

POLICY ADVOCACY FOR PRIVATE SECTOR ECONOMIC LED GROWTH

Through the Policy and Advocacy Programme, PSFU has continued to build on its strengthened partnerships with key policy makers at various levels. In the period under review, PSFU has built on its strength and further improved its policy advocacy by remaining focused on; extensive consultations and stakeholder engagements, increased research and analysis, improved policy dialogue with partners¹ and, increased participation in various relevant forums². This is in view of the broadening mandate that arise from the fast growing membership and expectations of key stakeholders.

Mechanism of Advocacy at PSFU

This is systematically done through a wide consultative process with PSFU members and other private sector actors, the private sector competitiveness challenges are identified and prioritized for policy action. Though this wide consultation is intensified to coincide with our contribution to the National Budgeting process, a mechanism is in place to enable identification of pressing issues of the PSFU membership throughout the year. These are identified through members advancing them, investigated through research and analysis and, depending on the research results; subsequent lobbying and advocacy work is then pursued with the relevant policy response institutions or forum available or even created by PSFU. PSFU's advocacy arm also actively participates in key policy debates and stakeholder forums and is mainly charged with ensuring that members are abreast with the existing advocacy agenda. The major PSFU policy outputs are; Position/Issue Papers, Policy Briefs and Updates, Sector Specific Fact Sheets and the Annual Platform for Action document. The unit also produces background papers for the PIRT and a comparison of the Cost of Doing Business in the EAC region every six months, which is available on the website. The main avenues for lobby and advocacy on positive policy reform are; Regular Meetings with HE the President, Ministers, Parliament, Senior Civil Servants and Interface with Uganda's Development Partners.

Key Highlights:

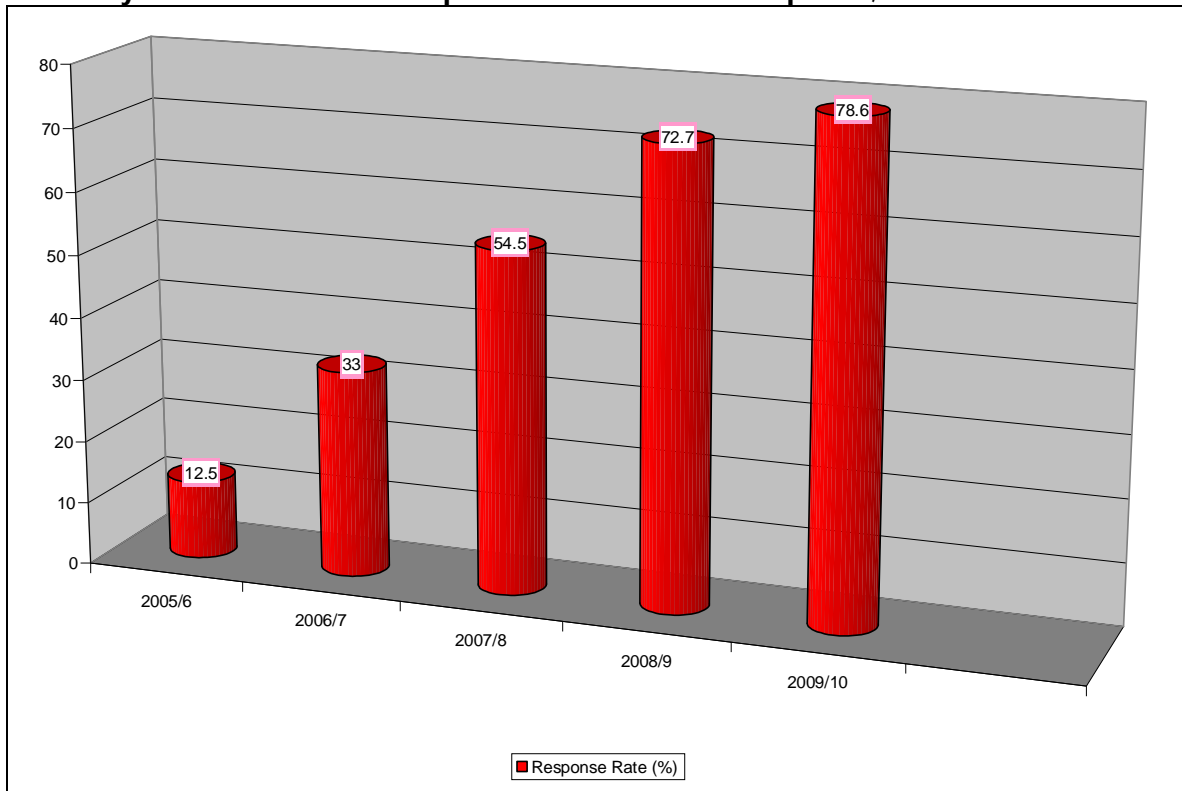
Platform for Action 2009: This is a synopsis of Private Sector Policy Concerns and Suggestions for the year 2009 catalogued in one publication. These were prioritized, discussed and agreed with Government. The document was developed by gathering views from all the Associations and individual organizations in the PSFU membership. The specialized studies and surveys completed greatly contributed to the Platform by providing factual information. The platform was distributed to Government, Development Partners, Academia and the PSFU Membership.

National Budget Proposals 2009/10: Private Sector presented proposals for consideration by Government based on prioritized issues from the Platform for Action. As indicated from table below, 78.6% of the issues presented were accepted, indicating a progressive high acceptance rate by Government in the last five years.

¹ Through the PPP framework that is, Public – Private, Private – Private and Private – Development Partners.

² Such as the, Budget Process; PIRT; PMA steering committee meetings; GGA Coalition advocacy forums; Parliamentary committee meetings; CICS steering committee meetings and other stakeholder debates.

An Analysis of Government's Response to Private Sector Proposals; FY's 2005/6 – 2009/10



Source: PSFU Policy Advocacy Unit November, 2009

- **World Bank President:** Prepared a position of the Private Sector to World Bank President during his visit in August 2009. A follow up from the Bank is already in progress.
- **Contributed to 3 Commercial related Bills:-** The Counterfeit Goods Bill 2009, Trade Marks Bill 2008 and the Insolvency Bill 2009. This is to provide better business framework and competitiveness. These protect the business community against loss due to fraud and cheap substandard goods on the market.
- Developed and disseminated **Quarterly Economic Reports** on the State of the Ugandan Economy for the last two quarters of April, May, June and July, August plus September 2009. These were discussed by the PSFU BOD for further advocacy to improve the business environment.
- Presented Private Sector Concerns/Comments on the **Ministerial Policy Statement**, Ministry of Trade, Tourism and Industry; Vote 105 to the Parliamentary Sessional Committee of Tourism Trade and Industry. The Committee pledged to be involved in the concerns of the Private Sector.
- **Achieved the implementation** of the waiver of corporate tax for export companies, for instance; flowers sector.
- Following the presentation of the National Budget, PSFU held a **Post Budget Luncheon**; where the business community interfaced with Government representatives headed by the Minister of Finance, Planning and Economic Development. Other concerns such as VAT exemption on donor funded projects were further clarified.

- Developed a position on the “Challenges facing the Private Sector in Uganda and the recommended Policy actions to Government”. This was presented at the launch of the Private Sector Investment Survey by the Uganda Working Group under Bank of Uganda³.
- Contributed and participated in the preparations of the major advocacy fora; the **Presidential Investors Round Table (PIRT), Competitiveness and Investment Climate Strategy (CICS)**.⁴ These result in the formulation of deliberate policy reforms aimed at improving the business climate.
- Increased **Collaboration with key Government Institutions** such as BOU, MoFPED, MTTI, MEACA, NPA, POU, OPM, UBOS, UNBS, among others, which further strengthens the Public-private Partnerships (PPPs) in Policy reforms.
- **EAC:** Contributed to the various positions including; securing interests and position for the Uganda Private Sector in the EAC Common Market Negotiations concluded recently; EPA Negotiations, Internal tax harmonization’s proposal, evaluation of the EAC Strategic Plan, NTB’S, Northern Corridor Transit Transport and Trade Facilitation, to improve Trade and reduce costs of doing business in the region.
- **EAC FORUM FOR DIALOGUE CREATED:** A high level forum at National level reflecting a Public-Private Partnership has been agreed upon. It will be a forum to discuss and agree on EAC related issues. The Public sector will be represented by relevant Government Ministers while Business leaders in the various sectors/associations will be representing the Private Sector.
- Completed the TORs for the impact of the CET under the EAC Customs Union on the competitiveness of Uganda’s Private Sector, with reference to the Manufacturing sector
- **EABC:** Revived the East African Business Council ‘Uganda Chapter’ and has improved Uganda’s position in developing Private Sector concerns in the EAC. (PSFU is tasked as the Focal Point).

³ The PSIS Uganda Working Group includes; BOU, UBA, UIA, UBOS, EPRC, PSFU, among others

⁴ The PIRT is made up of various working groups based on priority sectors for growth. The National Competitiveness Forum aims at generating policy proposals that will position Uganda for better competition on the global market.

REGIONAL AND INTERNATIONAL TRADE

The trade Development program spearheads the articulation of private sector trade policy concerns with the objective of enhancing private sector participation in domestic, regional & international trade. The mandate under the trade development program is realized by:

1. Building an effective consultative mechanism
2. Ensuring private sector participation in national, regional and international trade forums
3. Informing the private sector on developments in regional and international trade
4. Undertaking trade related research

Key Achievements:

- The study on the Assessment of Uganda's potential for export of Labour was finalized, and three policy briefs were developed and distributed to all stakeholders in the Labour industry. This study will provide support to PSFU in its advocacy for a policy on export of Labour.
- 3 PSFU Trade Core Team meetings held. The 20 man trade core team backstops PSFU on trade issues
- Held three consultations with stakeholders in trade in services, one validation meeting on the study on the assessment of Labour export, and one in collaboration with the MTTI with the service members on the coalition of industries, in collaboration with UNBS a meeting on EAC draft regulations for inspection, certification and testing.
- 13 Memberships of the following committees maintained and initiated: The core-team on National export strategy, The National Trade policy Negotiating team, The steering Committee of TRACE(The trade capacity enhancement project),The Inter-institutional Trade Committee at MTTI, The EAC NTB (Non-Tariff Barriers)Monitoring committee and the National Committee on the NTBs in the EAC, The National SPS/TBT Committee, the National Codex Committee at the Uganda National Bureau of Standards(UNBS), the NDTPF(National Development and Trade Policy Forum and the NOC(National Organizing Committee for the 3rd EAC Investment Conference) and the High level task force negotiating the EAC Common Market),the steering committee on the development of the National SPS policy ,and the steering committee on the development of the National textile policy.
- **Provided Trade information:** The resource center continues to be resourceful to members with **1,449 (average of 12 persons per day)** registered to having commutatively used it from May to October 2009. A critical mass is being established to warrant cost recovery measures
- **Organized Trade Facilitation International Expo;** 24th -25th June 2009 whose theme was *"Making International Trade Easier, Faster and Cheaper in the Global Financial Crisis"*. In which over 1,867 (cumulative in 3 days) private sector practitioners accessed information from various institutions such as URA, Financial, Embassies, Ministries and Government.
- **Commenced the Proudly Ugandan Campaign:** This campaign was aimed at improving the awareness of the Ugandan Products as quality items comparable to other international and regional products. The activities included; Exhibition which took place from 3rd to 6th November 2009, Motor-Convoy (Road Shows) to all regions of the country, promotion at major distribution points, finally, the long term media campaign through out the year. The exhibition attracted

about **4000 persons** cumulative for the 3 days. The road show for only one area (Masaka) was **3000 participants**. The campaign has attracted a lot of interest from the business community and public especially the road shows. Further members were sensitized about the Common Market on this forum, of which the brief on the EAC Common market was disseminated.

- PSFU continues to spearhead private sector advocacy for the elimination of Non-Tariff Barriers. PSFU is a member of the NTB Committee which came up with a program to eliminate the major barriers to trade in the region.