper on the next (2023/24) FY Budget Strategy. The paper was and still is a tool we are using to push for private sector interests in the next FY. The same was presented by the CEO to the Permanent Secretary and Secretary to Treasury – Ministry of Finance, Planning and Economic Development on August 23rd and at the Budget Conference again by the CEO on behalf of the Chairman on 13th September 2022.

2.5. Private Sector Position Paper on Contract Farming Bill.

Through consultation with members, PSFU developed a position paper on Contract Farming Bill. The Private member's Bill moved by Hon. Abed Bwanika is meant to protect farmers and other actors including exporters in the agriculture value chain. The paper is a basis for us to advocate for the passing of the bill and also ensure that the bill responds to the challenges of farmers and other actors in the agriculture value chain. The paper was presented to Parliament – Committee on Agriculture and submitted for consideration.

2.6. Private Sector Position paper on Education Sector Reforms.

Through consultation with members of the private education sector, PSFU developed a position paper on the sector especially by looking at the current and other necessary reforms required by the sector. The paper was presented to the Education Policy Review Commission for consideration. It is also an advocacy tool we are using to push for education policy reforms that reflect the aspirations of the private sector actors in the sector.

2.7. Private Sector Position Paper on 10% Import Tax and VAT on Animal Feeds and Concentrates.

Chairman and members, we are glad to report that upon the abrupt imposition of 10% import duty and 18% VAT on animal feeds and concentrates, we developed a position paper showing the impact the abrupt tax will create on the livestock sector. The paper was presented to the Parliament through a member of the Agriculture Committee in Parliament and the Shadow Minister for Agriculture Hon. Abed Bwanika. Chair and members, we are glad to report that our proposals were accepted by Parliament and the tax has been suspended based on the fact that locally available local capacities are still lacking in terms of quality and quantity.

2.8. Private Sector Position on the East Africa Customs (Amendment) Bill 2022.

During the period under review, the private sector position paper was developed through consultations from the trade, manufacturing, and Logistics sector players. It was later presented and dialogued with the Ministry of EAC Affairs, Ministry of Trade Industry and Cooperatives and URA in the development of the Uganda National position on the proposed bill. Some of the key proposals which were adopted as submitted include;

- a) Increase in the threshold above which the customs law shall apply from USD 50 to USD 200. This was aimed at promoting women and youth who are engaged in trade as a form of employment while ensuring the cost-effectiveness of the URA.
- b) Trade facilitation. The concentration of the customs on growing domestic taxes other than import-related taxes.
- c) Discouragement of discretionary powers of the commissioner since they are found of abuse but also do not comply with the principle of fairness of the law.
- d) Focus on Ad valorem tax rates than specific rates for ease of administration and fairness of the law. Consequently, penalties for noncompliance was considered at 30% of the value of the goods.

2.9. Private Sector Position on the East African standards on bread, soya milk, soya protein products, textured soya protein products, milled rice, and barley for brewing.

In preparations to make contribution to the six East African Standards on bread, soya milk, soya protein products, textured soya protein products, milled rice, and barley for brewing, PSFU made consultation with members in the agriculture sector to develop a position on all the standards. With guidance from a technical person from the Uganda National Bureau of Standards (UNBS) – Ms. Ruth Awio, the members developed a position for the soya bean products and for other products, consultations are ongoing to develop a compressive position that is met to be submitted to the East African Business Council (EABC) on 20th October 2022.

SECTION THREE

ADVOCACY – PUBLIC SECTOR ENGAGEMENTS

Chairman and Members, one of our core responsibilities as an organization are to represent members' issues to the responsible government Ministries, Departments and Agencies (MDAs). This takes much of our days at PSFU. Under this core mandate during the period under review, we have had the following advocacy engagements;

3.1. Meeting the Parliamentary Committee on Finance, Planning and Economic Development.

During the period under review, PSFU met with the Parliamentary committee on Finance Planning and Economic Development to present a Private Sector Position Paper on Local Content Bill 2022. Chairman and members, we are once again glad to report to you that our proposals were adopted and the bill was passed by Parliament on 6th September 2022 and is yet to be accented to by the President. We are using the same positions to push for its accent and consequent implementation when it becomes a law.

3.2. Meeting with the PS/ST on the FY 2023/24 Budget Strategy.

PSFU led by the CEO on behalf of the Chairman had a meeting with the PS/ST Ministry of Finance, Planning and Economic Development to present a private sector position paper on the next FY's Budget Strategy. Chair and members, we are glad to report that in the Budget Strategy Speech by the Minister of Finance, Planning and Economic Development (MoFPED) on 13th September 2022 at the Budget Conference, 90% of our proposals were captured.

3.3. Presentation of Private Sector Position Paper at the FY 2023/24 Budget Conference.

On behalf of the Chairman Hon. Dr. Elly Karuhanga, PSFU – CEO Mr. Stephen Asiimwe presented a private sector position paper on the FY 2023/24 Budget Strategy at the budget Conference organised by the MoFPED. Whereas most of our proposals had already been captured, we presented those that had not been capture in the Minister's speech but need close attention in the next FY budget.

3.4. Meeting with the Parliament of Uganda – Agriculture Committee to consider the Contract farming Bill.

PSFU was invited by the Parliament of the Republic of Uganda to participate in a stakeholders' consultation meeting to consider the Contract Farming Bill 2022. The meeting took place on 27th September 2022 at the parliament of the Republic of Uganda. PSFU presented a position paper that had been developed through consultation with PSFU members in the Agriculture, Agribusiness and Forestry Sector.

3.5. Participation in the Development of the National Employment Strategy (NES).

The government of Uganda through Ministry of Gender, Labour and Social Development (MGLSD) is undertaking the formulation of the first NES which is in line with the National Employment Policy 2011's key priority policy recommendation of stimulating economic development through employment creation. The formulation is anchored on the need to;

- i. Provide a strategic direction to labour market actors for generation of sufficient productive and decent jobs for all.
- ii. Put employment creation at the center of all national policies, strategic plans and programmes.
- iii. Provide criteria for the selection of alternative public and private investments, programmes and/or projects.
- iv. Address the high labour market vulnerability and volatility.

The private sector Foundation Uganda was invited to contribute to the stakeholder consultations to support in the formulation of a draft that will be validated by stakeholders on 10th October 2022.

3.6. Development of the Regulatory Impact Assessment (RIA) Report on Business Start Ups.

Working with Ministry of Trade Industry and Cooperatives and the Cabinet Secretariat, commissioned the RIA to guide on the best course of action to consider while addressing the issues affecting the business environment within which the business start-ups operate. Interest from various stakeholders has been registered with the Hon. Boniface Okot, seeking leave to move a private members bill on business startups and JICA registering interest to support some of the interventions as will be proposed by the RIA.

SECTION FOUR

BUSINESS DEVELOPMENT SERVICES – CREATING BUSINESS LINKAGES

One of the other core mandates of the department is to ensure that PSFU offers members opportunity to develop their business through providing BDS and creating platforms for them to access markets both local, regional and foreign. As part of this mandate, during the period under review, the following have been done;

4.1. Tourism sector stakeholders' workshop on the Tourism Enterprise Grant under CEDP-AF

PSFU coordinated a sector stakeholders' engagement on the tourism enterprise grant under the competitiveness and enterprise development project-AF project of the government of Uganda co-financed by the International Development Association of the World Bank Group (IDA) to support private tourism firms to recover from the COVID-19 negative effects. The engagement attracted representation of tourism private sector players including; Uganda Wildlife Authority, Ministry of Tourism, Wildlife and Antiquities, Uganda Tourism Association, Association of Uganda Tour Operators, Uganda Hotel Owners Association, Uganda Community Tourism Association, Association of Women in Tourism Trade, The Uganda Association of Travel Agents, Uganda Association of Conferences, Convention and Incentives, National Arts, Craft and Cultural Association of Uganda, Buganda Heritage and Tourism Boards, Kasese Investor Tourism Forum etc.

The stakeholders' workshop aimed at providing information about the available funding opportunities under the community sub-component and receiving feedback from the participants on the proposed approach. The engagement presented the focus of the tourism enterprise grant, targeted beneficiaries, eligibility criteria, grant limit per firm, level of support, reimbursement modalities, participation, grant processing as well as requirements for application.

The engagements provided feedback from participants i.e., the planned interventions of the project should support firms to build strategic plans, define MSMEs in the project concept to guide applications, work with the private sector membership associations to avoid irregulated players from benefiting from the project opportunities, sensitization on implementation and

access to funds, specify the number of projects per call among others. The engagement outcome was that more information on the access to the funds or grant will continually be shared through the member associations, PSFU secretariat and key media channels.

4.2. South Sudan -Uganda Business Forum 2022.

PSFU partnered with the Ministry of Foreign Affairs, and Uganda National Chamber of Commerce and Industry to implement the first of its kind, the South Sudan-Uganda Business Forum to engage with the public and private sectors from both countries through open discussions, information sharing and working sessions. The forum served as a platform to explore new business opportunities and to address the challenges that affect trade and investment between Uganda and South Sudan in key sectors, Agriculture, Education, tourism, manufacturing, infrastructure, construction, and professional services.

The forum provided the private sector a platform to examine the challenges in doing business, getting credible, firsthand information on investment climate, trade, and business, accessing finance for business and investment, understanding regulatory, taxation and legal regime, and networking for potential partnerships among others.

PSFU held bilateral meetings with the South Sudan Chamber of Commerce and agreed to sign a Memorandum of Understanding to facilitate the business communities in both countries, governments of both countries agreed to provide protection of investments through a joint permanent commission, and hold a second business forum hosted by Uganda.

4.3. Uganda – Somalia Business Summit.

PSFU in partnership with the Ministry of Foreign Affairs hosted a business summit on 10th August 2022. The summit was graced by the Presidents of Uganda and Somalia. It attracted over 350 business people from both countries. During the summit, PSFU presented a private sector position paper on the investment challenges and opportunities for Ugandan business men and women in Somalia and vice versa. Both Presidents pledged commitment to work on some of the Non-Tariff Barriers including Visa and transportation challenges and integrating of Somalia into the East African Community. Presidents and summit participants also visited exhibitions where Ugandan business people showed case their products.

SECTION FIVE

OTHER STRATEGIC ENGAGEMENTS WITH STAKEHOLDERS

1. Invitation to a one-day workshop in development of the Strategic Plan for Hortifresh Association.

PSFU was invited by the Hortifresh Association to support in the development of a strategic plan for the next five years. The process of strategy development is being managed by Aclaim and has been sponsored by Techno Serve through HortiMAP project.

2. Meeting top management of the British American Tobacco (BAT).

A delegation from BAT came to PSFU to discuss on the possible ways PSFU can work with BAT to address the issue of increasing illicit trade in Tobacco industry which has increased from 23% in 2020 to now 27% in 2022. Increase in illicit trade has many negative effects and among them is loss of government revenue. As an action point, BAT requested PSFU to organize a high level public private policy dialogue to discuss these issues with together with key decision makers in government and a uniform position would be developed for implementation. The Dialogue will be funded fully by BAT.

3. Meeting with a team from Regenerators on possible ways of collaboration.

Through the week of 13th to 16th September 2022, the management of PSFU had a series of meeting with the top leadership of a team from Regenerators. As a company, they have a vision of having a world where local communities are food sovereign and have fully transitioned to regenerative agricultural systems. The company has a number of technologies which bring appropriate scale mechanization to smallholder farmers and this is to help to create jobs, knowledge and capacity through manufacturing and service delivery.

4. National Agricultural Research Organization (NARO) for the private sector round table meeting in Hotel Africana.

On 12th September 2022, PSFU was invited by the National Agricultural Research Organization (NARO) for the private sector round table meeting in Hotel Africana. NARO in attainment of her strategic Plan 2018/19 to 2027/28 theme Market Oriented Research spurring Agro-Industrialization and realizing her vision of a market responsive, client oriented and demand driven national agricultural research system, NARO has been partnering with a number of private sectors with incredible results. This has stimulated the need for more research to provide solution to local agro-industrial needs. During the meeting where PSFU was invited to share experiences, challenges and recommendations to help in the attainment of her vision.

5. Meeting with the National Statistics Working Group at the Uganda Bureau of Statistics (UBOS).

On 23rd August 2022, PSFU was invited for a first quarter meeting of the Statistics working group on the Sustainable Development Goals. The meeting was organized by the Uganda Bureau of Statistics and below were the emerging issues;

- There was need to share the SDG Indicator matrix with members of the TWG to update their respective indicators with new data series
- PSFU to submit its statistics strategic plan with UBOS for printing and also start reporting on key statistics indicators for the private sector.

6. Invitation to the second drafting retreat for the joint programme on SDG related data and statistics.

PSFU was invited for a second drafting retreat for the joint programme on SDG related data and statistics by Uganda Bureau of Statistics (UBOS) in collaboration with the SDG Secretariat. The office of the Prime Minister and the United Nations Country Team commissioned a study to review the status of the Sustainable Development Goals (SDGs). The study aimed at identifying data gaps and capacity requirements to inform the design of the Joint Programme on Data and Statistics as well as support the resource mobilization efforts towards developing a more robust National Statistical System (NSS). It was unanimously agreed that the consultants would take more time to align the document in relation the comments that had been provided and would later on share with the team for further review and endorsement.

7. Data collection and stakeholders' Engagement for Business Information Portal (NCBIP) under the IFAD –NCTTCA project under the Northern Corridor Transit and Transport Coordination Authority (NCTTCA).

On 1st of August 2022, PSFU was invited to support in the implementation of a project called strengthening resilience of agri-food micro, small & medium enterprises (MSMEs) during and post covid-19 in East Africa which are engaged in cross border trade. Cross-border trade is an essential source of income for cross-border communities, especially women and smallholder farmers since many of these communities depend on the proceeds from the informal cross-border trade to purchase essentials to survive. NCTTCA secured grant support from IFAD to implement a project aimed at strengthening resilience of agri-food micro, small & medium enterprises (MSMEs) during and post covid-19 in East Africa. The NCBIP is being developed to cover market information sharing for small scale farmers. The portal covers information on agriculture in a broad perspective. The information collected is a detail of market information, prices, trade and border procedures, etc. the information will be also accessible on mobile phones through mobile application and USSD application.

8. Local-gap task force meeting on 21st July 2022.

The private sector players are setting up standards to promote self-regulation in the food and vegetables industry. This is an activity that has been tried very many times and failed. To get desired results this time, a task force meeting was organized to elect leadership for the committee. Technical Working Group/Task Force for Local GAP was to come up with a framework that would guide the evolution of Global GAP in the country. We needed to take stock of what has been done to ensure donor/government initiatives aligned with the overall goal, come up with institutional framework, roles of government, private sector, etc.

9. Meeting with a team from the Transformational Business Network (TBN).

On 12th July 2022, PSFU hosted a team from the Transformational Business Network (TBN) who came to pay us a courtesy visit and seek for ways of collaboration and some of the action points for the meeting included having a Memorandum of Understanding (MOU) which will guide on the ways of how the two organizations can work together to support the Micro,

Small and Medium Enterprises (MSMEs). we are going to collaborate. TBN network normally have cohorts of 40 people from Uganda and Kenya. Each of the cohorts goes for 6 month and participants attend business meetings only on Friday. Each of the cohorts is separated by 2 months. For every cohort, PSFU was given a chance to submit a list of 15 companies meeting the following criteria for recruitment; A business must have a scalable business model, rregistered business with 2+ years in operation and bbusiness that have an annual revenue of 120m UGX. A list of about 200 MSMEs was shared with the TBN members for follow up and incorporation into the TBN cohorts.

SECTION SIX

ACTIVITIES IN PROGRESS

The department is in this second Quarter further implementing the following activities;

1. Study on the Impacts of DTS on the Manufacturing Sector.

PSFU working in partnership with members in the manufacturing sector is the process of procuring a consultant to conduct a study on the impact of DTS on the manufacturing industry in Uganda.

2. Campaign on Illicit Trade.

Working with manufacturers in the soft drinks, alcohol, cigarettes, cosmetics and agriculture chemicals industries, we are working on a nation-wide campaign against illicit trade involving both private and public sector actors.

3. Tourism and Hospitality Sector Public-Private Strategy development Consultative Meeting.

In partnership with the CEDP Project, PSFU is organizing a consultative meeting for the tourism sector actors. The target actors include public sector actors, development partners and private sector actors. We are in a mobilization process and the meeting is planned for the first week of November.

4. Development of the Private Sector Tax Position Paper for FY 2023/24.

As part of the budget cycle, PSFU is carrying out consultations with members to develop a private sector tax position paper to be considered in the tax proposals for the FY 2023/24. The paper will be delivered to the Ministry of Finance, Planning and Economic Development by 20th October 2022.

5. Commissioned study (s) on capacity utilization of manufacturing firms.

The purpose is to evidence the argument for (1) local content (2) removal of export restrictions and (3) boost effective demand within the economy, and assessing cost drivers for MsMEs in Manufacturing firms in order to validate the argument for improving the competitiveness of the private sector. These studies are being conducted by EPRC with

partnership from UMA and USSIA. They are expected to inform the Budget Framework paper for FY 23/24.

6. Development of the Private sector platform for Action 2022.

Significant consultations across the PSFU 12 sector was done with leadership of the secretariat. Draft paper is being finalized however, emerging cross cutting challenges affecting competitiveness of private sector as prioritized by membership include;

1. Macroeconomic instability (inflation, exchange rate).
2. Stimulate effective demand.
3. Skills and attitude for labour productivity.
4. Legal regulatory regime (licensing, export processes, bills, policies & regulations).
5. Tax regime.
6. Infrastructure development (infrastructure for water for production, energy).
7. Access to finance (credit, venture capital and development finance).
8. Poor policy implementation by Government.
9. Regional integration.
10. BUBU and Local Content.
11. Governance and Corruption other key sector specific issues are covered in the sector consultation report.

This document is expected to inform the development of the FY 23/24 national budget framework paper.

7.0. Conclusion

Chairman and Members, we once again thank you for supporting our efforts in all the engagements we have had amidst your busy schedules. We continue to engage members and the private sector both on contemporary and strategic issues that affect their business growth and competitiveness. We further pray that the department is further staffed to grow the research component. This will facilitate quick and timely response to a number of private sector issues as and when they come up.

-END-

Appendix 1:

Photo Gallery for the Engagements



Members of the Culture and Creative Arts Sector in a consultative meeting Photo Credit: Kathryn L. Musoke



Members of the Culture and Creative Arts Sector in a consultative meeting Photo Credit: Kathryn L. Musoke



PSFU's Mr. Badru Ntege and Ms. Grace N. Pose for a Picture with Presidents of Uganda and Somalia after the Business Summit in Munyonyo on 10th August 2022.