

ACHIEVEMENT OF PSFU

PSFU was formed in 1995 in response to the need to improve the operating environment for private businesses in Uganda. PSFU has made significant gains in membership and capacity building services, policy advocacy and research, Regional Integration and International Trade, Private Sector Competitiveness Project (PSCP11), Business Uganda Development Services (BUDS), Business Uganda Development Services- Energy for Rural Transformation (BUDS-ERT) as well as creation of partnerships with other stakeholders

Our major achievements over time include the following

- Strengthened the public private partnerships to support the enhancement of the role of the private sector in economic growth.
- PSFU membership has substantially grown from the initial 11 to now 85 associations and corporate largely due to the confidence Uganda's private sector has put in us.
- Improved communication and interaction with member associations
- We secured our own premises and have expanded our office space to support our increasing activities.
- We are reorganized by most donors supporting private sector initiatives. These include among others, the World Bank, the European Union, DFID, German DED, USAID and the Global Fund for HIV/AIDS, Malaria and Tuberculosis.
- We have secured a demonstrated acceptance by Government and Donors as private sector representative
- We have established our selves as a reliable institution to execute private sector development projects on behalf of the Government e.g. PSCP, BUDS-SSE, BUDS-EDS, BUDS-ERT, SMART Partnerships, HIV/AIDS programme and the recently approved PSCP II.

Growing membership

The members of PSFU provide a foundation for development of Uganda's economic future; they fall into the categories of associations, industry organizations, corporations, large and small businesses- all committed to meeting the challenges associated with building the capacity of the Uganda's private sector. PSFU members are dedicated to developing a business climate and culture that attracts international investment and supports increasingly competitive growth in domestic regional and other international markets. Working with in the framework of PSFU guiding principles, members of PSFU identify, research, analyze and provide practical solutions to the issues and constraints that affect the development of the economy. Membership of PSFU is open to all private sector business associations, professional and corporate bodies in Uganda.

- Increased membership from 11 to over 85 today
- Improved communication with members
- Member information is now posted on the Website.

- Membership categories have been broadened to include professional institutions and corporations in addition to business associations.
- PSFU also supports the policy advocacy and capacity building activities of specific member associations.

Policy and Advocacy

PSFU uses participatory approaches to provide opportunities for the private sector's involvement in national policy formulation and monitoring processes. PSFU regularly engages Government on policy issues in number of ways;

Private Sector Platform for Action

PSFU uses participatory approaches to provide opportunities for the private sector involvement in national policy formulation and monitoring processes. Each year under the PSFU umbrella, the private sector contributes to the production of the Private Sector Platform for Action covering a range of topical issues. The PSFU organizes discussions on sectoral concerns with private sector members and groups to identify potential areas for action by Government. With our analytical work these issues are developed, synthesized and prioritized to provide a well founded basis for lobbying and dialogue with Government's implementation machinery. The issues identified are then developed into the platform document and from the core of PSFU's advocacy agenda.

Private sector policy briefs

PSFU regularly issues reports on major concerns of private sector. The aim of the policy briefs is to give Government and the private sector a balanced perspective about topical issues.

Sector Strategies

PSFU supports strategy development for sectors that are critical to rural development, economic growth, poverty reduction and enhanced export competitiveness. These include coffee, fish, flower, tea and horticulture.

The Medium Term Competitiveness Strategy (MTCS)

PSFU works with MTCS on a number of initiatives for example developing and editing the new Uganda Public-Private Partnerships brochure and is redrafting the 2nd edition of the MTCS document to ensure that Government delivers on its commitment to support the private sector.

Achievements

- Agreed on key priorities for the private sector with Government policy makers
- Secured Government commitment to establish a new investment incentive regime

- Government agreed to review and implement public procurement reforms
- Government announced pension sector liberalization and social security reforms
- Government concessioned the Uganda Railway's Corporation
- Advocated for a waiver of tax on diesel used for industrial and other commercial purposes
- Participated in the formulation and monitoring of key policy frameworks aimed at promoting private sector growth and competitiveness, e.g. the Medium Term Competitiveness Strategy (MTCS) and the Plan for Modernization of Agriculture (PMA).

Trade Development

Trade Development focuses on expanding the role played by PSFU in the development and expansion of Uganda's national, regional and international trade programme. PSFU advocates for supportive laws, regulations and policies to remove the obstacles to Uganda's competitiveness.

PSFU spearheads the articulation of private sector trade policy concerns with the objective of enhancing private sector participation in regional & international trade. Through research, advocacy and dialogue, PSFU has also assisted businesses with information about WTO, Cotonou Agreement, COMESA and EAC. PSFU analyses policy concerns on trade and presents them to Government. In addition, PSFU aims at facilitating private sector in the market access initiatives such as AGOA and EBA.

Achievements

- Training in multi-lateral trading systems to which Uganda belongs
- Produced position papers for World Trade Organization and Cotonou Agreement
- Dialogue on regional integration and East African Community negotiations
- Development of National Trade Policy
- Participation in the Inter Institutional Trade Committees
- Facilitated and equipped private sector representatives to participate in relevant regional and international trade policy fora
- Trained lawyers in the Trade Law
- Introduced the private sector to the rules, obligations, opportunities and challenges of being part of the multilateral trading system
- Articulated private sector concerns to policy makers

Private Sector Competitiveness Project (PSCP II)

PSFU manages a \$70 project PSCP II funded by World Bank. The main objective of this project is to reduce the cost of doing business and encourage investment while enabling the private sector to be better positioned to respond to investment and export opportunities. The purpose is to support improvement in competitiveness within Uganda private sector.

The project's various innovative schemes are intended to increase value added, support the linkages between enterprises, and improve skills, with a focus on micro, small and medium enterprises (MSMEs), including reaching out to those in rural areas.

Components of PSCP II

1. Developing infrastructure and financial services
2. Enhancing enterprise competitiveness
3. Improving the business environment

The Second Private Sector Competitiveness Project (PSCPII) has been designed to build upon the achievements of the First Private Sector Competitiveness Project (PSCP I, 1996-2002); also managed by PSFU; which was successful in strengthening institutions such as the Private Sector Foundation Uganda (PSFU) and the Uganda Investment Authority (UIA); implementing the Business Uganda Development Scheme (BUDS), a highly successful matching grants system administered by the PSFU and in improving dialogue between the private sector and public sector. The Project was designed by the Government in close collaboration with the private sector, so that the Government's intervention is strategic to leverage maximum response from the private sector. The private sector will be jointly responsible for its implementation and success. The project and its approach is trend setting for private sector development projects within the World Bank. Many African countries will be looking at the success of this program closely for similar approaches. This is a 5 year project.

Expected out come

- Increased productivity and outputs and increasing number of MSMEs leading to an increase in the export of non traditional commodities.
- Improved access to finance for MSMEs percentage of investment loans to MSMEs increase from 15% of the total investment to 25%
- Commercial land with infrastructure available and used. End of project target is 25 firms in KIBP
- Improved investment climate business environment leading to a competitive cost of doing business.
- Improved public private partnerships.

BUDS

PSFU provides business development services to private sector firms and associations on a cost sharing basis. Funded by World Bank, PSFU manages a multi-donor supported cost share grant scheme that seeks to help improve the capacity of private firms and business associations with 50% grants of up to \$ 100,000. Some of the activities being supported include;

- Business Diagnostic
- Quality certification standards
- Financial training/ management
- Business plan preparation

New grant products available at BUDS

- Technology Acquisition Fund (TAF) for exporting firms
- Better Business Behaviour Award Scheme (BBBA) to encourage good business behaviour and financial management
- Business Plan Competition (BPC) for entrepreneurship and innovation
- Business Branding

BUDS-ERT

In the energy sector, PSFU manages a 10-year project that aims at developing and promoting commercially oriented rural and renewable energy, information and communication technologies (ICT) to support rural transformation in Uganda.

BUDS-ERT works in collaboration with various ministries, agencies and statutory bodies such as the Ministry of Energy and Mineral Development (MEMD) and its Rural Electrification Agency (REA) as well as the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF).

BUDS-ERT supports the following activities:

- a) Provision of information and assistance in going through the necessary licensing procedures for setting up energy and ICT related business projects.
- b) Carrying out preliminary, feasibility and other studies for energy and ICT projects.
- c) Developing the capacities of financial and technical organizations to support rural energy related businesses.
- d) Promotion of increased productive uses of electricity and ICT by rural businesses.
- e) Facilitating the two-way flow of information between government and the private sector on business opportunities and constraints in ERT areas.
- f) Development and/or improvement of quality standards particularly for solar components and solar system installations.

Achievements of BUDS-ERT

- Provided business development support services including financial grants of approximately US \$ 600,000 to 12 potential power generating and distribution companies.
- Provided support to seventeen (17) solar power companies who have installed over 300,000 Wp in over 2,000 households, institutions and commercial premises in over 50 districts in Uganda.
- Attracted and supported two solar companies to import and install small systems. US \$ 601,000 worth of solar equipment has so far been imported by the two companies and a total wattage of about 12,000 Wp has been sold so far. As of May 2006, the distribution network comprised 7 outlets in Mbarara, Fort Portal, Masindi, Hoima, Lira, Iganga and Kampala.

- Supported Uganda National Bureau of Standards (UNBS) to adopt and gazette 23 solar pv standards, draw up and implement a standards' enforcement programme. The standards were gazetted on September 2nd 2005 in The Uganda Gazette No. 56. Standards enforcement programme will commence in June 2006.
- Facilitated training of 221 rural-based PV technicians in solar system installation, servicing, maintenance & quality assurance. The training was carried out in ten pilot districts common to ERT agencies.
- Facilitated the study and formation of the Credit Support Facility that will implement agreements with financial institutions to lend money to project developers at attractive terms and favourable conditions.
- Coordinated studies and review of agricultural projects with potential to benefit from grid connection.
- Supported Makerere University Faculty of Technology in building capacity for the implementation of single wire earth return pilot project in Ntenjeru, Mukono district. A private developer was identified and financial grant of US \$ 9,000 committed towards technical and commercial studies on the Ntenjeru project.
- Supported Ministries of Health, Education and Sports and Directorate of Water Development (DWD) to design appropriate energy packages for the critical areas of health, education and water respectively.

Private Sector Initiatives and partnerships

PSFU is involved in a number of “SMART dialogues” and interactions that result in win to win situations for both the stakeholders involved. In 2001 PSFU was involved in the SMART partnership dialogue events which took place in Uganda, Langkawi Malaysia in 2002 and Switzerland in 2003.

PSFU also participates in the meetings with Plan for Modernization of Agriculture (PMA) planning activities. PSFU is a member of the PMA steering committee and sits on various PMA sub-committees.

Achievements

- Organized the Global 2001 SMART Partnership International Dialogue at Speke Resort, Munyonyo.
- Co-ordinated Ugandan participation in the Global 2002 SMART Partnership International Dialogue in Langkawi, Malaysia.