Uganda Bankers' Association
Promoting Partnerships. Transforming Banking.

ANNUAL BANKERS CONFERENCE

The 5th Annual Bankers' Conference 2022

*"Bridging financing gaps
in manufacturing, tourism and agribusiness sectors
to catalyse economic recovery and growth post 2021"*

Official Sponsor

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ANNUAL BANKERS' CONFERENCE 2022

Bridging Financing Gaps
In Manufacturing, Tourism and Agribusiness Sectors
to Catalyse Economic Recovery and Growth Post 2021

Kampala Serena Hotel
25th – 26th July 2022

EVENT REPORT

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Cover photo: L to R: Dr. Hippolyte Fofack, Luis Lechiguero, Hon. Daudi Migereko, Mona Muguma-Ssebuliba, and Wilbrod H. Owor

Acronyms

AfCTA	African Continental Free Trade Area
ATI	African Trade Insurance Agency
BD	Business Development
BOU	Bank of Uganda
CAPEX	Capital Expenditure
CMA	Capital Markets Authority
COMESA	Common Market for Eastern and Southern Africa
DFIs	Development Finance Institution
EAC	East African Community
ESG	Environmental, social, and governance
EU	European Union
FAO	Food and Agriculture Organization
KYC	Know Your Customer
LDR	Loan-to-Deposit Ratio
MDI	Micro Deposit-taking Institution
MICE	Meetings, Incentives, Conferences, and Events
MSC	Microfinance Support Centre
MSME	Micro Small and Medium Enterprises
OSBP	One Stop Border Post
PATIMFA	Pandemic Trade Impact Mitigation Facility
PE	Private Equity
PLR	Prime Lending Rate
PPPU	Public Private Partnership Unit
SADC	Southern African Development Community
SME	Small and Medium Enterprises
TFIs	Trade Finance Intermediaries
UDB	Uganda Development Bank
UNBS	Uganda National Bureau of Standards
UTB	Uganda Tourism Board
UWEC	Uganda Wildlife Education Centre

Executive Summary

The 5th Annual Bankers Conference was held under the theme *"**Bridging Financing Gaps in The Manufacturing, Tourism and Agribusiness Sectors to Catalyze Economic Recovery and Growth Post 2021**"*.

The two-day hybrid conference brought together sector representatives and financial institutions via Zoom (248), You tube (141), Facebook (585), twitter (850) and in person (270) to discuss the gaps limiting access to critical financial resources required to jumpstart economic growth in Uganda.

The three sectors are particularly important –manufacturing and tourism both position Uganda to reduce dependence on imports and encourage foreign exchange inflows while agribusiness employs 70% of the working population.

Given the slowdown of economic growth from 6% to 3.5% triggered by the COVID-19 pandemic, global conflicts and climatic disasters like drought, the country's major sectors require sustainable financing to support their recovery which in turn will lead to recovery in other dependent sectors.

Participant profile:

The meeting was attended by:
Chief Executive Officers of SFIs
Managing Directors of both private and public institutions
Bank of CUganda
Manufacturing and Tourism Associations
Ministry of Trade Industries and Cooperatives, Ministry of Tourism, Wildlife and Antiquities, Ministry of Finance Planning and Economic Development and other government agencies
Private Sector
Development Partners
Uganda Hotel Owners Associations
Traders
Diplomatic Corps
Banking agents
Civil Society Representatives
Academicians
Media

Multiple panel sessions were held during the two-day hybrid conference and discuss a range of topics were discussed that included expectations from the banking and financial services sector, the multiplier role of manufacturing in SME growth and job protection, the potential of tourism in driving economic growth in Uganda, alternative financing options and green finance,

The conference was closed with an awards ceremony recognizing the sponsors, speakers, panelists, writers, and researchers who were instrumental in developing the content for the conference and the publication. *(See Annex 1)*

Key discussions

There is a large untapped labor force which the manufacturing and tourism industry can catalyze for inclusive growth and transition the continent out of poverty, while weaning itself off excessive dependency on manufacturing imports. In a sign of post-crisis normalization, tourism-dependent African economies are expected to enjoy strong growth in 2022. However, considering the various untapped opportunities and potentials in these two sectors, financing is a huge stumbling block in the pathway to sustainable growth.

Manufacturing continues to be the dividing factor between developed and developing economies, between rich and poor nations because it accelerates structural changes and fosters inclusive growth; making it the most efficient vector for poverty reduction through:

1. Capital accumulation - manufacturing drives over 20% of capital investment in the USA
2. Economies of scale and productivity growth - in the USA they account for over 35% of productivity growth
3. Technology transfers and integration into global value chains
4. Enhanced backward and forward linkages between sectors and sub-sectors and spillover effects

Manufacturing can sustainably grow foreign exchange reserves and mitigate the exposure to recurrent adverse commodity price cycles, providing the capital reserve that central bankers need to effectively manage their economies.

aBi has green finance tagged to each of their products, and also have the following interventions:

1. Broadening of the spectrum of green loans – e.g use of improved seed that can withstand climate stressors like drought or flooding,
2. Building capacity of the financial services sector for identification of green opportunities,
3. Creating a taxonomy/classification of green finance,

The major gaps that were identified included:

1. The lack of business formalization among MSMEs and SMEs.
2. Low awareness about alternative financing options &prohibitive interest rates.
3. Low skills capacity and limited access to specialized equipment.
4. Lack of useable customer data to develop appropriate products.
5. Slow implementation of government projects and poor infrastructure, hampering business growth.

The government was urged to:

1. fast-track implementation of projects,
2. increase budget allocations to key sectors like tourism,
3. review fiscal policies that limit the inflow of private equity,
4. enact legislation that attracts alternative financing channels to traditional bank financing.
5. develop a pipeline of projects from the more than 15 key commodities that have been selected for import substitution such as petroleum products, iron and steel, veterinary drugs, cereals, plastics, vegetable oils, textiles, sugar, salt, construction, and medical supplies, for better funding from private sector,
6. identify the value chains that will bring development and impact many areas of the economy from niche markets to export; 13 products including steel, hides and skin, and cocoa are under consideration.
7. review and address the prohibitive taxation policy and framework for private equity funds.
8. create a special facility for tourism similar to the Agricultural Credit Fund.
9. take affirmative action for meetings to be held in cities outside Kampala.
10. utilize Uganda Airlines as a marketing tool,

11. expand the tourism facility developed in collaboration with UDB to help the sector and retain staff to all SFIs or avail it as ACF to sit in Bank of Uganda, so that all participate.

Key recommendations for private sector economic growth included,

1. the need to formalize business operations to attract financing,
2. improving borrowing and repayment practices,
3. embracing environmental, social, and governance (ESG) requirements to attract alternative financing,
4. selecting and supporting one or more of the 15 key commodities that Government has selected for import substitution such as petroleum products, iron and steel, veterinary drugs, cereals, plastics, vegetable oils, textiles, sugar, salt, construction, and medical supplies,
5. developing an incentive framework to encourage formalization of MSMEs and SMEs to enable them qualify for loans,
6. agri-SMEs should use private equity and venture capital to complement commercial bank financing to grow and thrive.

The key expectations from the financial sector included,

1. Developing market-responsive financial products to attract MSMEs,
2. Fostering of collaborations to build borrowing capacity of borrowers,
3. Digitization of products and processes to foster financial inclusion,
4. Reducing lending to risk-free government securities to free up more capital for MSMEs,
5. Changing the institutional culture of financing and deployment of resources which prioritizes risk-free government securities and large multinational companies Key recommendation,
6. Synergizing and supporting the existing businesses that are already doing processing, with loans at rates lower than 18%. No new CAPEX will be required as industrial capacity is currently underutilized at 60-70%,
7. Formation of a working group through the association whereby the financial institutions then pick a value chain and understand the actors,
8. Improvement of intra-African trade by scaling up the secondary manufacturing to primary manufacturing,
9. Extending the presence and network of indigenous Ugandan Financial Institutions in the region e.g South Sudan and Congo for seamless banking,
10. Developing financing facilities in partnership with other banks and the Capital Markets Authority (CMA) for green financing, guarantees and credit lines.
11. Carrying out surveys to assess the product availability so as to develop blended financing options.
12. Using tourist attractions in the bank branding to market the country
13. Lobby Bank of Uganda to waive accrued interest rates,

14. SFIs significantly leveraging the presence of Afreximbank in Uganda,

15. DFIs should develop Tourism Financing Products to exploit the immense business opportunity in Tourism,

16. Demystifying of insurance requirements at every level of trade and manufacturing.

1. Opening Session

The 5th Annual Bankers Conference sought to identify the financing gaps required to catalyze economic growth in the manufacturing, tourism, and agricultural sectors, following the reduction in economic activity during the COVID-19 pandemic coupled with global conflicts. Participants discussed a range of solutions and expectations from the banking sector, government and essential requirements for micro, small and medium enterprises (MSMEs).

"When industries are restarting and recovering, who pays the cost? What does that recovery look like?" ~ Mrs. Flavia Tumusiime Kabuura

Mrs. Flavia Tumusiime Kabuura, Event MC

DAY 1: Manufacturing and Agribusiness

2. 1 Opening Remarks

2.1.1 Uganda Bankers' Association, Chairperson, Ms. Sarah Arapta

Ms. Sarah Arapta is the CEO of Citi Bank Uganda, and the first female chairperson of the Uganda Bankers' Association.

Ms. Arapta shared insights into the factors affecting the current economic climate in Uganda: recent re-opening of the economy due to the COVID-19 pandemic, the onset of drought and the Russia-Ukraine war which disrupted both the global and national positive projections of economic activity, by causing supply chain disruptions and price hikes in fuel, food, and other commodities.

"The banking and financial sector are providers and enablers of financial flows in the various sectors. For a country to expand capacity, these financial flows need to be scaled and by extension, their multiplier effects will come into play." ~ Ms. Sarah Arapta, Chairperson, Uganda Bankers' Association

Ms. Sarah Arapta, Chairperson, Uganda Bankers' Association

Objectives of the conference

1. Identify the factors affecting access to finance and funding
2. Develop strategies to prepare players in the various sectors to access the different types and combinations of financing
3. Determine the most effective channels through which the financial sector can competitively and sustainably bridge the financing gap to support the growth and recovery of the economy
4. Develop a sustainable funding strategy to encourage funding uptake which will lead to market expansion and increased cashflows

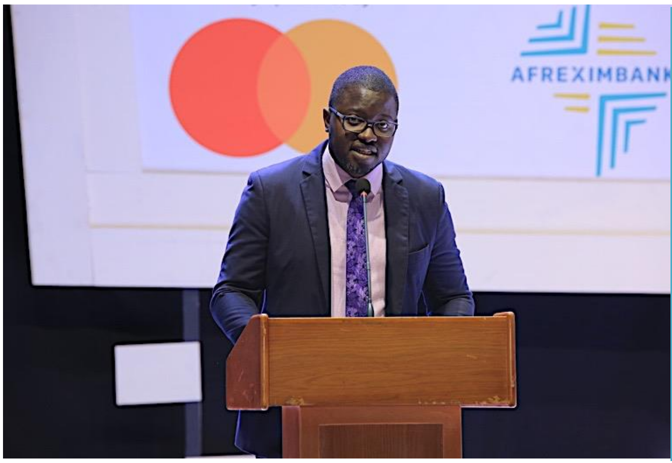
2.1.2 Uganda Manufacturers Association (UMA), Executive Director, Mr. Daniel Birungi

The banking sector has been instrumental in growing known brand names in manufacturing such as Uganda Baati from small SMEs to large corporations, and most recently in the recovery support and payment deferral after the COVID-19 lockdown.

Factors that limit the manufacturing sector

1. Lack of long-term affordable financing of minimum 10 years as Uganda embraces import replacement for effective set up and processing of
    1. Iron-ore processing mines

2. Textile spinning mills



"Sustainable long-term manufacturing and deep value chains in iron ore and textiles can deliver sustainable bonuses to the banking sector." ~ Mr. Daniel Birungi, Executive Director, Uganda Manufacturers Association (UMA)

Mr. Daniel Birungi, Executive Director, Uganda Manufacturers Association (UMA)

2. Pipeline development: Bankers should increase their involvement in preparing borrowers and building their capacity to grow their businesses through:
    1. Incubation centers
    2. SME development hubs
3. Export development: Banks should leverage their international networks and linkages to enable:
    1. Development and access to captive markets such as DRC
    2. Linkage of small-scale manufacturers to international suppliers

2.1.3 Ministry of Trade, Industry and Co-operatives, Permanent Secretary, Ms. Geraldine Ssali

The Ministry of Trade, Industry and Co-operatives (MTIC) is mandated to formulate and review and support policies, strategies, plans, programs, throughout government. The Ministry supports the expansion and diversification of trade, cooperatives and environmentally sustainable industrialization. This requires appropriate technologies to develop, transfer and generate wealth across our country for us to properly become middle-income status and beyond.

"Uganda is the country where every document on development is written, and then these ideas are implemented in other countries. We are brilliant people, we write thesis, we write consultancy papers, we write reports. We need to start implementing our ideas within our own country. ~ Ms. Geraldine Ssali, Permanent Secretary, Ministry of Trade, Industry and Co-operatives

Ms. Geraldine Ssali, Permanent Secretary, Ministry of Trade, Industry and Co-operatives

The tourism manufacturing, trade, and the cooperatives are the biggest GDP earners of the country because they account for about 28%, and collectively drive the economy, but they are underfunded.

How the private sector can support Government

1. ***Financing the manufacturing sector*** to deliver on the NDP III goals, and deliver 16% GDP by funding the value chains involved in:

    1. Import substitution: Select and support one or more of the 15 items Government has selected for import substitution such as petroleum products, iron and steel, veterinary drugs, cereals, plastics, vegetable oils, textiles, sugar, salt, construction, and medical supplies.
    2. Export promotion: Build the scale of quality and quantity required by international markets for various products

2. ***Bridging financing gaps*** by

    1. Designing and tailoring products that can drive production
    2. Investing in technology
    3. Digitizing financial services to support inclusion
    4. Researching and facilitating the value chains
    5. Graduating MSMEs to SMEs through formalization and capacity building

2.1.4 Mastercard, Area Country Manager - East Africa, Shehryar Ali

Mastercard was started as a card company that pivoted into a technology company operating on multiple rails inclusive of accounts, cards, remittances, ecommerce, and blockchain, across 210 countries.

"We are living in a world characterized by volatility, uncertainty, complexity, and ambiguity which has resulted in accelerated evolution due to the rapidly changing needs, priorities and evolving consumer behaviors characterized by advances in technology. " **~ Mr. Shehryar Ali, Area Country Manager - East Africa, Mastercard**

Mr. Shehryar Ali, Area Country Manager - East Africa, Mastercard

Principles to adopt to bridge the financial gap in the various sectors

1. Partnerships – Public and private sector partnerships to shore up and strengthen the various sectors

2. Digitalization of processes to empower economies and business sectors through financial access

3. Investing in technology to ensure financial inclusion for all

2.1.5 Bank of Uganda - Deputy Governor, Mr. Michael Atingi-Ego

The banking sector was shielded from the worst effects of prevailing economic shocks by Bank of Uganda's supervisory and regulatory framework supplemented with interventions such as

1. Credit relief measures
2. Restrictions of dividends and discretionary payments
3. Credit assistance

Solvency stress tests show that banks are resilient to potential shocks including credit risk, but must continue to maintain fidelity to prudential standards.

Mr. Michael Atingi-Ego, Deputy Governor, Bank of Uganda

"Banks can support and drive the economy while making profits for their shareholders through mobilization and use of domestic savings and investments to stimulate productivity, growth, and high value exports to boost overall growth and forex inflows. " ~ Mr. Michael Atingi-Ego, Deputy Governor, Bank of Uganda

Factors affecting the economy

1. Catastrophic events - The COVID-19 pandemic, the war in Ukraine, climate change, global inflation and tighter monetary conditions worldwide have led to food insecurity, and shortages in supplies of essential commodities and agricultural produce.
2. Trade protectionism has forced prioritization of domestic capacity.
3. Fear of potential defaults caused by poor business prospects, makes banks wary of advancing credit to the private sector, which inhibits the ability of the local industries to cover these supply shortages.

What banks can do to bridge the financial gaps

1. Design products and packages that are skewed towards financing enterprises and activities that preserve and protect the environment
2. Fund ventures that reduce the emission of greenhouse gases
3. Improve resource efficiency in key value chains
4. Promote funding of ecotourism ventures
5. Promote sustainable construction and buildings
6. Support ventures that increase re-use and recycling in textiles and plastics

2.2 Keynote Address

Dr. Hippolyte Fofack, Chief Economist and Director, Research and International Cooperation, Afreximbank

The role of financial institutions in bridging financing gaps in the manufacturing and tourism/hospitality sectors to catalyze economic recovery and growth post 2021

1. Manufacturing output accounts for about 12% of Africa's GDP in 2021, against about 25% in Asia, with Uganda standing at 16.5%.

2. Tourism contributed 2.8% of the Sub-Saharan Africa GDP in 2018 with 37.4 million tourist arrivals, despite the availability of natural resources

There is a large untapped labour force which the manufacturing and tourism industry could catalyze for inclusive growth and transition the continent out of poverty, while weaning itself off excessive dependency on manufacturing imports. In a sign of post-crisis normalization, tourism-dependent African economies are expected to enjoy strong growth in 2022. However, considering the various untapped opportunities and potentials in these two sectors, financing is a huge stumbling block in the pathway to sustainable growth.

"Monetary authorities and bankers should overcome the institutional culture which assumes that the SMEs, manufacturing, and hospitality sectors are too risky, and allocate more resources towards these sectors as they are critical for recovery post-Covid, and for effective integration into the global economy." ~ Dr. Hippolyte Fofack, Chief Economist and Director, Research and International Cooperation, Afreximbank

Dr. Hippolyte Fofack, Chief Economist and Director, Research and International Cooperation, Afreximbank

Manufacturing as a vehicle to drive economic growth

Key message

Manufacturing continues to be the dividing factor between developed and developing economies, between rich and poor nations because it accelerates structural changes and fosters inclusive growth; making it the most efficient vector for poverty reduction through:

1. Capital accumulation - manufacturing drives over 20% of capital investment in the USA

2. Economies of scale and productivity growth - in the USA they account for over 35% of productivity growth

3. Technology transfers and integration into global value chains

4. Enhanced backward and forward linkages between sectors and sub-sectors and spillover effects

Manufacturing can sustainably grow foreign exchange reserves and mitigate the exposure to recurrent adverse commodity price cycles, providing the capital reserve that central bankers need to effectively manage their economies.

Financing gaps

1. Infrastructure - Annual financing gaps for infrastructure averaged between US$3.5-4.5Trn across the developing world
2. SMEs - Annual financing gaps for SMEs largely exceeds US$420B across the region, and about US$8.8B in Uganda
3. Bank lending - Data from Central Bank of Uganda shows the low lending by banks to manufacturing at about UGX4,848M or 1.3% of total bank lending in December 2019 in the lead-up to Covid-19 pandemic downturn

Proposed Solutions

1. Central Bank should increase the minimum Loan-to-Deposit Ratio (LDR) from 50.7% to reduce the uptake of government securities and increase lending to the private sector.
2. Banks should reduce the prime lending rate (PLR) from 18% to increase access to financing.
3. Establishment of partnerships between Central Bank, banks, and other financial institutions to create funds to bridge financing gaps.
4. Changing the institutional culture of financing and deployment of resources which prioritizes risk-free government securities and large multinational companies.

How Afreximbank is bridging the gap

1. Afreximbank prioritized manufacturing and hospitality sectors as keys to economic growth and structural transformation. They offer direct financing and innovative financing mechanisms under various strategic interventions including:

1. Intra-African Trade and African Continental Free Trade Area (AfCTA) implementation
2. Industrialization and Export Development
3. Bank guarantees help support long-term financing, lengthen loan tenures and reduce collateral requirements for SMEs.
4. The ECA Loans Facilitation Programme helps African institutions acquire essential goods and services, especially capital goods.
5. The Syndication Programme helps African entities (both sovereigns and corporates) raise resources globally to bridge financing gaps.
6. The Pandemic Trade Impact Mitigation Facility (PATIMFA) provided timely financing to the bank's clients to help them survive the economic shocks of the pandemic, while fostering collaboration with the private sector to accelerate the diversification of sources of growth and exports.
7. Collaboration with Trade Finance Intermediaries (TFIs) to support export diversification and leverage more resources towards these sectors.

The presence of Afrexim in Uganda needs to be significantly leveraged by SFIs

2.3 Panel Discussion

2.3.1 – Panel 1 – Multiplier role of manufacturing

The multiplier role manufacturing plays in promoting growth of SMEs, job creation, regional trade and diversification and specific efficiency and funding challenges constraining this role.

The panel discussion was moderated by Mr. Paul Busharizi, Public Editor, New Vision Group.

1. Ms. Winnie Lawoko-Olwe, Director of Domestic Investment, Uganda Investment Authority

Manufacturing has linkages in labour, land, and machinery with the licensed planned investment totaling $6.9B (manufacturing $3.2B, mining $1.6B)

Opportunities to bridge the gap:

1. Identification of data silos to enable innovation.
2. Review of the supply and value chains for effective development.
3. Review of logistic framework for mobilization of resources.
4. Leverage technology and business analytics for continuous product development for easy pivoting according to market demands.

Ms. Winnie Lawoko-Olwe, Director of Domestic Investment, Uganda Investment Authority

Funding challenges:

1. Limited access to development loans.
2. Most SMEs lack the formalization to qualify for loans
3. Bankers are not critically using the know your customer (KYC) information to support SMEs and build their capacity.
4. Lack of capacity for SMEs to repay loans due to challenges like traceability, inferior equipment, and poor skilling.

Way forward

1. Capacity building SMEs and supporting their formalization
2. Using existing information and data analytics to understand and demystify the actual challenges facing SMEs
3. Create an ecosystem of stakeholders to provide business development services to SMEs

2. Mr. Moses Kaggwa - Director Economic Affairs, Ministry of Finance, Planning and Economic Development

Moses Kaggwa, Director Economic Affairs, Ministry of Finance, Planning and Economic Development

"The manufacturing sector contributes 15% of the GDP and over 15% of the tax revenue. The sector provides 18% of the total exports, consumes 67% of the electricity, and employs over 1.3M people." ~ Moses Kaggwa, Director Economic Affairs, Ministry of Finance, Planning and Economic Development

Funding challenges:

1. Credit mismatch – the market lacks long term loans with gestation period, whereas commercial banks give 18% interest.
2. Inadequate capital at Uganda Development Bank (UDB) – Capitalized at UGX 1Trn.
3. Limited access to financing mechanisms that support manufacturing.
4. Limitation within the current legislation and taxation which limit capital venture funding.
5. Proliferation of cheaper counterfeits and substandard goods in the market.
6. Poor linkages between trading, industrialization, and manufacturing to leverage EAC, COMESA, and AFCTA.
7. Lack of a support system to nurture innovation.
8. Banks preference for government borrowing.

Bridging the gaps

1. There is an agricultural credit facility for agribusiness.
2. Financing SMEs through UDB and The Microfinance Support Centre (MSC).
3. Partnerships with commercial banks under the small business recovery fund managed by Bank of Uganda.
4. Promotion of capital ventures.
5. Embedding financial literacy into all projects to support and strengthen SMEs.
6. Funding Uganda National Bureau of Standards (UNBS) to enforce standardization.
7. Provision of seed capital and financial access linkages for small startups.
8. Increase the capital requirements for banks to provide sufficient reserves for lending.

3. Mr. Francis Kamulegeya – CPA & Chartered Tax Advisor

"Banks prefer to lend to government and brick and mortar industries where the assets are fixed and visible. There needs to be a mindset shift to understand and embrace value chain financing for the manufacturing and agribusiness sectors." ~ Francis Kamulegeya – CPA & Chartered Tax Advisor

Francis Kamulegeya – CPA & Chartered Tax Advisor

Funding challenges:

1. Information asymmetry is the biggest stumbling block.
2. Most farmers are informal and focused on subsistence farming
3. Land tenure systems

Bridging the gaps

1. Create an information repository with experts who understand the value chain especially in the agricultural sector
2. Consolidation and formalization to build capacity of small holding farmers for commercial farming
3. Unbundle the cost of lending to develop new financing and lending models to cater for the needs of the different borrowers

4. Mr. Richard Mubiru – Chairman, Board and Policy Affairs, Uganda Manufacturers Association

"Manufacturing is hampered by market restrictions for Ugandan goods in the region due to imbalanced trade policies, and the lack of a pipeline of projects under the Public Private Partnership Unit (PPPU)." ~ Richard Mubiru – Chairman, Board and Policy Affairs, Uganda Manufacturers Association

Richard Mubiru, Chairman, Board and Policy Affairs, Uganda Manufacturers Association

The manufacturing sector has been dominated by:

1. Primary processing
2. Agro-processing
3. Light manufacturing

Bridging the gap:

1. Financial institutions should synergize and support the existing businesses that are already doing processing, at rates lower than 18%. No new CAPEX will be required as industrial capacity is currently underutilized at 60-70%.
2. Restructure sector financing for heavy manufacturing in:
    1. Mining and processing of local steel and limestone - Uganda has the finest steel and limestone, yet the 10% of our $10B importation bill is spent on steel inputs and clinker for cement manufacturing.
    2. Textile – In 2020/21 Uganda earned $29.4M from exportation of 90% cotton lint, and earned over $50 from value addition on the remaining 10% but textile importations totaled $256M.
3. Hides and skins – The importation bill was $300M in 2020/21 because Uganda is only able to do minimal processing and exports Wet Blue.
4. Develop a pipeline of projects focused on the growth sectors for better funding from private sector which supports the message from MTIC, Permanent Secretary, Ms. Geraldine Ssali (see page 13, no.1, 1).

Plenary discussion highlights:

1. EAC Secretariat is resolving the harmonization of the regional market and availability of products to mitigate the challenges of free movement of goods due to tariffs and non-tariff barriers in other countries.
2. National Business Development Strategy – SMEs cannot access financing in the development banks due to the criteria of expected turnover and mandates. They need business development services to build formalization and capacity.

3. Support for small holder farmers - They should be given water for production to fight food security and encourage financing.
4. Value chain - Government should help identify the value chains that will bring development and impact many areas of the economy from niche markets to export; 13 products including steel, hides and skin, and cocoa are under consideration. The association should form a working group with financial institutions then pick a value chain and understand the actors.
5. Incentives should be given for steel and textile if financing cannot be given.

2.3.2 – Panel 2 – Expectations from the financial sector

Expectations from banking and financial service institutions in the growth and development of the manufacturing sector and how to ready players in the value chains therein

The panel discussion was moderated by David Ofungi, Board Member, Public Private Partnership Unit, Ministry of Finance, Planning and Economic Development.

"Domestic capacity in manufacturing is critical, with Africa being both a producer and consumer base. The climate change act guides how sustainable manufacturing can be funded under green finance." David Ofungi, Board Member, Public Private Partnership Unit, Ministry of Finance, Planning and Economic Development

David Ofungi, Board Member, Public Private Partnership Unit, Ministry of Finance, Planning and Economic Development

1. Anthony Kituuka – Executive Director, Equity Bank Uganda

"In Uganda we celebrate the process of planning, we do not celebrate execution. In commercial banking, there is a hunger to execute for the financial benefit." ~ Anthony Kituuka, Executive Director, Equity Bank Uganda

Anthony Kituuka, Executive Director, Equity Bank Uganda

The recovery of the economy relies on 5 pillars:

1. Enhancing scale in food and agriculture
2. Creating value addition through manufacturing and logistics
3. Ensuring MSMEs are plugged into the formal value chain
4. Trade and investment giving access to local and global markets through linkages
5. Social transformation of the common man

How to prepare stakeholders

1. Partner with experts in the various sectors e.g. agronomists to understand and mitigate the risks

2. Create linkages throughout the value chain, and partner with banks and telecoms to extend deeper social and economic reach

2. **Mr. Edward Isingoma – Managing Director, Pearl Capital Partners**

Agri-SMEs cannot grow and thrive without private equity and venture capital to complement commercial bank financing. This is a good message

Edward Isingoma – Managing Director, Pearl Capital Partners

"Pearl Capital Partners has given €16 million to 14 businesses with an equity component and provides business development (BD) services and support, in the agribusiness." ~ Edward Isingoma, Managing Director, Pearl Capital Partners

Gaps

1. Only 2 private equity (PE) players in Uganda.

2. Prohibitive taxation policy and framework for private equity funds.

3. Lack of relief funds for non-performing loans.

4. SMEs focus on business growth and survival and do not focus on environment, social, and governance (ESG).

How to prepare stakeholders

1. Walk the journey and grow the businesses through business development (BD) services, technical assistance and other support

2. Embed the ESG requirements as part of the financing provision and bring in ESG experts as part of the BD support

3. **Mr. Jonan Kisakye – CEO, Uganda Insurers Association**

The role of insurance is to take on risk.

The way forward

1. Collaborate with financiers to prepare borrowers

2. Undertake collaborative research to identify key components of the value chain and clear bottlenecks at association level

"Most insurance products are focused on the larger manufacturers, and they also do not factor in ESG, because the Insurance Regulatory Authority has set minimum insurance rates. Additionally, the government does not walk the talk – they do not insure their assets and they do not enforce the Workers Compensation Act 2000." ~ Jonan Kisakye , CEO, Uganda Insurers Association

Jonan Kisakye – CEO, Uganda Insurers Association

3. Create partnerships similar to the current Bancassurance which contributes10% of the gross written premium

    1. Enforce marine insurance for backward linkage to cover imports of raw materials.
    2. Partner with Private Sector Foundation Uganda (PSFU) to develop insurance products that address MSME challenges.
    3. Foster the removal of insurance duplication through EAC, COMESA, ATI, and Intergovernmental Standing Committee in Shipping (ISCOS).
    4. Demystify insurance requirements at every level of trade and manufacturing.
    5. Work with the regulator to develop a reward system for businesses that incorporate ESG in their processes.

4. Mr. Richard Wairegi – Manager Export Development Finance Representative, Afreximbank

Afreximbank focuses on people, purpose, and profit, and ESG when providing financing.

"Development Finance Institutions (DFIs) are self-regulatory with a greater risk appetite and can therefore give longer tenures on loans." ~ Richard Wairegi, Manager - Export Development Finance Representative, Afreximbank

Richard Wairegi, Manager Export Development Finance Representative, Afreximbank

How to ready players:

1. Define SME, MSME, corporate and large corporations to structure funding accordingly.
2. Encourage utilization of available resources – private equity, hard currency financing, crowd funding.
3. Enhance resources and catalyze infrastructure through Green Financing.
4. Improve efficiency and capacity of the human resource.
5. Build quality assurance centers to enhance the quality of African goods.
6. Provide guidance in the development of ideas and concepts into bankable projects that can be financed.

Plenary discussion highlights:

1. Trade financing is a critical component in business growth and development, and financing manufacturers for export is one way of bridging financing gaps.
2. The insurance sector needs to become more visible in the EAC and AfCTA.
3. Islamic finance is one of the channels that provide alternative financing options to support businesses.
4. There have not been many visible viable benefits for the Ugandan market from the trade agreements such as African Trade Insurance Agency (ATI), COMESA, EAC, AfCTA, and Southern African Development Community (SADC).
5. Commercial banks have a public sector unit that engages government and micro deposit taking institutions (MDIs) to participate in the development of bankable projects, and an investment unit that identifies viable programmes.

6. Improvement of intra-African trade can be done by scaling up the secondary manufacturing to primary manufacturing, and also the indigenous Ugandan Financial Institutions to extend their presence and network in the region as well e.g South Sudan and Congo for seamless banking.
7. Banks should innovate more in e-Commerce to democratize the cost of settlement and foreign exchange by standardizing the KYC requirements despite the regulatory requirements. Afreximbank has set up a platform for this.

3. Sponsor Remarks James Byaruhanga, General Manager, RAXIO Data Center

Disaster recovery and business continuity is critical in a data driven economy. Raxio has set up a Tier 3 data center in Uganda with plans to roll out 9 more in Africa.

Data centers require stable power therefore their first is in Namanve Industrial Park, the second is being set up in Kawanda, with a third one will be rolled out Hoima near Kawaala Industrial Park.

Available services include:

1. Co-location – Provision of power and space only
2. Cross-connect – Provision of an ecosystem with interconnectivity with other service providers e.g. cloud services, fintech

James Byaruhanga, General Manager, RAXIO Data Center

4. Closing Remarks

Raj Kumar Meena, CEO, Bank of Baroda

The discussions and presentations shared at the 5th Annual Bankers Conference showcased the opportunities for all the stakeholders to bridge the gap and accelerate the revival of the economy post COVID-19.

The financial sector has a critical role to play in providing resources to SMEs to increase job creation opportunities, and enhance purchasing power.


Raj Kumar Meena, CEO, Bank of Baroda

Day 2: Tourism

5.1 Opening Remarks

5.1.1 Uganda Bankers' Association, Vice Chairperson, Mr. Julius Kakeeto

Mr. Julius Kakeeto is the Managing Director, Post Bank Uganda.

"The tourism sector is hampered by an over-reliance on nature-based tourism product. There is also persistently low allocation of funding in the national budget at 0.1-0.6%. delays in release of government funding, a lengthy procurement processes, and a lack of harmonization of programs that complement tourism." ~ Julius Kakeeto Vice Chairperson, Uganda Bankers' Association,

Julius Kakeeto Vice Chairperson, Uganda Bankers' Association,

Tourism is one of the largest and fastest growing industries globally, and has a critical role in Uganda's economic recovery as it has linkages into all the various sectors from construction to food and beverages, promoting both trade and investment. 90% of the hotels are owned by the private sector, 75% of these are owned by domestic private players. Financing for the hotels and value chains is critical to their recovery and growth.

Opportunities for investment

1. Working capital to cushion the business during the debt recovery period
2. Medium term debt support of 2 – 4 years to ease the debt burden
3. Medium term recovery support of 5 – 6 years to improve marketing and build human resource capacity

4. Long-term appropriate financing to improve infrastructure

Bridging the gap - There is big business opportunity in Tourism. DFIs should develop Tourism Financing Products.

1. Diversification of the tourism products
2. Targeting of SMEs and local communities for financing, research, advocacy, and capacity building to develop and promote other local tourism products
3. Upward review of the national budget for tourism
4. Review of fiscal policies and numerous levies in the hotel and other value chain players
5. Preservation of resources upon which tourism is based
6. Marketing to create awareness about the tourism opportunities
7. Integrated planning between government, development partners, and the private sector to support projects with the highest impact
8. Implementation of environmentally friendly activities such as the use of solar power to encourage green financing and ecotourism
9. Use of blended financing for sustainability

Priority areas for financial support

1. Improvement of existing stock and quality of tourism infrastructure
2. Product development and tourism diversification
3. Enabling aggressive tourism marketing
4. Enabling responsible and sustainable tourism

5.1.2 Uganda Tourism Board (UTB), Chairman, Hon. Daudi Migereko

Tourism should be mainstreamed to catalyze economic growth. The banking sector should continue supporting local businesses to penetrate markets in the Great Lakes Region.

Pre-COVID-19, Uganda was one of the top 3 travel destinations for leisure spending and despite limited support from financial institutions and minimal budgetary allocation by government, the tourism sector

1. Generated $1.6B
2. Created 667,000 jobs
3. Contributed 7.7% of the GDP

However, during the pandemic

1. Hotel occupancy fell from 58.2% to 5.3%
2. Downsizing led to job losses by 70% of the workforce
3. Revenue losses of $320M.

Currently, the estimated sector growth in Africa is estimated at 27.7% with Uganda showing 101% increase in visits to the national parks between 2020 and 2021.

"UTB lacks the funding and human resource to promote "Destination Uganda" due to limited allocation of funding by UDB for Tourism and Hospitality (5%), infrastructure (3%), and human capital (2%). There is also bureaucracy and limited flexibility in accessing credit." ~ Chairman, Uganda Tourism Board, Hon. Daudi Migereko

Hon. Daudi Migereko, Chairman, Uganda Tourism Board

What can be done to bridge the financial gap?

1. Financing the tourism sector to promote the new brand *"Explore Uganda, The Pearl of Africa"*
2. Allocation of more funding by UDB and government for the tourism sector
3. Support development of a mixture of affordable and premium accommodation
4. Promote Meetings, Incentives, Conferences, and Events (MICE) tourism at all levels
5. Collaboration and partnerships between financial institutions, and the tourism sector to:
    1. Lobby Bank of Uganda to waive accrued interest rates
    2. Improve facility levels to international standards
    3. Push for public private partnerships (PPPs) and Joint Ventures to finance the development and improvement of tourist products that are unique to Uganda
    4. Develop packages that encourage greening of tourist sites
    5. Improve and build infrastructure in the new and upcoming cities to attract MICE tourism
6. Utilization of social media to:
    1. Showcase tourist destinations and plan tourist itineraries
    2. Encourage student tourism
7. Leverage information technology to
    1. Develop internet connectivity
    2. Launch new products that target new digital platforms

5.1.3 Ministry of Tourism, Wildlife, and Antiquities, Director Tourism, Mr. Basil Ajer

Tourism is a primary growth sector with many opportunities for all the various stakeholders. The Ministry has established training institutions in Jinja and Katwe-Kasese to support and nurture soft skills and talents in the industry. The Uganda Wildlife Education Centre (UWEC) is a catchment for the wild animals that are found in the parks.

Way forward

1. Amendment of the tourism act to accommodate and recognize the role of private sector
2. Recognition of the role of the community in biodiversity and wildlife conservation
3. Creation of new products e.g. the Mugabe Palace in Mbarara to attract more tourists
4. Use of green financing – Sustainable financing should consider the Economy, Equity and the Ecology (EEE) and conserve the existing natural resources and ensure all the affected stakeholders' benefit.

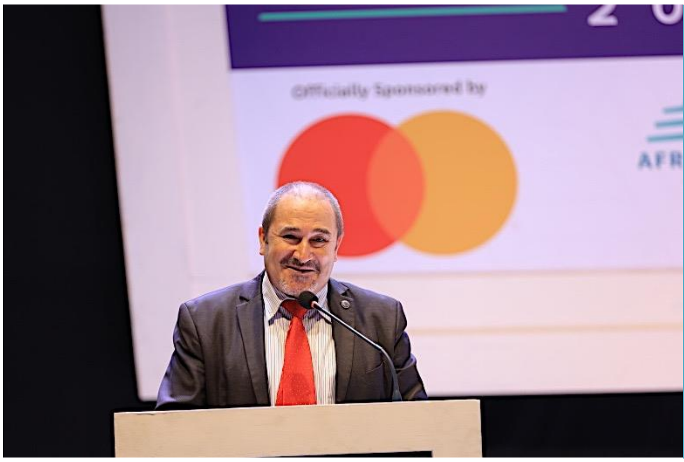
Government creates the product and invites the private sector to do business in the different new products. ~ Basil Ajer, Director Tourism, Ministry of Tourism, Wildlife, and Antiquities

Basil Ajer, Director Tourism, Ministry of Tourism, Wildlife, and Antiquities

5.2 Keynote Address

Mr. Luis Lechiguero, European Union Delegation to Uganda

The potential in tourism for economic growth and development: Experiences and lessons from other jurisdictions



"Tourism is a collaborative effort, where everyone is involved. As the saying goes, "One hand washes the other, and together they wash the face." ~ Luis Lechiguero, European Union Delegation to Uganda

Luis Lechiguero, European Union Delegation to Uganda

Tourism unites people from different cultures worldwide, and is a driving force for:

1. Economic growth and employment,
2. Social and cultural transformation
3. Social integration

Those involved directly in the tourist trade can:

1. Learn new languages
2. Assimilate new cultures
3. Develop new opportunities for travel or business.

Tour guides act as middlemen and must research and learn about the history, cultures, and languages of those they are guiding and also the country or site being visited.

Tourism can also change a country. Some countries have used tourism to leverage and grow their economies.

Lessons Uganda can learn from other countries:

1. **Pivoting:** Spain has a population similar to Uganda with 45 - 46M people. In the 1960s Spain was

    1. A poor country
    2. Ravaged by civil wars
    3. Led by a dictatorship that encouraged autocracy and self-sufficiency
    4. Shunned the rest of Europe.

    The country pivoted and changed focus to tourism, building and improving infrastructure – roads, airlines – and capacity building the people, to become a tourist destination. In 2018, Spain

    1. Received 83M visitors
    2. Earned15% GDP or €190 million from tourism

3. Created and supported 3M jobs
4. Became a retirement haven for 0.5M Britons

2. Using tourists as ambassadors of your country, to break the stigma and change the narrative by sharing the reality on the ground.

3. Utilization of existent resources: The Airbnb model began in Cuba thirty years ago, when the country lacked hotel investments and accommodated tourists in residential houses.

4. Innovating and creating new products: $500M Neon project in Saudi Arabia is a new haven for developers, architects, engineers, and up to 100,000 construction workers as they build a carbon free city with desalinated water and an artificial moon including other amenities and attractions.

Uganda has everything - natural resources, culture, an English-speaking population and only requires investment for value addition to make the industry competitive in the global markets. There are 3,400 hotels, with 200,000 rooms and 300,000 beds, and employing over 400,000 – 700,000 people.

What are the current limitations?

1. Poor infrastructure
2. Limited training of human resources
3. Limited information
4. Poor connectivity
5. Limited health services
6. Limited middle-range accommodation and amenities
7. Heavy taxation – 25 different levies are charged by hotels
8. Limited access to finance

Role of the European Union in bridging the gaps

1. Tourism facility – This was developed in collaboration with UDB to help the sector and retain staff. UDB provided UGX 40B as loans and the EU UGX 22B as grants. Grantees can access UGX100M – UGX1B dependent on the number of staff.

2. Development of financing facilities in partnership with other banks and the Capital Markets Authority (CMA) for green financing, guarantees and credit lines.

3. Surveys to assess the product availability to develop blended financing options.

4. Collaboration with government and other stakeholders including UBA, in working group meetings to continue developing the Sustainable Business for Uganda platform that was launched early this year.

5. Collaboration with the banking sector to help SMEs formalize and build capacity for bankability.

6. Collaboration with government, and the banking sector on a working group to understand and support the value chains

Role of banks

1. Banks should adapt their products for the tourism sector

2. They should endeavor to understand the tourism sector and its players

3. They should improve their loan terms and conditions and give more concessions, with lower interest rates, and longer terms
4. Collaborate with the EU to build capacity of SMEs
5. Develop awareness campaigns to change the public mindset that banks only give loans to those who can prove that they do not need them
6. Explore options to accept Mailo Land certificates as security for community projects

5.3 Panel Discussion

5.3.1 – Panel 1 – The potential of tourism

The unexploited potential in tourism for economic growth and development in Uganda

The panel discussion was moderated by *Mr. Maurice Mugisha, Senior Journalist and Deputy Managing Director, UBC*

Maurice Mugisha, Senior Journalist and Deputy Managing Director, UBC

1. Mr. Stephen Asiimwe, CEO, Private Sector Foundation Uganda (PSFU)

In the 1960s Uganda had the largest population of all species of wildlife in the region but these have been decimated by poaching. In 2007, the government mindset shifted when the Commonwealth Heads of Government Meeting (CHOGM) put Uganda back on the map through:

1. Deliberate spending on marketing and infrastructure
2. Increased private sector participation across all the value chains

Harnessing potential

1. Promote unique tourist sites: Uganda is home to 54% of the world's population of Mountain Gorillas.
2. Government can create a special facility for tourism similar to the Agricultural Credit Fund.
3. Affirmative action for meetings to be held in cities outside Kampala.
4. Investment in training the human capital in the industry
5. Utilization of Uganda Airlines as a marketing tool.
6. Banks should use tourist attractions in their branding to market the country.

"Tourism is everybody's business. It is about selling an experience. It is about what you hear, see, touch, and taste. It has the highest ROI and is measured in stay and spend, volumes and value." ~ Stephen Asiimwe, CEO, Private Sector Foundation Uganda (PSFU)

Stephen Asiimwe, CEO, Private Sector Foundation Uganda (PSFU)

2. **Ms. Eugenie Windt Nsubuga, Vice Chairperson, Uganda Tourism Association**

   Uganda has all the attractions of Africa in one country, yet the country remains unknown to the greater international audience due to insufficient funding for destination marketing. The current activities and momentum are business that was booked and cancelled due to the pandemic.

The immediate actions that can be taken include marketing tourism business for 2023/24, and supporting the communities around attraction sites to showcase their local culture." ~ Eugenie Windt Nsubuga, Vice Chairperson, Uganda Tourism Association

Eugenie Windt Nsubuga, Vice Chairperson, Uganda Tourism Association

3. **Mr. Basil Ajer, Director – Tourism, Ministry of Tourism, Wildlife, and Antiquities**

Tourism works in tandem with quality and skills. ~ **Basil Ajer, Director - Tourism, Ministry of Tourism, Wildlife, and Antiquities**

Basil Ajer, Director – Tourism, Ministry of Tourism, Wildlife, and Antiquities

Role of the government

1. EAC has recently discussed and approved common standards that regulate and customize:
    1. the quality of the different service providers within the value chain
    2. the hotel grading criteria of hotels and accommodation
2. Policy frameworks are being amended to promote and protect the Uganda's natural and cultural resources.
3. Implementation of the "Gift Policy" whereby when civil servants travel, they will carry Ugandan handcrafts as gifts to the host country.
4. Creation of a master plan to develop religious and community tourism.

4. **Mr. Julius Mukunda, Executive Director, Civil Society Budget Advocacy Group (CSBAG)**

"Government should fast-track completion of projects such as infrastructure and the upgrade of the training institutes. They should also develop the tourist attractions into bankable projects to attract investment. The financial sector should improve flexibility in loan tenures and terms, and support innovations and start-ups." ~ **Julius Mukunda, Executive Director, Civil Society Budget Advocacy Group (CSBAG)**

Julius Mukunda, Executive Director, Civil Society Budget Advocacy Group (CSBAG)

Plenary discussion highlights:

1. Tourism is driven by history and culture. Uganda needs to find a way increase the foreign exchange inflows while preserving and strengthening the African identity and cultural foundations.
2. The insurance sector should develop products to build safeguards and protect investors from market shocks due to disease, and other unexpected catastrophes.
3. Grow the budget allocation for tourism from 0.2% to 5%.
4. Banks should adopt a positive outlook to fund local hotels

5.3.2 – Panel 2 – Alternative financing options

Alternative financing options including Syndication for Scale, Blended Financing, Climate Finance (Green Finance), Responsible Banking for Sustainability and what is required of financial institutions as well as beneficiary and users to leverage on

The panel discussion was moderated by Ms. Mildred Tuhaise, NBS TV Journalist

Ms. Mildred Tuhaise NBS TV Journalist

1. Dr. Francis Mwesigye, Chief Economist, Uganda Development Bank (UDB)

Role of UDB

Support players in the value chain through:

1. Financial products such as:
    1. Working capital for 12 months
    2. Term loans with 15-year tenures
    3. Asset financing
    4. Equity financing with divesture of shares after 10 years
    5. Special programs – Loans for SMEs, women, and youth with more flexible terms

2. Non-financial products such as:
    1. Business Accelerator for Successful Enterprises (BASE) – that provides business advisory services to prepare borrowers for loans
    2. Project Preparation Unit – Helps borrowers determined the feasibility of their concepts and ideas

What has UDB implemented?

1. Loan restructuring – UGX 42B to cushion players in the tourism sector against the effects of the pandemic
2. Blended financing – UGX 62B set aside for the tourism sector
3. Partnerships and syndications with financial institutions for wider reach.
4. Program based financing – whereby the various stakeholders come together with their various offerings and approach the value chains to provide services.

"Tourism is one of six key subsectors that UDB has prioritized for support and funding using financial and non-financial products." ~ Dr. Francis Mwesigye, Chief Economist,

Dr. Francis Mwesigye, Chief Economist,

UDBs role in Green Financing

Uganda has only started experiencing climate change effects and had therefore not given much attention to green finance opportunities available on the global markets. UDB has only began the accreditation process and has developed

1. A green finance unit to tap into the available opportunities
2. A green finance policy
3. A green finance strategy
4. Green finance tools and indicators to categorize the existing portfolio
5. A green finance facility with the support of EU and FAO

2. **Mr. Noah Owomugisha, Head of Investment, BDS & Green Growth, aBi Finance Holdings Ltd**

aBi is a social enterprise founded by collaboration between the Governments of Uganda and Denmark to channel development finance into the agribusiness sector to promote competition throughout the value chain. This is done through 2 arms:

1. aBi Development which focuses on SMEs and small holder farmers
2. aBi Finance which focuses on interventions to financial institutions through:
    1. Credit lines
    2. Agricultural loan guarantees
    3. Financial services development support
    4. Business development services

> **"In the Ugandan market most of the products are focused on mitigation of emissions, such as the use of solar energy and hydropower, yet Uganda's problem is adaptation to deal with the effects of climate change." ~ Noah Owomugisha, Head of Investment, BDS & Green Growth, aBi Finance Holdings Ltd**

Noah Owomugisha, Head of Investment, BDS & Green Growth, aBi Finance Holdings Ltd

What is aBi's role in Green Finance?
aBi has green finance tagged to each of their products, and also have the following interventions:

1. Broadening of the spectrum of green loans – e.g use of improved seed that can withstand climate stressors like drought or flooding
2. Building capacity of the financial services sector for identification of green opportunities
3. Create a taxonomy/classification of green finance

Challenges facing the market

1. Lack of formalization of small businesses
2. Lack of information to access funding

3. **Mr. Robert Kakande, Executive Director, FINCA Uganda Ltd**

> ***"FINCA Uganda has a variety of alternative financing products such as:: Non-collateral loans. Micro loans, Refugee financing, and Loans to SACCOs and VLAs."*** **~ Robert Kakande, Executive Director, FINCA Uganda Ltd**

Robert Kakande, Executive Director, FINCA Uganda Ltd

The COVID-19 lockdown was pivotal for FINCA Uganda, they had a

1. Shift of mindset from customer service to customer /support & satisfaction
2. Shift to digitization of transactions and processes
3. Change of risk appetite and loan decisioning

4. Positive shift to improve management and deployment of resources
5. Shift to embrace partnerships for blended financing

4. **Mr. Victor Ndlovu, Business Development Lead, Mastercard, East Africa**
Mastercard provides a global payment system, and captures data throughout the customers selection and spending when planning for and during the holiday experience. These datasets are critical to advising government and stakeholders in the value chain to market information to the tourists.


Victor Ndlovu, Business Development Lead, Mastercard, East Africa

"Mastercard has developed solutions geared towards financial inclusion for all through digitization of processes and payments, and partnerships to drive specific tourism- related objectives with the various stakeholders." **~ Victor Ndlovu, Business Development Lead, Mastercard, East Africa**

Mastercard helps clients and partners address fraud and cyber threats through
1. Cyber alliance program – Supports SMEs understand cyber risks.
2. Cyber resilience program – Critical factors to consider in the digital space
3. Authentication when transacting online to prevent phishing
4. Risk Record – Mastercard supports partners by providing additional information on business tracking and IP unmasking

Plenary discussion highlights:

1. The oil and gas sector and climate financing are on a collision course. Creation of partnerships to harness opportunities to share carbon credits where those who emit more support those who are absorbing emissions in the agribusiness sector, thus mitigating the environmental effects.

2. Uganda only has 10,000 tractors, through asset financing, farmers can procure more implements to help grow the sector.
3. Private sector and government should consider developing 10 commodity parks every year, where farmers can warehouse their produce.

4. Small merchants may not have endorsements to break into ecommerce. This can be mitigated by using recognized merchants and platforms to build buyer confidence.
5. The cost of acquiring a POS machine is prohibitive for small merchants. Mastercard in partnership with banks can allow e-payments and collections on feature and non-feature phones.
6. The ordinary public and local small investors require specific and immediate short-term relief from the outstanding interest on loans. They can take advantage of the concessional funding available on the market e.g. the Small Business Relief Fund

6. Sponsor Remarks

Frank Molla, Managing Director and Head of Sub-Saharan Africa, BPC Technologies

Technology has advanced but human psychology has remained the same. The only way to bridge the finance gap in every sector is through an ecosystem narrative where all the stakeholders and players across the value chain are represented.

BPC is focused on banking, payments, and commerce. As payments enabler, they have built agricultural ecosystems in India, Egypt, and Ivory Coast and installed 30 national switches globally, 10 of which are in Africa.

7. Closing Remarks

Mona Muguma-Ssebuliba, CEO, aBi Finance Ltd

The various sectors are indeed interlinked with agriculture providing the base upon which tourism and manufacturing build upon.

Mona Muguma-Ssebuliba, CEO, aBi Finance Ltd

"aBi is partnering with UBA, the Association of Microfinance Institutions, the Financial Technologies Service Providers Association (FITSPA), and the Uganda Institute for Banking and Financial Services to develop a climate change and green finance taxonomy/classification, and provide knowledge for bank officials to develop the right products and solutions that address climate change and its impact." ~ **Mona Muguma-Ssebuliba, CEO, aBi Finance Ltd**

8. Next steps and key actions

The Permanent Secretary, Ms. Geraldine Ssali, The Ministry of Trade, Industry & Co-operatives, urged members to take action to implement what was discussed in the symposium through:

1. Development of a report like a cabinet paper as feedback from the private sector to government from this symposium, on how we can actually implement
2. Formation of a team to highlight the key issues and deliverables for every stakeholder and party, and each is given their timelines and deliverables.

The various stakeholders, panelists, and speakers shared various strategies that would feed into every sector and were either in place or were to be implemented in the near future. There needs to be accountability and follow-up so as to bridge the financial gap and fast-track the upward trajectory of economic recovery.

8.1 Agriculture

Mastercard: Mastercard Farm Pass is a digital platform that was launched in collaboration with Yo Uganda and Equity Bank. It connects smallholder farmers to credit, high quality inputs, and market access with fair transparent pricing. The projected year on year growth is 40%, with 900,000 farmers already onboard.

Uganda Investment Authority: The authority is developing an SME portal/platform that will profile SMEs across the country with evidence-based credit scoring for agriculture and SMEs to identify and address markets and gaps.

aBi Trust Holdings

1. Provision of loans for agribusiness with long tenures of up to 10-years, through financial institutions.
2. Availability of a UGX 20B credit line for green finance
3. Awareness campaigns to inform the public about where and how to access funding
4. Roll-out of a green finance taxonomy
5. Launch of a UGX 7.5B Green Challenge Fund to finance investment ideas that address climate change, adaptation, mitigation and conservation in agribusiness. The funding of UGX5M – 500M will support the whole process from ideation, piloting, through to growth and acceleration.

8.2 Tourism

Uganda Bankers Association: The banking sector currently carries a direct exposure of about UGX 435B in direct working capital facilities to the tourism sector, while tourism property developments are captured under commercial real estate.

Mastercard:

1. Currently discussing a 3-year Memorandum of Understanding (MOU) with Uganda Tourism Board (and other countries) to drive tourism numbers by leveraging Mastercard's platforms such as Mastercard Priceless, the data insights platform, and terminalizing tourist sites.
2. Mastercard will also partner with the banking sector to curate loyalty points and rewards.

3. Using Mastercard Simplify Commerce to support small businesses like curio shops acquire clients and accept payments.

European Union:

1. Collaborating with UDB on the Tourism Facility for salaries, certifications, marketing activities, equipment maintenance, or greening the facility
2. Providing resource and tools for data collection to produce evidence that can help stakeholders develop and grow the tourism sector

Afreximbank:

1. US$200M has been disbursed to support the development of hotels across its member countries under the Contour Programme which addresses the financing needs of promoters of tourism through:
    1. Contingent guarantee – issued by Afreximbank to construction lender(s) to provide assurance of take-out (payment of the construction loan) upon completion of the project
    2. A Relay facility aimed at taking over the construction facility
2. The bank has a pipeline of projects totaling US$467M which cuts across countries in West, Central and East Africa

Uganda Tourism Board:

1. Promotion of Uganda as a value for money destination using the new brand *"Explore Uganda, The Pearl of Africa"*, as we have all the attractions found in Africa in one destination – culture, adventure, wildlife.
2. Product development and enhancement to include adventure tourism e.g. zip lining, abseiling, agro-tourism, and faith-based tourism
3. Collaboration with key marketing research institutions in the North American and European markets to understand the tourist trends and requirements
4. Promotion of domestic tourism for each Ugandan to become a Tourist Ambassador
5. Promotion of MICE through partnerships with global and regional event marketing representatives

Ministry of Tourism, Wildlife, and Antiquities:

1. Collaborating with the World Bank to upgrade the Uganda Hotel and Tourism Training Institute in Jinja and the Uganda Wildlife Research and Training Institution in Katwe – Kasese into centers of excellence to build capacity and improve the quality of the human capital.
2. Consultations with private sector regarding the amendment of the tourism act to accommodate and recognize their role in the sector
3. Upgrading of infrastructure to develop the different biodiversity sites e.g. the Pier at The Source of the Nile
4. Building a Tourist Information Management System (TIMS) to harness the power of digital technology to book services and access permits.
5. Implementing a Gift Polity to harness and promote the handcraft industry
6. Promotion of MICE that touches all sectors

7. Promotion of the new brand *"Explore Uganda, The Pearl of Africa"*

8. Promotion of community tourism and enterprise development in the buffer areas around the tourist attractions e.g. Apiary, Bamboo

9. Deliberate planning for preservation of improvement of religious and cultural sites e.g. Parliament, Ivory Tower at Makerere University

8.3 Manufacturing

Uganda Bankers Association: To support manufacturer's involved in regional export, the association is currently working on a specially structured and customized Regional Export Credit Facility of about UGX 1T, to be launched by later this year by H.E the President of Uganda. This will be a game changer and will give the manufacturers access to the region and the African Continental Free Trade Area (AFCTA).

Uganda Investment Authority: Development industrial parks both public and public-private parks, creating jobs and opportunities for new products. The 25 park areas being reviewed will have preferential rates for utilities and spaces allocated for cottage industries and SME clusters.

Ministry of Finance, Planning and Economic Development: Government signed EAC CET on 1st July, enabling full band structure for extractive manufacture and agricultural value chains

Uganda Insurance Association:

1. The insurance sector has developed distribution channels that support business access insurance e.g. Bancassurance

2. Export Guarantee Scheme is available at ATI but can also be handled by a local insurer.

Ministry of Trade, Industry, and Cooperatives (MTIC):

1. The government through MTIC is currently doing a study to establish a cooperative bank to improve the product range in the market to bridge the financing gap for those who want to join cooperatives and produce collectively in scale.

2. The upcoming launch of the Mpondwe Border Export Zone One Stop Border Post (OSBP) which has cold rooms, will require set up of banking services to facilitate trade. Additionally, Goma and Goli border posts will also be upgraded to OSBPs.

3. Information sharing on the MTIC website to create awareness for opportunities

Afreximbank:

1. Has a pipeline of manufacturing transactions in excess of $3 Billon.

2. Enhancing intra-Africa trade through transit guarantees/bonds e.g. Issue one bond for a transporter moving goods from Mombasa to South Sudan through collaborations within COMESA

3. Setting up Africa Quality Assurance Centers in West Africa, Ethiopia, and Tanzania

4. Developing a project preparation facility of $2M that features

1. Crowd funding

2. Credit enhancement through insurance and reinsurance

3. Building medical centers of excellence across Africa, to improve efficiency and productivity of human resource capital

4. Setting up an African Trade Center in Uganda to enhance trade within the region through twinning and replicating successes in other industries.

5. Creating a common KYC platform which has been enhanced through the AfCTA that all stakeholders can link into, similar to World Check

6. Rolling out an e-Commerce payments application system (PAPS) similar to SWIFT to democratize e-Payments in Africa

9. Award Ceremony

The event sponsors and keynote speakers received plaques, and certificates were given to writers and panelists.

L to R: Mona Muguma-Ssebuliba, Hon. Daudi Migereko, Wilbrod H. Owor

L to R: Mona Muguma-Ssebuliba, Robert Kakande, Wilbrod H. Owor