BUSINESS READINESS FOR CLIMATE AND SDG ACTION IN UGANDA WORKSHOP.

18TH-19TH JUNE 2019 –BEST WESTERN HOTEL, ENTEBBE, A partnership between the Private Sector Foundation Uganda (PSFU), United Nations Development Programme (UNDP), Ministry of Water and Environment Climate Change Department and Ministry of Finance, Planning and Economic Development and National Planning Authority was established to facilitate the implementation of Uganda’s Nationally Determined Contribution (NDC) to the Paris Agreement, a commitment signed in 2015 by 197 countries, including Uganda, to strengthen global response towards reducing the risks and effects of climate change. The programme seeks to help reduce vulnerability to climate change in priority sectors as well as contribute to greenhouse gas (GHG) emission reductions in forestry and wetlands, energy, transport and agriculture sectors. Under the Paris Agreement, Uganda committed 22% GHG emissions reduction by 2030. Therefore, engagement of the private sector in national climate adaptation and mitigation is a key towards attaining this target. Private actors have provided much-needed finance for various climate change mitigation projects, facilitated technology development and transfer, and enabled infrastructure development that have all contributed positively to mitigating climate change.

UNDP and the Government of Uganda through the Ministry of Water and Environment Climate Change Department (CCD) in collaboration with PSFU under the NDC Country Support Programme are running a two-day workshop with over 90 private sector companies in the energy, manufacturing, agriculture, transport and logistics sectors to share experiences, challenges and remaining needs (Capacity development, Ease of Doing Business, Climate Financing and Enabling Framework for Climate Action) for engaging in climate action, latest trends and guidance on SDG reporting, interactive review of the Uganda Business needs survey results, Demo on Impacti SDG Impact Tool & Business opportunities, Communicating how Businesses have made Impact to SDGs and supporting tools available to contribute to Uganda’s NDCs and SDGs. The workshop was officially opened by Mr. Gideon Badagawa the PSFU Executive Director flanked by officials from UNDP and MWE/CCD. In his remarks he noted that; the private sector are the biggest contributors to climate action in Uganda and that there is an urgent need for them to invest in mitigation actions to curb the effects of climate change and contribute to global mitigation targets. The workshop which is closing today (19th June 2019) is also profiling various business opportunities within the 17 SDGs and aligning them to the NDC targets. Participants have engaged in peer-to-peer sharing of climate change risks and real-life impacts on business operations in Uganda across key sectors; they have been introduced to a new framework on business opportunities to contribute to Uganda’s NDC and SDGs and have gained access to a digital tool to support them in exploring Business opportunities and connecting with peers; they have discussed domestic and international climate finance opportunities and mechanisms for the Ugandan private sector to access financing for implementation of NDC/SDG actions; they have also contributed to discussions on further support and partnerships needed to catalyse climate action and investments across the Ugandan private sector.
PSFU POST BUDGET LUNCHEON – IMPLEMENT THE EXISTING LAWS FOR THE 2019/20 BUDGET TO DELIVER RESULTS

Monday, 17 June 2019-Private Sector Foundation Uganda (PSFU) annually hosts its membership and all relevant stakeholders to a Private Sector Post Budget Luncheon, at UMA Conference Hall, Lugogo.

The luncheon provided a platform for Private Sector Members to engage the Government representatives in attendance directly through the various Ministries; Finance Planning and Economic Development (MoFPED), Trade Industry and Cooperatives, Office of the Prime Minister, Parliament and other Development Partners. Some Government key highlights/achievements were applauded by members such as increase to 206.6 megawatts of electricity as it brings on board the 183MW Isimba Dam and three other mini-hydro stations, which will bring the country’s total installed capacity to 1,2000MW.

It was also noted that the Country’s trade balance continues to improve with trade surplus recorded for March due to trade within Africa and COMESA regional trade.

The private sector players in attendance also emphasized that there must be shared values with Government in order for the private sector to effectively remit their tax contribution. There should also be transparency; and the private sector should be given the opportunity to interrogate the budget and have an input annually through the budget process cycle before it’s finally read to the public.
PSFU PRESS BRIEFING ON THE EFFECTS & WAY FORWARD ON THE CLOSURE OF RWANDA BORDER

On Wednesday, 12th June, Mr. Gideon Badagawa together with other members briefed the media and expressed concern resulting from the closure of the Rwanda boarder which has led to trade earnings reduction from about Shs60b to an average of $2m (about Shs7.4b) monthly.

Mr. Gideon Badagawa, Executive Director PSFU noted that on average, Uganda would earn more than $200M (about Shs744b) annually from trade inflows with Rwanda through the Katuna Border point and an average of $16M (about Shs60b) monthly.

During the press briefing, it was agreed that PSFU will engage with counterparts in Rwanda and collectively draft a Memorandum to present to HE the President highlighting the losses at hand and need for immediate solutions to revive trading with Rwanda.

Mr. Badagawa also mentioned that contact will be made to our counterparts in Rwanda to make a similar memorandum and approach President Paul Kagame for intervention.

He urged Presidents of both Countries to resolve the outstanding issues and allow resumption of normal bilateral business transactions.

Present at the press briefing were some of PSFU Members who are at a loss because of the Boarder closure. Mr. Stuart Mwesigwa, Director East African Business Council, described the border closure as ‘a big loss to Uganda’ because Rwanda is an already established market for Ugandan goods. “Opening new markets is costly. It is a whole new process which cannot just be done now.” He added

Roofings Limited said they have lost about $4m (Shs15b) monthly, Hima Cement $3.5m (about Shs13b) and Uganda Breweries 1.5pounds (about Shs7b) since the border closure.

Mr. Byron Kinene, the Chairman of regional lorry drivers and transporters association, said the closure has rendered drivers and cargo trucks redundant resulting in loss of jobs and income.
The Support to Agricultural Revitalization and Transformation (START) facility announced the first two successful applicants from its first call for proposal in 2018. This announcement was made during the 4th Management Board meeting which was held at UNCDF offices on Thursday, 30th May 2019.

The 1st two agribusiness investments in Northern Uganda (maize processing & apiary) whose proposals have been completed were scheduled to be submitted to Uganda Development Bank Ltd. (UDBL) for financing. One company runs a maize processing plant in Omoro District and the other produces honey and related products in Lira District. The total cost of the two projects is about UGX 945 million. In addition to commercial and financial viability, the two companies demonstrated a significant local development impact including new jobs for women and youth – one of the key objectives of the START facility.

START Facility is one of the components under the Development Initiative of Northern Uganda (DINU) project implemented by United Nations Capital Development Fund (UNCDF) in partnership with PSFU & Uganda Development Bank Limited (UDBL).

To support seamless flow of trade both within and beyond the borders, development partners through TradeMark East Africa (TMEA) availed $500,000 (nearly Shs1.9b) to develop some key trade infrastructure. This funding will be dispensed by the National Logistics Platform (NLP) which is managed by PSFU; and emphasis will be on improving the capacity of key industry players, including logistics and transport economic sector actors.

“$500,000 is our response to improving some of the local capacity constraints our people involved in the industry are struggling with. It will help them benefit from the logistics hubs and increase local content participation. We would like to see our people get involved. This is why we do all this for the private sector.” Said Moses Sabiti, Executive Director TMEA.
EU PSFU CONSULTATIVE MEETINGS AIMED AT PROMOTING UGANDA FOR PRIVATE SECTOR INVESTMENTS

The EU and its Member States, in partnership with the Government of Uganda and the Private Sector Foundation Uganda, aim at promoting Uganda as an attractive destination for private sector investments in order to spur sustainable economic growth and jobs generation. A key aspect in this endeavor is to assess, propose and execute measures to make the regulatory and enforcement environment more conducive. To this end, a series of European and Ugandan public-private sector consultations were conducted during the period from December 2018 to June 2019.

The objective of these consultations have been to identify responses to areas of engagement where actions can be taken which will improve the investment climate and the business environment in a short time span of two years. The main deliverable of the consultations is a Roadmap, containing the concrete actions to address the identified areas of engagement including lead structures and deadlines, and to foster a tripartite EU Ugandan Public-Private Dialogue Initiative.

As part of this exercise, three thematic areas were identified as below and engagements with various stakeholders held accordingly. There were different responses discussed in line with the engagement areas and stakeholders made proposals and recommendations to address the issues at hand as noted below;

1. **Promoting Private Sector Investments by improving Governance and Fighting Corruption**
   1.1 Improvement of the public procurement scheme
   1.2 Exchange of data between databases to fight corruption
   1.3 Private sector led whistle blower facility
   1.4 Private sector anti-corruption award

2. **Promoting Private Sector Investments by improving access to finance**
   2.1 Support to the International Centre for Arbitration and Mediation in Kampala
   2.2 Address regulatory issues around Private Equity and Venture Capital
   2.3 Support the Investment readiness of SME companies

3. **Promoting Private Sector Investments by improving skills and attitude**
   3.1 The elaboration of a Labour Demand Enterprise Survey to inform the educational institutions and public entities about the private sector’s demand for specific skills and appropriate attitude.
   3.2 An Education System Quality Audit to document the missing alignment with private sector demands and attempt to bridge the gap.
   3.3 The accreditation of private sector led training and establishment of a post- graduation training programme.
   3.4 The need for an analysis of Immigration and Citizen Control - Work Permits scheme to allow companies easier access to competences they cannot find in Uganda at present.

Cedric Merel EU delegate shares a light moment with Francis & Gordon Sentiba, Board member of PSFU

Hon. Victoria Sekitoleko shares insights during the EU PSFU engagement on access to Finance

Mr. Francis Kisirinya Deputy Executive Director PSFU engages with stake holders
PSFU TRAINS OVER 45 PRIVATE SECTOR ENTERPRISES ON HOW TO IMPROVE THEIR ACCESS TO THE PUBLIC PROCUREMENT MARKET

Following PSFU’s sustainability plan to empower its membership as well as private sector players, we hold quarterly training sessions on different topics.

Uganda’s private sector is dominated by SMEs, which account for more than 90% of the entire business community. Their commercial activities represent on average 75% of Uganda’s annual GDP and employ over 80% of the total workforce in the country. While SMEs are responsible for three-quarters of the country’s GDP, their share in public procurement is limited and expected to represent only 15% of all enterprises participating in public procurement schemes.

Majority of SMEs in Uganda are not able to effectively compete for and win public sector contracts. This is because they face numerous challenges as they attempt to enter into public procurement which often discourages them from participating in public tenders. Some of the common challenges faced by SMEs include; difficulty in complying with the bidding process, lack of clarity of tender requirements, difficulties due to size of contracts, excessive bureaucracy and documentation requirements, lack of capability in writing formal bid proposals and inadequate transparency in the bidding process among others. It is also believed that SMEs might be discouraged from participating in public procurement due to lack of access to information on contract opportunities and ignorance of the tendering process.

With that background, PSFU hosted over 45 private sector representatives to a 2 day training workshop (13th to 14th June 2019 at Uganda Management Institute) and it was aimed at developing the skills and processes of the responsible individuals (Procurement Officers / Professionals) within the Procuring and Disposing Units (PDUs) to understand the robust procedures that have been put in place to ensure value for money, transparency and quality is delivered in the provision of works, goods and services for their respective entities. It was also aimed at training SMEs to improve their competitiveness and ability to develop and successfully win procurement assignments both at public and private level.

The Procurement training workshop was under the theme ‘Improving SMEs access to public procurement opportunities’

Uganda’s first National Skills Fair was held on 7th to 9th May at UMA Showground and it brought over 1,000 people and over 250 exhibitors who are also beneficiaries from skills development fund. The fair was organized by the Ministry of Education and Sports, in collaboration with Enabel, the Belgian Development Agency and Private Sector Foundation Uganda, under the theme, “Skilling Uganda for competitiveness, productivity and employment for self-reliance.”

The Skills Fair 2019 brought together exhibitors that included; producers and manufacturers, employers, and training institutions to interact for training and work opportunities. The fair sought to bridge the gap between employers and skills providers, to make sure that the workforce is well-skilled and well-utilized, and to instill confidence in products made in Uganda as we drive the campaign Build Uganda Buy Uganda (BUBU). The SDF Fair 2019 had a full program with the panel discussions, conversations, and exhibitions.

The First Lady, Mrs Janet Kataha Museveni, Minister of Education and Support was represented by the Permanent Secretary Ministry of Education, Mr. Alex Kakooza, who acknowledged the efforts exhibited by PSFU through Skills Development Facility (SDF) to champion the cause of skilling Uganda in both soft skills and hard skills.

In attendance was Hon Mary Karoro Okurut, Minister of General Duties, Mr. Patrick Bitature, the chairman PFSU, the key Note Speaker, Simon Kaheru, the deputy Belgian Ambassador and representatives of Enabel, World Bank and Ministry of Education.

The highlight of the Fair was the recognition of some of the SDF beneficiaries who shared their testimonies from the Skills Development Fund deployed in the Karamoja, Northern and Albertine regions.

Dr. Julian Adyeeri Mara, of Delight Supplies Limited, as a beneficiary shared her testimony, with gratitude to SDF for financially supporting her Cheers business and she’s now at a stage of expanding her factory into a modern facility in Soroti. “My dream has been to create juice from the time I was young girl, and now my dream has been realized because of SDF.” Ms. Julian Adyeeri stated.
MEMBERSHIP & STAKEHOLDER ENGAGEMENTS DURING THE 4TH QUARTER

#Knowyourbudget19 - PSFU joined Ministry of Finance officials during the tree planning activity in the month of June at Bombo road, Kampala. This Corporate Social Responsibility activity is one of the National Budget month activities and it was officiated by Hon. Minister of Finance Matia Kasaija. He encouraged all Ugandans to plant a tree so that we can restore the green. Trees have been planted along Bombo road & other streets in Kampala.

#Membervisits - PSFU represented by the Executive Director, Gideon Badagawa together with his team took time to visit some of our members; NUCAFE, Bank of Africa, Uganda Clearing & forwarding Association (UCIFA), Uganda Coffee Federation (UCF), Fabrication Systems, Uganda Fish processors & exporters (UFPEA), SHUMUK Group of companies. These were courtesy visits to interact and engage with our members to understand how they are doing with the business operations and inform us of new developments. PSFU further committed our support through our service points; policy & advocacy; business development support among others.

PSFU’s Human Resource Sector which involves Skills, Education & Health held a meeting with other Government stakeholders from Min. of Internal Affairs; Min of Gender to deliberate on issues of PSFU’s involvement in redeveloping /redesigning of the curriculum to a more practical curriculum to fit the needs of employers; labour externalization. Some of the recommendations from members included; More effective regulation on migration procedures both Immigration and emigration. This sector is chaired by our Board Member Mr. Nicholas John Okwi

#GBV - UNFPA LAUNCHES THE CORPORATE COLLECTIVE AGAINST GENDER BASED VIOLENCE (GBV)

Enabling freedom from violence, in and out of the workplace

Gender based violence (GBV) is one of the most common forms of human rights abuses in the world. Mr. Patrick Bilature, our Board Chairman gave a key note address specific on; “What does Gender Based Violence have to do with the bottom line?” and expressed that we need to take immediate action by leveraging the workplace as an engine of positive social change. It’s time for companies to be bold. This means adopting a comprehensive strategy on violence in the workplace; help change norms & tackle social acceptance of violence beyond the workplace.

#Biodiversity - Our Food, Our Health.

PSFU together with Uganda Biodiversity Fund hosted a private sector breakfast meeting on 21st May 2019 at Sheraton Hotel Kampala to commemorate world biodiversity conservation day and also to share experiences on how we can drive conservation practices & also incorporate them into our business strategies & initiatives as the private sector. The theme for the day was “Biodiversity, our food, our health.”

PSFU’s competitiveness agenda currently is driven by the urge to increase private investments and productivity which involve conserving biodiversity.

Mr. Gideon Badagawa on behalf of the private sector encouraged all Ugandans to conserve and protect our natural resources.

CEDP MARKET SOUNDING CONSULTATIVE WORKSHOP

17TH MAY 2019 at Kampala Serena Conference Centre.

This was hosted to majorly relay information on the anticipated additional funding which will only cover CEDP Project’s Land & Tourism Components; collect expert opinions on market conditions; present details on procurement strategy including delivery models & receive feedback from vendors.

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POLICY MAKERS DIALOGUE ON GREENING THE TOURISM ACT

A policy dialogue between the key policy makers/ implementers & private sector was held on 29th May 2019 to discuss emerging issues in greening the tourism act and regulations. This initiative was led by Uganda Tourism Association (UTA) & it’s aimed at boosting an inclusive green economy by enhancing the sustainability and competitiveness of the tourism sector. Participants emphasized the need to strengthen sector supervision, monitoring and coordination; Green tourism legislation and regulation along the value chain; setting standards in line with international standards among others.

MARKETING TRAINING FOR PSFU’s PROFESSIONAL SERVICES SECTOR

On Wednesday, 15th May, the Professional services sector which includes ICPAU, PRAU, and Uganda Advertisers Association among others were trained in marketing skills and knowledge at PSFU Secretariat. PSFU organizes various training modules for its membership quarterly and this is done to enable members to refresh content and tactics in disciplines of leadership, governance, communications & marketing to support them in improving their business/ Association operations.

TOURISM SECTOR MEMBERS ENGAGEMENT WITH NFA, NEMA, UWA

Ms. Susan Muhwezi chairs the Tourism Sector meeting at PSFU
PSFU Tourism sector members convened and engaged with the respective Government Agencies mandated to promote sustainability of our environment. The meeting chaired by Ms. Susan Muhwezi was aimed at building sustainable partnerships to promote the Tourism sector through conservation practices; & good management standards. It was concluded that NFA, NEMA need to drive awareness campaigns/messages for the public to know & appreciate the benefits of conserving the environment.
PSFU CONDUCTS A TAX PLANNING TRAINING FOR PRIVATE SECTOR MEMBERS

Majority of the private sector are Micro, Small and Medium Enterprises (MSMEs) of which a few are tax compliant. This deters competitiveness of the formal tax compliant enterprises and creates a negative perception towards taxation amongst compliant MSMEs that is believed to be a deterrent to economic growth.

To support private sector enterprises to become competitive, PSFU organized a fee based tax training for private enterprises on 28th & 29th March at ESAMI Centre in Kampala. The overall objective of the training was to equip Finance & Tax practitioners with tax knowledge and skills so that they can demonstrate effective decision making and greater tax compliance during their operations.

The training covered the following modules below;

- Compliance and Administration of tax heads; PAYE, Corporation Tax, VAT, Withholding Tax
- Available Reliefs and Tax Planning Measures in Uganda
- Filling of returns & Due dates for payment of tax
- E-tax management
- Tax Brackets for small business activities
- Implications of non-tax compliance
- Effective management of URA audits

Over 40 participants in attendance rated the training highly satisfactory, and they applauded PSFU for the organization.
OVER 100 ELECTRICAL INSTALLATION PERSONNEL TRAINED ACROSS THE COUNTRY

There are many wiremen who have been apprehended and prosecuted across the Country because they are operating illegally and most of them have been presented to court, sentenced. Illegal electrical connections are a big risk to both domestic and industrial premises hence a need to operationalize the practice through training.

During the quarter (April to June 2019), the Electricity Rural Transformation (ERT) Project which is being implemented by PSFU in partnership with Electricity Regulatory Authority (ERA) & The Directorate of Industrial Training (DIT) under Ministry of Education conducted three (03) weeks training for all shortlisted wiremen across the Country’s vocational institutes.

The initiative started with a call for applications for the wiremen across the regions, and over 150 were shortlisted and enrolled into the institutes across the Country for three weeks.

The major aim of conducting the trainings was to ensure that wiremen across the Country get equipped with practical skills in electrical installation, to help them do their work effectively & professionally.

The three weeks course exposed the participants to hands on experience where they were tasked to carry out electrical installations on site, as well as tested their skills and knowledge acquired through end of course assignments.

Some of the wiremen who trained at Uganda Technical College Elgon (UTC Elgon), Mbale together with their Tutor, Martin Washibuku (2nd Right, standing).

Before closure of the training, ERA conducted interviews for all the trained wiremen, to assess knowledge acquired which will enable them receive certification by ERA. This process was managed by the 4 member Installation Permit Committee, chaired by the ERA Director for Technical Regulation, Dr. Richard Okou.

“This has been a great opportunity for us, as we are now proper Engineers and we will do our work more effectively.” Said Engurat Edward Cutbert, one of the participants from Malaba, Tororo.

Some of the trained electrical wiremen at Elgon Vocational Institute, Mbale
On 28 March 2019, Uganda’s Minister of Finance Planning and Economic Development (MoFPED) tabled Tax Amendment Bills, 2019 before Parliament for debate. Once passed into law by the Parliament and assented to by the President of the Republic of Uganda, the Bills will take effect from 1 July 2019.

Through a consultative process among members belonging to PSFU sectors (agriculture, manufacturing, financial services, professional services, ICT, energy, oil and gas, tourism, transport and logistics, Trade and commerce, construction and skills and health sector), PSFU developed a position paper on taxes and it was discussed with MoFPED. Most of the proposals were included in the FY 2019/20 Tax bills, but others were not included in the bill. Other tax proposals which were not discussed were included in the Tax bills.

The above comments were made in attempts to further improve these tax amendments in order to ensure increased Government revenue, simplified tax administration, increased employment and growth of the economy are achieved sustainably.

GENERAL OBSERVATIONS

I. All businesses and individuals who are supposed to pay taxes must pay taxes without exception and at the same rates. Exemptions for specific companies distort competition and should be avoided.

II. It has often been noticed in the previous budget readings that tax amendments are very inconsistence year in, year out. Tax exemptions are awarded and then repealed within very short periods of time. This affects planning for investment. ‘Taxes should not be like birthday cakes’. Government needs to enact laws which can stand the test of time.

III. Taxes should be set at levels that encourage voluntary compliance and widening of the tax base. Critical concerns should be put at promoting business formalization rather than encouraging non-compliance.

IV. Licenses/fees/Charges: All businesses and individuals who are supposed to pay taxes must pay taxes. Therefore, levies should be discouraged as much as possible and where they are instituted, the proceeds should be considered to belong to those who contribute.

V. There must be a clear framework for the management and application of these resources. The level of the levy should be determined with the acceptance of the payers and stakeholders. The amount must not be static but flexible to the task ahead.
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