

Annual Bankers Conference (ABC) 2020

Concept Note and Call for Papers

Leveraging trade finance and resilient payment systems to catalyze growth of domestic and regional markets.

Annual Bankers Conference 2020: Background

Building capacity for harnessing domestic & regional trade opportunities.

Africa's dream of creating a borderless \$3.4 trillion market is set to face the litmus test in July 2020 when the African Continental Free Trade Area (AfCFTA) agreement comes into force. Launched in Kigali Rwanda, in May 2019, the signing of the AfCFTA agreement by all but one of Africa's 55 Countries was a major highlight for the continent in 2019. Once fully operational, AfCFTA will become the largest free trade area since the creation of the World Trade Organization offering the continent's 1.2 billion people an opportunity to buy and sell goods with minimal tariff & non-tariff barriers. The continent has finalized drafting of some supporting instruments intended to facilitate operationalization of the trade agreement. These include the rules of origin, schedules of tariff concessions, online monitoring of non-tariff barriers and elimination mechanism, a digital payments and settlement platform and building of the African Trade Observatory Protocol. Implementation of AfCFTA is expected to attract more foreign direct investment inflows from investors seeking a large harmonized market for their goods & services. The countries have concluded talks on a transitional period of 5 or less years that may apply for members who require protection of their economies before start of liberalization of sensitive products. While the rest of the world has often felt captive to trade tensions between the world's two largest economies, the US & China, the AfCFTA could lead to a re-orientation of trade towards regional markets.

In the EAC region however, where attempts have been made towards harmonization of tariffs, Non-Tariff Barriers (NTBs) are slowing down intra-regional trade. This low intra trade means the much-needed foreign exchange is spent on imports from outside the region leading to slowdown in manufacturing and reduced job opportunities. This coupled with the high cost of doing business, infrastructure bottlenecks and high financing costs poses constraining challenges. Translating these protocols to unlock the trade potential therefore calls for concerted effort, capacity building & innovation.

Identifying levers for increasing trade finance flows.

Uganda's trade prospects indicate persistent widening balance of trade deficit. The widening trade deficit is attributed to fast growing high value imports mainly made of petroleum related products, machinery, motor vehicles, chemicals, beverages and personal effects, yet the bulk of exports from EAC are comprised of unprocessed agricultural products and mineral ores that fetch very little on the global market. Production delays in the oil & gas sector are not making the situation any better. Regarding domestic trade largely driven by SMEs, which account for 90% of the private sector and form the single most critical part of the manufacturing, agriculture & services value chain, their contribution to national revenue mobilization has considerably grown averaging 18% over the last three years according to Uganda Revenue Authority. Financial institutions have been increasing the availability of finances to fund SMEs and the total outstanding stock of direct trade loans in 2019 stood at Ugx 2.7 trillion 2019 from 2.5 trillion in 2018. URA further adds that tax compliant SMEs increase their chances of growing and accessing funding from financial institutions by working with compliant large corporate entities

Despite the above, many SMEs still finance their trade through personal funds (savings), and or contributions from family or friends because a number of factors still constrain the provision of credit to SMEs and by extension impact on their ability to expand trade. Identifying levers for increasing trade finance flows is therefore urgent.

Leveraging payment systems to facilitate trade.

The year 2019 saw increase in the usage of digital banking channels including personal & business lending.

Financial institutions in partnership with fintechs are intensifying their digitization efforts in the face of changing consumer demands and significant shift in how customers are choosing to transact, growing competitive pressures including new entrants and the need for cost efficiency in serving both existing as well as reaching the unbanked.

Cross border trade & cross border payments are bound to increase both in the wholesale & retail space and payment systems that speak to cost, speed, security of systems, and ease of settlement irrespective of currency is taking center stage.

Resilient payment systems must not only cope with and address these needs, but actually facilitate & shape growth of trade.

The one-day conference will be held on **Tuesday, 14th July 2020 at Kampala Serena Conference Center, Victoria Hall, Kampala Uganda.**

The conference aims to facilitate a focused discussion among key players & stakeholders around building and harnessing trade opportunities both domestic and across the region, building capacity, promoting trade finance, payment systems and arbitration/ mediation tools as a means to facilitate above process of trade growth.

The conference objectives include;

1. Prioritizing key trade issues for the attention of policy makers & trade facilitators.
2. Identifying levers for financing more trade in the domestic, regional & international markets.
3. Taking stock of developments in the payments space and robustness of systems therein.
4. Enhancing the role of alternative dispute resolution in settling trade & investment disputes & focus on drivers for the growth of this practice.

Call for Papers

UBA invites papers from scholars, policymakers, and practitioners on each of the topics below and any other topic of relevance to the conference theme.

- a) Prioritizing key trade issues for the attention of policy makers & trade facilitators.**
- b) Increasing financing for trade in the domestic, regional & international markets.**
- c) Strengthening digital payment systems to facilitate trade growth**
- d) Role of alternative dispute resolution in settling trade & investment disputes.**

In particular, we encourage the submission of papers that examine these topics from a practical, interdisciplinary, international and/or comparative perspective.

Papers should be well researched, rich and of high quality in content, practical in application and also relevant for policy development and deployment.

Papers that are finally selected for publication in the conference magazine and or presentation and discussion during the Annual Bankers Conference (ABC 2020) or in our subsequent working paper series will have their authors recognized both at the conference as well as by way of honorarium.

Papers should be within a range of 4 to 6 pages of typed material with a maximum of 1500 words) indicating motivation for the paper, the actual content/gist of the paper, findings, insights, proposals, recommendations and a brief biography of the writer(s).

Timelines

1	16 th March 2020	Submission of draft log - frame of paper.
2	16 th April 2020	Deadline to submit draft full paper.
3	14 th May 2020	Technical review/selection of papers and notification authors
4	26 th May 2020	Submission Deadline for final papers

About the Uganda Bankers' Association (UBA)

Uganda Bankers' Association is an umbrella organization for licensed commercial banks supervised by Bank of Uganda. UBA was established in 1981 and is currently made up of 25 commercial Banks and 2 development Banks (Uganda Development Bank & East African Development Bank)

Membership of UBA is made up of Associate members comprising SFIs Tier 2&3 with 8 Supervised Financial Institutions.

The objectives of UBA include the following

- a) To develop and maintain a code of ethics and best banking practices among its membership.
- b) To encourage & undertake high quality policy development initiatives and research on the banking sector, including trends, key issues & drivers impacting on or influencing the industry and national development processes therein through partnerships in banking & finance, in collaboration with other agencies (local, regional, international including academia) and research networks to generate new and original policy insights.
- c) To develop and deliver advocacy strategies to influence relevant stakeholders and achieve policy changes at industry and national level.
- d) To work closely with the regulator Bank of Uganda and other non-bank financial institutions & organizations in promoting financial sector growth, through training, development of products, technologies & initiatives to promote financial sector growth.
- e) To promote and represent the professional interests of its members.

Uganda Bankers' Association.

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