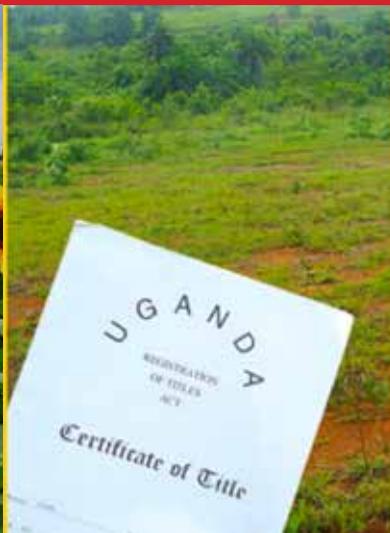




CEDP

COMPETITIVENESS & ENTERPRISE DEVELOPMENT PROJECT

ABOUT THE COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT Enhancing Uganda's Competitiveness



CEDP is a Government of Uganda/World Bank-funded project, Coordinated by Private Sector Foundation Uganda (PSFU)



GOVERNMENT OF UGANDA



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COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT (CEDP)

1. CONTEXT

Uganda's prudent macro economic management and consistent market oriented policy reforms have delivered strong performance in terms of economic growth and poverty reduction. Annual growth rate averaged 6.5% over the 1990s, rising to 7.0% during the 2000s making the economy one of the fastest growing in sub-Saharan Africa over the last 20 years.

This impressive growth has been driven primarily by private sector investment particularly in the construction sector, export-led tourism, and non-traditional exports as well as pro-growth reforms that were initiated by the Government of Uganda.

However, this aggregate performance has resulted in only modest per capita income gains and falls short of Uganda's aspiration of becoming a middle-income country by 2040.

A number of studies and surveys of Uganda's private sector undertaken by the World Bank and other Development Partners have led to the conclusion that the business environment is not

sufficiently conducive for private sector growth. The country also performs poorly in the World Bank's Annual Doing Business (DB) report.

The major constraints consistently identified in the reports that are affecting the Private Sector were access to land, starting a business, licensing and dealing with construction permits.

To proactively address these constraints, Government of Uganda has obtained credit from the World Bank towards the implementation of the Competitiveness and Enterprise Development Project (CEDP).

**CEDP is addressing
business environment
challenges for a
better investment
climate**

The project will support reforms that are geared towards creating an enabling environment for land administration, business registration and licensing, tourism, and supporting private sector enterprises.

This will, in turn, create a better investment climate to facilitate business in a formalised and robust private sector.

WHAT IS COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT (CEDP)?

The Competitiveness and Enterprise Development Project is a five-year project aimed at supporting reforms geared towards improving the competitiveness of Uganda by;

- Improving the business environment and lowering the costs of doing business and;
- Improving competitiveness of selected high-impact sectors.

2. PROJECT DEVELOPMENT OBJECTIVE (PDO)

The PDO of CEDP is to improve the competitiveness of enterprises in Uganda by providing support to;

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

(i) Business Environment Reforms

These are being implemented in the areas of business registrations and licensing and scaling up of the Land Administration Reform activities previously carried out under the Second Private Sector Competitiveness Project (PSCPII). The project will increase land tenure security and reduce the time taken to transfer land ownership.

Reforms aimed at simplifying business registration and licensing procedures will help lower the costs of doing business, thereby making firms more competitive.



Edible oil is one of the sub-sector identified for support under MGF.

(ii) Development of priority productive and service sectors

The project supports the development of priority sectors identified in the Second Competitiveness Investment Climate Strategy (CICSII) such as tourism and export of non-traditional products. These sectors are benefiting from a Matching Grant Facility (MGF) to help increase exports, raise income and create employment.

Support to the tourism sector will focus on addressing persistent constraints through skills enhancement, product and labour force development.

3. RESULTS

The major results expected from the CEDP project:

- Reduction in the number of days spent registering land from 52 to 25 days.
- Reduction in the number of days spent registering a business from 33 to five (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 tourists.
- Increase in tourism sector employment from 225,000 to 300,000 per annum.
- Increase in export of non-traditional products by 10%.



Developing a Competitive Tourism Sector

4. THE TARGET SECTORS AND IMPACT ON THE ECONOMY

A significant economy-wide impact is expected as a result of the reforms. The benefits of these interventions will have a ripple effect and create synergies in the sectors of tourism, agri-business, manufacturing, construction and trade. This will in turn improve government revenue, boost employment and household income and, ultimately, spur economic growth.

5. PROJECT BENEFICIARIES:

(a) Current and future entrepreneurs conducting business in Uganda and land owners who will be registered by the project. The benefits include;

- Ease of business registration and licensing to stimulate domestic private sector growth, reduce the informal economy and speed up investment.
- Improved land security and clarity on land ownership thereby creating incentives for investment.
- Reduced burdensome regulation procedures for MSMEs, cutting down their cost of doing business and making them more competitive.
- Increased awareness of Uganda's tourism offerings leading to a strengthened tourism value chain.
- Reduced land disputes among land-owning households in rural areas.
- Improved competitiveness of enterprises and increased value-addition in selected sub-sectors through Business Development Support (BDS).
- Improved efficiency of businesses through linkages between benefiting firms and markets.

(b) Direct benefit to Government agencies:

- Strengthened policy functions as a result of more up-to-date and reliable information
- Increase in government revenue through increased license fees.
- Improved skills and capacity of benefiting government agencies through technical Assistance (TA).



Land owners benefit from the computerized information system

6. IMPLEMENTING ENTITIES

Ministry of Land, Housing and Urban Development (MLHUD)

Ministry of Tourism, Wildlife and Antiquities (MoTWA)

Uganda Tourism Board (UTB)

Uganda Registration Services Bureau (URSB)

Uganda Wild Life Authority (UWA)

Hotel and Tourism Training Institute (HTTI)

Private Sector Foundation Uganda (PSFU)

7. PROJECT GOVERNANCE STRUCTURE

The Government of Uganda formally delegated the responsibility for project implementation to the Private Sector Foundation Uganda (PSFU), through a Project Coordination Unit (PCU). To ensure proper coordination and supervision of the project, a Project Steering Committee (PSC) and a Project Technical Committee (PTC) are in place.

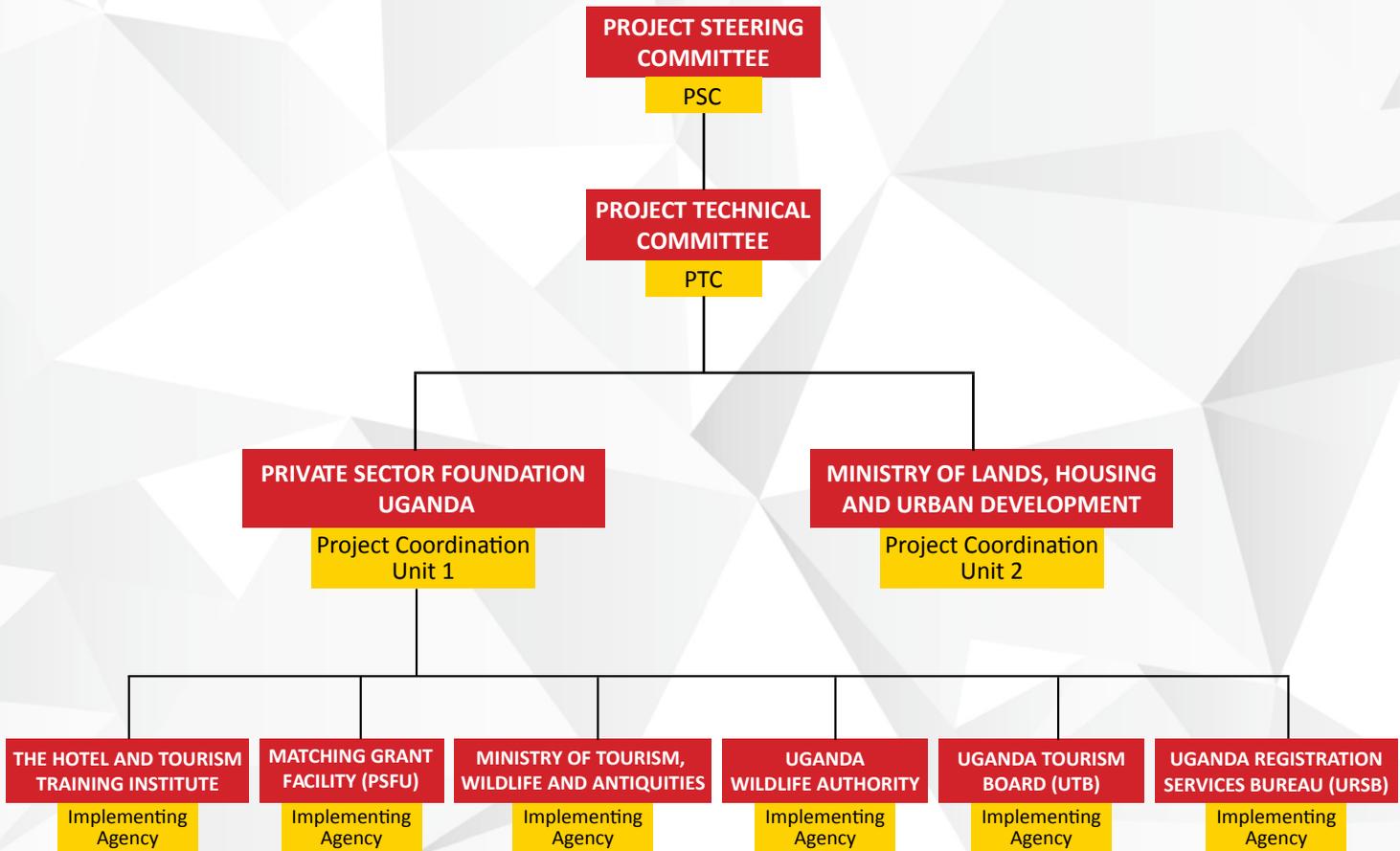
THE PROJECT STEERING COMMITTEE (PSC)

The PSC meets quarterly and provides policy/strategic guidance and oversight. It is chaired by the Permanent Secretary/Secretary to the Treasury and comprises of; Permanent Secretaries of Ministry of Lands Housing and Urban Development, Ministry of Tourism, Wildlife and Antiquities, Ministry of Justice and Constitutional Affairs and Ministry of Trade Industry and Cooperatives. Others are Chairpersons/Heads of the Uganda Manufacturers Association, Private Sector Foundation Uganda, Uganda Chamber of Commerce, Uganda Hotel Owners Association, Uganda Tourists Association and National Coordinator for the CICS.

THE PROJECT TECHNICAL COMMITTEE (PTC)

The PTC is responsible for technical guidance, supervision and project implementation. The committee meets monthly and is chaired by the Executive Director PSFU. Members include the Executive Directors, Uganda Tourism Board and Uganda Wildlife Authority, the Director Tourism Development, the Principal HTTI, the Registrar General URSB and the Director Land Management.

THE PROJECT GOVERNANCE STRUCTURE:



8. PROJECT COMPONENTS

COMPONENT 1:

LAND ADMINISTRATION REFORM

To improve access and security of land tenure

COMPONENT 2:

BUSINESS REGISTRATION AND LICENSING REFORMS

To reduce the burden for business in dealing with registration and licensing procedures

COMPONENT 3:

TOURISM COMPETITIVENESS DEVELOPMENT

To develop a competitive tourism industry

COMPONENT 4:

MATCHING GRANT FACILITY

To enhance the capacity and productivity of enterprises

COMPONENT 5:

PROJECT IMPLEMENTATION

To technically support project implementation

COMPONENT 1:

LAND ADMINISTRATION REFORM

The component is being implemented by the Ministry of Lands, Housing and Urban Development (MLHUD).

The Land Reform Component under CEDP is a continuation and scale up of the reform process carried out under the Private Sector Competitiveness Project II (PSCPII) and the Land Strategic Plan (LSSII).

OBJECTIVE:

To improve access and security of land tenure and create incentives for investments and productivity.

PROJECT ACTIVITIES

1. Improving land administration:

- Construction of nine (9) zonal land offices Kabale, Luweero, Mityana, Mpigi, Moroto, Rukungiri, Soroti, Mukono and Tororo.
- Development and implementation of a land information system incorporating registration, valuation and physical development planning functions in all zonal land offices

- Strengthening land use planning functions including development of geographic information system data bases as well as preparation of physical development plans at the national, regional and district level.
- Strengthening land valuation functions, including, reviewing the policy and legal framework, developing valuation data bases and systems and collecting necessary field data.
- Developing a policy and legal framework for housing and urban development and designing programs for implementation;
- Developing and implementing policies for a geodetic reference framework, national spatial data infrastructure and mapping;
- Updating and implementing the horizontal geodetic reference.
- Strengthening the capacity of the survey and mapping department.
- Producing and disseminating base maps for land administration; conducting a comprehensive review of the legal institutional and operational aspects of the Uganda Land Commission.

2. Undertaking systematic registration of communal and individually-owned land through:

- Provision of technical advisory services for carrying out of an inventory of public land and establishing communal land associations (CLAs) in priority areas, including Northern and Eastern regions.
- Demarcation and registration of communal land and issuance of land titles.
- Demarcation and registration of individual pieces of land in rural and peri-urban areas, including titling and issuance to individuals.



Testing out the new computerized land information system with stakeholders at the Zonal Office in Mukono



Land records before re-organisation



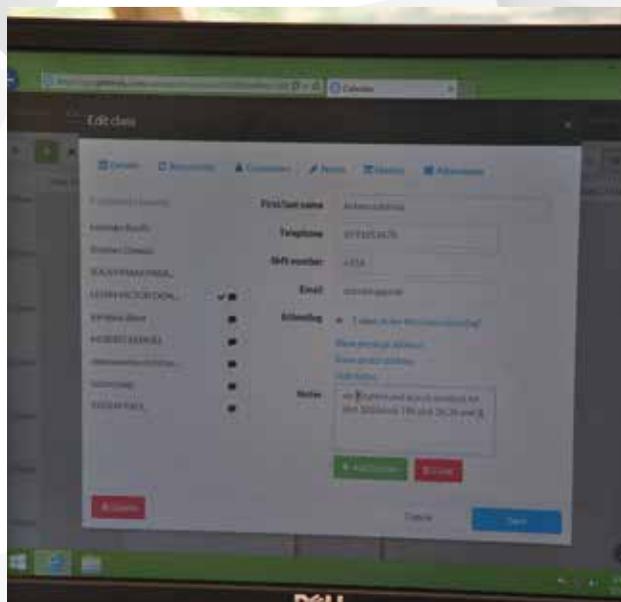
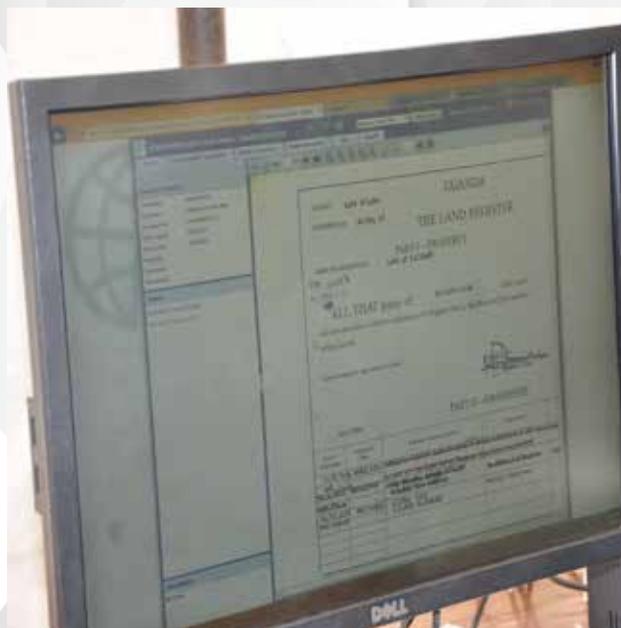
Improved Land Archives

3. Strengthening institutions and mechanisms for land dispute and resolution.

- Conducting a review of the Judiciary's rules and procedures for adjudication of land disputes to identify gaps and make recommendations for improvement.
- Strengthening the capacity of the Judiciary and other land agencies to implement alternative dispute resolution and mediation programs.
- Compiling and disseminating material on land laws and related documents.
- Training the Judiciary and other land tribunals as well as conducting a comprehensive review of the legal institutional and operational framework for land tribunals

4. Strengthening land administration and management institutions

- Conducting a comprehensive review of the organisational structure and capacities of land administration and management institutions.
- Conducting an assessment of other public and private land sector institutions to identify skills gaps and implementing capacity.
- Constructing a dormitory and a multipurpose hall for the Institute of Survey and Land Management and equipping the institute with instructional equipment.
- Provision of technical advisory services.



The New Land Information System

EXPECTED RESULTS

- Reduction in the time taken to transfer land from 52 days to 25 days.
- Registering and formalizing 800,000 land parcels of which 360,000 parcels are owned by women.
- 571,650 Hectares of land registered/recorded as part of the project benefitting 2.6 million people.
- At least 70% of customers recording satisfaction with land registration services.

COMPONENT 2: BUSINESS REGISTRATION AND LICENSING REFORMS

This is being implemented by the Uganda Registration Services Bureau (URSB).

OBJECTIVE:

Reducing the burden for businesses in dealing with registration and licensing procedures by creating a one-stop shop and an e-registry for business licensing.

Activities under implementation

1. **Strengthening business registration institutions and processes through;**
 - The construction of a central office for URSB.
 - Establishing an e-registry for business licensing, including an appropriate technology platform and software application.
 - Establishing a one-stop shop for business registration, including Streamlining business registration and licensing procedures.



File Census successfully completed and registry re-organized at URSB easing access to records

2. **Implementing capacity building activities for URSB and other relevant regulatory agencies.**
3. **Developing and implementing an information and communications strategy.**

RESULTS

- Reduction in the 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%.
- 150,000 registered businesses entered into the online system
- 150 URSB staff and other relevant agencies trained in business registration and licensing processes.

COMPONENT 3: TOURISM COMPETITIVENESS DEVELOPMENT

This component is being implemented by the following agencies;

Ministry of Tourism Wild Life
and Antiquities (MOTWA),

Uganda Tourism Board (UTB),

Hotel and Tourism Training
Institute Jinja (HTTI)

Uganda Wild Life Authority (UWA)

OBJECTIVE:

Supporting the tourism sector through strengthening of public and private sector stakeholders and their collaboration to develop a competitive tourism offering.

ACTIVITIES

1. Development of labour force for the tourism sub-sector through:

- The construction of a hotel and tourism training institute and equipping it with modern instructional facilities and materials.
- Training for the institute's instructors and administrators
- Reviewing and accrediting the institute's curricula and instructional materials
- Developing and implementing a sustainable business model including an income-generation strategy.



*Upskilling the tourism sector labour force
through support to HTTI*

2. Strengthening the capacity of Ministry of Tourism, Wild life and Antiquities and Uganda Tourism Board

(i) Skill enhancements to support the ministry including:-

- Developing technical skills for staff; tracking tourism sector performance through collecting, analysing and disseminating appropriate data,
- Designing and implementing a lodging classification and grading system
- Implementing relevant policies, including the national tourism levy.



Implementing grading and lodging classification

(ii) Tourism product planning, packaging and promotion

- Developing and implementing marketing and promotional products and materials.
- Developing and implementing tourism value chain packages while supporting links between the public and the private sector
- Strengthening the capacity of the sector institution/agencies including Uganda Wildlife Authority and Uganda Tourism Board.
- Private sector enterprises within the tourism sector will be supported with Matching Grant Facility under the PSFU.

RESULTS

- Increased international tourist arrivals from 945,000 to 1,500,000 annually
- Increase in tourism sector employment from 225,300 to 300,000
- 130 staff of the Ministry of Tourism and Antiquities and related agencies trained.
- 125 new tourism MSMES registered of which 40 are female owned.
- HTTI accredited with no less than three (3) external industry and educational bodies.

COMPONENT 4: THE MATCHING GRANT FACILITY

The component is being implemented by the Private Sector Foundation Uganda.

OBJECTIVE:

The MGF is a competitive grant aimed at improving the capacity, enhancing productivity and competitiveness of enterprises in Uganda.

The grant will catalyze and enable enterprises to address some of the constraints that inhibit productivity, growth and competitiveness. Eligible enterprises will be required to make contribution of 50% to match the grant.

The MGF supports private sector Enterprises carrying out eligible activities in ONLY the following sectors:

TARGETED SECTORS

Tourism

Agribusiness (Coffee, Horticulture, Edible oils, Grains and Pulses)

Fisheries

Information and Communication Technology (Business Process Outsourcing)

RESULTS

- Increase in exports of non traditional products among supported enterprises
- Increase in employment
- Increase in productivity
- Overall prosperity

ELIGIBILITY

- (i) Be duly registered and operating under the laws of Uganda
- (ii) Shall have been operational for a minimum of two (2) years from the time of registration
- (iii) Be privately owned, operated and not partially owned or controlled by Government
- (iv) Meet the minimum requirements under the scoring methodology (details on the website www.cedpmgf.go.ug)
- (v) A private sector enterprise, a member of the Sectoral and Professional Business Associations and institutions supporting MSMEs and MUST be operating in the supported sectors as listed above.
- (vi) Be able to match the funding equivalent to 50% of the total investment value.

Note: MGF does not support acquisition of equipment and machinery and operational expenditures.

ELIGIBLE ACTIVITIES

The MGF supports a range of Business Development Services (BDS) that include but not limited to;

- Management training and Advisory
- Acquisition of Quality Certification Systems
- Business Plan Administration
- Marketing and Advertising
- Record Keeping
- Financial Management
- Technology improvement
- Feasibility studies
- Business Process Outsourcing

LEVEL OF SUPPORT/GRANT SIZE

Successful firms may obtain grants of up to a cumulative value of USD100,000 (One hundred thousand United States Dollars) subject to availability of funds and within the life span of the project.

ACCESSING A GRANT UNDER MGF

The grants will follow “a call for proposal Cycle”. Eligible firms will be invited to submit proposals for funding through a publication in the press and on the website. Application and proposal guidelines are available on our website

www.cedpmgf.go.ug.

APPLICATION REQUIREMENTS

- A well-developed proposal

- Proof of registration of business
- Draft contract to be entered with service providers
- Details of physical business address/location
- Supporting documents relating to the proposed activity
- Proof of availability of funds to implement the planned activity.

DISBURSEMENT OF FUNDS

Funds will be disbursed on reimbursement basis subject to demonstration of satisfactory execution and completion of the approved activity.



FOR MORE INFORMATION

Please contact the MGF Clients Relations Officer
Private Sector Foundation Uganda, Plot 43 Nakasero
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Tel: +256 312 214651/0312 263850
or visit our website: www.cedpmgf.go.ug,
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Branch Offices

Mbarara: Plot 1 Kamukuzi Hill
Gulu: Plot 6B Princess Road
Arua: Plot 42/44 Pakwach Road



Zonal Offices
KCCA – City Hall
Wakiso – District Headquarters

**Plot 13 – 15 Parliament Avenue
P.O Box 7096 Kampala**
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Mukono – Old Land Office
Mbarara – Kamukuzi Hill
Masaka - Old land office
Jinja - Next to Old Land Office



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