“Unleashing the power of the private sector in Uganda - Prospects, Constraints, Solutions”

... Accelerating pro-poor growth...

Thursday 13th March, 2014
Snapshot of achievements to date

- Export promotion 10 missions involving 60+ firms
- Mentoring to 60+ firms
- Deepening partnerships with key institutions/stakeholders and some capacity building
- An Enterprise Centre In the Albertine
- Agriculture supply chain programme up and running in Albertine Oil and Gas Sector
- Linking business Ireland-Uganda
- Beginnings of mind-set shift; Commercial approach; leg-up, not hand-out
Learnings ... quiet a bit ..

- Hand-Out culture well embedded – massive culture change required
- Time to make progress, make small steps, build trust .... very long term journey
- Enterprises are few and at very different stages with many needs - “sheep dipping” not enough
- Need to move from supply driven to demand driven approaches
- Need to work at multiple levels
- Oil has adjusted/distorted expectations
- Massive opportunity in Agriculture ... but many cultural/understanding/behavioural ++ aspects to address
Country Context analysis framework – Uganda

Government
- Policy/Strategy
- Rule of law
- Competence/Transparency

Public Bodies
- Sector Groups
- Inward Investment (UIA)
- Trade promotion (UEPB)

Education Levels
- Primary
- Secondary
- Vocational
- University (Prof)

Health levels
- Formal health system
- Informal health syst.
- Social/cultural habits

Access to Finance
- Large corporates
- Medium sized
- Micro businesses

Trade Infrastructure
- Policy & regulation
- Tax/Incentives

Public Funding capacity
- Tax collection
- Borrowing capacity

Phy. Infrastructure
- Roads/Borders
- Ports (Air & Rail)
- Telecommunications

Natural Resources
- Oil & Gas
- Other natural resources
- SME

Enterprise Capacity
- Large corporate
- Medium
- SME

Agriculture
- Land Quality & rainfall
- Structure/ownership
- Technical Know-how
- Value Added/commercial

Workforce capacity
- Business knowhow
- Sector experience
- Vocational skills

Health levels
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Traidlinks focus

Social & Economic Wellbeing

National Output
- GDP
- Trade Balance (Export/Import)
- Current Account
“Our ultimate goal is to help accelerate the growth of economic activity in the countries where we work, in a manner that is pro-poor. This means higher value added commercial activity from the most important sectors such as agriculture and also from the increasingly important natural resource opportunities. MSMEs are key to economic development. This should result in more jobs and higher GDP”.
Recognise several other critical cogs in system
Underneath the flywheel, looking to drive change along many dimensions..

Supporting trade and enterprise in Africa to Accelerate pro-poor growth

**Influencers**
- Political will
- National Strategies & Plans
- Institutional capacity
- Policies/Regulation & Incentives
- Media/Visibility
- Public/Community Will
- Education

**Individuals/Enterprise Change**
- Market access
- Financial strength
- Business practices
- Standards & Reliability
- Awareness
- Attitudes, perceptions and beliefs
- Knowledge
- Skills

**Leverage**
- Capital access
- Public funding
- Resources to communities
- Partnerships
- Private investment
- Private Sector Participation
Mapping on Traidlinks primary (target) areas of intervention...

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Can define change statements (interim destinations) along many fronts …

**Accelerating pro-poor growth**

- Firms have a route to end markets within country, EAC + beyond
- Farmers have a reliable route to end markets
- Develop a saving & investment culture
- Assets and prospects to attract outside capital

**Market access**

- Awareness of expected standard of quality and reliability in local and export markets
- Awareness of barriers to export promotion and ways to overcome

**Financial strength**

- Corruption not tolerated at every level
- Businesses run on disciplined, professional manner with solid systems and practices
- Firms able to meet basic international standards
- Willingness to try new methods and learn from mistakes

**Business practices**

- Perceptions of farming as a business
- MSME Less fatalistic about prospects to start, improve or expand the business
- Change to perception that biggest challenge to business is lack of access to external money

**Standards & Reliability**

- Baseline of running a profitable business
- Where to get help about better methods
- Management systems/ methods
- Specialist skills for commercial farming

**Awareness**

- Media sensitized about the oil & gas trends and report with understanding & clarity
- Public & Communities more eager to embrace enterprise as a way of progress

**Knowledge**

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**National Strategies & Plans**

- Practical and robust plans which have broad support and are well resourced
- Integrated approach between UIA, UEPB, UNBS for export and inward investment

**Institutional capacity**

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- Alignment of policies & regulation to facilitate progress towards priorities

**Policies/Regulation & Incentives**

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**Political will**

- Political leaders aware of key issues/barriers and willing to take action to help progress
- Practical and robust plans which have broad support and are well resourced

**Capital access**

- Available capital from banks for good opportunities
- Greater public funds made available to support business priorities

**Public funding**

- Reduction in aid/ hand-out culture
- Aid realigned to support pro-poor growth

**Philanthropy**

- Enterprise support/advice available and training in key skill areas
- Increased flow of investment funds from local private investors and FDI

**Resources to communities**

- Integrated approach between UIA, UEPB, UNBS for export and inward investment
- Large corporates participate in long term local growth opportunities

**Partnerships**

- Large corporates participate in long term local growth opportunities
- Large corporates become respected partners toward pro-poor growth

**Private investment**

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This is a long term process …
Try to plot interim destinations to see if making progress ...
**Summary … Targeted programmes**

### Institutional Capacity Building
- **C1** UEPB, Uganda
- **C2** UIA, Uganda
- **C3** Makarere University – Business Incubation Area
- **C4** Department of Agriculture, Uganda
- **C5** Department of Natural Resources, Uganda

### Agri-Foods Supply Chain
- **A1** An expanded Agri-Supply chain programme for Albertine region:
- **A2** Develop a regional Agri-Foods strategic Development Plan for the Albertine. (3-5Years)
- **A3** A3: Introducing, piloting and testing new models of commercialising agri-foods in a pro poor manner across Uganda.
- **A4** Implement enterprise development programmes to support 2/3 champions for each of main agri-food sectors across Uganda.

### Enterprise development & Expansion
- **B1** Marked Linked (Mark 2) – Uganda
- **B2** Marked Linked (Mark 2) – EAC
- **B3** Albertine Enterprise network
- **B4** Kampala Enterprise Centre – Oil & Gas

### East Africa / Ireland Investment Network
- **D1** Investment Clubs
- **D2** FDI/Encouragement/support facility for enterprises investing in east Africa
- **D3** Communications on developments / key issues affecting Irish Investors in East Africa
- **D4** Pooled and leveraged investment fund for East Africa
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