

Our aim is to create a conducive business environment



CEDP coordinator John Marié Kyewalabye

CEDP aims at creating a conducive business environment that will make doing business easier, simpler, convenient, faster, less costly, timely and attractive, says the Project Coordinator

The private sector is a recognised engine of growth and development of any nation.

However, for it to effectively play this role, the Government must take the lead by creating a conducive environment for the private sector to drive growth. Just like a car engine that is not well serviced cannot and provide sufficient power to move the car, a private sector will never deliver growth in an unconducive environment.

The Government of Uganda, therefore, through CEDP, seeks to create a conducive business environment by supporting major reforms.

John Marie Kyewalabye, the Project Coordinator, explains: "This project coordination unit is providing technical support to the agencies that are implementing the project. The project is geared towards enhancing the competitiveness of Uganda as a country, through supporting major reforms in land administration and management; business registration and licensing; tourism competitiveness development and enterprise reform," he explains.

"At the end of the day, we should be able to create a conducive business environment that is free from hindrances for starting and also the day-to-day running of businesses."

The reforms will ensure improved service delivery to Ugandans as a priority, which means ensuring convenience and ease by improving access, reducing cost by making processes simpler and eliminating non-value adding procedures, timeliness and quality.

The investment under CEDP will ultimately pay off for the benefit of both the public and private sector.

The private sector enterprise that formalises its business, for example, is able to open up a bank account, access credit or a grant like we are providing under CEDP and also participate in the public tender process. The enterprise would also be able to export. The Government will be able to collect taxes and the public will get jobs

On why the project is undertaking business registration and licensing reforms, under the Uganda Registration Service Bureau, Kyewalabye says: "Somebody who is willing to come and invest in Uganda would think twice if registering a business was cumbersome and getting licenses was problematic. We should be able to attract more quality investments if the cost of doing business is lower. Therefore, for Uganda to be competitive in the region and the world, we must create an attractive business environment that not only meets the international standard, but surpasses it.

"Uganda is gifted by nature, largely because of its geographical location that gives it a good weather, fertile soils, minerals and the people.

THE PRIVATE SECTOR SHOULD SPEND MORE TIME DOING BUSINESS RATHER THAN CHASING AND STRUGGLING TO FULFIL REQUIREMENTS FOR OPERATIONALISING A BUSINESS.

However, we are unable to maximally benefit from these because of business environment rigidities that need to be addressed to unlock Uganda's potential."

Two years into the project, the reforms are already paying off. "Registering a business in the country previously took about three months, but because of the reforms we have undertaken, you can now do it in just a day! A name search can be undertaken instantly.

Uganda Registration Services Bureau (URSB) is now going beyond registration and offering post registration support to enterprises to ensure that they operate sustainably.

Through the increased collaboration among Government agencies and departments, provision of services has been made easier, simpler and faster. For instance, as you register your business at URSB headquarters, you automatically get a Tax Identification Number (TIN) from URA and you also instantly get a trading license from KCCA and registration by NSSF under a one stop centre model. This will eventually be rolled out to other parts of Uganda.

URSB and Ministry of Lands, Housing and Urban Development (MLHUD) have also been supported in opening and establishing regional offices that are linked to their headquarters. This has in effect brought services closer to the people, made it convenient and less costly as envisaged in the Second National Development Plan (NDPII) and Vision 2040. In future and with the pace of automation Ugandans will enjoy the services in the comfort their homes.

Massive changes are planned to reform the licensing regime to get rid of unnecessary licenses that bog down the private sector. "You cannot have someone, requiring eight licenses to start a business some of which are duplications! For example, why should a Commercial Bank already licensed by Bank of Uganda and desirous of opening and setting up operations in any part of the country seek another license say from a local authority to operate? Whereas the payment of license fees is fine, but let the process be concluded once and at one point! The private sector should spend more time doing business rather than chasing and struggling to fulfil requirements for operationalising a business." Harmonization and simplification of licensing process and procedures must happen

like yesterday" explains Kyewalabye.

Under the Second Private Sector Competitiveness Project (PSCPII), the MLHUD designed, installed and operationalised a Lands Information System (LIS), which basically has enabled automation of land administration and management processes in six pilot project sites.

Firstly, the security of the records has been enhanced and now the country has a secure database of records away from the manual ones previously held.

Secondly, service delivery in terms of undertaking a search and processing a land title have significantly been reduced from over 450 days 10 years ago to about 25 days currently in the pilot sites. The issues of forgeries of titles and delays in transferring titles will be addressed by reduction in procedures but also trail as result of automation that will support quick identification and isolation of culprits. Having an efficient land management system will help the private sector in investing in production," he explains.

The Ministry of Tourism Wildlife and Antiquities (MoTWA) and related agencies: Uganda Tourism Board (UTB), Uganda Wildlife Authority (UWA) and the Hotel and Tourism Training Institute Jinja (HTTI) are implementing another component of the project; tourism competitiveness.

"Our marketing of Uganda has not been very good in the past. Staff from UTB were only able to participate in Expos that last less than a week in various destinations which is not sufficient. Our tourism products are not well developed and the Private Sector players are not at their full capacity," Kyewalabye observes, as he gives the rationale behind the intervention.

The project is supporting engagement of market representation firms in the USA, UK and Germany to among other things promote Uganda as tourism destination 24/7/365. This is a change from our "hands off" approach that we have used in the past and has not delivered results. Our peers in the region are all having over five firms and returns are enormous.

The project is also supporting tourism product development "There are so many tourism spots around the country which are poorly packaged and may not be sold. We must improve our products to be able to attract and increase the number of tourist and stays in the country. The benefits from the tourism sector have an expansive trickledown effect due to the forward and backward linkages. When we get more tourists, the agriculture and hospitality sectors will be boosted." Likewise income, employment and wealth creation will be attained.

Uganda tourism is a low hanging fruit that has the potential to transform Uganda's economy in the medium term and with minimal investments.

The matching grant is the last component, aimed at spiralling the competitiveness of small and medium enterprises (SMEs) to take advantage of the increasing market access within region and beyond. "Over 200 firms have

CEDP AT A GLANCE

Project development objective

To improve the competitiveness of enterprises in Uganda by providing support for:

- (i) The implementation of business environment reforms, including land administration reform and
- (ii) The development of priority productive and service sectors.

Components

1. Land Administration Reforms
2. Business Registration and Licensing Reforms
3. Tourism Competitiveness Development
4. Matching Grant Facility

Anticipated project results

- Reduction in the number of days taken to register land from 52 to 25 days
- Reduction in number of days taken to register a business from 33 to 5 days
- Reduction in cost to register a business as a percentage of income per capita from 76.6% to 50%
- Increase in international tourist arrivals from 945,000 to 1.5 million
- Tourism sector employment from 225,000 to 300,000 per annum
- Increase in export of non-traditional products by 10%

Implementing agencies

- Ministry of Lands, Housing and Urban Development
- Ministry of Tourism, Wildlife and Antiquities
- Uganda Registration Services Bureau
- Uganda Tourism Board
- The Hotel and Tourism Training Institute
- Uganda Wildlife Authority
- Private Sector Foundation Uganda

already benefited from this grant. We have also committed over \$2m under this component," he says. We envisage to see more productive enterprises running and operating sustainably with the ability to tap into and compete in the regional market. Our enterprises must not be spectators in the market but players. Recall that there is no godfather in the market place. If we do not have the quantity, quality and timely offerings our enterprises will be driven to limbo going with the jobs and revenues.

Kyewalabye notes that due to the delayed start of the project, the expectations on them to deliver are high, given the anxieties among beneficiaries. However, the Coordinator is confident that despite the delay, the project is now on the right track and will deliver to expectations.

Reporting by B. Rwothungeyo