

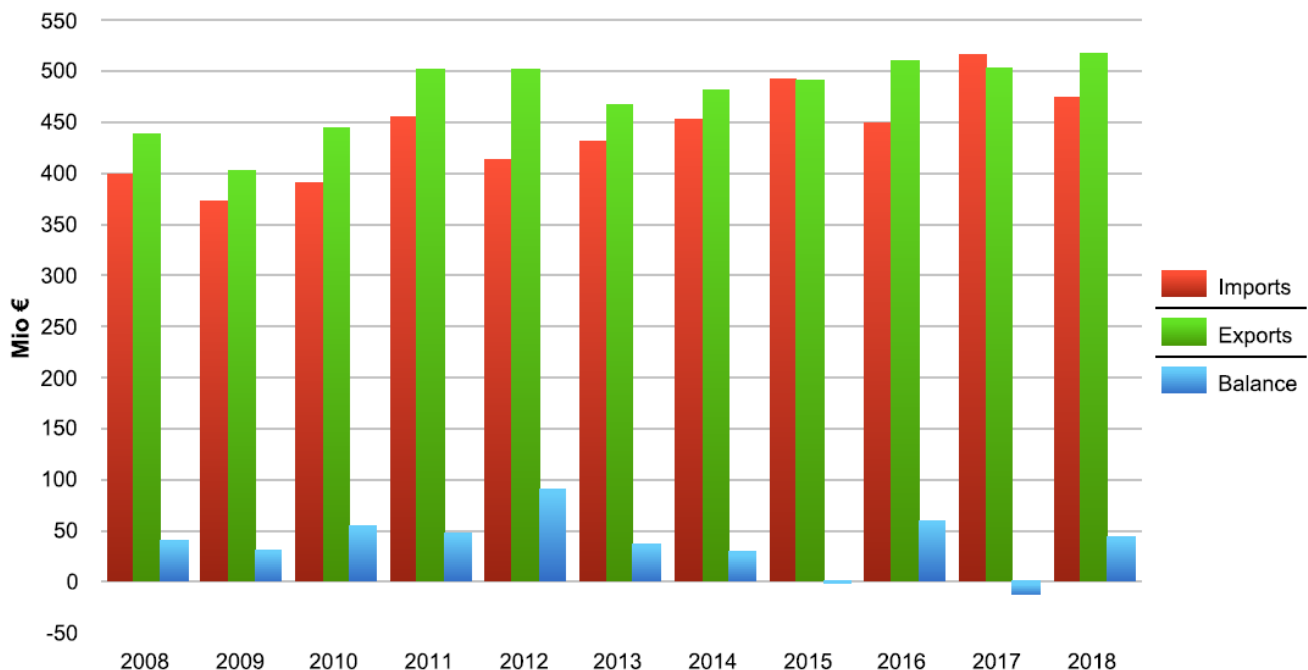
OUTLINE CONCEPT NOTE
UGANDA-EUROPE BUSINESS FORUM

1. Background

Uganda's economy grew by 6.1% in 2018, the highest rate in a decade, largely driven by favourable weather conditions that boosted agricultural production, government investment in infrastructure, foreign capital investment in oil and gas and increased private sector credit. On the other hand, Uganda has embarked on a path towards an inclusive green economy, including through the launch in 2017 of an ambitious Uganda Green Growth Development Strategy covering the 2017-2030 period. Besides, the Uganda National Strategy for Private Sector Development 2017/18-2021/22 aims at boosting investor confidence for enterprise development and industrialisation. Government of Uganda maintains a favourable attitude towards foreign investment. According to Article 40 clause 2 of the Ugandan constitution, *“Every person [foreign or domestic] in Uganda has the right to practice his or her profession and to carry on any lawful occupation trade or business.”* Ugandan law allows for 100% foreign-owned businesses and foreign businesses are allowed to partner with Ugandans without restrictions. A number of incentives for industrial investments are offered including: a 75% import duty reduction on factory equipment, depreciating start-up costs over four years, and a 100% tax deduction on research and training costs as well as mineral exploration costs.

Businesses fully owned by EU companies or individuals and joint ventures between Ugandan and EU companies or individuals are estimated to be in the range of 400-500, including 120 companies exporting to the EU. Ugandan companies with full or part EU ownership are generally larger. They are tax payers and they have a relatively high level of knowhow which will inevitably make a mark on their employees, suppliers, trading partners and other co-operation partners.

EU trade in goods flows and balance with Uganda, annual data 2008-2018



Source: Eurostat Comext

Over the last ten years, despite the emergence of China and India as major exporters to Uganda, EU total trade with Uganda has increased in absolute terms by about 20%, with a peak in 2017 when both countries traded over EUR 1 billion. Although its market share decreased to about 12%, the EU remains the leading market for Ugandan largest export coffee (290 million, i.e. about 60% of Uganda's total exports to the EU) and several large exports such as fish, flowers and cocoa. Currently, Uganda is eligible to the EU "Everything but Arms" scheme, meaning that all goods, except arms and ammunitions, can be exported without paying customs duties and quantity limitations to the European Union market.

The new European Commission recently highlighted its priorities regarding international partnerships in Africa:

- the **Africa-Europe Alliance for Sustainable Investment and Jobs**¹, which proposes boosting strategic investment and strengthening the role of the private sector to create jobs, investing in people by investing in education and skills, strengthening business environment and investment climate, and tapping the full potential of economic integration and trade,
- Green Deals, supported by investments in "green" technologies, sustainable solutions and new businesses, to tap into the full potential of a country such as Uganda,
- Digitalisation and data technologies, in an already fast evolving African digital transformation environment.

There is a shared interest between the European Union and Uganda to boost strategic investment and strengthen private sector participation.

The Uganda-Europe Forum forms part of the joint "**Sustainable Business for Uganda – SB4U**" initiative to enforce the above priorities and facilitate collaboration between private and public actors, as well as partnerships between domestic and European companies. The SB4U initiative initiated a year ago a dialogue process between domestic and European businesses in Uganda and select national actors. Several issues – in particular workforce skills, corruption practices and access to finance – were identified as being critical to expanded business and investment by both businesses communities in Uganda. As a result, a "Uganda-EU Roadmap to Improved Investment Climate" was formulated, rolled out and is currently being actioned. The Forum marks an important milestone in the SB4U exercise and provides an opportunity to showcase progress on the Roadmap and other topics of interest to promote Uganda-EU investment and trade opportunities. The ambition is that this first forum will be followed by others, possibly on a yearly basis.

2. Objectives and expected outcomes

Through the organisation of the first Uganda-Europe Business Forum, the EU, in partnership with the Private Sector Foundation Uganda (PSFU) and the Government of Uganda, aim at promoting Uganda as an attractive destination for private sector investments to spur sustainable economic growth and jobs generation. The Forum aligns with the priorities of the European Commission, particularly on Green Deals, Sustainable Growth and Jobs, and Digitalisation.

It will be held under the Patronage of H.E. the President of the Republic of Uganda and co-hosted by the European Commissioner for International Partnerships. Yet it will remain a **private sector-driven exercise**, engaging both Ugandan and European companies and potential investors. The Business Forum will focus on challenges and opportunities most relevant to the current Uganda-EU-business relations.

This highly interactive event will provide information and working sessions on Uganda's investment and business enabling environment, green and innovation deals, including insights into how European funding can be used to support domestic and EU businesses and partnerships.

¹ https://ec.europa.eu/commission/africaeuropealliance_en

Expected outcomes include:

- from the private sector, an overview of opportunities for:

- investments and development in Uganda, in a diverse choice of sectors,
- accessing finance and understanding regulatory and taxation issues,
- networking among domestic and European companies and developing potential partnerships,
- exchanging opinions on hurdles to doing business and supporting the ongoing progress on the Roadmap towards a better investment climate,
- receiving first-hand information about investment, trade and business options in Uganda for future investment planning in the country.

- from the public sector, an acknowledgement of:

- the needs of the private sector to invest and grow in Uganda
- the expected reforms for a more conducive business environment
- the added-value of a structured public-private dialogue

3. Proposed Theme

Fostering Uganda-Europe Economic Alliance: Innovation, Investments and Green Deals for Economic Growth and Jobs

4. Target Groups

- Private sector: Companies of all sizes (majors, medium, small and start-up) from Uganda and the European Union, already settled in Uganda or potential investors,
- Public sector: Policymakers, public sector agencies, private sector trade support institutions,
- Partners: the European Union and its Member States, EU Development Financing Institutions, International institutions.

5. Participation

Participation in the Forum will be free and subject to invitations after pre-registration on the Forum website: <http://www.ugandaeuropebusinessforum.com/>. In case some participants could not attend, streaming sessions will be made available on the forum website.

6. Chairmanship and speakers

The co-chairmanship of the Forum is as follows:

- The President of the Republic of Uganda, Guest of Honour
- The European Commissioner for International Partnerships, Guest of Honour
- The Chairman of the Private Sector Foundation Uganda

Sessions on Investment Climate, Green Deals and Enablers for Growth will be chaired and moderated by selected high-level speakers as indicated in the programme of the event. Speakers and panel discussants will include leaders and representatives from both public and private sectors from Uganda and the EU.

7. Date

9 and 10 March 2020.

8. Venue

Speke Resort, Munyonyo, Kampala.

9. Content of discussions

9.1. Uganda vision for FDI and Trade; EU investments and new opportunities for investment and trade

Uganda aspires to transition to a middle-income country. It has identified expanding investments and trade led by private sector companies, including foreign direct investment (FDI), as the key drivers of sustainable socio-economic growth. The EU is traditionally a key partner for Uganda and source of FDI, with a total stock of over 1 and half billion Euros in 2017. This forum will provide the opportunity to hear and discuss the part EU investors are playing or can further play in Uganda achieving its vision and expectations for new investments and for growing trade relations between the two parties.

9.2. Reviewing the investment climate in Uganda

The consultations between stakeholders identified the investment climate and the legal and regulatory framework surrounding it as one of the critical constraints to expanded domestic and EU and investment in Uganda. This event will provide a forum for the presentation and discussion of the current business environment in Uganda. Beyond a state of play, solution-oriented approaches will be discussed, based notably on the "EU-Uganda Roadmap to Improved Investment Climate". Progress recently achieved in improving investment climate will be presented and participants will be enabled to share their experiences in order to further contribute to finding ways towards making business friendlier, while contributing to Uganda's overall economic development. For example, participants will engage in interactive sessions to (i) analyse the **skills gaps** and solutions to fill them, (ii) contribute to private sector response to combat **corruption**, (iii) understand taxation issues attendant to investments, (iv) discuss **access to finance** issues both with banking sector and mid- and long-term financiers and (v) raise business operations concerns including access to EU export markets.

9.3. Investment in Green Deals

The Government of Uganda adopted in November 2017 its Green Growth development Strategy 2017/18 – 2030/31, in which it describes steps to be taken to ensure that structural and economic transformation is cognizant of green growth tenets stipulated in several international commitments. This implies that any envisaged economic growth must not only be socially inclusive but also uphold the integrity of the environment and natural resources. Considering the untapped potential of the green economy in Uganda, the forum will address the opportunities and challenges for investing in green technologies, where European companies may have an added-value, thus also favouring partnerships between EU-Uganda private sectors. Participants will further have opportunities for interactive engagements focusing on sustainable agriculture; green cities and mobility; eco-tourism and natural resources; renewable energy and electricity; and green finance for SMEs.

9.4. Enablers for economic growth and jobs creation

All businesses face barriers and challenges that prevent, or at least slow down, their development and hold them back. Understanding them and knowing what enables business to grow is a vital component of success. Some examples of business enablers identified for this forum are: adaptability to change, digitalisation, innovation principles and processes, corporate social responsibility, access to factors of production including labour and industrial park facilities. This session is expected to highlight the role of enablers in supporting business growth such as Private-Public Partnerships or business incubation and accelerators for MSMEs. An interesting inclusion is how businesses work with refugees given that Uganda is home to a large population of refugees.

10. Format of the forum

The Forum will be held in two days and will feature both plenary and parallel sessions, B2B facilities, exhibition spaces for public institutions (tbc) and field visits. The full programme is available on the forum website.

10.1. Plenary Sessions

It is intended that plenary sessions will cover issues and information that is of interest to all forum participants. Highlights of addresses in the opening plenary will include:

- Opening remarks by His Excellency Yoweri Kaguta Museveni, President of the Republic of Uganda, Mrs. Jutta Urpilainen, European Commissioner for International Partnerships and Hon Elly Karuhanga, Chairman Private Sector Foundation Uganda
- Uganda's vision for FDIs and Trade
- European investments mapping in Uganda
- New opportunities in Uganda
- Potential for green growth
- The Sustainable Business for Uganda Platform and Inclusive Green Economy Uptake Programme
- Overcoming investments hurdles and doing better business
- Opportunities and challenges in investing green
- Digitalisation and innovation
- Corporate Social Responsibility
- Public-Private Partnerships

10.2. Parallel Sessions

Participants will have a wide choice of groups to attend in the parallel sessions depending on their business interests. Parallel sessions will enable direct interactions among participants. The main aim of the debate is to learn more about opportunities and challenges for EU and local companies, share examples of interesting practices and recommend practical solutions. Initially proposed thematic forums include:

Uganda's labour force and the skills gap	Sustainable agriculture	Green Finance and SMEs
Private Sector response to combating corruption	Green cities and urban mobility	Business Incubators/Accelerators
Exporting to Europe	Eco-tourism and natural resources	Industrial Parks and secondary cities
Access to Finance	Renewable energy and electricity	Doing Business in Refugee Settings
Taxation	Gas for households and the industry	

10.3. Field Visits

After formal closure of the forum on the afternoon of Day 2, field visits to businesses will be organised for participants who wish to see in practice companies built and investments made in Uganda.

11. Organisation of the forum

The Forum will be organised and held on the basis of live digital interactions and green practices (e.g. no plastic bottles will be provided). Security will be ensured in the premises of the resort, details will be provided directly to companies attending the event (for participation, see section 5).

11.1. Digital interactions

Forum website: <http://www.ugandaeuropebusinessforum.com/>, for interested participants to register, learn about the Forum and ask questions they may have. More generally, it will be a source of information about Uganda in general: its culture, interesting places to visit, video clips on local and European businesses in Uganda. The programme and speakers' profiles will be updated as needed. The website will also be important to gather information shared during the Forum (documents, blogs/posts, live streaming of sessions, etc.).

Forum App: an application will be made available to participants of the forum to keep them informed of updates and encourage contacts and contributions. Large screens will be placed in the main room, with dynamic interactive content, including voting on issues (e.g. have you ever paid a bribe to have your goods processed?) and submission of questions.

Social media engagement: forum-dedicated tweets and blogs will be issued during the forum, with main highlights, and IT personnel will be allocated to facilitate interactions and engage with participants throughout the duration of the Forum.

11.2. Security and event management

A practical guide will be circulated well ahead of the Forum providing participants with all information and details to facilitate their participation. This will include details on logistics, protocol and choreography: contact names and communication between delegations and organisers, registration and participation procedures, arrangements concerning media and press, travel, arrival and departure, accommodation, venue, protocol, transportation, safety and security, gala dinner, number and format of working sessions, bilateral meetings, field visits, final programme, etc.

12. Conclusions and "Take-aways"

The findings of the forum will be followed up by a number of deliverables such as a guide to investment in Uganda and a concrete set of actions to be implemented for a more conducive business environment. Documents and updates will be published on the website at the end and after the forum.