uganda

trade on the ground

Trade is joining up connections countrywide.

Trade is being caught on film at the Nile's source in Jinja as visitors pose with bird colonies nesting in verdant mangroves. Nearby, breath-taking bungee jumping spots pull people in, and the Owen Falls draw those seeking to breathe in nature.

Trade is on the move at the busy Malaba border with Kenya where customs officials work together to enter system data and metal seals are fastened on to trucks to protect cargo. Against Mbale's winding coffee hills, farmers end the day overlooking the valleys below where the precious bean crop is taken to local cooperative unions.

Trade is taking hold across Kampala's multiple hills cordoned off by the green belt. Here, *boda bodas* swerve each bend alongside white and blue stripped taxi vans ferrying office workers home, singing the *'Kamwokya – Ntinda'* destination on the way. Roadside, grilled *matooke* vendors present a welcome break next to the female fruit sellers wrapped in *lesu* offering jackfruit, passion fruit and papaya.

"Trade is the locomotive for economic emancipation, prosperity and transformation of the economy. EIF brought to the fore, trade is local and to bring that level of understanding for us to compete regionally and internationally."

Julius B. Onen, EIF Focal Point and Permanent Secretary, Ministry of Trade, Industry and Cooperatives

trade journey

Trade is getting goods to flow at the border. In districts, farmers' cooperatives are being plugged in to the latest market data; in the hotel training institute, students are gaining skills; crafts and food producers are going to be linked up to tourism and poor communities will get help with silk, aloe, gum arabic and honey production.

making inroads on trade nationwide

When trade starts local to go global, its impact reaches a wider range of people, products and partnerships. Uganda's growth coupled with reforms in the doing business environment alongside laws and policies on competitiveness have laid strong foundations. However, high transport and energy costs, poor social development realities and a serious skills gap are big challenges going forward.

There have been strides in getting a more joined-up approach on trade. The National Development Plan, which has growth, employment and socio-economic transformation for prosperity as its themes, has a specific trade chapter. That's a result of input from the focused EIF National Implementation Unit (NIU) into key trade papers including the first Diagnostic Trade Integration Study (DTIS), which has shaped the National Trade Policy and National Trade Sector Development Plan, which looks at the medium-term programme. Sectoral plans on agriculture,

trade snapshot

At the Malaba Border Post, lines of trucks pick up the pace, one side for exports, another for imports, with a flurry of stamps at the document clearance window.

In the Hotel Tourism and Training Institute, laundry classes are underway, while students graciously serve tea to visitors in the Crested Crane Hotel next door.

At Entebbe's Wildlife Education Centre, families in high spirits wander the green enclosures to view the birds and animals and the national symbol, the crane.

Around Kampala's historic monuments and squares, banks and foreign exchange bureaus buzz with traders in the middle of business transactions.

At Tororo Cement factory, workers in hard hats and overalls operate heavy machinery spouting piles of fine sand from rocks, igniting the mixing process.

In the city's high-end restaurants, dance troupes perform a nightly cultural show intertwining stories and poems with colourful dances and commentary.

Over in Nakasero market, cries of *'Nyabo,' 'Ssenga,' 'Ssebo'* and *'Kojja'* draw shoppers to the plantain, while at the craft market, bangles and fabrics go fast.

"Government realized sustainability is important and activities are incorporated into the national budget. The DCOs project is going to support 25 districts, through mainstreaming, Government is supporting 15 other districts."

Peter Elimu Elyetu, EIF Board Member and EIF NIU Coordinator, Ministry of Trade, Industry and Cooperatives

customs, ICT, tourism, local Government, energy and transport include trade, and most of the country's districts put trade into development plans. The update to the DTIS led by the World Bank (WB) with EIF support reviewed progress from the earlier study and found that 94 out of 150 policy recommendations have been taken forward and received high-level backing. The Competitiveness and Investment Climate Strategy (CICS) and National Export Strategy (2010-2015), which includes a gender dimension and which is taken forward by the Uganda Export Promotion Board (UEPB), have helped provide the context for delivery.

Other developments with backing from the EIF are on consumer protection; anti-counterfeiting; and competition and trade licensing. New trade champions are coming up, building on those from Agriculture, ICT, Works and Transport, Finance, National Planning Authority (NPA), Local Government, Private Sector Foundation Uganda (PSFU) and the Chamber of Commerce. Through EIF assistance, people's skills have been built up with seminars and workshops. That's led to know-how on trade mainstreaming, trade policy, the regional angle and project management for over 200 trade officials and the private sector. With outreach on trade, the public has been updated through the web, brochures, articles, TV debates and radio phone-ins as well as in consultative workshops. And trade is also featuring in the curriculum of educational institutions.

expanding trade networks

Making trade activities flourish in the country as a whole takes a focused approach to engage a wide stakeholder group. With political support from the ministerial level in the Ministry of Trade, Industry and Cooperatives, the agenda has benefitted from an EIF Focal Point as Permanent Secretary and the strong head of the technical NIU team, who champions trade and development issues for LDCs on the EIF Board.

As part of the EIF partnership platform, there is an overarching CICS Steering Committee looking at competitiveness and investment. Line ministries, the PSFU and the Chamber of Commerce alongside development partners come together, chaired by the Ministries of Trade and Finance. To support operations, there is a Management Committee and an Inter-Institutional Trade Committee (IITC), which assists in developing trade policy. It's helped build consultation on projects as they are uploaded on the Ministry website and stakeholders provide comments. There's been a strong public-private dialogue through the CICS, IITC and at the highest level through the Presidential Investors Round Table. With EIF backing, support has gone to events including trade and agriculture shows. The industry has received help in standards with entrepreneurs given assistance to certify goods for export. It's involved the UEPB, the Bureau of Standards, the Capital Market Authority and the Uganda Investment Authority.

Against this backdrop, development partner assistance has been coordinated with an active Private Sector Donor Group with a regular rotation of the chairperson among development partners, which has also helped to map Aid for Trade (AfT) flows. The updated DTIS will reinvigorate support on Action Matrix priorities. Assistance is coming from the European Union in trade negotiations and infrastructure, Sweden in quality infrastructure, TMEA in non-tariff barriers, the World Bank (WB) with private sector competitiveness, trade facilitation and tourism and AfDB in local markets. A Tourism, Trade, Industry Sector Working Group is planned to make these linkages even stronger, supported by the European Union as EIF Donor Facilitator.

extending trade's reach

Building a new mindset on trade is underway with trade facilitation. Through EIF support, there have been strong results tracked in the Malaba border post with customs clearance moving from three days to two hours and up to 30 minutes. There has been a focus on tackling counterfeit goods, and with risk management, cargo examination went from 60% five years ago to 15-20% at the present time.

With EIF backing to the District Commercial Offices (DCOs) project, trade information is getting out in the regions to local traders. There's been good coordination with the Ministry of Local Government on this innovative approach to join up extension services and provide training to connect people to the market. It will help farmers, producers, business people, cooperatives and local tourism agencies and link the large informal sector. An important feature is for DCOs to coordinate tourism benefits for local communities. The EIF project will focus on 25 districts. The Government is committed to roll out the programme to 15 more districts, and European Union support is going to another 5 areas, in total leading to assistance for 45 districts.

Through the EIF and other AfT support, another project under development is on skills development for a growing tourism sector by improving the capacity of the Hotel Tourism and Training Institute to get 3,045 students ready for a competitive labour market. It will help the Institute to support a benchmark for standards and raise awareness with hotel owners, together with the Ministry of Tourism, Wildlife and Antiquities. Another area being looked at is inclusive tourism with ITC and UNCTAD to link vulnerable producers of crafts and processed food to tourism and tap into the service industry's potential to strengthen local livelihoods.

charting a forward path on trade

Uganda has moved firmly upwards on the trade ladder. The DTIS Update has shown that there are strong connections with neighbours trading across borders, grassroots communities can multiply their trading impact in the districts and

young people can count on help to run the tourism industry. There's been a stable economic backdrop and, with EIF backing, reforms have helped to root change for the long term across priority policies and partnership structures. Now it's vital to capitalize on regional opportunities with EAC, COMESA and with the tripartite agreement with SADC and improve the flow of goods and services, creating wider access to market and finance information.

As a landlinked country to fully realize trade's potential, the country needs to make inroads into core infrastructure including logistics, storage and transport as well as energy and water; move out of a limited number of agricultural products; bring on board the informal sector; and tackle social development needs on health, education, housing and the environment, particularly in poorer northern areas. It will mean boosting productive growth in agriculture at the same time as taking a hard look at sustainable land management. To do so means promoting DTIS findings to build development partner engagement and bring on board more Government resources. It includes continuing the competitiveness agenda's focus on strengthening the entrepreneurial mindset. Ultimately, it will mean investing wider resources in removing trade bottlenecks in other sectors but also tracking what is working and how to build partner buy-in for the future.

With the EIF drive added to AfT's commitment, the country can count on strong future prospects on trade while making sure women and young people are part of this promising growth agenda. Even greater strides are now within reach.

"Uganda is an agricultural superpower. We have now to translate this into wealth for the people and to do that we are committed to reduce the cost of business."

Roberto Ridolfi, EIF Donor Facilitator and Ambassador, European Union

trading high

making trade matter:

The National Trade Policy and National Development Plan are in place with inputs from the 2006 Diagnostic Trade Integration Study (DTIS); the National Trade Sector Development Plan serves as the medium-term programme through the Competitiveness and Investment Climate Strategy (CICS); the National Export Strategy with ITC is led by the Uganda Export Promotion Board (UEPB)	Trade is part of sectoral plans including agriculture, customs, ICT, tourism, local Government and energy and transport, and a National Standards and Quality Policy is in place; trade is in most Districts' development plans with the support of District Commercial Offices (DCOs)
94 policy recommendations are actively being taken forward out of 150 from the DTIS; an Aid for Trade (AfT) database has been developed mapping all AfT flows	Trade is part of the Strategic Investment Framework on Sustainable Land Management
Uganda is an EIF LDC Board Member championing interests of LDCs	

"Partnership between customs and Ministry of Trade is an umbilical cord. Major achievements are in easing movement of goods. We implemented the One-Stop border initiative, reduced clearance times from three days to two hours."

Richard Kamajugo, Commissioner for Customs, Uganda Revenue Authority

support to trade:

EIF total support equals US$3,798,119	
EIF support of US$2,998,119 and a Government contribution of US$330,850 is going to connect 25 districts nationwide; a Government grant is going to 15 districts; European Union backing is going to a further 5 districts	EIF support of US$600,000 following US$900,000 and the Government's contribution of US$148,000 is to back AfT and trade development; EIF support of US$200,000 is going to national trade studies with the WB
US$1 billion has been disbursed by donors supporting trade-related reforms (2009 and 2012)	

private sector:

A Directorate of Small and Medium Enterprises (SMEs) is soon to be in place as a One-Stop Centre to oversee coordination and implementation of SME support	The public-private sector dialogue platform is in place through the CICS and the IITC and the Presidential Investors Round Table (PIRT)
There is a strong Buy Ugandan campaign with the Private Sector Foundation Uganda for local business; exports are growing at 13% per year; trade as a share of GDP has risen to 58%	

"Help us develop the information database to inform decisions around trade with people acting as traders. We will develop linkages, linking production sector to marketing so we have a complete value chain at the end of the day."

Harriet Mulondo, Director, Kampala Capital City Authority

district commercial services:

With Government, EIF and European Union support, 45 DCOs are being supported out of 112 districts nationwide to provide decentralized business services. SMEs make up 90% of the private sector employing 2.5 million people

tourism:

With EIF support to the Hotel and Tourism Training Institute, training will target 3,045 students	Tourism comes under the Ministry of Tourism, Wildlife and Antiquities; it features as a primary sector in the National Development Plan, and there is a five-year Tourism Trade and Industry Strategic Plan; the services sector contributes 52.4% of GDP

facilitating trade:

The NSC CICS Secretariat is focused on the business climate and issues raised in the DTIS and National Development Plan including SPS	A strong legal framework is in place with a focus on trade licensing, sales of goods and services, consumer protection, anti-counterfeits and competition policy

"The Diagnostic Trade Integration Study and recommendations guided development partners and Government to streamline activities in the promotion of trade. At the Steering Committee this helped bring forward key impediments within the trade sector."

John Nakedde Sempanyi, National Programme Manager, Sweden

trading across borders:

Modernization of border management is in place; 33 out of 34 procedures are automated; the Tripartite Summit directed all customs procedures to take place at Mombasa for Uganda and Rwanda from September 2013. Customs clearance has gone from three days to two hours, even 30 minutes. The Malaba border services up to 1,400 trucks a day from five countries. Cargo examination has gone from 60% to 15-20% in the last five years	Uganda is the current Chair of COMESA and former Chair of the EAC
Plans are moving ahead to set up 17 border markets over five years at towns starting with the district neighbouring South Sudan	

building knowledge:

Trade is included in a number of educational institutions' curriculum	Workshops have been carried out to build knowledge on trade and business including policy, project management, the regional angle and mainstreaming for 200 officials

"EIF can help a lot in terms of capacity building, empower and get quality personnel who can run this industry. DCOs are empowered to pass on key messages, share the importance of tourism, the benefits and what can accrue to local communities."

Patrick Mugoya, Permanent Secretary, Ministry of Tourism, Wildlife and Antiquities

trade story

"The Hotel and Tourism Institute has taught me very many things and made me grow personally. There is a lot of competition, so we need people who can give us skills to compete with people outside." Mildred Nakahima, waitress

Mildred glides down the Nile Resort Hotel staircase, balancing a tray of juice to serve a guest at the poolside. She straightens her grey and white waistcoat, eyes smiling, exuding optimism. Graduating from the Institute has helped her fulfil her dream to work in hotel management. *"I am still a student but I can provide my tuition because of this course."* Now, the Institute needs updated equipment and skills to meet a growing demand. It means getting support from the industry to find placements for students so they can earn up to three times the 100,000 Ugandan shillings (US$40) they get every month. Mildred has her path mapped out and is taking positive steps towards a bright future. *"This course will help me put up my own establishment, like a restaurant that will help me generate income."*

Across the capital, yellow-shirted Cranes fans claim the streets in celebration after a national football victory. There's an energy moving in Uganda that proudly marks milestones, reflected in the Commonwealth Heads of Government Meeting (CHOGM) monument as it reaches upwards. A mindset is changing. Trade is not a one-off event but a process being nurtured in flagship border cooperation with trade knocking on the door of communities countrywide. Mildred and other young people are working hard to leave poverty behind, gain the expertise they need to compete while forging their own global trading connections.

"EIF would be very important working on supply side, 90% of the private sector being SMEs with challenges of skills, technologies, market information; in terms of value addition to get ready for market opportunities that have opened themselves to us."

Gideon Badagawa, Executive Director, PSFU (Private Sector Foundation Uganda)