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 **The Republic of Uganda**

**MINISTRY OF TRADE, INDUSTRYAND COOPERATIVES**

**STATUS OF IMPLEMENTATION OF THE 2016-21 NRM MANIFESTO AS AT APRIL 2021 WITH RESPECT TO THE TRADE, INDUSTRY AND COOPERATIVES SECTOR**

| **No**  | **NRM 2016-21 Manifesto Commitment** | **By April 2021** |
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|  |  | **Status of Implementation** | **Comments** |
|  | Promote co-operatives and other associations together with the one village–one-product and the agricultural zoning policy for bulking and trade efficiency.. | Farmers have been mobilized to form Commodity Cooperatives, and so far 1083 Commodity Cooperatives have been formed along the following value chains:Maize 113Cotton 11Coffee 353 Dairy 83Livestock 30Rice 39Beans 16Banana 28Cassava 32Soya Beans 11Irish potato 39Groundnuts 14Sim sim 05Oil seeds 211Fish 67Sugar cane 31**Total 1,083** | Inadequate funding for technical support and ensuring compliance; Lack of storage and value addition infrastructure; and low capitalization of most of these Cooperatives remain significant challenges |
|  | Strengthen the Uganda Development Corporation (UDC) to spearhead the establishment of strategic industries where the private sector interest has not been forthcoming for a long time/ Strengthen the UDC through the review of the law to give it the necessary legal framework and mandate to operate more effectively. | UDC Management team around 90% constituted; with the process of filling the few remaining vacancies in advanced stages.UDC Portfolio Investments;Soroti Fruit Factory was commissioned by H.E the President in early 2019 and is now operational. There are plans to re-model the mango process line of the factory in order to increase its operational competitiveness.The two KHTL factories were commissioned and are now operating at 40% capacity; however the corporation in collaboration with KHTL is undertaking an intervention to facilitate the planting of an additional 10 million seedlings before the end of June 2021.Kayonza’s 3rd CTC tea line with a 600kg/hr capacity line is now fully operational.6 billion facility is operational and exporting tea through Mombasa auction .Acquisition of equity in exchange for the revamping /revitalization of the Mabale that included the re-structuring of the company’s management structure and debt financing has been undertaken. 13 billion facility is now operational and exporting tea through Mombasa auction. Feasibility study that will determine the viability and capacity of the envisaged Zombo CTC tea factory is ongoing. This is ongoing and facility will be prioritised next financail year. Due diligence and stakeholder engagements aimed at exploring the prospects of undertaking investment partnerships in the cereals/grains sector, aquaculture, Tea are ongoing. Several fesibility studies are being done to create a well researched and analysed pipeline Project. Co-investment process as regards the operationalization of the Moroto Ateker cement factory is ongoing. Exploration work being finalised Project requires mobilisation of resources USD 125 m.In collaboration with NAADS, the corporation has embarked on the operationalization of the Yumbe fruit factory (technical commissioning complete); and operationalization of the Nwoya multi-fruit factory (EPC firm already identified). Commissioning expected in the next fruit season in December  | Process of building the Corporation to full strength still ongoing.There is therefore need to provide Sufficient Capitalization for UDC to undertake the required investments and competently execute its mandate as the investment arm of Government.  |
|  | Continue fast-tracking the EAC economic and political integration in line with the vision of having a single monetary union and achieving political federation of all the EAC member states | Economic integration deepened through engagement in sectoral councils (resolving the outstanding NTBs and facilitate smooth trading under the COVID 19 pandemic); Standard harmonization; harmonization of the EAC position within the Tripartite and AfCFTA; review of the Common External Tariff (CET)–harmonization of the CET review with the AfCFTA offer (still work in progress). Implementation of the **Common Market Protocol**-implementation of the Northern Corridor Initiative, Signing of the Mutual Recognition Agreement to ease movement of persons in the professions of Engineers, lawyers, accountants; ease of movement of persons by having a common tourism visa. | The EAC integration process remains on track with the economic integration pillar being further consolidated despite the NTBs. Still work in progress.  |
|  | Sensitize, organize and support the business community to take advantage of AGOA, Everything but Arms, COMESA, EAC and the Chinese markets. Also, give the Uganda Export Promotion Board targets to increase the volume of exports to these markets | National Export Development Strategy (NEDS) implemented and focuses on preferential markets.Sensitizations of the business community continuously being held.Companies were assessed and trained on various aspects of exporting including * Modes of transport (50)
* Strategy & planning (63)
* Financing (46)
* Contracting (39)
* Marketing (69)
* Digital marketing (60)
* Services exports (33) etc.

Twelve Exporter were trained virtually.A mini-audit of export facilities and companies ongoing. | Implementation has had the following **Impact:** * Exports to the EU have grown by 9.6% between 2016-20, from US$ 460.9 million in 2016 to US$ 505.43 million in 2020
* Exports to COMESA have increased by 12% between 2016-20, from US$ 1,141.10 billion in 2016 to US$ 1,278.43 billion in 2020
* Exports to the Middle East have grown by 271% between 2016-20, from US$ 506.16 million in 2016 to US$ 1,865.88 billion in 2020
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|  | Undertake institutionalization of Sanitary and Photo-Sanitary (SPS) measures in order to ensure standards of high quality of exports | MTIC and MAAIF are developing SPS Policy. The Crop Inspection and Certification Department of MAAIF is being strengthened to spearhead this role while MTIC plays a critical supportive role and sensitizes the business community on compliance.Sensitizations of the business community on compliance to SPS requirements is on-going  | The two Ministries are working hand in hand to have the SPS policy in place.  |
|  | Advertise Ugandan products in trade expos worldwide | Trade Expos held to show case Ugandan products;20th China International Organic & Green Food Industry Expo 14th – 16th April 2016. 5 (Five) companies dealing in; Coffee, Cocoa, Cereals and Fruits & vegetables participated Macfrut International Trade Fair 2017, and 2018 in Italy: a total of Twenty-One (21) Companies in Fruits and Vegetable Sector participated Uganda – Dubai convention 2017: One Hundred (100) companies interested in UAE market participated, and received export leads for Ginger, Beans, sesame, Avocado and CoffeeExpo 2017 Astana 10th June to 10th September 2017, Uganda promoted tea, coffee and tourism. Four (4) companies participated. Uganda a secured a deal export leads to supply over 50.000 tons of tea per year to KazakhstanUganda Investment Summit in Mumbai India, 2018: Ten (10) potential buyers of sesame seeds, green gram, coffee, Beans, Avocado, Onions, minerals identifiedCoffee & Tea RUSEXPO 2018: Two (2) potential tea buyers identified by Uganda Tea Development Agency Thirteen (13) companies were supported to participate in the B2B meetings in Lusaka during the World Export Development Forum (WEDF) 10-11th September 2018.Project to Promote Export of Services (ITC enabled services) supported by ITC and CBI: Over 25 companies have been linked to buyers through the following events; Mobile World Congress – Barcelona Spain, CEBIT - Hanover Germany, Transform Africa – Kigali Rwanda, She Trades Global – Liverpool UK, Ethiopia ICT EXPO – Addis Ababa Ethiopia, Kampala Innovation Week (KIW)- Kampala Uganda, World Export Development Forum (WEDF) –Lusaka ZambiaThe Intra-African Trade Fair (IATF 2018) in Cairo, Egypt 11 -17th December 2018 was the 1st event ever to provide a unique platform for promotion Intra-African trade, facilitate information exchange to and enable sustainable implementation of the African Continental Free Trade Area Agreement. Seven (7) exporting companies participated, and five (5) potential buyers were identified and linked to exporters while three (3) potential investors identified to be linked to UIABeijing Expo 2019, June 2019. Sixteen (16) private sector exhibitors participated in the exhibition1st China – Africa Economic and Trade Expo (CAETE): Twelve (12) private sector exhibitors participated in the exhibition and displayed products such as coffee, tea, flowers (roses), milk powder, vanilla, chilli pepper, sesame, chia seeds, Shea butter, dried fruits, wines, spirits, fish, tourism and investment products and opportunities2nd China International Import Expo (CIIE): Seven (7) companies from the sectors of Coffee, Tea, Dairy, Cocoa, Sesame, Cassava Flour, Honey, Shea butter, Coffee, and Art craft/cow horns participated and the following products were showcased: dried fruits, powder milk, tea, coffee, chocolate and sesame. Ten exports leads for coffee, sesame, tea and cassava flour were received. | Due to the measures put in place by Governments to mitigate the spread of COVID 19, no expos have been held since May 2020.Companies and sectors can scaled up with increased Government support so as to increase the number of export opportunities picked. Government is required to inject USH 5 billion. |
|  | Finalize negotiations for the US-EAC Trade and Investment Agreement (TIFA)  | Negotiations still on-going, but currently on hold due to change in strategy and priorities by the new USA Administration. |  |
|  | Implementation of the WTO Trade Facilitation Agreement | Implementation of Trade Facilitation measures such as the Electronic Cargo Tracking System, construction of One Stop Border Posts (OSBPs) at Mpondwe, the National Trade Portal, and the Electronic Single Window ongoing. In addition to the following One Stop Border Posts (OSBPs) at Busia, Elegu, Mutukula and Mirama Hills,The **Impact** so far, is reduced business costs and reduced waiting time for border clearances. | Implementation of Trade Facilitation measures has significantly reduced waiting time at border points thus reducing the cost of doing business; eliminated short-landing of cargo thus boosting revenue collections; and increased information dissemination. |

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|  | Continue aiming at minimizing post-harvest losses through construction of improved storage facilities | Warehouse and Warehousing Standard has been disseminated across the country, and storage infrastructure location and capacity has been profiled in conjunction with all the Local Governments.A total of 1,357 storage facilities have been profiled in collaboration with Local Governments through the DCOs offices.Certification and distribution of ICT & Quality Kits for Seven (7) warehouse completed.Work commenced for support to standardization of 5 Warehouses that will mitigate post-harvest handling issues and generate Warehouse Receipts for trading or financing.15 Warehouses inspected and ICT Capacity for connectivity established & supported with computers. | The Warehouse Receipt System initiative is gaining traction given the need for formal markets, sources of good quality and sustainable supplies by industrialists (Millers), However, there is need to support partnerships with Warehouse Owners to standardize their storage and ensure commodities quality handling |
|  | Continue constructing market structures in more urban centres in order to provide clean and appropriate workplaces for market vendors and also improve market infrastructure within the country | Construction of warehouse at Busia(Busia District) and Katuna (Kabale District) border export zones, Commercial building at Oraba (Koboko District) and Market at Lwakhakha border.Construction of the Mpondwe Border Export Zone is ongoing at Mpondwe, Kasese District  | Development of Border Export Zone facilities at Katuna, Busia, Lwakhakha and Oraba for a total of EUR €1.5m is funded by COMESA with funds from the EU.Development of a USD $2m Border Export Zone facilities at Mpondwe is implemented with a loan from the World Bank under the Great Lakes Trade Facilitation |
|  | Intensify sensitization of farmers and traders on regulations governing quality standards, grading and packaging to enhance competitiveness of our products | Standards for 18 commonly traded Cereals & Grains across EAC have been harmonized and implementation of handling is ongoing.A total of 2,438 Farmers farmers in Kasese, Kamwenge, Mityana, Mubende, Kasanda, Kyenjojo, Bugiri and Namutumba were sensitized in Warehouse Receipt System operations and, quality and standards assurance.Uganda Warehouse Receipt System Authority in collaboration with Grain Council of Uganda are establishing Quality Ordinances at District Level. | However more funding is required to upscale the sensitization of farmers and traders on regulations.This is being undertaken in collaboration with MAAIF  |
|  | Negotiate bilateral trade agreements so as to promote exports. Give our embassies targets to promote trade between Uganda and the host countries | **Bilateral engagements undertaken with Kenya** in relation to NTBs imposed by **Kenya** on; sugar, Milk&dairy products, LPG cylinders. **Tanzania**: Bilateral engagements were held with Tanzania to secure market access for sugar – Tanzania agreed to import 20,000MT from Uganda.**The Democratic Republic of Congo** is currently one of our main export destinations. Under the auspices of the Joint Trade Committees, a number of bilateral engagements have been undertaken. Much of this has focused on the implementation of the Simplified Trade Regime. **The Republic of Zambia**: Held a bilateral meeting with Zambia Government technical officials on securing and facilitating export of Milk (Lato)**The Republic of South Africa**: (Market access opportunities indicated by the South Africa Government)**The Republic of Somalia**: identified potential areas for our exports to Somalia. Follow up discussions planned.**The Republic of Ethiopia**: on implementation of the Trade and Industry related decisions of the 2019 JMC. Identified areas of mutual interest are Dairy and Dairy Products, Sugar, Cereals on the Ugandan side and Leather and leather products for Ethiopia.A number of traders claim compensation for loss of goods and services from the Government of South Sudan)**The People’s Republic of China**: Capacity Building; Trade related courses (fully funded) on e-commerce and Trade in services have been offered to and attended by staff; **Market Access**; Bilateral engagements are ongoing for Uganda to increase the market share and diversify our exports. The protocol on exporting Fish and Fish products is yet to be signed. | Kenya recently undertook a verification mission of the Uganda sugar sector. A ministerial meeting was held in which both countries agreed to work away the Non-Tariff barriers affecting trade.Tanzania imposed Non-Tariff Barriers (NTBs) in form of import permits on Ugandan Dairy products, making it difficult for Ugandan Dairy products to access the market; Discriminatory Road User Charges of USD 500 imposed on Ugandan trucks plying Tanzania route; Denial of market access for Ugandan Sugar. |
|  | Empower Uganda National Bureau of Standards to carry out its mandate of protecting Ugandans against substandard goods and for it to appraise companies that apply for certification in a shorter period | The Bureau has reviewed its internal processes to make them shorter and ease of access making it faster to support certification of MSMEs. The bureau has in addition reduced the cost of certification to enable SMEs to uptake the exerciseDuring the COVID 19 preparedness, the Bureau certified 105 new Companies to produce masks, Sanitizers and developed Standards to guide the production of Face Masks.  | UNBS is on track especially after establishment of the 4 Regional Labs |
|  | Address the challenges SMEs face some of which include delayed payments by big supermarkets, access to credit, equipment and workplace | To improve access to financial services such as credit to MSMEs, 5,506 Emyooga SACCO savings and Credit Cooperatives (SACCOs) have been registered since 2016.While total cumulative Registered Cooperatives stands at 28,571  | Focus of intervention now on addressing the limited knowledge and skills on strengthening good corporate governance for Enterprise Management |
|  | Stop charging local traders rent in foreign currency |  | Ministry of Lands, Housing and Urban Development will provide details on this |
|  | Facilitate the transformation of informal SMEs to formal through registration so that they can access credit and other privileges | The Ministry through Directorate of Micro Small and Medium Enterprises MSMEs and Cooperatives Department is working with Uganda Registration Services Bureau to formalize SMEsIdentification of SMEs is done in priority sectors in the value Chains. Sensitization is then conducted on the benefits of formalization of businesses.Potential SMEs are linked to Uganda Registration Services Bureau for registration | Ongoing exercise by the MSMEs Department in the Ministry |
|  | Provide legal certainty for businesses by enhancing free and unlimited access to the EU market (28 member states) and 500 million consumers through the Economic Partnership Agreement (EPA) | EAC-EU Economic Partnership Agreement concluded, and EAC as a block engaging the EU to streamline some strategic areas. In the meantime, the EAC has secure market access to the EU market through the respect EU Market Access Regulations. | EAC Partner States continue to engage with a view to signing the EPA |
|  | Pursue the Tripartite Free Trade Area and the African Continental Free Trade Area (AfCFTA) to remove some of the inconsistencies and costs in regional integration brought about by overlapping memberships and open wider markets for Uganda’s exports  | Under the **Tripartite FTA**-Negotiations on tariff offers finalized with SACU. Engaged in the Tripartite Council of Ministers to advance further integration within the Tripartite. Key legal instruments under the respective Protocols and Annexes have been finalized; these include Axle Load, Transit, Customs Cooperation, Rules of Origin, etc.Under **AfCFTA**-Operationalized the Cabinet Sub-Committee on the AfCFTA at Technical level, Technical Working Group Meetings were held in which the national consultations on the Market Access Offers for Trade in Goods and Trade in Services, and Rules of Origin were finalized;Finalized the Uganda Market Access Offers for Trade in Goods and Trade in Services, consolidated them in the EAC Offer, and submitted them to the African Union Commission; Launch of the start of trade under the AfCFTA - 1st January 2020.  | The AfCFTA offers immense opportunities with trade with other African countries. Focus is now on making necessary arrangements for implementation. Interconnectivity of Africa will be a big determinant of how much the Agreement benefits the signatories.Engagement in preparation for implementation of the AfCFTA – currently engaging UMA, and other relevant institutions such as URA, UEPB. |
|  | Continue working with our sister states in the EAC to eliminate bottlenecks that affect free movement of goods and services within theCommunity | **One stop border posts in place** as follows: Malaba, Busia, Nimule, Mutukula, Mirama Hills, Goli, Mpondwe(Work in Progress). **The NTB Reporting System:** EAC Non-Tariff Barriers monitoring and removal mechanism put in place – the National NTB Monitoring Committees and the Regional Committee**Implementation of the COMESA Yellow Card -**covers third-party liabilities and medical expenses for the driver of the vehicle and his passengers should they suffer any bodily injury as a result of an accident to an insured vehicle. Uganda is one of the Members implementing the Scheme. **COMESA E-Certificates on Rules of Origin**: The eCO is one of the latest tools developed under the COMESA Digital Free Trade Area (DFTA) initiative. The eCO will replace the manual certificates and help to circumvent the onerous manual process. | In 2019, the Hon. Minister appointed the Uganda Reinsurance Company as the National Bureau for the Uganda operations. |
|  | With the big EAC market, work with our sister countries to invest in big projects like car assembling | Under the auspices of the EAC, the region is investing in the Standard Gauge Railway – SGR – to reduce the costs of doing business in the region. | Discussions to secure funding are still ongoing. Kenya has already done a section from Mombasa, to which the Ugandan section will connect. |
|  | Focus on mineral (processing) in the areas of fertilizer production from phosphates at Tororo, cement production from limestone in Tororo and production of iron and steel in Tororo and Kabale | Two smelting plants for value addition to iron ore have been established by Tembo steels in Iganga and Dong Song in Tororo. The two plants will add value to 12,000MT and 36,000MT of iron ore per month respectively | More are yet to come |
|  | Promote establishment of mini-industries at zonal or sub-county level | Through the Rural Industrial Development Programme (RIDP), sixty three (63) enterprises with a focus on the following value chains: milk, coffee, maize, sim sim, wood and wood products, honey, and fruits drawn from 47 districts have been supported with value addition equipment and supported to undertake product certification.Coordination of implementation of the RIDP; 27 enterprises supported in 18 Districts, 7 enterprises supported for certification, 135 operators from 4 enterprises trained. Processing facilities established that include; a Fish Sinking Pellet making facility in Kampala, Chicken Hatchery in Kamuli, Concrete block making facility in Mbarara, Yogurt Processing facility in Kaliro district, a Yogurt Processing facility in Mukono district, Ginger processing facility in Mpigi district and a Semi-Automated Coffee Processing Plant in Iganga. Bubale Innovation Platform from Rubanda District was supported to undertake product certification for Millet (Bushera) and Sorghum Flour.  | Allocation of little funds to the Project has constrained the Ministry in supporting proposals to scale up value addition to local raw materials and increase household incomes to rural communities. The Ministry requires Ugs. 24 billion  |
|  | Establish the cement, iron and steel industries, a venture to be spearheaded by the Uganda Development Corporation (UDC) | UDCworking together with the National Planning Authority (NPA) to implement this. The final draft feasibility study report on the project has been completed by NPA with funding from European Union on behalf of Government. The Ministry of Energy and Mineral Development (MEMD) through Sino minerals is carrying out further exploration studies on the iron ore depositsThe studies will inform the next course of Action. | Funding is required to execute the project after the completion of the exploration studies by MEMD. |
|  | The industrial parks will be developed with infrastructure; roads, railways, water, Internet and power. We will also construct warehouses where investors can come and set up their machinery and start working. This will attract the many SMEs who are constrained with resources to buy land and invest in civil works | Government through MFPED entered into an MOU with Lagan Group Ltd UK in joint venture with Dott Services Ltd in March 2018 for the development of infrastructure at Kampala Industrial and Business Park Namanve under contractor facilitated financing arrangement. To develop road networks, water distribution networks, sewerage networks, water treatment plant, power services, fibre optic services, solar power street lighting, SMEs workspaces. On 12th January 2020 a successful ground breaking ceremony was held at KIBP Namanve, supervised by UIA. The contractor is on ground and designing, developing architectural and engineering drawings and other integral works has started.Followed up with, MFPED and other MDAs on implementation of the Presidential Directive to establish strategic Infrastructures within Industrial Parks( Roads, Water and Electricity), So far approved budget estimates for LIOASHEN KAPEKA and Finalizing for Mbale.Another Industrial park in Mbale has been developed by the Chinese under the Public Private Partnership arrangement. | Under the programme based planning MTIC, MFPED, UIA. Will continue to pursue The implementation works. The is work in progress. It’s along term project. |
|  | Establish the following industries through UDC:i) Three more tea processing plants in Kabale, Kisoro and Kanunguii) Iron and Steel industry in Muko - Kabale, Jinja, Kampala andTororoiii) Lake Katwe salt factory.iv) Sheet glass project in Masaka | Tea Processing Plants:* In partnership with Kigezi Highland Tea Ltd, two tea processing plants have been established in Kabale and Kisoro, each with a processing capacity of 450Kg/hour. These were commissioned in 2018.
* Working with Kayonza Tea Factory, established a 3rd processing line at the factory with a capacity of 600Kg/hour. This was commissioned in late January 2020
* Through acquisition of equity, revamped Mabaale Tea Growers factory in Kyenjojo district to return the company into business. UDC investment enabled the company to partly settle the debt with KCB, other creditors and provide working capital.

Iron and Steel industry in Muko - Kabale, Jinja, Kampala and TororoUDC is working together with the National Planning Authority (NPA) to implement this. The final draft feasibility study report on the project has been completed by NPA with funding from European Union on behalf of Government. The Ministry of Energy and Mineral Development (MEMD) through Sino minerals is carrying out exploration studies on the iron ore depositsLake Katwe Salt FactoryAcquired Land titles for three plots on which the investment/old plant and the staff quarters are built.Prospecting activities were carried out to assess the geological and physical infrastructure so as to plan and guide investment decisions. Sheet Glass Project in MasakaUDC applied to the Directorate of Geological Surveys and Mines for an Exploration License for the sand deposits at Malembo, Bbale and Namirembe | 100 AchievedThe Directorate of Geological Surveys and Mines allocated the Exploration License to a private firm to carry out exploration leaving UDC with no opportunity to obtain the same license. The Corporation is now in talks with the company for a possible collaboration.Awaiting approval from the Directorate of Geological Surveys and Minesto grant the exploration license. |
|  | Seven zonal agro-processing facilities will be established at Arua, Soroti, Luwero, Kayunga, Ntungamo, Masaka and Kasese to provide access to quick processing of agricultural products and ease marketing | Soroti Fruit Factory was completed and commissioned at the start of April 2019; it is now operationalYumbe: Construction and installation of fruit processing equipment for the proposed Yumbe Fruit Factory under collaboration of NAADS, UDC, FONUS and Aringa Fruit Farmers’ Cooperative Society and located in the greater West Nile sub-region completedLuwero Fruit Factory: Procurement for Consultants to undertake revalidation of the 2013 feasibility study on the proposed fruit factory, development of master plan, engineering designs, ESIA is ongoing after which civil works and procurement of equipment will be commenceNwoya Multi Fruit Factory is being implemented under collaboration between NAADS, UDC, Delight Nwoya Ltd and Nwoya Fruit Farmers’ Cooperative Society. It will located in Nwoya district with an EPC contractor being procured who will establish a “turn-key” 13MT/hr factoryOthers are Agro-processing Facilities in Kayunga/Masaka/Kasese | Commissioned in productionWork in progressWork in progressWork in progress |
|  | Spatial planning for industries: review the Industrial Licensing Act, 1969, to ensure industries are established in designated areas, in line with physical and land use plans | Prepared the draft Principles for the Amendment of the Industrial Licensing Act 1969 and submitted to First Parliamentary Counsel for review | Work in progress |
|  | Strengthen the UNBS through additional resourcing to enable it to effectively carry out its mandate of providing technical guidance and inspection of industries in the country, and give it timeframes within which a company that applies for certification should be cleared or if it doesn’t qualify, be communicated to | Government provided **UGX 10 Billion** for recruitment of additional staff and this has moved the staff establishment to 67% i.e 430 staff out of the approved structure of 640 staff. These additional staff will greatly improve service delivery. |  |
|  | The UNBS will increase its surveillance to ensure that there is no dumping of poor quality goods in Uganda as this is not only harmful to the health of Ugandans, but also affects local industries producing similar products. This will be coupled with increased surveillance by URA to ensure that no goods come in untaxed or under-declared in value | The Bureau is engaging with URA to incorporate Quality Inspection alongside the Digital Tax Stamps system targeting excisable products as it also explores mechanism for tracking quality of the non-excisable products  | On track |
|  | Start five more sugar factories; aiming at exporting 500,000 metric tonnes | Four factories have been set up so far, with two (Bwendero in Hoima and Bushenyi Sugar in Kyenjojo District) already in full production while Atiak Sugar in Amuru District and Victoria Sugar Ltd in Luwero District will commence by October, 2020.In addition, Kinyara Sugar Ltd has expanded capacity by 50% and Hoima Sugar expanded capacity by 40% | The annual sugar produced is projected to be approximately 550,000 - 600,000 metric tonnes by the end of 2020.This will result into a surplus sugar of about 200,000 metric tonnes for export to the region. |
| **Presidential Directives** |  |
|  | Work with Uganda DevelopmentCorporation to support Igongo Cultural Centre and Country Hotel. | Preliminary meeting held with the promoter and reviewing their investment proposal decision will be taken based on the assessed |  |

**Planned Outputs in the Financial Year 2021/22**

1. The Inter-Ministerial Industrial Coordination Committee (IMICC) operationalize.
2. Operationalization of the National Sugar Board and drafting of regulations for Sugar Act 2020
3. Implement the Accreditation Bill 2021, with inclusion of a supplementary Budget and development and looking for funding of project proposal on Accreditation and strengthening of National Metrology Infrastructure.
4. Standards and guidelines for establishment and operation of Industrial parks developed and enforced
5. Industrial Licensing Act amended and regulations developed including for Industrial Parks
6. Capacity to produce industrial refined sugar established. This will be through the increasing production of brown sugar and monitoring the 5 licensed projects.
7. 8 training and common manufacturing facility centers for textiles, sugar, plastics and metal fabrication established. This will be done through partnerships with the Private Sector and revamping the training centres established as trusts.

**Challenges in the Sector**

1. Too much sugar already in stock with limited market
2. The high cost of finance to acquire appropriate technologies.
3. High cost of inputs including Laboratory testing materials, machinery.
4. High cost of certification and PVoC fees for inputs and construction materials for factories
5. High cost of energy that limits value addition
6. The impact of the implementation of Covid 19 affected many enterprises and businesses.
7. UEPB and MAAIF have noted a significant capacity gap, in respect to pack houses. This is likely to affect our compliance with market requirements. Government support is required urgently.
8. There was general budget cut across the Ministry and agencies for example UEPB’s work plan for FY2020/21 has been grossly affected by the budget cuts. These have spilled over to FY2021/22 where Non-wage budget has been cut further by over UGX. 2billion
9. Overwhelming public expectations versus the resource envelope. Uganda Development Cooperation under-capitalized in respect to the demand; unfortunately, we are currently dependent on the National Budget allocation as most of the investments have not reached maturity.

UDC PROJECTS UNDER PROSPECTING - ANNEX

