



Uganda National Chamber of
Commerce & Industry
"Enhancing Business Opportunity"

ICGLR – PSIC CONSULTATIVE MEETING

21-22 June 2018 Nairobi, Windsor Hotel

*Presented by Hon. Charles Oleny Ojok
Secretary General, Uganda National Chamber of Commerce & Industry*

Introduction

- The private sector forum(PSF) is one among fora; parliamentary, women, youth and civil society which were formed pursuant to the January 2014 Peace security and cooperation(**PSC**) for the great lakes region.
- The UN Special Envoy for the Great Lakes Region and the International Conference on Great Lakes Region initiated the **PSIC, the 1st being held in February 2016 in Kinshasa**
- During **PSIC 1**, presentations were made on Investment opportunity briefs for the region. An overview of the IOB had 25 projects in the seven sectors. The compilation of the projects followed consultations with various stake holders. E.g. round table discussions in June 2014 in Addis-Ababa; Regional investments Ministerial consultations December 2014 in Lawanda Angola, forum of National chambers of commerce and industry NCCI's and other private sector organizations from the region August 2015 in Addis-Ababa, during which the regional Private Sector Forum was launched by the ICGLR.

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- In addition other consultations continued with Investment promotion Agencies (**NIPAs**) in the region, **SME's** forum and **RECs** on how to improve the investment climate for the regional projects: Agriculture 7, energy 3, finance 2, ICT 1, infrastructure 8, Mining 2, Tourism 2.
- All the projects were selected on their potential for
 - ❖ Public - Private collaboration
 - ❖ Involvement of multiple countries
 - ❖ Emerging economic opportunities in the region
 - ❖ Demonstrable regional impact
- PSIC 1 was attended by the UN secretary general BAN kimono, representatives of Govt's from great lakes region, business leaders, development partners, civil society and the academia.

Importance of the PSIC

- ✓ Highly interactive in nature
- ✓ Provides opportunities for **B2B** , **B2G** , **G2G** exchange
- ✓ Provided expert panel discussions of high level government reps, business leaders, etc. on promotion of investment and business across the region. This expert exchange of ideas produced recommendations for the attention of **Governments**, **Development Partners** and the **Private Sector**



Updates on Cross border projects (Uganda)

- Uganda based its project implementation under the IGCLR framework based on the investments that were pledged by Jim Yong Kim **the President of WB** and the **UN Secretary General Ban Kimoon** following a meeting with President Joseph Kabila on the heels of the **Peace Agreement** which was signed by 11 African leaders in **February 2013**. **\$1 billion** was proposed as new funding to help countries in the region provide better health, education , generate more cross border trade and hydro electricity projects.

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- Mary Robinson the Secretary General's Special Envoy to the great lakes region pledged to follow through this undertaking for the success of the framework.
- This meeting provides an opportunity for the review of both that pledge & status implementation of the Cross border projects.
- **Who should provide progress reports?** - is it the summit ; Troika ; RIMC ; National coordinator(s) ; the Executive committee; or - the Fora/**PSF/PSIC**?

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- **NOTE:** During the Kinshasha PSIC a number of factors were highlighted for the attention of governments, private sector and other critical stake holders for the smooth implementation of projects. Among them.
 - Harmonisation of policies to develop linkages
 - Developing key infrastructure
 - Supporting increased access to research and development, inputs and equipment.
 - Establishment of credit bureaus
 - Government/development partners were to develop Credit guarantee facilities to ease costs of and increase access to finance for the private sector
 - Model Laws for PP participation in infrastructure projects on a regional dimension.

Project Briefs

➤ The Oil Refinery

- A \$4 billion oil refinery Agreement was recently signed by the Energy Minister as it races towards the country's first oil by 2020.



The oil refinery deal was signed in April 2018

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- The refinery to be based in Hoima is expected to process between 50,000 to 60,000 barrels per day.
- President Museveni said the deal with the Albertine Graben Refinery Consortium -- valued at between \$3 billion and \$4 billion -- would contribute to making Africa "a huge powerhouse in terms of business."
- **The Uganda–Tanzania Crude Oil Pipeline (UTCOP):**
 - The 1,445km pipeline, running from Hoima in western Uganda to Tanga port at the Indian Ocean in Tanzania, is being fast-tracked by French oil company Total E&P.
 - The engineering, procurement and construction contract will most likely be awarded in late 2018 or early 2019.

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- At the 13th Northern Corridor Heads of State Summit in Kampala in April 2016, Uganda officially chose the Tanzania route for its crude oil, in preference to the Mombasa or Lamu routes in Kenya. The presidents of both Kenya and Rwanda were present, along with representatives from Ethiopia, South Sudan, and Tanzania. At the same summit, President Uhuru Kenyatta announced that Kenya would build the Kenya Crude Oil Pipeline on its own, thereby abandoning the Uganda–Kenya Crude Oil Pipeline.

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➤ Great Lakes Trade Facilitation Project

- A product of several consultations with the three Member States- Uganda, Rwanda and DRC, the World Bank and COMESA Secretariat.
- The implementation of GLFTP started in June 2016. The project is funded by the World Bank. Its objective is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders especially small-scale and women traders at targeted locations in the borderlands.
- The total project amount is US\$79 million distributed as follows: Rwanda \$34 million, DR Congo US\$30 million, **Uganda US\$10 million** and US\$5 million to COMESA Secretariat.

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- It is improving infrastructure through
 - ✓ One Stop Border Post
 - ✓ Boarder Export Zones
 - ✓ Cross Border Trade Association Committees
 - ✓ Currently three boarder points of **Goli, Bunagana & Mpondwe** are covered by the project.

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- **THE NORTHERN CORRIDOR INTEGRATION PROJECTS(NCIPs)**
 - Linking the landlocked countries of Uganda, Rwanda, South Sudan and Burundi to Kenya's Maritime Port of Mombasa.
 - The transport corridor also serves Democratic Republic of Congo and Northern Tanzania.
 - There are 14 projects being coordinated under the Northern Corridor Integration Projects (NCIPs) and also under different Frame Works (**EAC, COMESA, TRIPATITE, BILATERAL**, etc.) namely;

1. Standard Gauge Railway

2. ICT Infrastructure

3. Oil Refinery Development

4. Fast Tracking Political Federation

5. Power Generation, Transmission and Interconnectivity

6. Crude Oil pipeline Development

7. Refined Petroleum Products Pipeline Development

8. Commodities Exchange

9. Human Resource Capacity Building

10. Issuance of East Africa Tourist Visa/Use of National Identity/Voter/Student Cards as travel documents

11. Single Customs Territory

12. Defense Cooperation

13. Peace and Security Cooperation

14. Air Space Management



Challenges

- Harmonization of policy and legal frameworks within member/cooperating states
- Multiple frameworks membership e.g. ICGLR, SADC, COMESA , EAC , Tripartites etc.
- Shifting social/economic and political interests affecting initiation planning and execution
- Low productivity especially in Agriculture
- Fragile security in some pockets
- Weak private sector



Recommendations

- ❖ Reform and harmonize legal and trade regimes
- ❖ Conduct in-depth analysis on key issues and instruments for financing projects under PPP
- ❖ Capacity building for SME's – profiling, partnerships,
- ❖ Capacity building for private sector associations for effective engagement and mobilization
- ❖ Policy reforms – free movement of persons, goods, services and NTBs that inhibit intra-trade
- ❖ Build synergies in strategic areas with high economic impacts e.g. Tourism, Mineral development
- ❖ Focus on key business enabling infrastructure - ICT, Rlwy, Roads, Mass Media
- ❖ Better private sector coordination at National/Regional levels





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