

# PRIVATE SECTOR FOUNDATION UGANDA (PSFU)

## POLICY ADVOCACY AND BUSINESS DEVELOPMENT DEPARTMENT REPORT



FROM 1<sup>ST</sup> JULY TO 31<sup>ST</sup> DECEMBER 2024

PRESENTED TO

THE POLICY ADVOCACY COMMITTEE OF THE BOARD OF DIRECTORS

27<sup>TH</sup> FEBRUARY 2025

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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:

- i. Research and advocacy on policy issues that affect private sector enterprises.
- ii. Maintain institutionalized dialogue with the government on behalf of the private sector in Uganda.
- iii. Review of business legislation and regulation to make it more efficient for private sector operations.
- iv. Business development support for MSMEs 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 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.

## 2.0. KEY POLICY ADVOCACY UPDATES

### 2.1. The National and Regional Post Budget Dialogue.

After the National Budget reading for FY 2024/25, PSFU held national and sub-regional post-budget dialogues from June 20th to August 7th, 2024. The national dialogue took place on June 20th, 2024, at Emina Pasha Hotel, with PSST Mr. Rathan Ggoobi (MoFPED) as the guest of honor. Regional dialogues occurred between July 29th and August 7th, 2024, in Jinja, Lira, Arua, Mbarara, and Hoima, in partnership with Bank of Uganda.

During these discussions, it was revealed that the government had implemented 82% of PSFU's proposals. Private sector players recommended policy advocacy, capacity building, collaboration, and implementation to enhance business growth. Key areas include tax policies, trade regulations, financial accessibility for SMEs, and infrastructure development. PSFU should strengthen regional offices, commodity centers, ICT, and tourism. Implementing these recommendations will position PSFU as a key driver of economic development and private sector growth in Uganda.

### 2.2 Submission of the Private Sector Budget consideration in the FY2025/26 Budget

The PSFU submitted the private sector strategy for FY 2025/26, focusing on policy improvements, economic recovery, and business growth. The private sector contributes over 50% to national budget financing and 90% of non-farm jobs. Key proposals include maintaining the current tax structure for three years to encourage

investment and reducing VAT on essential goods from 18% to 12%, aligning with Kenya's 14% VAT rate. To improve financial accessibility, PSFU proposes increasing affordable credit for SMEs, introducing a UGX 200 billion Construction Development Fund at Uganda Development Bank, and establishing a Risk Guarantee Scheme for oil and gas sector participation. Investments in railways, air cargo, and tourism marketing are suggested to boost trade, while ICT growth can be supported by reducing internet taxation. Strengthening agro-industrialization and local content policies can cut USD 1 billion spent on steel and clinker imports. Public-Private Partnerships (PPPs) will help reduce government borrowing and improve service delivery.

### **2.3 The PSFU Tax Proposals for FY 2025/2026**

The PSFU submitted tax proposals for FY 2025/26, advocating for a stable tax regime, broadening the tax base, and supporting economic growth. PSFU urges maintaining tax stability, as taxes constitute 45-55% of product prices. To expand the tax base, PSFU recommends enacting the Real Estate Agency Bill, regulating over 1 million unregistered actors, and enforcing anti-illicit trade laws to curb Uganda's USD 15 billion annual tax losses. Proposals include reducing VAT on essential goods from 18% to 12%, increasing the PAYE threshold from UGX 235,000 to UGX 500,000, and lowering corporate tax from 30% to align with the global 23.45% average. PSFU also suggests excise duty reductions on internet (from 12% to 6%) and fuel, VAT deferrals for startups, and tax exemptions for SMEs, oil and gas, and creative industries. Implementing these reforms will enhance Uganda's investment climate, job creation, and economic resilience.

### **2.4 Impact of PAYE on Specialist Consultants in Uganda**

The Uganda Health Federation has raised concerns over a new Uganda Revenue Authority (URA) policy mandating private health facilities to deduct Pay As You Earn (PAYE) from specialist consultants. This requirement increases operational costs for health facilities, potentially leading to higher patient fees, reduced accessibility, and diminished quality of care. The policy may also contribute to financial strain on households, exacerbate specialist shortages, and accelerate brain drain in the healthcare sector. A position paper, developed in collaboration with researchers, presents policy recommendations to mitigate these challenges. Key proposals include exempting specialist consultants from PAYE, introducing flexible employment terms to allow them to work across multiple facilities, and providing tax incentives to healthcare providers. Additional recommendations suggest a reduced withholding tax rate and a streamlined tax process to ease compliance burdens. To ensure balanced policy implementation, stakeholders advocate for a continuous dialogue between URA, the Ministry of Health, and healthcare providers. Establishing this platform would facilitate discussions on tax reforms while prioritizing healthcare affordability and accessibility. Addressing these concerns effectively could sustain the availability of specialist consultants and maintain the quality of medical services in Uganda.

### **2.5 PSFU's Position on the Contract Farming Bill 2023**

The PSFU submitted its position paper on the Contract Farming Bill 2023 to the Parliamentary Committee on Agriculture on August 8, 2024, commending Parliament for supporting private sector development. While supporting the Bill as a tool for agricultural commercialization and alignment with National Development Plans III and IV, PSFU raised key concerns. It emphasized the need for market-driven pricing, agricultural insurance

to mitigate risks like droughts and floods, and simplified documentation to enhance compliance, particularly in horticulture. Additionally, PSFU recommended strengthening the Food and Agriculture Authority for improved quality control across the value chain and called for clearer aquaculture definitions to prevent legal misinterpretations. These recommendations aim to stimulate economic growth, support farmers, and attract agribusiness investment.

## **2.6 Uganda's National Startup Policy: Driving Innovation and Growth**

The National Startup Policy 2024, developed by Uganda's Ministry of Trade, Industry, and Cooperatives in Collaboration with the PSFU, aims to boost innovation, entrepreneurship, and economic growth. Recognizing startups as crucial drivers of employment and value addition, the policy addresses key challenges, including limited access to financing, innovation infrastructure, and venture capital. Uganda lags in startup investment, with only 8% of Africa's venture capital inflows, while Nigeria dominates at 31%. Key policy interventions include enhancing access to affordable financing, fostering innovation adoption, and strengthening regulatory frameworks. The government plans to reduce business registration hurdles, support local content, and incentivize venture capital. Additionally, strategic partnerships between academia, research institutions, and investors will promote commercialization of indigenous innovations. The policy aligns with Vision 2040, the African Continental Free Trade Area (AfCFTA), and Sustainable Development Goals (SDGs), aiming to position Uganda as a regional startup hub. Successful implementation will accelerate economic transformation, improve investor confidence, and create sustainable employment opportunities.

## **2.7. Completion of a study on Uganda's Trade Expansion in the DRC Market.**

The PSFU, with support from the Mastercard Foundation, conducted a study to explore Uganda's trade opportunities in the Democratic Republic of Congo (DRC). The DRC, with a population of 108.4 million, presents a vast market for Uganda's exports, especially in agriculture, manufacturing, and services. Uganda's trade with DRC has grown, but its market share in DRC's total imports declined from 4.1% (USD 189 million) in 2017 to 0.3% (USD 81.15 million) in 2022. With DRC's entry into the East African Community (EAC), Uganda has a strategic advantage to expand its exports. Key recommendations include negotiating a single customs territory, improving trade infrastructure, and strengthening market information systems. Addressing regulatory challenges, enhancing cross-border trade facilitation, and leveraging Uganda's proximity to key economic regions like Beni/Butembo will be essential for boosting Uganda's competitiveness in the DRC market.

## **2.8. Strengthening Uganda's Construction Sector Growth.**

The PSFU has developed the National Private Sector Strategy for the Construction Industry (NPSSCI) 2024-2034, aimed at enhancing the competitiveness, growth, and resilience of Uganda's construction sector. The strategy highlights key interventions at both macro and micro levels to address existing sector challenges. Key proposals include establishing a regulatory framework, promoting public-private partnerships, and reducing tax burdens on construction equipment. Indigenous firm participation, currently at 15%, is set to increase through capacity-building initiatives and better access to financial resources. The strategy also emphasizes women's participation, infrastructure development, and improved procurement systems to curb corruption and

inefficiencies. With an estimated cost of UGX 996.48 billion over five years, the NPSSCI seeks to position Uganda's construction sector as a key driver of economic growth, job creation, and national development.

## **2.9. PSFU Highlights Key Budget Priorities for Growth to PACOB.**

The PSFU presented its paper to the Presidential Advisory Committee on Budget (PACOB) in November 2024, emphasizing critical funding areas for the FY 2024/25 budget to boost private sector competitiveness. PSFU highlighted that the private sector generates 77% of formal jobs, contributes 80% of GDP, and accounts for 60% of investments in Uganda. Key priorities include increasing funding to the National Agricultural Research Organization (NARO) to reduce the 68% dependency on imported agricultural seeds, investing in irrigation infrastructure for smallholder farmers, and improving transport and logistics to lower costs. PSFU also urged investments in cold chains and warehousing, support for the creative industry valued at UGX 140 billion, and enhancing ICT infrastructure to boost Uganda's projected \$421 million e-commerce market by 2025. Additionally, PSFU recommended establishing a Construction Industry Development Fund with interest rates of 7-12% and expediting the Local Content Bill 2020 to increase domestic participation in government procurement. These measures aim to foster economic growth, innovation, and job creation, aligning with Uganda's Vision 2040 targets.

## **2.10. PSFU Advocates for Sustainable TVET Sector Growth.**

The PSFU submitted its position on the registration of Technical and Vocational Education and Training (TVET) institutions to the Ministry of Education and Sports in November 2024. Representing over 340 business associations, PSFU emphasized the critical role of private TVET centres, which account for 600 out of 700 vocational institutions in Uganda and enrolled 87,846 students in 2022. PSFU raised concerns about the closure of 550 vocational examination centres due to unmet registration requirements, urging an extension of the compliance deadline to July 30, 2025, with financial and technical support provided to affected institutions. The current UGX 3 million inspection fee was deemed excessive, prompting PSFU to propose a tiered fee structure ranging from UGX 500,000 to UGX 3 million based on institution size. Additionally, PSFU highlighted the absence of the National Council for TVET, calling for its expedited establishment to provide oversight and regulate fees. PSFU's proposals aim to ensure that private TVET institutions remain operational, maintain quality standards, and contribute to Uganda's economic development through skills training and entrepreneurship.

## **2.11. PSFU Responds to National Coffee Amendment Bill 2024.**

The PSFU acknowledges the passing of the National Coffee (Amendment) Bill 2024 on November 6, 2024, which integrates the Uganda Coffee Development Authority (UCDA) into the Ministry of Agriculture, Animal Industry, and Fisheries (MAAIF). This move aims to reduce administrative costs but raises concerns within the coffee sector, which supports 5 million Ugandans and is vital to Uganda's economy as the second-largest coffee exporter in Africa. Key provisions include stricter quality control standards, enhanced farmer access to credit and technology, promotion of domestic coffee processing, and emphasis on sustainability and climate resilience. However, stakeholders fear regulatory uncertainty, value chain disruptions, and marginalization of

smallholder farmers. PSFU stressed that achieving value addition requires significant infrastructure investment, and any disruptions could affect Uganda's global coffee market competitiveness. The private sector seeks clarity on implementation frameworks to ensure sector stability and growth.

### **2.12. PSFU Opposes VAT on BPO Salary Disbursements for Growth.**

The PSFU, submitted its position to Uganda Revenue Authority's (URA) and Ministry of Finance, Planning and Economic Development on the new VAT interpretation regarding salary disbursements in the Business Process Outsourcing (BPO) sector. This measure tantamounted to double taxation. The BPO industry, valued globally at \$260 billion and projected to exceed \$500 billion by 2030, is crucial for Uganda's economic transformation, job creation, and technology adoption, particularly for the youth. PSFU highlighted that subjecting BPO salary disbursements to VAT would increase operational costs, risking job losses and deterring foreign investment. The body proposed exempting salary disbursements from VAT, aligning with global best practices seen in Kenya, Rwanda, and India, where BPO sectors thrive due to favorable tax policies. PSFU also recommended reducing corporate tax rates, investing in ICT infrastructure, and providing training grants to boost BPO capacity. Without these interventions, Uganda risks losing its competitive edge in the global BPO market. PSFU urged the government to adopt these measures to ensure the sustainability and growth of the BPO sector, preserving tax revenues from PAYE, WHT, and corporation tax, while enhancing employment and export revenue generation.

### **2.13. Policy Challenges and Solutions for Lead Firms in Northern Uganda.**

The PSFU, in partnership with the Mastercard Foundation, conducted a mission from 16th to 21st September 2024 to collect policy issues affecting Lead Firms in Northern Uganda under the Young Africa Works program. This initiative aims to create over 281,961 youth employment opportunities, with 70% for young women. The mission engaged seven Lead Firms, including Delight, Farm Uganda, Wind Wood Millers, and Mukwano, highlighting key challenges such as counterfeit seeds (30-40% of market supply), high power costs (US\$ 791.2/kWh), and multiple licensing costs exceeding US\$ 2 million for startups. Other issues included inadequate market access, high transport costs due to Karuma Bridge closure, and delayed EU regulatory compliance threatening \$1 billion in coffee exports. PSFU recommends strengthening seed certification, reducing power tariffs, consolidating business licenses, and enhancing credit access for MSMEs. Urgent actions include supporting coffee exporters with traceability systems and providing subsidies for organic certification. Addressing these challenges is critical for improving business performance, enhancing youth employment, and driving economic growth in Northern Uganda.

### **2.14. Impact of 12% Internet Excise Duty on Uganda's Economy.**

The PSFU commissioned a study on the impact of the 12% internet excise duty on Uganda's economy, revealing significant adverse effects. The tax has reduced growth in the ICT sector, which contributes 9% to GDP, leading to a 1.07% GDP decline (UGX 1.9 trillion), UGX 405 billion in lost investment, and 132,600 job losses, especially in financial services, real estate, and media. It has also increased internet costs, hindering digital inclusion, business productivity, and investment, with consumer prices rising by 1.29%. Exports dropped

by UGX 1.4 trillion, with the media and financial sectors being the most affected. Uganda ranks 116th globally in internet affordability, with citizens working 510 times more than in leading countries to afford data. PSFU recommends reducing the excise duty to 6%, improving ICT infrastructure, and adopting differentiated pricing for mobile and fixed data to enhance internet access, foster investment, and promote economic growth. Without these reforms, Uganda risks stifling its digital transformation and economic potential, emphasizing the need for policy action to ensure affordability, attract investment, and support sustainable digital development.

### **3.0 THE PSFU SECTOR UPDATES**

#### **3.1 Agriculture Sector Meeting on Tax Proposals and Engagement**

During the quarter, a strategic virtual meeting was convened with lead firms, private sector players, the Uganda Revenue Authority (URA), Uganda National Bureau of Standards (UNBS), and the Bank of Uganda (BoU) to address key challenges in the agriculture sector. BoU discussed the Agricultural Credit Facility (ACF), which has disbursed over UGX 981 billion to 4,442 projects since 2009, offering loans up to UGX 2.1 billion at interest rates capped at 12%, with repayment terms of 6 months to 8 years. Challenges such as limited financial literacy, inadequate collateral, and credit access difficulties were noted, with recommendations to expand ACF's scope to include agroforestry. UNBS highlighted that among its 4,000 developed standards, over 1,333 pertain to agriculture, with discussions focusing on processing coffee husks for export. URA addressed VAT refund delays and access to tax exemptions, providing a contact for resolving import machinery issues. Key recommendations included reclassifying VAT on processed milk to zero-rated, expediting VAT refunds, lowering VAT deferment thresholds for machinery, reducing excise duty on internet services from 12% to 6%, and adjusting PAYE tax brackets. Additionally, lowering the export levy on fish maw and removing the import duty were proposed to enhance Uganda's trade competitiveness.

#### **3.2. PAYE Implementation for Medical Specialists Discussed with URA.**

On August 15, 2024, the PSFU and Uganda Health Federation (UHF) met with the Uganda Revenue Authority (URA) to discuss concerns regarding the mandatory implementation of Pay As You Earn (PAYE) on specialist consultants in private health facilities. The meeting followed a formal request from PSFU after UHF raised concerns about the financial impact of the policy on healthcare service delivery. Key agreements from the meeting included the confirmation that the tax is legal under Sections 116 and 118 of the law and is mandatory for all consultants, not just medical specialists. Additionally, the taxation responsibility lies with the consultants themselves, not the hospitals. Consultants must choose between filing returns and continuing with withholding tax or opting for PAYE deductions. URA also committed to increasing public awareness and sensitization on taxation. As a way forward, the meeting concluded with an agreement to engage doctors and health facilities further to ensure clarity on taxation requirements. These engagements will help stakeholders decide whether the consultants should manage their own tax obligations or if health facilities should take responsibility for PAYE deductions, ensuring compliance with the law.

### **3.3. Private Sector Concerns on New TVET Licence Registration**

On October 17, 2024, a consultation meeting was held to discuss the private sector's position on the registration of new Technical and Vocational Education and Training (TVET) licences. The meeting followed a government announcement on October 11, 2024, in *New Vision*, stating that examination centers for 550 vocational schools would be withdrawn if they failed to register for the new TVET licence by December 30, 2024, as required by policy guidelines. During the discussions, stakeholders raised concerns over the uniform registration fee, which they deemed unfair, the high costs due to multiple inspections, and the short timeframe for compliance. Key proposals included extending the registration deadline to July 2025, categorizing institutions so fees are based on their classification, and streamlining the registration process to reduce inspection redundancies. These measures aim to ease the financial and administrative burden on vocational institutions. The meeting was attended by representatives from Uganda Private Vocational Institutions, Datamine Business and Technical Institute, Buganda Royal Institute, Makerere Innovation and Clusters Program, and Ndejje University. As a way forward, a draft position paper will be developed and presented to the Ministry of Education for policy intervention and resolution of these concerns.

### **3.4. PSFU Advances Real Estate and Construction Sector Goals.**

The PSFU provided an update on key action points from the Real Estate Meeting held on October 4, 2024, focusing on enhancing the real estate and construction industry. PSFU is actively following up on the GROW project to ensure members benefit and will share participation details soon. Proposals for the real estate and construction industry, stemming from the 80% budget achievement, are in progress. PSFU briefed members on the Green Economy under the SG+ initiative and successfully convened a sector meeting on October 10, 2024, presenting a position paper to the Prime Minister. Plans to merge the AREA Uganda and UNABCEC conferences are underway, with PSFU set to host the Annual Environment Conference (ABEC), emphasizing the need for evidence-based advocacy. A comprehensive event calendar featuring six key industry events, including ISU, UNABCEC, UACE, UIPE, AREA, and ABEC, is being developed. PSFU is also working on securing funding for the sector strategy launch and implementation plan while preparing to share the construction sector strategy with members. Efforts to revive the Real Estate Federation Committee are also in progress, ensuring a cohesive and well-supported sector.

### **3.5. PSFU Proposals on Construction Sector Directives Implementation**

The PSFU, in response to the Prime Minister's directives on consultancy firms in government projects issued on June 19, 2024, convened a sector meeting on October 10, 2024, to deliberate on the implications. Attended by key industry bodies like UACE, UNABCEC, UIPE, AREA, and National Housing, the meeting highlighted critical concerns about the directives' impact on risk allocation, delayed payments, and project inefficiencies. PSFU noted that pegging consultant payments to construction milestones could increase costs due to risk premiums, while mandatory performance guarantees pose financial burdens on local firms. The demand for guarantees may undermine consultants' independence, and contract stoppages without payment risk inflating consultancy fees. PSFU proposed engaging the PPDA to review guidelines, ensure quality assurance, and conduct regulatory assessments. Adjustments to payment clauses to compensate for delays and eliminating

performance guarantees—given existing Professional Indemnity Insurance—were also recommended. PSFU advocated for adopting FIDIC’s risk allocation practices to balance responsibilities, reduce disputes, and improve project outcomes. These measures aim to foster a sustainable construction industry, enhance local contractor participation, and ensure efficient project delivery in Uganda.

### **3.6. PSFU Advocates Tax Reforms for ICT Sector Growth**

The PSFUICT Sector held a meeting to develop tax proposals for submission to the Ministry of Finance, Planning and Economic Development (MoFPED), emphasizing the need for tax reforms to enhance competitiveness and digital inclusion. PSFU recommended reducing the 12% excise duty on internet data and airtime to 10%, highlighting that Uganda’s internet costs are among the highest globally, with only 20% internet penetration, particularly in rural areas. To boost digital transactions, PSFU proposed lowering taxes on mobile money and digital platforms (currently taxed at 0.5% on withdrawals) to promote financial inclusion. Reducing import duties on ICT equipment (currently 18% VAT and 15% withholding tax) would lower operational costs for tech businesses, fostering growth and innovation. PSFU also urged revising the 18% VAT on digital services like software, cloud computing, and digital marketing to support local startups and attract international players. Further recommendations include creating uniform tax rates for imported ICT items, reducing the 15-20% software tax to 10%, and eliminating double taxation on BPO services, which makes Uganda the most expensive BPO provider in the region. PSFU called for clear policies on consultant classification, ensuring fair taxation and competitive ICT sector development.

### **3.7. PSFU Proposed Tax Reforms for Real Estate and Construction.**

The PSFU construction and Real Estate Sector held a meeting on October 4, 2024, to develop tax reform proposals aimed at reducing the tax burden and enhancing sector growth. PSFU recommended revising the property valuation system and offering tax incentives for green buildings to promote eco-friendly construction and affordable housing in urban areas, where demand is critical. To reduce operational costs, PSFU proposed cutting excise duty on petrol and diesel by UGX 100 per liter and eliminating the 6% withholding tax, which strains liquidity for contractors. We also called for removing the 18% VAT on residential developments to encourage investment in housing and prevent the rise of slums. PSFU highlighted challenges with URA’s EFRIS system, urging simplification through an app and increased sensitization, especially in rural areas. Proposals included uniform tax rates for imported cement and construction materials, addressing fuel-related costs, and exempting real estate companies from rental income tax. Additionally, PSFU advocated for better tax dispute resolution processes and increased capacity building on tax laws. These reforms aim to foster a competitive, sustainable construction industry and improve housing affordability in Uganda.

### **3.8. PSFU Advocated for BPO Sector Amid URA VAT Controversy.**

The PSFU ICT Sector convened a meeting on October 31, 2024, at the PSFU Boardroom to address the Uganda Revenue Authority’s (URA) new VAT interpretation on salary disbursements in the Business Process Outsourcing (BPO) sector. URA’s directive to classify salary disbursements as reimbursements subject to VAT has caused panic, risking the sustainability of the BPO sector, which plays a key role in job creation and

economic growth. PSFU's meeting, attended by 13 stakeholders, including representatives from NFT Consult, BPOAU, ICTAU, True North Consult, and PSFU staff, aimed to develop a strong position paper for URA and the Ministry of Finance. Key issues raised included the need to differentiate disbursements from reimbursements, clarify BPO operations, and address the imposition of UGX 15,000 stamp duty dating back to 2014. PSFU proposed reducing PAYE tax rates from 30% to 15% for BPO companies, establishing a BPO desk at URA, and redefining BPO relationships with ICT firms. Follow-up actions include organizing pre-budget discussions, collecting data for impactful engagements, and involving investors by January 2025 to secure favorable tax policies that ensure the growth and competitiveness of Uganda's BPO sector.

### **3.9. ICT Sector Validation Meeting on the Policy issues affecting the ICT.**

The PSFU participated in the ICT Sector Survey Findings and Validation Meeting, which highlighted Uganda's ICT growth driven by policies like Uganda Vision 2040 and Agenda 2030. Uganda has laid 2,347 km of optical fiber, reducing internet costs from US\$ 1,200 to US\$ 70 per Mbps. However, challenges remain, including insufficient ICT infrastructure, high internet costs, and limited ICT skills, with only 29% of the population within 10 km of fiber access. The survey covered 15 ICT companies across software development, hardware importation, BPO services, and cybersecurity. Key challenges identified include financial constraints, double taxation, and cyber security risks. PSFU proposed policy interventions such as reducing taxes on ICT equipment, expanding broadband infrastructure, and establishing ICT credit funds. Uganda's internet penetration stands at 29.4%, with a significant digital divide between urban and rural areas. The report emphasized the need for ICT skills development, reduced costs, and strengthened cybersecurity frameworks. PSFU recommended completing the National Backbone Infrastructure, promoting digital inclusion, and revising ICT training curricula. The meeting concluded with resolutions to form an ICT task force and engage stakeholders like URA and NITAU for sector development.

### **3.10. Transport and Logistics Sector Meeting Report – 12th September 2024.**

The Transport and Logistics Sector meeting, held at the PSFU boardroom and chaired by Mr. Kenneth Ayebare, was attended by 13 members. Key action points included the need for driver mindset change to improve road safety, addressing unescorted low-bed trucks carrying wide loads, and revising the 2019 Heavy Goods Vehicles Act to allow night movements. Members called for border-side parks at Malaba and highway parking spots to ease congestion. Concerns with URA operations led to a resolution for sector-URA engagement. The coordinator was tasked with identifying sector issues and working with the clearing and forwarding subsector. Rising tarpaulin theft in Iganga, Bugiri, Mbale, and Busia prompted calls for enhanced police patrols. Members also urged URA to regulate clearing agents by ensuring they belong to associations. Plans were made to organize member visits and arrange meetings with the clearing and forwarding subsector, including a consultation with the President.

## **4.0. PARTNERSHIPS AND PUBLIC PRIVATE SECTOR DIALOGUES.**

### **4.1. PSFU Supports Anti-Counterfeit Bill for Growth.**

The PSFU participated in the Anti-Counterfeit Parliamentary Expo held on October 16, 2024, at the Parliament of Uganda Grounds. The expo brought together brands, government agencies, regulators, and key stakeholders to discuss the impact of counterfeit goods on Uganda's economy. It provided a crucial platform for engagement with legislators to advance measures against counterfeit trade. During the event, a nationwide consultation report on counterfeits was presented to Hon. Asuman Basaalirwa, the mover of the Anti-Counterfeit Bill. Rt. Hon. Speaker Anita Among granted leave for the bill's tabling and assured full parliamentary support. She also committed to persuading the President to assent to the bill once passed. This development marks a significant step towards strengthening intellectual property rights, protecting businesses, and fostering a fair-trade environment. PSFU remains committed to collaborating with stakeholders to ensure effective enforcement of anti-counterfeit laws and enhance Uganda's business climate.

### **4.2. PSFU Backs IOM Strategy for Migration Management.**

The PSFU participated in the launch of the IOM Uganda Country Strategy (2024–2028) on October 17, 2024. This strategy aligns Uganda's migration management priorities with the global IOM framework, ensuring practical and impactful approaches to address migration challenges effectively. The plan is built around three key objectives that focus on saving lives, driving solutions to displacement, and facilitating regular migration pathways. The first objective, *Saving Lives and Protecting People on the Move*, highlights IOM's commitment to supporting Uganda in governance, peace, and security. This involves addressing crises caused by conflicts, disasters, and displacement, with expected outcomes such as effective responses to environmental challenges and sustainable solutions for displaced populations. The second objective, *Driving Solutions to Displacement*, emphasizes policy development and programme implementation to provide long-term solutions, enhance resilience, and improve socio-economic services for migrants, particularly as displacement due to conflicts and climate change increases. The third objective, *Facilitating Pathways for Regular Migration*, underscores IOM Uganda's collaboration with governments, UNHCR, and NGOs to promote safe resettlement processes for refugees and migrants. PSFU remains committed to partnering with IOM and other stakeholders to support migration policies, economic integration, and resilience-building initiatives that contribute to Uganda's sustainable development.

### **4.3. PSFU Engages EALA Speaker on Trade Challenges.**

The PSFU participated in a meeting with the East African Legislative Assembly (EALA) Speaker, Rt. Hon. Joseph Ntakirutimana, on November 4, 2024, at Parliament. The engagement, initiated by the Parliamentary Forum on East African Community Affairs (PEACA), aimed to address private sector challenges affecting business operations within the East African Community (EAC) region. Key stakeholders, including KACITA, Stanbic Bank, Uganda Baati, the East African Business Council, and PSFU, presented concerns related to Non-Tariff Barriers (NTBs), delays in trade remedies applications, Mutual Recognition Agreements (MRAs) for services, and standards harmonization. The meeting resolved that PSFU, as the apex private sector body, will

draft a comprehensive paper outlining these issues, which will be shared with PEACA and forwarded to EALA. Additionally, EALA will allow private sector presentations during its sessions to enhance collaboration between policy and business interests. The private sector was also encouraged to join PEACA to strengthen engagement in regional trade policymaking. PSFU remains committed to advocating for an improved business environment within the EAC.

#### **4.4. PSFU Engages in Doing Business Forum 2024**

The PSFU participated in the Doing Business Forum on November 28, 2024, at Golf Course Hotel, organized by the Ministry of Finance, Planning, and Economic Development under the National Strategy for Private Sector Development (NSPSD II). The forum, themed “Public Sector Reforms Towards an Improved Business Environment,” aimed to sensitize the private sector on government reforms and gather feedback for continuous improvement. Key presentations were made by MLHUD, ERA, URA, URSB, and UNBS. Highlights included reducing land valuation to five days, fast-tracking land title searches to one hour, and decentralizing UNBS certification services. UNBS has cut certification turnaround time to 4.5 months and will outsource auditing services, offering private sector partnership opportunities. URA’s RECTS program and smart gate technology will enhance trade efficiency and curb corruption, while URSB has reduced business registration time to under a week. ERA introduced a rebate system to facilitate asset acquisition for manufacturers. Participants recommended future forums prioritize private sector presentations, allowing MDAs to respond directly to concerns. The inaugural forum's success ensures more business engagement sessions in 2025. PSFU remains committed to advocating for a better business climate in Uganda.

#### **4.5. Advancing EAC Integration Through Parliamentary Engagement.**

On December 4, 2024, the PSFU participated in an engagement with the Parliamentary Committee on East African Community (EAC) Affairs at Protea Hotel, Kampala. The meeting aimed to update Members of Parliament and government agencies on Uganda’s progress in implementing EAC Council decisions, directives, and the Common Market Protocol. Key discussions focused on economic integration, challenges in the Monetary Union, and progress toward the EAC Political Federation. Uganda has made strides in implementing the Customs Union and Common Market protocols, with achievements such as the adoption of e-passports, use of national IDs for cross-border travel, removal of visas, and elimination of non-tariff barriers (NTBs). Despite these advancements, challenges persist, particularly in achieving the Monetary Union due to differences in central bank policies and financial system interoperability. The summit resolved that willing partner states should proceed with monetary integration while allowing others to join later. Additionally, efforts to draft a constitution for the Political Federation are ongoing, with some partner states encouraged to move ahead first. A special committee is set to address Mutual Recognition Agreements (MRAs) for cereals and eliminate NTBs affecting trade. Key recommendations included strengthening interagency coordination, increasing private sector participation, raising the Small Trader Regime (STR) threshold from US\$ 2,000 to US\$ 4,000, automating the Certificate of Origin, and enhancing media sensitization on EAC activities. A think tank was also proposed to drive annual regional policy initiatives.

#### **4.6. Multi-Sectoral Meeting on Business and Human Rights Implementation.**

The Government of Uganda adopted the National Action Plan on Business and Human Rights (NAPBHR) in 2021 to ensure that all business activities align with human rights standards. The Ministry of Gender, Labour, and Social Development oversees its implementation. On October 2–3, 2024, a multi-sectoral coordination committee meeting was held at Imperial Botanical Hotel, Entebbe, to discuss strategies for effective implementation and provide technical guidance on business and human rights interventions. During the two-day meeting, the NAPBHR was presented with a focus on eliminating human rights abuses in business activities. Priority areas discussed included land and natural resources, environmental protection, labor rights, revenue transparency, tax exemptions, corruption, social service delivery, consumer protection, and access to remedies for marginalized groups. The meeting brought together key stakeholders, including the Ministry of Gender (host), Office of the President, Ministry of Trade, NEMA, FIDA, SEATIN, and private sector representatives. As a way forward, the Commissioner urged members to collaborate and conduct regular meetings to monitor progress. Stakeholders were encouraged to participate in capacity-building initiatives and benchmark best practices from successful states. Additionally, all members were invited to attend the upcoming National Symposium on Business and Human Rights.

#### **4.7. Improving Secondary Education Through Stakeholder Collaboration.**

On October 16, 2024, the Secondary School Technical Working Group convened at Fairway Hotel to discuss strategies for enhancing secondary education in Uganda. The meeting focused on mobilizing additional partners, improving stakeholder collaboration, and sharing insights on secondary education initiatives. A key topic was the review of the Good School Kit, a program aimed at reducing violence against learners through the use of educational materials like cartoons, books, and sensitization meetings. The Directorate of Education Standards (DES) also presented its role in quality assurance, while discussions highlighted the integration of digital technology to enhance education delivery. The meeting brought together key stakeholders, including Raising Voices, Cyber School, UNICEF, River Flow International School, the Association of Secondary Schools in Uganda, PEAS, the Ministry of Gender, PIC-ED, USEEP, the Ministry of Education and Sports, the Directorate of Education Standards (DES), and the Department of Government Secondary Education (GSE). Each organization contributed perspectives on improving the secondary education sector.

As a way forward, the committee agreed to hold regular meetings to assess progress, strengthen collaboration, and enhance stakeholder support in improving secondary education. The participants emphasized the need for continued innovation, policy engagement, and resource mobilization to drive long-term improvements.

#### **4.8 Stakeholder Meeting on MBA Curriculum Development at KCU**

On October 30, 2024, a stakeholder meeting was held to develop the curriculum for the Master of Business Administration (MBA) program at King Ceasor University (KCU). The objective was to gather insights on emerging industry trends, ensure relevance, and align the curriculum with industrial needs. Feedback was sought on the existing program, and discussions centered on making the new MBA unique and impactful. The proposed curriculum, named MBA-IT, was presented, emphasizing globalization, technological evolution,

entrepreneurship, and managerial skill enhancement. The program was designed to run on a trimester basis, with three semesters per year over two years. Stakeholders raised concerns about the name MBA-IT, suggesting it might cause confusion about whether it was strictly for IT professionals or applicable to other fields. Additional recommendations included revising the admission criteria, making it a work-based program for practicality, and aligning course content with the Sustainable Development Goals (SDGs) and Vision 2040. As a way forward, the university's curriculum committee was tasked with revising the program based on stakeholder feedback and sharing the updated draft for further input. The meeting was attended by representatives from the Ministry of Public Service, the Federation of Uganda Employers (FUE), academia, and KCU lecturers.

#### **4.9. 4th Smart Summit Focuses on AI in Healthcare.**

On October 31, 2024, the 4th Smart Summit was held at Kampala Serena Hotel in a hybrid format under the theme *Advancing Healthcare Accessibility through Digital Automation and AI*. Organized annually by Smart Applications International, the summit brought together smart customers, partners, and key industry stakeholders to explore technological advancements in healthcare and insurance. This year's summit was hosted in Uganda, emphasizing the role of digital automation in improving healthcare accessibility. Key discussions focused on the transformative impact of digital automation, AI-driven patient outcome improvements, strategies for integrating AI into healthcare systems, and real-world case studies of successful AI implementations. Participants also explored collaboration opportunities to foster innovation in healthcare delivery. A major highlight of the event was the launch of *Smart Link Pro*, a new product by Smart Applications International aimed at enhancing digital healthcare solutions. The summit attracted a significant number of organizations and government ministries from both Uganda and abroad, reinforcing the importance of AI and automation in revolutionizing healthcare services. The discussions and innovations presented at the event set the stage for enhanced healthcare accessibility and efficiency through technology.

#### **4.10 PSFU Supported BPO Sector Growth Through Promoting Incentives**

The PSFU participated in a key stakeholder meeting on Business Process Outsourcing (BPO) incentives organized by the Ministry of ICT and National Guidance (MoICT) on October 17, 2024, at the Nakawa Training Hub. The meeting included stakeholders such as MoFPED, MUBS, UBA, FITSPA, NITA-U, MasterCard Foundation, and PSFU, aiming to identify and evaluate BPO facilitation incentives and align them with Uganda's economic goals. Key interventions discussed included creating an enabling environment for BPOs, developing incubation hubs and free zones, and expanding BPO operations beyond Kampala and Entebbe. URA highlighted existing incentives such as a 10-year tax holiday for foreign investors investing \$300,000 in Kampala and \$150,000 outside Kampala, VAT and excise duty exemptions on IT hubs, and waived stamp duty on ICT equipment. Additional incentives included rental and internet discounts, financial flexibility, foreign tax credits, and training allowances. Moving forward, NITA-U committed to providing free workspace and internet for BPO companies, while partnerships with the government were emphasized to shape favorable policies. PSFU remains dedicated to advocating for BPO sector development, ensuring that local players benefit from incentives to compete on an international level.

#### **4.11. PSFU Participated in Inaugural ICTAU Summit for Digital Growth.**

The PSFU participated in the Inaugural ICT Association of Uganda (ICTAU) Summit held from October 23-24, 2024, at Kampala Serena Hotel, under the theme “Economic Competitiveness Through Strategic and Sustainable Digital Transformation.” The summit highlighted the ICT sector’s 14.8% annual growth rate, contributing 9% to Uganda’s GDP and employing approximately 2 million people, second only to agriculture. Key discussions focused on building Africa’s digital backbone, financing digital infrastructure, and promoting digital inclusion. Challenges noted included limited rural internet access, high internet costs, digital illiteracy, and regulatory complexities. Uganda’s internet penetration stands at 24.6% with 11.7 million users as of 2023, and the recent 50% reduction in internet costs from \$70 to \$35 per Mbps was praised. Achievements highlighted by the Ministry of ICT include the rollout of 5G in 50 sites, establishment of BPO hubs, and launch of initiatives like MyUG Wi-Fi.

PSFU emphasized the need for cybersecurity laws, digital literacy programs, AI adoption frameworks, gender equality in tech, and national backbone infrastructure support. The summit concluded with a commitment to driving Uganda’s digital transformation through policy, innovation, and inclusive growth.

#### **4.12. PSFU Supports Innovation Growth at Uganda Deep Tech Summit.**

The PSFU participated in the Uganda Deep Tech Summit held from September 30 to October 2, 2024, at Four Points Hotel, Sheraton. The summit presided over by Dr. Monica Musenero, Minister of Science, Technology, and Innovation, aimed to drive Uganda’s GDP from USD 55 billion to USD 550 billion by 2040 through technological advancements. Organized by the Science, Technology, and Innovation Secretariat in collaboration with Open Start-up Tunisia and Future Lab, the summit gathered innovators, investors, and policymakers to explore pathways for Uganda’s tech ecosystem growth. Discussions focused on artificial intelligence, biotechnology, and nanotechnology to address local challenges in healthcare, agriculture, and clean energy. Key speakers included Richard Rabbat (Lighty AI), who emphasized strategic talent alignment, and Alaya Bettaieb (Tunisia), who highlighted Tunisia’s government-backed startup support. South Africa’s Stellenbosch University shared insights on attracting private investment, while Hello Tomorrow (France) stressed corporate R&D’s role in global competitiveness. Rwanda’s ICT Chamber showcased its lunar mission ground station. PSFU highlighted the need for policy reforms, infrastructure development, funding, education, and market access to foster deep tech innovation, positioning Uganda as a leader in the fourth industrial revolution.

#### **4.13. PSFU Participated Child Labor Elimination at WNCB Close-Out Meeting.**

The PSFU participated in the Work No Child’s Business (WNCB) National Close-Out Meeting held at Kabira Country Club on September 27, 2024. The WNCB program, implemented since 2019 by Save the Children, UNATU, EWAD, Nascent RDO, and Hivos, in collaboration with local governments in Moroto, Nakapiripirit, and Busia, has successfully withdrawn and prevented thousands of children from child labor, re-enrolled them in school, and provided youth with skills for decent employment. The meeting presided over by the Minister for Karamoja Affairs and attended by representatives from CSOs, Parliament, UNICEF, FAO, ILO, and the Royal

Netherlands Embassy, highlighted achievements such as strengthening child protection systems, enhancing community economic conditions, and promoting responsible business conduct in the mining sector. PSFU's member, FUE, played a key role in implementing the National Action Plan for Eliminating Child Labor (2020/2021–2024/2025), particularly in the agriculture, mining, and construction sectors. Commitments made include sustaining project approaches, enhancing advocacy programs, and ensuring child protection. PSFU continues to advocate for the private sector to adopt child-friendly guidelines and eliminate child labor from supply chains, ensuring a future of quality education and decent work for all children.

#### **4.14. PSFU Participated in the development of the National Data Strategy for Digital Growth.**

The PSFU participated in the Validation Workshop of the National Data Strategy (NDS) held on November 19, 2024, at the National ICT Innovation Hub in Nakawa. The Ministry of ICT and National Guidance launched the Digital Transformation Roadmap to accelerate Uganda's digital revolution and implement the Digital Uganda Vision. The NDS aims to build a leading data economy by addressing challenges such as fragmented data systems, low data utilization, lack of trust, and inadequate standards, while promoting innovative data use. Key resource requirements include data infrastructure, human capital, research, innovation, entrepreneurship, data utilization, and governance. Challenges highlighted include inadequate infrastructure, digital divide between urban and rural areas, cybersecurity threats, capacity gaps, and insufficient funding.

PSFU recommended enacting data protection laws, prioritizing rural digital access, implementing nationwide data literacy programs, fostering multi-stakeholder collaboration, and establishing clear KPIs and monitoring frameworks. PSFU emphasized the need for real-time data indicators, open access data, transparency, and accountability. The strategy aligns with the EAC's data policy framework and calls for collective action from MDAs, the private sector, and citizens to position Uganda as a regional leader in digital transformation.

#### **4.15. PSFU Highlights Importance of TMA's Support on Trade Growth.**

The PSFU, participated in the Evaluation Workshop for TradeMark Africa (TMA) on November 21, 2024. PSFU highlighted TMA's support in improving Uganda's trade infrastructure, reducing Non-Tariff Barriers (NTBs), and promoting intra-EAC trade, which grew from \$10.91 billion in 2022 to \$12.1 billion in 2023. PSFU acknowledged the role of TMA in developing One Stop Border Posts (OSBPs), providing real-time trade information, and enhancing gender inclusion in trade. However, challenges such as limited SME participation, funding gaps, and COVID-19 disruptions were noted. PSFU emphasized the need for data infrastructure, capacity building, and rural connectivity to ensure sustainable trade growth. Key achievements include harmonized trade standards, streamlined SPS measures, and support for certifications like HACCP, boosting exports. PSFU recommended increasing local stakeholder engagement, expanding training for women and SMEs, and adopting advanced digital tools for trade facilitation. TMA's financial support was identified as a critical factor in enhancing MSME competitiveness and market access, positioning Uganda for greater regional and global trade opportunities through improved quality standards and regulatory compliance.

#### **4.16. PSFU Participated in the Validation of Petroleum Policy Environmental Assessment.**

As a member of the National Climate Change Advisory Committee, PSFU participated in the Strategic Environmental Assessment (SEA) Validation exercise for the National Petroleum Policy (NPP) organized by the Ministry of Energy and Mineral Development (MEMD) in November 2024. The SEA, mandated under the National Environment Act, 2019, and SEA Regulations, 2020, aimed to ensure that Uganda's petroleum sector development aligns with environmental sustainability and social responsibility. The assessment identified critical risks including biodiversity loss, pollution, land conflicts, and population influx. PSFU, along with other stakeholders, emphasized the need for robust environmental management plans, regulatory enhancements, capacity building, and emergency preparedness.

The SEA integrated environmental considerations from the policy design stage, ensuring balanced economic growth and environmental preservation. The SEA employed tools such as cost-benefit analysis, risk assessment, and scenario analysis to evaluate policy impacts. Key recommendations included continuous monitoring, strengthening institutional frameworks, and inclusive stakeholder engagement. PSFU highlighted the importance of protecting community interests while fostering investment in the petroleum sector. The SEA serves as a crucial framework for ensuring that Uganda's petroleum industry achieves its economic potential without compromising environmental integrity and social welfare, reinforcing PSFU's commitment to sustainable private sector development.

#### **4.17. PSFU and AE Trade Group Partnership for AfCFTA Implementation.**

The PSFU held several meetings and signed an MOU with the Ae-Trade Group on August 23, 2024, to collaborate on leveraging the African Continental Free Trade Area (AfCFTA) for Uganda's private sector. Mr. Jack Bismohun, AE Trade Group's Commercial Director, highlighted the group's role as an AfCFTA implementing partner across 15 African countries, focusing on affordability, logistics, digital media, and policy support. The meeting discussed the Sokoku E-Trade platform, which facilitates cross-border transactions and logistics cost reduction through e-payment systems. PSFU expressed interest in engaging members, with fees ranging from \$10 to \$1,000 per enterprise, depending on size and services offered. Key actions included sharing the onboarding process, and participation details for the upcoming regional industrialization and climate change conference. AE Trade Group committed to engaging with the Pan-African Chamber of Commerce and Industry Conference in Kampala, with Ms. Treasure Maphanga coordinating efforts. PSFU aims to harness this partnership to enhance regional trade opportunities, reduce logistics costs, and ensure sustainable economic development through active participation in AfCFTA initiatives.

#### **4.18. PSFU Report on Draft Competition Regulation Stakeholder Meeting.**

The PSFU participated in the Stakeholder Consultative Meeting on the Draft Competition Regulation held from December 10-12, 2025, at Kampala Serena Hotel. The meeting reviewed Uganda's Competition Act, 2024 (Act 5 of 2024), which aims to promote fair competition, regulate mergers, and prevent market abuses. The Act, published on April 19, 2024, mandates the Minister of Trade to develop operational regulations within six months, covering market dominance thresholds, merger approval procedures, and penalties for non-

compliance. Participants included MOFPED, BOU, Law Reform Commission, PSFU, UMA, and the Petroleum Authority.

The Act benefits the private sector by protecting SMEs, enhancing consumer protection, attracting investments, and ensuring regulatory compliance. It is particularly relevant to sectors like telecommunications, banking, retail, manufacturing, transport, and energy, where it prevents monopolistic practices and ensures fair pricing. PSFU emphasized the need for timely enactment of statutory instruments to provide clear guidelines for businesses and foster a competitive market environment, contributing to economic growth and investor confidence in Uganda.

#### **4.19 PSFU Participation in EAC Focal Persons Meeting on Regional Integration**

The PSFU participated in the EAC Focal Persons Meeting held on December 17, 2024, chaired by Permanent Secretary Mrs. Edith Mwanje at the MEACA Boardroom. The meeting reviewed the progress of the 24th Ordinary Summit of the East African Community (EAC) under the theme: “Promoting Trade, Sustainable Development, Peace, and Security for Improved Livelihoods.” EAC intra-trade from January to August 2024 declined by 4.8% to US\$60.78 million from US\$63.83 million in 2023, while global trade rose by 5% to US\$74.08 million. The decline was attributed to un-harmonized trade policies, domestic tax disparities, and non-tariff barriers (NTBs), though 274 NTBs have been resolved since 2007. Key challenges noted include delayed contributions from partner states, budgetary constraints, and slow implementation of regional laws. Recommendations included timely disbursement of contributions, strengthening integration with the DRC and Somalia, capacity building, and resource mobilization through development partners. PSFU emphasized the need for harmonized trade policies, enhanced infrastructure, and private sector participation to improve Uganda’s trade performance within the EAC and globally.

#### **4.20 PSFU-UNBS Maize Millers Exporters Meeting on Border Trade Challenges**

The PSFU participated in a meeting with the Uganda National Bureau of Standards (UNBS) and maize millers/exporters on September 18, 2024, at UNBS offices to address challenges faced at the Nimule border with South Sudan. The key concern was the rejection of 96 maize trucks, causing significant financial losses for exporters, with costs increased by 170 km reroutes and payments of UGX 1.5M–2M to border agencies. PSFU highlighted South Sudan as a critical market for Uganda’s maize exports and urged streamlined regulatory processes. UNBS emphasized maintaining quality standards and announced ongoing negotiations with South Sudan National Bureau of Standards (SSNBS) on mutual recognition of quality marks. Agreed actions include rapid testing at the Gulu lab, strict adherence to certification standards, and compulsory Q-mark certification for maize exports. The Ministry of Agriculture will oversee regulation from farm to post-harvest. UNBS committed to improving turnaround times for testing while maintaining food safety standards. Traders are expected to bear the cost of rejected maize destruction to avoid accumulation at the border.

#### **4.21. PSFU Participation in a Business Licensing Reform Validation Meeting**

PSFU has for long been advocating for reforms in our business licensing regime. We heavily participated in numerous consultations leading to the current reforms being proposed. As part of that process, PSFU participated in the Validation Meeting of the Draft Report for the Business Licensing Reform Program held on August 15, 2024. The project, supported by the World Bank, aims to simplify business registration processes by eliminating redundant procedures, reducing discretionary powers, and enhancing regulatory efficiency. The review covered 77% of identified MDAs through bilateral meetings, legal reviews, and stakeholder engagements. Key findings highlighted Uganda's strong digital governance framework, supported by NITA-U, and challenges such as digital literacy gaps and limited ICT integration across agencies.

Recommendations included establishing a unified national e-licensing platform, clarifying the distinction between licensing and taxation, and adopting risk-based regulatory approaches to ease compliance costs for SMEs. Transparency and predictability in licensing processes were emphasized to foster a business-friendly environment. PSFU supports these reforms to enhance Uganda's business climate, reduce operational burdens, and attract investment, contributing to economic growth and private sector development.

#### **4.22. EAC Oversight Meeting on Elimination of Non-Tariff Barriers.**

On 25th September 2024, the EAC Committee on Communication, Trade, and Investment conducted an oversight activity to assess Partner States' progress in eliminating Non-Tariff Barriers (NTBs) under the 2005 Customs Union Protocol. NTBs, which hinder trade without being official tariffs, remain a concern despite Article 13's call for their eradication. The activity aimed to evaluate NTB elimination progress, identify recurring NTBs, assess road user charges, and review domestic tax rates (Excise, VAT, and Income Tax). Challenges in implementing the NTB Act and Rules of Origin were highlighted, along with the need for better dispute resolution mechanisms. Current NTBs and discriminatory trade measures were also assessed. The oversight activity identified policy gaps, road user charges, and trade restrictions affecting intra-EAC trade. Key outcomes included recommendations for policy and legislative reforms to enhance NTB elimination. The final report will be presented by EALA MPs to the Parliament in Uganda from October 28 to November 1, 2024, with private sector participation invited.

#### **4.23. PSFU Participation in Tofiira Ku Kkubo Road Safety Campaign.**

The PSFU, in partnership with the Mastercard Foundation and Uganda Professional Drivers Network (UPDN), launched the *Tofiira Ku Kkubo* Road Safety Campaign to reduce youth road fatalities by 20% by March 2025. With road crashes claiming 13 lives daily, particularly among young motorcyclists, PSFU spearheaded this initiative to promote defensive driving and safety training. A fundraising dinner on August 14, 2024, at Kampala Sheraton Hotel aimed to raise \$50,000, secure five new partnerships, and engage over 500 stakeholders. The campaign, supported by PSFU, UPDN, Safe Boda, and Marine Time Cargo, highlighted the need for resources to expand its reach. Key expected outcomes include detailed reports on funds raised, media coverage, and partnership commitments. With Uganda's road fatalities among the highest globally, PSFU's participation

underscores its commitment to youth safety and economic development by ensuring safer transport systems, particularly for young boda boda riders who rely on this sector for income.

#### **4.24. PSFU Participation in National Exports Logistics Dialogue.**

The National Exports Logistics Dialogue (NELD), organized by the Uganda Cargo Consolidators Association (UCCA), took place on September 6, 2024. PSFU, represented by Kenneth Ayebare, Chair of the Transport and Logistics Sector, actively participated in discussions on enhancing Uganda's export competitiveness. The event brought together key stakeholders, including the Deputy Speaker of Parliament and senior government officials, to deliberate on trade, investment, and tourism opportunities. Notable highlights included Uganda's strategic position as a logistics hub in the region, with a growing export sector contributing \$6.2 billion to the GDP in 2023, a 7% increase from 2022.

Discussions focused on addressing logistical challenges, improving infrastructure, and streamlining customs processes to facilitate exports. PSFU advocated for public-private partnerships to enhance transport efficiency and reduce costs, highlighting the need for investment in digital logistics solutions. Key recommendations from the dialogue included establishing a centralized export data system, reducing export taxes, and enhancing road and rail networks. PSFU committed to working with stakeholders to implement these recommendations, aiming to boost Uganda's export volumes by 15% annually over the next five years, thereby strengthening the country's position in global markets.

#### **4.25 PSFU NextGen 2024: Empowering Uganda's Young Entrepreneurs**

The PSFU NextGen 2024 event, held on December 5, 2024, at Kampala Serena Hotel, was a pivotal gathering focused on empowering youth entrepreneurship under the theme "*Shaping the Future of Uganda's Entrepreneurs.*" Attracting over 500 participants, including industry leaders, policymakers, and aspiring entrepreneurs, the event emphasized strategic thinking, innovation, and resilience as key business success factors. MTN Uganda, DFCU Bank, and Stanbic Bank sponsored the event, with MTN training over 5,000 youth in digital literacy. Panellists, including Pepsi Cola Chairman Dr. Amos Nzeyi, Chairman of Roofings Group Mr. Sikander Lalani, SafeBoda Co-founder Ricky Rappa Thomson, and Endiro Coffee CEO Gloria Katusiime, shared insights on leveraging digital tools, business discipline, and regional trade opportunities. Key recommendations included mentorship programs, tax incentives for startups, and integrating digital transformation into entrepreneurship, while challenges such as access to financing, high operational costs, and limited market linkages were addressed with proposed solutions to foster innovation and cross-border business collaborations. The PSFU NextGen 2024 event reaffirmed PSFU's commitment to youth empowerment, economic transformation, and sustainable business growth, setting the stage for enhanced entrepreneurial support in Uganda.

## **5.0. REGIONAL ENGAGEMENTS**

### **5.1. Meeting with NCTTCA in Kigali on the Transport and Trade Related Issues**

During the quarter, the PSFU participated in the Northern Corridor Transport and Transit Coordination Authority (NCTTCA) Public-Private Partnership Committee meeting in Kigali, Rwanda, alongside other private sector members from Kenya, Uganda, Rwanda, Burundi, DRC, and South Sudan. PSFU presented key policy issues affecting business growth and competitiveness within the region. PSFU proposed harmonizing renewal times for transit goods licenses to enhance efficiency, strengthening security to address rising theft along corridors, and expanding parking spaces at One Stop Border Posts (OSBPs) to reduce congestion and improve processing times.

The PSFU also highlighted the burden of high, multiple, and illegal charges imposed on Ugandan truckers in South Sudan, such as the US\$70 visa fee per truck and unreceipted US\$40 yellow card charges. They called for urgent road repairs on key sections to prevent accidents and penalties caused by poor infrastructure. Additionally, PSFU pushed for intervention regarding Ugandan drivers jailed in South Sudan, advocated for harmonizing road user fees across Northern Corridor countries to ensure fair competition, and emphasized the need to fully operationalize and digitalize OSBPs to streamline trade processes. By addressing these challenges, the proposed measures would enhance regional business efficiency, boost competitiveness, and create more job opportunities for young people, particularly in logistics, transportation, and trade-related sectors.

### **5.2. PSFU Supports EAC MRAs for Service Liberalization.**

The PSFU participated in an East African Community (EAC) meeting on the development and implementation of Mutual Recognition Agreements (MRAs) for professional services under the EU-EAC CORE Programme. These MRAs aim to facilitate the free movement of professionals, particularly in engineering and accountancy, by ensuring mutual recognition of qualifications and licenses across EAC member states. The initiative focuses on three key aspects. First, regulatory harmonization will align professional standards, enabling seamless cross-border practice and eliminating trade restrictions in prioritized sectors. Second, capacity building and awareness campaigns will empower regulators, professionals, women, and youth, ensuring greater participation in regional economic activities. Lastly, with the services sector contributing 60% to the EAC's GDP, MRAs will unlock youth employment by expanding job opportunities in high-value fields. PSFU remains committed to advocating for private sector inclusion in MRA implementation and ensuring that Ugandan professionals benefit from regional integration and the liberalization of professional services within the EAC.

### **5.3. Public-Private Dialogue and Business-to-Business Forum held in Dar es Salaam in on grain trade.**

During the quarter, PSFU and members of the business community were invited to a Public-Private Dialogue and Business-to-Business (PPD & B2B) Forum held in Dar es Salaam, focusing on grain trade in Eastern Africa. The forum brought together over 300 delegates from both the public and private sectors, representing more than 10 countries, including Uganda, Ethiopia, Kenya, Tanzania, Rwanda, Burundi, Zambia, Malawi, the

Democratic Republic of Congo (DRC), and South Sudan. Business deals worth \$400 million were signed at the forum, including a \$9.5 million deal by Grain Pulse, one of our Lead Firms, with companies in Rwanda, Kenya, and Burundi. This deal, involving the supply of maize, sorghum, and soybeans, presents a significant opportunity for job creation, enabling young people to produce and supply quality grains to help Grain Pulse meet market demands.

#### **5.4. Enhancing Private Sector Involvement in NCIPs.**

The PSFU participated in the Regional Cluster Meeting on Finance and Private Sector Participation under the Northern Corridor Integration Projects (NCIPs), held from October 14–15, 2024, at Lake Victoria Serena Golf Resort, Kigo. The meeting, chaired by Uganda, brought together delegates from Kenya, Rwanda, South Sudan, and Uganda to review the implementation status of the 14th NCIP Summit directives on private sector engagement. Key discussions highlighted that most directives had been implemented, with partner states reaffirming their commitment to involving their private sector in NCIP execution. However, high financing costs for bankable projects have slowed completion.

The meeting emphasized continuous engagement with private sector apex bodies to mobilize funding and ensure participation. The updated implementation matrix was approved, and states were directed to enhance private sector collaboration. Strengthening financial frameworks will accelerate NCIP success and boost regional economic growth.

#### **5.5. PSFU Engages in National Dialogue on EAC Integration.**

PSFU participated in the National Dialogue for the Private Sector, Civil Society, and Other Interest Groups on December 3, 2024, at Hotel Africana, Kampala. The event, themed “Towards a Resilient and Fully Integrated East Africa: Harnessing Opportunities in the Borderless Community,” served as a preparatory engagement for the EAC Secretary General’s Forum (December 10–11, 2024, in Nairobi, Kenya). Discussions focused on the EAC Common Market, Customs Union milestones, and Non-Tariff Barrier (NTB) resolution, with over 274 NTBs eliminated as of 2024.

The Simplified Trade Regime (STR) and One Stop Border Points (OSBPs) have significantly improved regional trade facilitation. However, concerns were raised about limited youth and disability inclusion and low public awareness of EAC trade benefits. Key recommendations included expediting a single EAC travel document, raising awareness of EAC activities, and engaging policymakers to align with non-state actors. Additionally, a regional think tank was proposed for data-driven policy research, alongside sanctions for partner states failing to honor EAC directives. PSFU remains committed to advocating for an inclusive and fully integrated EAC.

#### **5.6. Strengthening Regional Integration During the 7<sup>th</sup> EAC Forum.**

The 7th EAC Annual Secretary General’s Forum, held from December 10-11, 2024, in Nairobi, Kenya, brought together hundreds of stakeholders from civil society, private sector organizations, and special interest groups. Under the theme “Towards a resilient and fully integrated East Africa”, the forum focused on strengthening regional integration, addressing trade barriers, and advancing economic and social development. Key

discussions centered on enhancing the Customs Union, Common Market, and Monetary Union protocols to facilitate smoother trade and investment across partner states. EAC Secretary General Hon. Veronica Nduva emphasized achievements such as the Electronic Single Window System and East African Electronic Passport, which have significantly reduced transit times—for example, Mombasa to Kigali now takes three days instead of 21. One Stop Border Posts (OSBPs) have streamlined customs procedures, reducing border crossing times by 70% and saving the region over USD 63 million annually. Additionally, transit from Mombasa to Kampala has dropped from 18 days in 2007 to 4-5 days.

Discussions included regional economic integration, governance, digital transformation, and security. The PSFU contributed to discussions on harmonizing a regional local content policy. Key recommendations included mutual recognition of standards, enhanced public-private dialogues, digitization of systems, reducing political interference, and exploring alternative funding mechanisms. A youth desk at the EAC Secretariat was also proposed to promote youth engagement in integration efforts.

### **5.7 PSFU Participation in Northern Corridor Member States' Land at Naivasha SEZ.**

The Northern Corridor, a key transport network linking the Great Lakes Region to Kenya's seaport, is crucial for trade and regional integration among Member States including Uganda. To enhance this integration, Kenya allocated land within the Naivasha Special Economic Zone (SEZ) for Member States to develop logistics hubs. On November 21-22, 2024, the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) held a regional workshop and site visit to the SEZ, focusing on securing land titles, improving connectivity to the Standard Gauge Railway and Inland Container Depot, and engaging development partners for funding.

Uganda stands to benefit significantly from this initiative, with the SEZ offering modern logistics infrastructure, proximity to key transport networks, and investment incentives. The workshop resolved to designate the project as a regional initiative, advance feasibility studies through NCTTCA, and enhance stakeholder engagement. Next steps include finalizing land titling, initiating studies, and mobilizing funds to transform the SEZ into a logistics hub, boosting Uganda's trade, attracting investment, and fostering economic growth. This development aligns with PSFU's commitment to enhancing Uganda's trade competitiveness and regional integration.

### **5.8. PSFU Benchmarking Mission to UAE Startup Ecosystem.**

The PSFU participated in a benchmarking mission to the United Arab Emirates (UAE) from September 2–10, 2024, led by Dr. Joshua Mutambi (MTIC) and Mr. Stephen Asiimwe (PSFU). The mission aimed to gather insights for Uganda's National Startup Policy by studying the UAE's startup ecosystem. Key engagements included the Dubai Chamber of Commerce, UAE Ministry of Finance, DIFC Innovation Hub, and Mohammed bin Rashid Al Maktoum Solar Park. The UAE's robust support system includes startup loan guarantees, tax incentives, and university-industry partnerships. Sectors like Fintech, renewable energy, and technology attract significant investments. Uganda's ICT sector, contributing 9% to GDP, can benefit from similar models by offering tax breaks, funding mechanisms, and startup incubators within universities. The UAE's renewable

energy investments, such as the 17% energy contribution from the Solar Park, highlight opportunities for Uganda to invest in sustainable energy solutions.

PSFU recommends Uganda adopt public-private partnerships, enhance financial access for startups, and establish innovation hubs focused on Fintech, agriculture, and energy. A startup credit rating system and national competition like "Shark Tank" can drive innovation, attract investment, and foster entrepreneurship for Uganda's economic growth.

### **5.9. Kenya Startup Policy Benchmarking Mission.**

The PSFU, in partnership with the Ministry of Trade, Industry and Cooperatives (MTIC) and Mastercard Foundation, conducted a benchmarking mission to Kenya from October 6-12, 2024, to inform Uganda's National Start-Up Policy 2024. Kenya's vibrant ecosystem, with 1,800 startups and \$673.78 million in venture capital raised in 2023, offered valuable lessons. Uganda, by contrast, attracted only \$4.17 million in 2023, down from \$69.31 million in 2021. Key insights included Kenya's strong regulatory framework (ranked 56th globally), tax incentives, and investment-friendly zones like Konza Technology Park. Uganda's startup policy aims to improve financing, innovation, and ease of business, addressing challenges like low investor confidence and limited resources.

The mission emphasized the need for a national innovation fund, tax breaks, incubation hubs, and public procurement access for startups. PSFU's recommendations include adopting Kenya's policies, creating special economic zones, enhancing investor readiness programs, and supporting women and youth-led enterprises. This mission provides a roadmap for fostering Uganda's startup ecosystem, driving economic growth, and ensuring global competitiveness.

### **5.10. Uganda Startup Policy Benchmarking Mission In South Africa**

The Uganda National Startup Policy Benchmarking Mission in South Africa, conducted from November 13-23, 2024, aimed to gather insights into South Africa's entrepreneurial ecosystem for Uganda's policy development. The mission included participation in the Africa Tech Festival 2024, which attracted 15,000 attendees, 300 exhibitors, and 500 speakers from 130 countries, featuring major players like Microsoft, Google, and AWS. Engagements with organizations such as WomHub highlighted gender-focused initiatives, while South Africa's Special Economic Zones (SEZs) attracted R29.6 billion in investments and created 29,000 jobs. Key recommendations for Uganda include adopting a unified strategic framework like South Africa's NISED Masterplan, investing in R&D through partnerships, and providing tax incentives for startups.

The mission emphasized gender-specific entrepreneurial support, incubation hubs, and export-focused policies. Establishing innovation hubs, incentivizing R&D, and streamlining business registration were also recommended. PSFU highlighted the need for Uganda to foster public-private partnerships, support female entrepreneurs, and enhance global market access to drive economic growth through startups.

### **5.11. PSFU Participation in Northern Corridor PPPC Chair Meeting in Kigali.**

The PSFU participated in the Northern Corridor Public-Private Partnership Committee (PPPC) Chairperson's Meeting held in Kigali, Rwanda, from August 5-8, 2024. The meeting aimed to foster dialogue between the PPPC Chairperson and private sector leaders from all Northern Corridor Member States. Key discussions included the implementation of previous resolutions, new transport and transit projects, and enhancing private sector utilization of the Port of Mombasa. The workshop, attended by two private sector leaders from each Member State, featured progress presentations, site visits to Kigali SEZ, DP World Logistics Park, and One-Stop Border Posts with Burundi and DRC.

The PSFU emphasized improving operational efficiency, addressing regulatory challenges, and attracting investments. Resolutions included drafting a unified action matrix, enhancing corridor logistics, and strengthening regional trade collaboration. The meeting underscored the importance of infrastructure development and private sector participation in driving regional economic growth through streamlined logistics and improved trade facilitation.

### **5.12. PSFU Participation in IGAD Food Security Strategy Validation Meeting.**

The PSFU participated in the IGAD Regional Food and Nutrition Security Strategy (2024-2034) validation meeting held from October 25-26, 2024, at Skylight Hotel, Addis Ababa, Ethiopia. The Food Systems Resilience Program (FSRP) for Eastern and Southern Africa, running from 2022 to 2029, aims to increase food systems' resilience and preparedness for food insecurity through four pillars: rebuilding agricultural capacity, sustainable natural resource use, market access, and resilient food systems policymaking. The meeting validated the IGAD Food and Nutrition Security Strategy, which targets sustainable food availability, accessibility, and nutrition by 2034. Objectives include improving agricultural productivity, enhancing resilience, promoting diverse and safe food access, and empowering young agripreneurs.

Key observations included the need for better representation of Uganda, inclusion of rice as a staple food, and recognizing the impact of fast-food companies on obesity. The meeting underscored the importance of private sector partnerships and macro-level coordination. Outcomes included validation of the draft strategy, preparation for ministerial endorsement, and a revised draft to be shared with member states. PSFU's participation highlighted its commitment to regional food security and agricultural development through public-private collaboration.

### **5.13 PSFU Participation in the EAC-EU CORE Meeting in Dar es Salaam**

The Private Sector Foundation Uganda (PSFU), represented by Martin Maku, participated in the 1st EAC-EU CORE Programme Steering Committee Meeting on August 5-6, 2024, in Dar es Salaam, Tanzania, focusing on regional trade integration, customs modernization, and trade in services. The EU-EAC CORE Programme, funded under the 11th European Development Fund with a €16 million budget, targets Customs Interconnectivity (€4.3M allocated), Trade in Services (€1.3M disbursed), and Institutional Strengthening. Key discussions highlighted progress in Customs Union implementation through an ICT-based data exchange

platform, enhancement of risk management and valuation systems, and growth in Trade in Services, which contributes 60% to regional GDP. Notable achievements include a successful peer-to-peer learning conference on the distribution sector in Nairobi, alongside future plans for digital transformation and competition policy. However, challenges such as delayed implementation, limited staff capacity, and financing gaps were noted, with recommendations to accelerate automation and private sector engagement. PSFU remains committed to supporting initiatives that foster regional trade and economic integration.

#### **5.14 PSFU Participation in Inaugural Regional Industrialization Conference 2024**

The Inaugural Regional Industrialization Conference 2024, organized by INUMA Solutions Ltd in partnership with Uganda Industrial Research Institute (UIRI) and Private Sector Foundation Uganda (PSFU), was held on September 24-25 at Next Media Park. Themed *“Building an Industrial Landscape Focused on Innovation, Technology, and Job Creation for Economic Growth and Environmental Conservation,”* the event featured seven sessions covering regional trade, circular economy, and energy in industrialization. Key discussions highlighted funding gaps in research and development (R&D), limited local technology adoption, and workforce skills shortages. Proposed solutions included expanding technical education, supporting indigenous innovations, and strengthening public-private partnerships (PPPs). Uganda’s manufacturing sector, with over 10,000 factories and one million jobs, was emphasized as critical for economic transformation. Challenges such as high electricity costs, non-tariff barriers, and inefficient regional trade policies were addressed, with recommendations to harmonize regulations, invest in industrial parks, and enhance value addition in agro processing. The conference reinforced the role of sustainability, ESG compliance, and digital transformation in industrial growth. PSFU remains committed to fostering policies that support industrialization, innovation, and regional economic integration.

#### **5.15 PSFU Participation in the EABC-EAC CEOs Secretary General Meeting.**

The PSFU participated in the EABC-EAC CEOs Secretary General Consultative Meeting/dialogue held at the Kampala Serena Hotel on November 5, 2024. The meeting, themed *“Enhancing Competitiveness in the EAC, Addressing Barriers to Trade and Leveraging Regional Integration Opportunities,”* brought together over 80 business leaders, government officials, and EAC stakeholders. Uganda’s exports to EAC partner states grew from US\$ 1.9 billion in 2022 to USD 2.2 billion in 2023, while imports increased from US\$ 1.07 billion to US\$ 2.23 billion. Intra-EAC trade expanded by 13.1% to US\$ 12.1 billion in 2023. However, logistics costs, contributing to 40% of manufacturing expenses, remain a major challenge, with cargo taking 3-5 days from Mombasa to Kampala and 4-6 days from Dar es Salaam to Kampala. Key discussions covered manufacturing, pharmaceuticals, agroforestry, and logistics, emphasizing the need for NTB elimination, infrastructure development, and regulatory harmonization. PSFU advocated for annual EAC-CEOs meetings, improved agricultural productivity, transport cost reductions, and support for the pharmaceutical and timber sectors, aiming to enhance Uganda’s regional trade competitiveness.

## 6.0. POLICY ADVOCACY PROJECT IMPLEMENTATION

### 6.1. ABEEP Project

#### 6.1.1. Project Background.

The Agricultural Business Development Services Ecosystem Enhancement Project (ABEEP), spearheaded by AMI Uganda Ltd and the Private Sector Foundation of Uganda (PSFU), addresses critical challenges in Uganda's agricultural sector, which contributes **24% to the GDP** and employs **72% of the population**. The sector's growth is hindered by low-quality Agricultural Business Development Services (Ag-BDS), delayed policy development, and lack of enforcement of standards.

#### 6.1.2 Project Objectives

The project aims to enhance the capacity of Ag-BDS providers, advocate for a National BDS policy, and establish a Centre of Excellence for accreditation. With a budget of USD 300,189 over 24 months, ABEEP will conduct comprehensive market analysis, train 60 Ag-BDS providers, and develop an accreditation framework linked to a public registry. As an implementing partner, PSFU has a budget of USD 73,189 to implement its activities during the project's implementation period.

#### 6.1.3 Key Outcomes

Key outcomes include increased access to BDS and financial services, enhanced professionalism of Ag-BDS providers, and a sustainable policy framework enforced by the Ministry of Trade, Industry, and Cooperatives (MTIC). The project's systemic impact spans from micro-level productivity improvements and financial literacy to macro-level policy implementation, fostering a resilient agricultural ecosystem.

#### 6.1.4 Achievements

- i. Conducted national consultations with over 200 stakeholders, shaping the BDS standards.
- ii. Facilitated a comprehensive needs assessment to identify gaps in the Ag-BDS ecosystem, informing a practical policy framework.
- iii. Built strong support for the National BDS policy, leading to a 25% increase in market access for Agri-SMEs.
- iv. Launched nationwide campaigns and workshops to raise awareness of the National BDS policy, benefiting over 150 Agri-SMEs.

#### 6.1.5 Work Plan for Next Quarter

- i. Finalize Regulatory Impact Assessment for the National BDS Policy.
- ii. Hold meetings with UNBS Technical Committee and National Standards Council to approve BDS standards.
- iii. Develop a policy brief to engage the government on BDS Policy advancement.

## **6.2. EAMIAT Project**

### **6.2.1. Project Background.**

The "Enhancing Access to Markets for an Inclusive Agricultural Transformation in Eastern Uganda" project, led by the Private Sector Foundation of Uganda (PSFU), tackles challenges in Uganda's agricultural sector, which contributes 24% to GDP and employs 72% of the population. Despite being a surplus producer, Uganda struggles with unstructured markets, post-harvest losses (10-15% for grains, 20-25% for root crops), and limited access to finance.

### **6.2.2 Project Objectives**

The project aims to improve income and food security for 150,000 smallholder farmers in Busoga, Bugisu, and Sebei regions by fostering inclusive trade opportunities. Key objectives include creating a conducive policy environment, enhancing market access, reducing post-harvest losses, and providing financial services through partnerships like Stanbic Bank's tailored value chain finance products.

### **6.2.3 Key Outcomes**

Expected outcomes are increased market access, with trade volumes projected to rise by 30% post-implementation, improved quality standards, and strengthened value chain linkages. The project will deliver four policy briefs, two business-to-business trade missions, and advocate for policy reforms like the Contract Farming Bill.

### **6.2.4 Project Implementation**

The project, running from July 2024 to June 2027 with a budget of \$259,999, anticipates boosting Uganda's grains market, projected to grow from \$4.45 billion in 2024 to \$5.43 billion by 2029 at a 4% annual growth rate. Collaborations with Kilimo Trust, The Grain Council of Uganda (TGPU), Prince Willis, and Stanbic Bank Uganda, alongside government agencies and farmer organizations, will ensure comprehensive support and sustainability beyond the project lifecycle.

### **6.2.5 Achievements to Date**

TORs for Four Policy Studies Completed: The Terms of Reference for conducting four policy studies have been finalized, and the onboarding process for consultants is currently ongoing. The studies include:

- i. A study on contract farming to support the development of a Contract Farming Bill.
- ii. A study on key policy and business development interventions required for the growth of maize, beans, and rice value chains.
- iii. A study on cross-border trade facilitation, focusing on Non-Tariff Barriers (NTBs), the Simplified Trade Regime (STR), and logistics.
- iv. A study on sustainable financing mechanisms for agricultural value chains.

### **6.2.6 Workplan for Q1 2025**

- i Finalization of Consultant Onboarding: Complete the process of onboarding consultants to conduct the four policy studies.

- ii Data Collection: Conduct data collection for the four policy studies.
- iii Report Validation: Validate the reports generated from the studies conducted by the onboarded consultants.

## **7.0. ACTIVITIES IN PROGRESS**

### **7.1. Design and printing of the PSFU Platform for Action.**

The PSFU Policy Advocacy and Business Development Department is finalizing the Platform for Action (PFA) for the 2024/25 financial year. The PFA document, aimed at driving policy advocacy for private sector growth, highlights key economic priorities, challenges, and recommendations across sectors like agriculture, tourism, ICT, and energy. It emphasizes enhancing market access, improving infrastructure, and fostering innovation to boost Uganda's economic resilience. The launch and dissemination of the PFA document is expected by early March 2025. The next step is the official launch and dissemination of the report to key stakeholders, including policymakers, private sector players, and development partners. This phase will ensure that the PFA's insights and recommendations are effectively communicated to influence policy decisions and foster an enabling environment for business growth in Uganda. PSFU is committed to supporting the private sector through strategic advocacy and informed policy engagement.

### **7.2. Launch and dissemination of the Construction sector strategy.**

PSFU's Policy Advocacy and Business Development department is finalizing the National Private Sector Strategy for the Construction Industry (NPSSCI) 2024-2034. The strategy aims to boost local construction firms' competitiveness, contributing to GDP growth and job creation. Printing and designing of the strategy is expected by early March 2025, followed by dissemination to key stakeholders. NPSSCI emphasizes financial access, capacity building, and regulatory advocacy to foster sustainable growth in Uganda's construction sector.

### **7.3. Work in Progress Report on National Startup Policy.**

The PSFU has submitted the draft National Startup Policy documents, including the Communication Plan and the Monitoring, Evaluation, Accountability, and Learning Plan, to the Ministry of Trade, Industry, and Cooperatives as of January 27, 2025. This submission marks significant progress in fostering Uganda's startup ecosystem, with the policy being developed since 2022. Insights from international benchmarking missions have informed the policy framework, which aligns with Uganda's national development goals. PSFU is now awaiting confirmation of an official submission date from the Ministry.

### **7.4. Study to support the enactment of the Contract Farming Bill 2023.**

The PSFU is advancing its Contract Farming Study under the Enhancing Market Access for Agricultural Production Project in Eastern Uganda. Focused on supporting the Contract Farming Bill 2023, the study aims to establish a legal framework for fair agreements between farmers and buyers, boosting agricultural productivity in the Busoga, Bugisu, and Sebei sub-regions. Additionally, the study addresses cross-border trade challenges, cooperative financing, and value chain development. Expected outcomes include legislative

backing for contract farming, improved farmer-buyer relations, and enhanced agricultural markets. PSFU remains committed to working with stakeholders for timely completion and impactful results, strengthening Uganda's agricultural sector and promoting economic resilience.

## 8.0. CONCLUSION

In the first two quarters of FY 2024/25, PSFU has made significant strides in policy advocacy, business development, and strategic initiatives aimed at enhancing private sector growth. Key accomplishments include the finalization of the Platform for Action (PFA) for 2024/25, advancements in the National Startup Policy submission, and the ongoing Contract Farming Study to support the Contract Farming Bill 2023. PSFU has actively engaged in regional dialogues, sector-specific strategies, and cross-border trade facilitation, demonstrating its commitment to fostering an enabling business environment.

Moving forward, the launch and dissemination of the PFA and the Construction Sector Strategy in early 2025 will be pivotal. PSFU remains dedicated to its mandate of supporting MSMEs, advocating for favorable policies, and enhancing market access, thereby contributing to Uganda's economic resilience and growth.

Sincerely,

Julius Byaruhanga (Ph.D)

**Director Policy Advocacy**



*Business growth is our business*