4TH UGANDAN INVESTMENT CONVENTION 2014

"Uganda is open for Business"

SUMMARY REPORT AND PRESENTATION'S TRANSCRIPTS

13th Sept 2014 ▪ Troxy ▪ London ▪ UK

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"Coming together is a beginning; keeping together is progress; working together is success".
Henry Ford

Thank you for supporting the 4th Uganda-UK Convention

The Uganda UK Convention wishes to express its deepest thanks to HE Edward Ssekandi, the Vice President of Uganda and every member of his delegation for attending the convention and for their outstanding presentations on the day.

The important messages that they shared have contributed to the tremendous success of the day, and have been instrumental in meeting the goals and objectives of the Convention.

Thanks go also to all Commissioners and Ambassadors from Europe, business delegates, community and enterprise leaders, professionals from Europe and Uganda and representatives of the voluntary sector and all other sponsors and exhibitors who have paved the way forward for an enhanced and enriched communication between members of the Ugandan Diaspora and Uganda itself, and have also, undoubtedly brought Ugandans in the UK closer together and as well as promoting Uganda as a no.1 investment destination in East Africa.

Thanks go also to all visitors, who through their attendance have acknowledged the crucial role that the Diaspora has to play in the development of Uganda, and with whom, a definite way forward can now be etched to fully participate in Ugandan affairs in a most fruitful and successful way.

Thanks go to all volunteers who helped on the day and whose support and contribution are highly appreciated. And thanks to all those, too many to mention, who, in one way or another, have given their encouragement and shared ideas to make the 4th Uganda UK Convention a truly outstanding success.

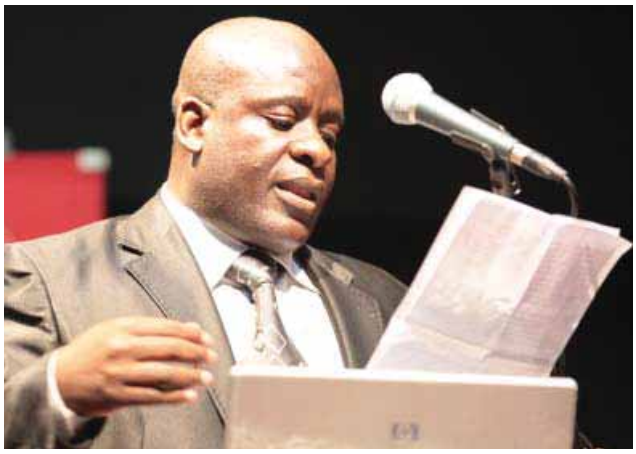
We have had outstanding speakers from the Ugandan government and the business community encouraging us all to invest in our motherland.

In addition, we were privileged to hear some very inspiring personal stories of business leaders like Mr. Amos Nzeyi among others who overcame huge obstacle to reach their current success.

May we all gain much insight and inspiration from these contribution and now make firm commitments to proceed with our individual projects to transform our own lives and the lives of others in our own communities in the UK and in Uganda at large. Once again, we thank you wholeheartedly for your support and participation, and we are looking forward to welcoming you at the 2015 Convention.

Willy Mutenza, *Chairman*
UGANDAN UK CONVENTION

WILLY MUTENZA,
Chairman, Ugandan Convention UK



Mutenza addressed the audience by saying that the platform of the Convention was opening doors on investment opportunities in Uganda, as well as promoting economic and infrastructural development back in the country.

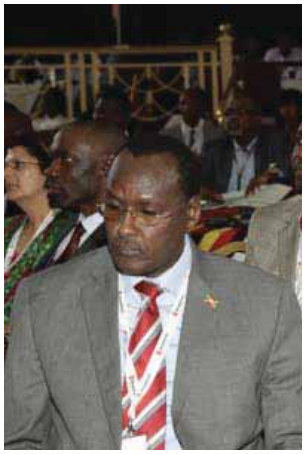
He stressed that 'the mantle is ours as Ugandans to develop the private sector by not only venturing into business but also transfer our skills back to our motherland Uganda.' He said that 'the secret to the success of millionaire entrepreneurs in and of Uganda was to work together as a community and identify and share those opportunities'. 'This is a call to you especially, Ugandans, to start thinking in "we" rather than in "me" terms, as the only way to achieve a critical mass in this dream land. Uniting and working together, we can achieve more'.

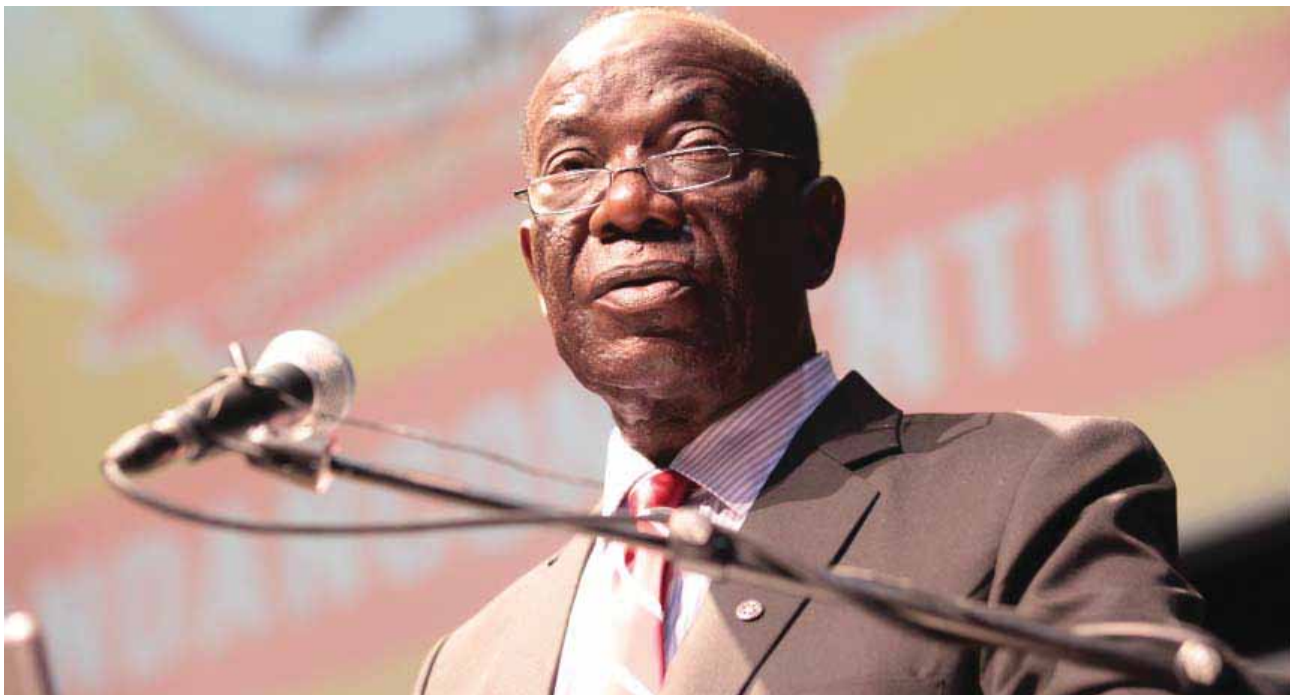
Mr Mutenza was also keen to add that the most crucial point is the change of mind-set of Ugandans living in the UK. 'The preoccupation with tribe and politics is becoming a thing of the past, and we are now seeing more forums dedicated to trade and investments instead'.

HE PROFESSOR JOYCE KIKAFUNDA,
High Commissioner to the UK

HE Joyce said that the role of the Diaspora in the development of Uganda cannot be overemphasised. She said the vision of Uganda for 2040 is of 'transforming ourselves from peasantry and poverty to modernity and prosperity'.

She also spoke about the Millennium Development Goals coming to an end in 2015, saying that a great deal of them were achieved and the goals that were not reached would be integrated into the new 2015 development agenda that would call on the private sector to see them come to fruition. She assured delegates that the investment climate was very conducive, with infrastructure on top of the agenda, as well as energy and oil and gas, and that today is the best time for investing in Uganda.





Keynote speech:

H.E. EDWARD SSEKANDI, Vice President, Republic of Uganda

H.E. Edward Ssekandi opened his address by stating that it was imperative that nations and business people work together to inspire development in their countries and regions, as no nation alone can succeed or survive economically single handedly.

He said that in the past, the emphasis was laid on foreign aid by UK to Uganda. Today, trade and investment dominate the relationship and he confirmed that all delegates attending were part of the process, directly contributing to the new-found arrangement. Ugandan is currently scaling socio-economic heights. He urged attendants to take advantage of new business opportunities Uganda has to offer in terms of resources, trained and trainable human capital and an ideal business environment.

The Vice President shared also his thoughts on remittances, saying it is not wise to carry on sending money home as survival kits for relatives and friends, as it is unsustainable in the long run, and also creates a dependence syndrome which negates people's ability to harness their creativity and abilities.

He expressed his delight to be part of the 4th Convention, and said that each delegate could contribute to the cause and together, steer the fortunes of Uganda to unprecedented levels. He enumerated the major areas of investments such as manufacturing and packaging industries, ICT, agro processing, value addition, export promotion, tourism, infrastructure development, health, education and a few more. He emphasised that Uganda's oil potential has increased the country's strategic importance on the global economic map. With good policies and managers in place, he said the oil sector and related businesses serve as a fast track for the transformation drive of Uganda.

He said that members of the Diaspora have an advantage because they are better exposed, have wider business networks and have a wealth of requisite knowledge and resources that can bring about desired changes in the economic wellbeing of Ugandans.

He urged the attendance to let those advantages be at the core of the transformation of the motherland saying, 'you have the duty to make Uganda become as modern as your current host country.'

He concluded by saying that he sincerely and strongly appealed to the audience to come to Uganda and help contribute to positive developments in the country, finishing with those encouraging words 'Uganda is ready to do business with you'.

Keynote address:

AMOS NZEYI, Board Chairman of Uganda Manufacturers Association

Mr. Amos Nzeyi explained that the main objectives of UMA are to promote, protect and coordinate the interest of industrialists in Uganda. He stated that the manufacturers of Uganda contributed to over 80% of the Ugandan national budget, and listed various sectors in need of investments.

He also went on to share about his beginning in the business world, which he said he joined by force, not by choice. When his father struggled to pay for his school fees at a young age, he was already seeking ideas on how to make money so he could remain in school, not just to learn but to still be able to play football with his friends.

So with one egg laying hen and selling its eggs, he struggled to make enough money to keep himself in education. He then started to bake local scones which earned him enough to further his primary education. Later, as a school drop-out, he went on to train with a company Water Sources Development and started earning decent money. With his savings, he bought a pickup truck and started to supply fresh produce to schools and hospitals. From there, he bought to buy and sold timber to the construction firm National Housing and acquired a wealth of business knowledge along the way, as well as more trucks to keep up with his growing business.

Under the Idi Amin regime, he fled with his trucks to Kenya and started a transport company and got contracted by a Belgian firm to transport their commodities throughout the region. When his son fell ill with leukaemia, he brought him to the UK for treatment, which saved his life.

Back in Kenya, he was listed to be deported to Uganda and face a possible death. He fled to the UK where he remained for 5 years. In that time, he bought run down properties, made them up and sold them on. He invested his profits into bakery equipment which he took back to Uganda when the political climate was stabilised, and became the first baker in Kampala, which had until then, imported its bread from Kenya.

His bakeries Hot Loaf are still operative to this day. Then Mr Nzeyi noticed a shortfall of soft drinks and beers and bought the equipment to manufacture bottle tops and through this opening into the beverage industry, he started a Pepsi franchise. His Crown Beverages Company is today contributing to Ush700 million pounds in taxes annually.

Keynote address:

LORD POPAT,

Minister of the Crown and
Government Whip, House of Lords

Lord Popat shared his early journey as a young 17 year old Ugandan Asian immigrant to the UK with just £10 in his pocket. He said 'Britain wasn't just a home; Britain gave us opportunities and the chance to succeed. Uganda's loss has been the United Kingdom's gain'.

Lord Popat praised His Excellency President Museveni for the way he has encouraged outside investment, and how he has used private sector growth to power the Ugandan economy. He said that 'to have come through such a challenging history and now boast annual growth figures of some 6.5% is a very fine achievement, and Uganda still has so much potential for future growth'.

He stressed that Uganda and the UK enjoy a wide ranging and close relationship in areas such as security; politics; development; education and commercial activity. He explained that the British Government works closely to support the Uganda's development and economic growth. In 2014, the Department for International Development (DFID) has so far provided more than £90 million to support Uganda's efforts in critical areas such as health and family planning, private sector development, and tackling corruption.

One of the programmes supported by DFID is Trademark East Africa, which is boosting growth and job opportunities by cutting the cost and time it takes to move goods in and out of customs and building vital infrastructure across eastern Africa. He said the Trademark East Africa initiative is an excellent example of East African countries working together to boost trade and economic growth in the region, by encouraging business growth, catalysing innovation, and gathering evidence and raising awareness on the benefits of regional integration so as to build momentum for policy and institutional change.

But Lord Popat insisted that whatever Government programmes are put in place, the lifeblood of any economy are small businesses. He said more of them are needed in Britain to export and to invest abroad and to work with countries like Uganda to further build their economic relationship. Within the UK, many successful SMEs are operated by the UK's Ugandan community.

He said Uganda also places great importance in supporting its SMEs, which are the cornerstone of industrial development, accounting for some 90% of Uganda's private sector and some 50 to 60% of the country's total employment.

And in terms of investing in the Ugandan economy, Britain, with its investments of over £2 billion in Uganda, remains the country's largest cumulative investor. Being the world's largest investor in Uganda is a position that the UK wants to retain and build upon. 'We are a country open for business; happy to invest and work with countries like Uganda'.

He also said that with a number of major oil related projects currently under development, Uganda is an attractive market for oil related companies, with the UK being at the forefront of these exciting developments in Uganda, and that the tourism sector in Uganda that saw a downward trend in recent years needed to be addressed to boost the economy.

Lastly, he assured guests and delegates that the UK Government attaches the highest priority to working with expanding African markets by boosting the UK's reputation as a business partner of choice, to broker commercial partnerships to increase UK trade and investment in Uganda by working closely with the Ugandan government to improve business links; to assist individual UK firms on specific market access issues; and through UK Trade and Investment — which has recently expanded its operations in Kampala —provide companies with the tools they require to be competitive on the world stage.

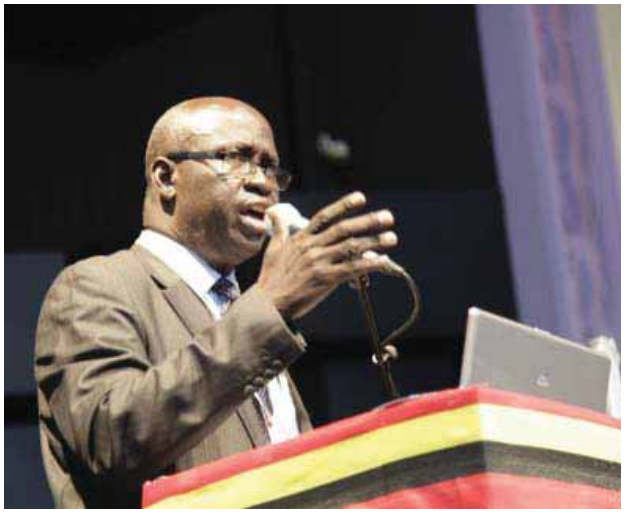
ENG. DR. FRANK B. SEBBOWA, Executive Director of Uganda Investment Authority, shared the many investment opportunities available to Uganda.

Agro crops & processing livestock opportunities, especially in commercial farming, processing of livestock products, abattoirs slaughter facilities;
Fisheries: commercial farming (Cage and pond), fish processing, sport fishing, fish feeds, cold storage facilities and manufacture of appropriate fishing gear for deep fishing
Improved seeds, pesticide, herbicides, machinery fabrication, animal feeds/drugs, packaging materials
Tourism: accommodation, conference facilities, training facilities for operators, tourists & tourist transportation, development of sites & Water Sports
Energy: charcoal briquettes, municipal and agricultural waste, hydro power generation, solar power, methane gas from animal waste, manufacture of electrical & electronic equipment
Services such as in education for primary & secondary/tertiary institutes & campuses, vocational and polytechnics; ICT such as business process outsourcing, software development, rural communication and internet cafes;
Health sector opportunities such as training medical personnel, manufacture of medical equipment/drugs & Tele-medicine

There are also a wide range of opportunities in mining, Oil and Gas, petroleum industries, refineries, and by-products. Real Estate also offers a wealth of development opportunities for contractors, property developers and business park operators; for financial investors, PR & marketing, as well as financial, legal, accounting and real estate services.

Mr Sebbowa explained how investors are supported by UIA. The Agency provides information on investment opportunities; issues Investment Licenses; assists in securing secondary approvals; assists in finding Joint Venture Partners; handholds investors through bureaucratic bottlenecks; provides serviced land and/or link to land owners; guides SME to partner with multi-nationals and makes policy recommendations to government.

Mr Sebbowa concluded by highlighting the most attractive reasons to invest in Uganda which are predictable investment environment, fully liberalized economy, central to large market access, trainable young labour force, friendly people and last but not least, very pleasant weather!



HON WAFULA OGUTTU PHILLIP, Leader of the Opposition in Parliament explained the various challenges and opportunities of the rural sector.
He said that for over 20 years now, budgetary funding to the agricultural sector has been meagre relative to other less productive sectors such as public administration, defence and security.
He said it is unacceptable to only allocate a paltry 3% of the national budget to the agricultural sector which employs 72% of the working population, making the agricultural sector perpetually primitive, characterized by the use of the hand hoe as the principal farm equipment, low yielding seeds in increasingly poor soils, relying on rainfall rather than irrigation and lack of fertilizers.

He pointed that remittances by Ugandans in the Diaspora were sent to households located in urban areas which were used for consumption (67.8%). Non consumption expenditures accounted for 29.4%, most of which was spent on business related activities but no figures indicate that Ugandans living abroad are investing in agriculture.

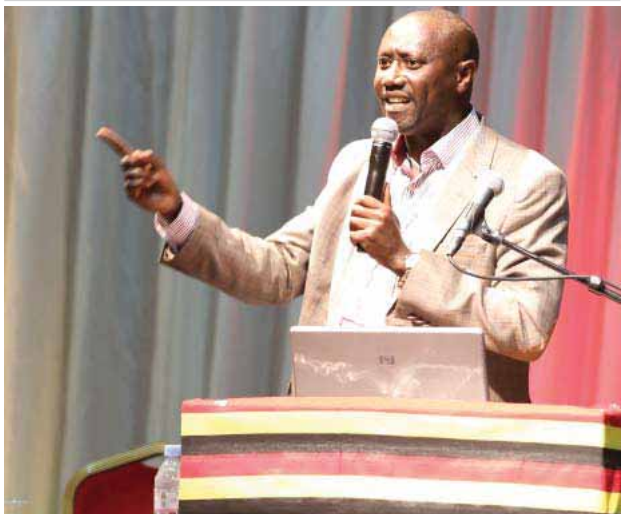
About taxation, he said that the recent proposals in the government's budget plans to tax agricultural inputs would have affected production and worsened income inequality in rural areas. The proposed taxation would have been counterproductive to the government's policy of transforming rural farming from subsistence agriculture to modern agriculture.

He said counterfeit inputs such as counterfeit seeds, fertilisers and pesticides were a huge hindrance to agricultural productivity and a waste of household incomes as well as a big danger to food insecurity and the environment. In addition, pre-harvest losses attributed to pests, weeds and inadequate storage facilities adversely affect household incomes and food security, and lack of power have also continuously affected rural employment diversification, value addition enterprises and social service delivery thereby compounding poverty levels.

He said that extension workers should be deployed to interface with rural farmers so as to infuse indigenous methods of farming with modern technology, and that the extension services and training should particularly focus on women who are the backbone of agriculture in Uganda. He also added that rural entrepreneurship, sufficient funding, innovation, marketing and value addition are required to revitalise the agriculture sector. Commercial farming, he pointed, needs to be increased with emphasis being placed on tree planting, tea growing, sugar cane growing and cattle keeping.

Mr Wafula proposed the following implementations that would make a huge difference in the rural development of Uganda:
Set up Vocational Institutes to develop human capital in knowledge, life skills, talents, appropriate technologies and innovations; rural electrification for poverty reduction and socioeconomic transformation; tree planting and commercial farming; reinstatement of cooperatives as a vehicle of empowering and developing rural areas; establishment of an Agriculture Bank to address the challenge of accessing affordable capital to invest in agriculture; developing and increasing the network of sustainable water supplies to improve agricultural productivity; Public Private Partnerships (PPP) to be exploited to invest in water supply, cultural tourism, cooperatives, extension services, central freezing stores, agricultural value addition and forestry; foster a positive attitude to work with an emphasis on reviving a spirit of community service.

He concluded by saying that the future prosperity of rural Uganda will be based on drivers such as life skills development, trained human capital, affordable capital, change of attitude to work, entrepreneurship, renewable energy, appropriate technology and competitive farming, and that a comprehensive rural development policy would direct strategic decisions on investments able to boost the competitiveness of rural areas so as to contribute towards transformational national development.



MR. GEORGE MUTABAAZI, District Chair-person, Lwengo District, shared the investment opportunities in his region, with an aim to reduce poverty, improve health, increase literacy and numeracy, and develop infrastructure.

On the economic development front, he said there are opportunities in capacity building, agriculture mechanisation, irrigations and organic farming, storage facilities, access to markets, as well as food and fruit processing, value addition (packaging), solar energy and access to finance through micro-finance.

In the health development sector, there is a need to improve access to water, raise health promotion awareness, and promote health insurance.
In the sector of education and training development, there is a need to improve basic skills development for adults.
Mr Mutabaazi stressed the need to work in partnership with the rural people, local authorities, the voluntary sector and the private sector. He also called on the full participation of the Diaspora for financial investment and social action development, saying that members of diaspora with social innovation ideas to address his region's various social challenges were welcome.

HON. MATHIAS KASAMBA, M.P. and Chairman of the Committee on Agriculture, talked about Food security in Uganda. He said he wanted to see opportunities for Ugandan exports in the European markets, joint venture opportunities open up in Uganda and promote investments in the value chain, financial services, seed industry, cold chain logistics, storage facilities, and other sectors.

He said that, post-harvest loss is the biggest challenge faced in the sector, almost up to 40% and technologies need to be brought in so that the value being produced is contained, maintained and protected, and that the quality standard is sustained to the specifications of the markets in the Western capitals and East Africa regions. Investment is needed in post-harvest management. There is also a need to improve infrastructure where investors are in demand, as well as capacity building, and mechanisation.

He added that the shortfall in the processing capacity is one of the key deficiencies in the sector, as well as lack of banks willing to invest in the sector, deemed too risky. On the plus side, he said that Uganda has the best agro climate conditions that allow for a wide diversity of crops and he called on the Diaspora to invest in joint ventures to help the agriculture thrive in Uganda.

He also advocated the development of farmers' association, cooperatives, business incubation centres, and nucleus farms and when mentioning lack of financial institutions investing in agriculture, he called on the Diaspora to bring back financial gurus to Uganda to establish Agriculture Bank for people to access affordable credit to go into agro-processing.

He said that Ugandan coffee is the best coffee in the world, but still needed to be processed, packaged and marketed by Uganda itself. With regards to cereals, Mr Kasamba said that Uganda was able to produce 1.8 million tons in 2010 and 4.2 million tons in 2011, the highest in 50 years. He stressed that Northern Uganda, emerging from the war zone has huge potential to produce maize, rice, beans and other crops. He said the biggest challenge is for farmers to know the market specifications of various markets in Europe and Asia. He asked people in the Diaspora to network with big companies in Europe to get to know the quality standards required by the consumers in the West and Asia, so that productions in Uganda can be tailored to those specifications.

He concluded by saying that 'we need to work together because Uganda belongs to all of us, and on behalf of the government of Uganda, I pledge total commitment to make sure that we put in place the ideal environment to partner and improve the quality of life of our people.'

MR. MOSES WASSWA MULIMIRA,

Co- Chair, Uganda Diaspora Health Foundation gave an interesting presentation on 'Why Investing in Mental health services for Ugandan Businesses pays off'.

While mental disorders contribute about 14% of the global burden of disease, in Uganda, reported prevalence rates vary widely to nearly 30 % of adults with psychiatric disorders. Mental illnesses are a major public health concern in communities and Western health care interventions are effective.

He explained why employers need to treat the mental health of their employees as seriously as their physical health and safety in the workplace, as the benefits of investing in effective health strategies could include higher productivity, less sick leave and absenteeism and fewer compensation claims.

He said that people with mental health problems continue to face discrimination and do not get the same support that people with physical conditions receive; that one person dies as a result of suicide every 40 seconds, according to a new World Health Organization report; that many business leaders don't know how to help those who are struggling with a mental health condition but both in UK and Uganda; and that employers should think of investing in occupation health options in workplaces, including exercise programs and resilience training.

MR. D. KYEWALABYE-MALE,

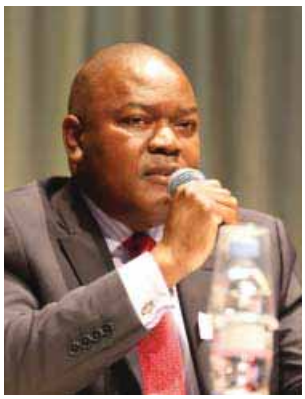
CEO Buganda Land Board

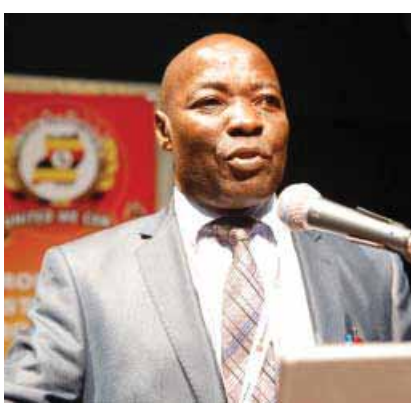
Effective from 2013, Buganda properties confiscated by central government in 1966 were returned, and investment opportunities were thereby created. Mr D. Kyewalabye-Male shared the following investment opportunities with delegates to be explored in Buganda:

- Development of residential zones and housing estates
- Management of forestry and sustainable environment development
- Agro-forestry
- Eco-tourism
- Development of economic-commercial-trade zones
- Agricultural and animal husbandry development, including food processing and 'value-addition'
- Telecommunication
- Industrial estates
- Quarry mining
- Services such as education, communication and technology transfer

DICKSON WASAKE (FCCA) Principal of Inachee, spoke about the benefits of internet marketing for businesses. He said every business is a digital business, and businesses need to understand the mind-set of their customers, and need to have an internet marketing strategy. He said that 60% of SMEs in Uganda do not have a functional website, a fact that would hinder attracting investments to Uganda.

He explained that business dynamics have changed and that internet marketing strategies needed to be addressed across the board. He said that businesses could not afford not to be part of the digital world, which was the way forward, and this was particularly important for businesses wanting to attract investments to Uganda.





Closing address

H.E. NIMISHA MADHVANI, Ambassador of Uganda to France, Spain and Portugal.

H.E. Nimisha Madhvani proposed a new theme called "Uganda on the move by Global Ugandans - Fostering Inclusive Growth". She ventured that global Ugandans need to enrich the talent pool in business, science and technology and implement those resources and skills in Uganda; they should leverage the multigenerational workforce and harmonize values in a global context. She also said that Uganda needs to leap frog to her highest capacities in the globe with all this knowledge, experience and culture, and must continue taking the lead to pursue the emancipation of women.

She also said that Ugandans in the Diaspora, including Ugandan Asians, have an imperative to unleash Ugandan's economic dynamism in Africa and thereby create a win-win for all, by creating the opportunity not only for everyone to make money, but also to erase poverty and enhance development.

UK and Europe is home to about a quarter million Ugandans who are very important to the economies of those countries. The areas of opportunities to strengthen the cooperation with African leaders -especially Uganda where President Museveni has the highest regard for the Diaspora - are in agro processing, oil, infrastructure, IT, science and technology and tourism, as well as respecting and restoring cultural values.

Echoing other speakers' messages on the day, H.E. also said that Ugandans in the Diaspora must take charge and be instrumental game changers of investment in Uganda.

She also encouraged high-level visits to Uganda and East Africa and the world with accompanying senior corporates, delegations of small, medium and large-scale business from both Europe and the UK. She explained that France must be convinced to look at East Africa as areas of opportunity in business. But the room for their skills in Uganda and the region is enormous. She said that 'even the giant oil company TOTAL think they can dictate to Uganda's oil Ministry but they had had to compromise.

These big companies have huge technical capacities to work with us, and Uganda must be flexible for implementation of investments for mutual benefit.

Before closing her presentation, H.E. Madhvani appealed to Hon. Edward Ssekandi, on behalf of her colleague Excellency Ambassadors to the Cabinet and Parliament, to seriously look at effectively funding the Foreign Missions of Uganda.

She said that 'missions have been neglected yet it is our missions that assist in putting together such Conventions to promote Uganda and bring in funds to the economy.

The Ugandans in the Diaspora have pleaded to all visiting officials in various missions abroad but their pleas has fallen on deaf ears. This would further strengthen North-South cooperation, along with South-South Co-operation which has gathered enormous momentum in investment terms. Money has no geographical barriers'.

Round table discussion with Ugandan Members of Parliament

AGNES NABASUMBA, Disapora Desk Officer, opened the discussion by acknowledging the contributions and abilities that Ugandans in the Diaspora contributed to the development of Uganda. She said that this interface is essential to create a sustainable link of communication through which Ugandans can get information about Parliament of Uganda and how they can participate in Parliamentary proceedings. The desk was created to coordinate the views, reports, follow ups on investments, policies, legal and related issues of the Diaspora.

MS SARAH KAKAI, a Diaspora panellist, encouraged Ugandans in the audience to be an investor of skills, expertise and knowledge and to engage fully with the policy makers to continue participating in the development of Uganda.

MR GEOFFREY LUTAAYA, another Diaspora panellist, said that members of the Diaspora could effect change through elected representatives by asking them simply to 'do their jobs'. He said that the Diaspora had to engage with members of parliament present to encourage them to pass laws that would enable, facilitate and protect enterprise development and sustainable development. He stressed that investments need not be monetary, and therefore most Ugandans in the Diaspora were investors in other ways.

Issues raised by members of the audience:

» One gentleman objected to the fee of $400 requested to get dual citizenship, saying it was exorbitant.

» A Ugandan practising lawyer in the UK raise the issue of dual citizenship affecting children as they are not entitled to become Ugandan citizens, until they can apply for it at the age of 18. She asked for a reform in the dual citizenship law as the Government of Uganda could not expect people to invest in Uganda when its citizenship laws are splitting up families.

HONOURABLE SIMON MULONGO, MP for Bubulo East addressed the issues raised. He said that the fee to acquire dual citizenship was only Ush120,000 and any higher fees requested was done so by middlemen handling the application. He declared the practise theft and corruption. He said they were legally trying to stamp out the malpractice of requests for higher fees.

He also stressed that a rigorous process needed to be followed legally in order for people to acquire dual citizenship, and proof of nationality (of both countries, if people were holders of British passports as well) had to be legally produced with relevant paperwork, proof of a clean criminal record, as well as confirmation that the host country is allowing it, and lastly be 18 years of age.

Regarding children and dual citizenship, he said that in order for a person born outside of Uganda to become Ugandan, they had to proclaim an oath of allegiance which could legally only be done at the age of 18. But he said that a child born of Ugandan parents and holding another nationality, could apply for a temporary pass of residency to live in Uganda, and upon reaching 18 years of age, could then apply for a permanent dual citizenship.

» One participant asked about what process the Diaspora can use to give their views on the development of Diaspora policies

HON MATHIAS KASAMBA said they would like to engage people in the Diaspora so that the policy environment could be improved.

He touched on how issues could be catered for Diasporans such as employment, dual citizenship, empowering market opportunities, and moving back home. Hon Kasamba appealed to the High Commissioners and Ambassadors present to make sure that these open engagements in terms of skills and opportunities have an adequate platform to be enacted upon, so that viable policies are drawn from them. Hon Michael Ayepa, MP for Labwor County, (Karamoja) added that people should reach out to the High Commission not only when in times of troubles, but also to make sure that their views are reaching the Parliament in Uganda.

HON WAFULA OGUTTU, Leader of Opposition in Parliament addressed the issue of 'big cars' driven by MPs in Uganda. He simply explained that such cars were needed as a tool (comparable to a computer, desk and office) to carry out their duties, which involved travelling to remote villages which were simply not accessible with small cars due to the poor conditions of roads.
He also said that the allowances they receive from government is not sufficient to buy brand new cars and that most MPs were resorting to buying second-hand cars. The same message was echoed by Hon Michael Ayepa, MP for Labwor County, (Karamoja) who said bad roads required adequate vehicles. But he added that Uganda had progressed so much that more affluent people, not in government could afford driving big cars.

HON LILLY ADONGO, Women Representative, Nwoya District, advised Ugandans who have lived abroad for a long time to feed the soil of their motherland before it is too late. She also suggested that Ugandans in the Diaspora should form companies in their host countries and through that medium, invest back home.

HON BEATRICE MPAIRWE, MP for Buliisa District, appealed for a good relationship between members of parliament and the community to develop the country.

MS JOY NANDEGO, from the Ministry of Foreign Affairs and the Diaspora Services Department said that the department was encouraging direct investment into businesses; remittances to families and friends back home, with multiplier effect; transfer of skills and technology from professionals and experts. She also revealed that the department had created a portal on the Ministry of Foreign Affairs' website, aimed at getting feedback through interacting with the Diaspora.

MS EVACE BYABAZAIRE, Bank of Uganda, encouraged delegates to buy government securities as a means of investing back home, to be used for infrastructure development, with the benefit of having much higher interest rates than in the UK, ranging between 11% and 14%.

HEALTH FORUM:
"CAN THE DIASPORA IMPACT AFRICA'S HEALTH? FROM BRAIN DRAIN TO BRAIN GAIN"

The President of the World Medical Association, Dr Margaret Mungherera and the East African Healthcare Forum, concurrently to the Ugandan Convention, headed a discussion on the African Medical Initiative.

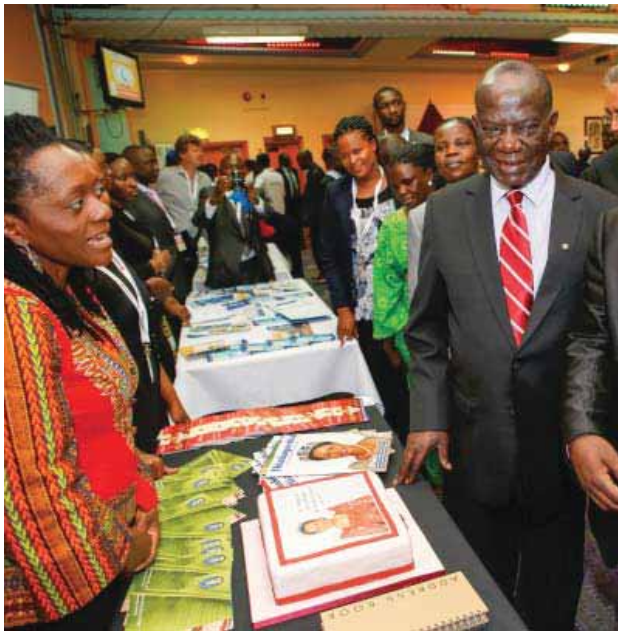
Dr. Margharet Mungherera, the current chairman of the World Medical Association (WMA), has launched the African Medical initiative during her tenure. The WMA is a global professional body formed in 1947 whose membership consists of National Medical Associations (NMAs).

WMA supports NMAs in promoting the high ethical standards among doctors and advocating for universal quality healthcare in their countries.

It has an official relationship with the World Health Organisation (WHO), and other UN organisations and agencies with which it carries out advocacy at a global level.

African NMAs generally lack the capacity to play their leadership roles and therefore influence their national health systems. The African Medical Initiative, sponsored by the WMA, is focused on building the capacity of African NMAs thus enabling them to play an effective role in strengthening the health systems of their countries.

The discussion explored the roles the Diaspora can play in this key initiative, either individually and in groups.



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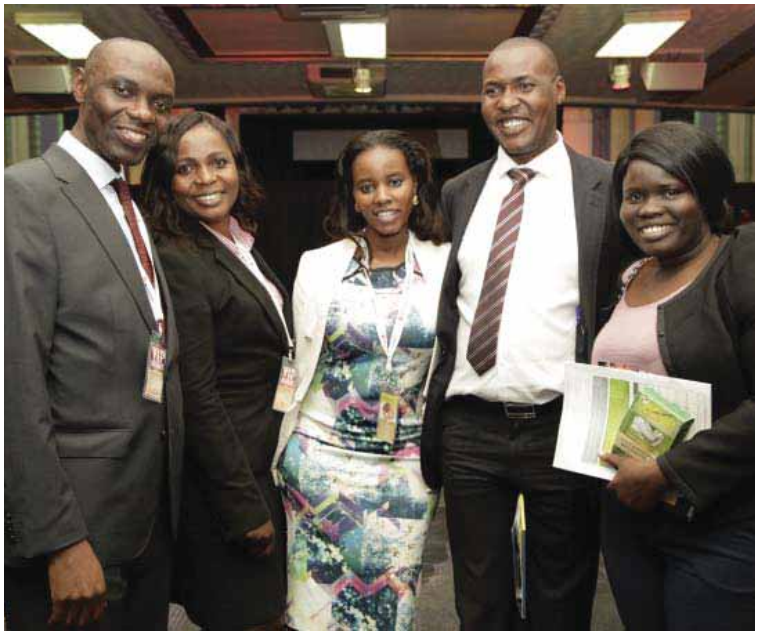
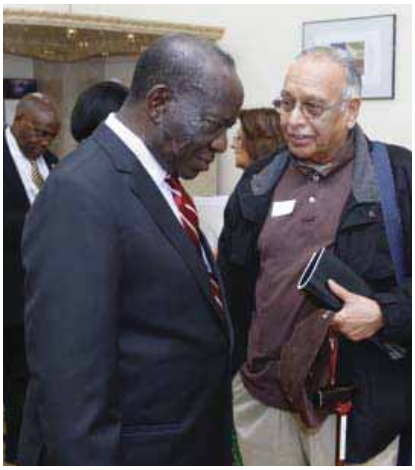


IPS
IMMIGRATION PRACTITIONERS SERVICE (I.P.)

HE Edward Sekandi meeting investors at the UK Convention



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Post Uganda-UK Convention's discussion on the role of Diaspora and its transformation of rural areas

DATE: 10TH OCT 2014

At: Uganda House, 58-59 Trafalgar Square, London, WC2N 5DX

Organised by: Willy Mutenza: Chairman, of the Ugandan Convention UK

PARTICIPANTS

1. Hon. Kataike Sarah, Minister of state for Luweero Triangle
2. Hon. Nekesa Barbara Oundo, Minister of state for Karamoja Affairs
3. Hon. Ernest Kiiza, Minister of state for Bunyoro Affairs
4. Hon. Christine Amongin Aporu, Minister of state for Teso Affairs
5. Willy Mutenza, Chairman Uganda-UK Convention
6. Elizabeth Nyeko, Director, Beconcolly
7. Geoffrey Lutaaya
8. David Wangusi Masinde
9. Daisy Byaruhanga Amooti
10. Julius Mbaluto
11. Joshua Bwire
12. Pastor Michael Kagyo
13. William Lume
14. Rashida Tidyebwa
15. Jean-Gideon K Bugonzi
16. Siraj Swaleh Twine
17. Daniel Kajumba
18. Frances Ddungu
19. Dorothy Elangot
20. Charles Okwalinga
21. Steven Kasamba

INTRODUCTION

Mr. Mutenza thanked participants and emphasized the fact that members were in attendance as a follow-up discussion from issues identified from the UK Trade& Investment Convention (2014) among other which included;

- How can Ugandans in the UK be part of transformation and development of their rural areas?
- "Beyond wealth, the skills and knowledge that would need to be mobilized, there is a keen sense of commitment within the Diaspora to be part of Uganda's development. It is therefore important to look strategically at the Diaspora's role in Uganda's development. It is imperative to emphasize the important nexus of the power that the Diaspora community possesses through their expertise and the capital that they amass, both of which are of critical importance to Uganda's economic development.
- Dual citizenship and legal implications of Diaspora owning Mailo-land etc.
- Reverse brain drain. How can the government attract its high skilled citizens?

GEOFFREY LUTAAYA

In his opening remarks, Geoffrey Lutaaya summarised the main points raised during the UK/ Uganda convention diaspora debate with Ugandan Members of Parliament.

He started by expressing satisfaction that the national diaspora policy document is before cabinet. And that Cabinet had not yet signed it off – this, he said, offered an opportunity to diaspora communities to engage in effective policy formulation. Further, he noted that as a member of the Diaspora, he does not remember being consulted on the contents of the draft policy. He suggested that it would have been prudent to consult the diaspora communities, as stakeholders, during the diaspora policy formulation – this, he suggested, is the hallmark of evidence-based policy making.

Regarding skills and appropriate knowledge transfer, Geoffrey suggested that the skills, knowledge, contacts and expertise of diaspora communities should be harnessed. This could contribute to filling knowledge gaps that exists in Uganda. He suggested that programme that can promote exchange of knowledge transfer can be worked out in order to promote brain-gain.

Geoffrey affirmed that the Ugandan diaspora are investors and partners in development. Their areas of investment include financial, intellectual and social capital. This ought to be harnessed in order to spur rural development. He noted that due to their inherent and emotional attachment to Uganda, there investments are more likely to be sustainable and geared toward long-term development of Uganda, unlike foreign investors, who most often leave once their profits are not realisable.

On the issue of dual citizenship, he pointed out anomalies such as where a parent can be a Ugandan, yet children/ next of kins who are under eighteen years of age cannot take up Ugandan citizenship. This, he noted demotivates diaspora communities, who most often want to invest for the future benefit of their children. He recommended that the dual citizenship law should be streamlined and simplified to interest diaspora communities to want to invest in Uganda. Noting that in a global economy, diaspora communities have options / choice as to where to invest. Therefore, all efforts to make Uganda their first choice of investment destination, ought to be encouraged. Lest, other countries benefit at the expense of Uganda.

Geoffrey commended government for setting up a Diaspora Desk in the Ministry of Foreign Affairs and /in Parliament of Uganda. He recommended that the Diaspora desk is empowered or availed appropriate resources to ensure that when Diasporas visit home - in process of making their investment - they can have a one-stop service as time is of the essence – diaspora communities cannot afford over bureaucratic processes.

He concluded by recommending that something beyond a desk needs to be created in the ministry of foreign affairs through which we can go and get our issues sorted out. Countries like Mexico, India and Ghana have gone beyond having a desk to creating mechanism through which resources – money, skills, contacts etc. can be channeled to deliver identified investable projects for their Diaspora communities.

Further, Geoffrey highlighted the benefits of twining. Twining, he noted, had been used successfully to share knowledge and expertise - build capacity at various levels. This would be especially useful for Ugandan local government administrations, as it requires minimal budgetary support.

He cited Venerable Danny Kajumba (Arch Deacon of Reigate) as being well networked in the UK; can help to promote twinning between local governments in UK and Uganda.

The above point was reinforced by Ven. Kajumba, noting that with a properly thought out – comprehensive – plan, a lot of resources can be tapped into in the UK through churches, local administrations and other institutions.

Wangusi Masinde supplemented on the point of putting in place a system that Ugandans in the diaspora can feel more comfortable with so as to invest in Uganda . Adding that many have saved enough money to be able to start micro projects.

In response, Hon. Ernest Kiiza supported Geoffrey Lutaaya's proposal on twinning institutions in UK with their counterparts in Uganda. He urged members of the Diasporas to identify, and share such opportunities with members of parliament and other stakeholders. Hon Kiiza noted the importance of being proactive so as to tap into opportunities in a timely manner.

Following Hon. Kataike's overview of the agricultural development in Luwero / Rwenzori. And particularly, her comment that there was an over – supply of maize in Luwero – that could go to waste, Geoffrey expressed disappointment, at the apparent failure to plan ahead. He noted that with effective project planning, the entire process from planting to post harvest handling, including value addition and risk management, ought to be mapped out in advance. *"How can farmers be encouraged to grow maize without a full understanding of markets that can absorb the surplus?"*

Geoffrey suggested that farmers' confidence can be restored if markets are secured; a post-harvest programme put in place including purchasing surplus maize from farmers etc. In United Kingdom, farmers' house-hold incomes are assured through training etc. on forward planning, marketing etc. In addition, such an approach helps to maintain constant supply and acceptable return on farmers' investments.

In his closing remarks, Geoffrey noted that whereas, the Ugandan government indicates that it values the contribution of the diaspora to Uganda's development, it (government) ought to enhance this value by extending voting rights to the diaspora. The current $800 million remittance, he suggested, could even increase further, if avenues for diaspora participation in the voting process in Uganda were created.

WILLIAM LUME

Started by saying that Uganda is not desperate for Diaspora skills besides their remittance as there is an oversupply of skilled personal. He sighted that the generation that used to send money is growing old and most of them are not comfortable to get old in the UK. Most of the money this aging generation sends home if for general welfare consumption and for immediate problems like funerals, schools fees and the like.

He wondered if the government of Uganda had a clear idea or plan on how to use Diaspora money for development and at the same time address problems of Diasporas who are aging and want to return home but may not have adequately prepared themselves. The drawback is their children do not intend to send money once the parents have returned to Uganda - the way the parents have been remitting.

Therefore, a mechanism needs to be put in place to interest our children. Enabling them to send money not only as welfare money but more for investment for themselves. Thus, a policy or mechanism needs to be put in place to facilitate Ugandans who are aging and needs support to be able to come home.

William thanked the government for including UPDF into agriculture and he suggested that it should be expanded into other sectors like natural resources and other investment areas because it is the most disciplined institution in the country. He further suggested that it can be linked with Diasporas because they do also have disciplined money which is not available in Uganda.

He gave an example of China which targeted Diaspora money in order to spur its economic growth and development they do enjoy today. The government can create investment funds where Diasporas can invest in and that funds can be invested in infrastructure projects in rural areas. Diaspora can comfortably invest their pensions not only that but also their children would be

interested to invest in that. An institution like a Uganda development bank so that Diaspora can send their pension and other savings to that bank and also the government of Uganda can promise to add an addition monetary incentive on top of Diaspora money invested in that scheme/bank. (eg. .10pence on top of every £1 invested) And the UK can also be lobbied to do likewise.

William said that Ugandans in the Diaspora are putting a number of obstacles to Uganda, he wondered how he managed to travel to Uganda and register for the recent national ID programme without any problem because he went to his home village.

William urged that there is a low understanding of the Diaspora from the cabinet level and above, cited an example from China where a special focus was done from the highest level of the government on the potential and contributions of the diaspora and how can be directly enhanced into development. Suggested that Mutenza or someone in his influential position to start actively engaging the government at the highest level to deal with Diaspora matters. An independent commission can be appointed to represent Diaspora matters at the highest level of government of Uganda beyond a desk or an officer in a ministry or parliament committee.

Hon Ernest supported the idea of a development bank in order to channel development and he said that it is being discussed in the parliament and will be rejuvenated.

FRANCES DDUNGU

Frances cited a comment made by Willy Mutenza on a video he posted on his Facebook as a reaction of actress Raven-Symone rejecting to be labelled 'African-American' as so many Ugandans doing the same thing disowning being Ugandans and prefer to be called British because they feel more proud of it or just because they were born in the UK. Frances associated the-disconnect of our children in the Diaspora to not being involved in policy making or anything that pertains to them as Diasporas or feel part of the country.

She pointed out that the law on dual citizenship does not accept our children born in the Diaspora to become citizen until they are 18 years old. Thus, for Diasporas who have already complied with the dual-citizenship and are doing their will, will not be able to pass on their investment in a will to their children because they are not allowed according to Ugandans laws especially on Mailo-land. Thus, this puts off Diasporas because they are not sure of their investment can be claimed by their children and these are the people Uganda government needs to target in order to keep flowing of remittance in the country in the future. This also brings in confusion in families where parents are Ugandan but their children cannot automatically inherit their citizenship.

Frances suggested an amendment in the bill to consider Diaspora children be accepted as citizens as long as their parents are.

The president recently on a tour in Texas announced that "the problem of losing Ugandan citizenship was resolved when he pushed for the amendment of the Constitution to allow for dual citizenship, including for children born to Ugandan women living abroad". And we hope this can be implemented. In the same meeting the president pledged to strengthen it by appointing an officer that reports directly to him to highlight issues raised by Ugandans living abroad. "My other amendment was also for our girls. Tradition only follows the boys, but now the girls' offsprings have a right to dual citizenship. If Muhoozi comes and gets a child here, genetically and technically, that child is a Musiita. What I added is that if my Natasha also comes here and gets a child, that child has the same right," "The President said he would work to stop the payment of visa fees for Ugandans with dual citizenship and urged Ugandan scientists living and working abroad to return home and work for their country since their remuneration has been improved to make it attractive". HE Museveni said. (ref: http://www.newvision.co.ug/news/660062-expect-shake-up-in-uia-museveni.html)

JEAN-GIDEON K BUGONZI

He suggested that the government should encourage Ugandans in the Diaspora to register for the on-going National Identity Cards. His issue was also supported by the president's recent remark in the USA as per above reference.

He also recommended for the easiness of the investment license qualifier fee to be reduced to an affordable amount for most Ugandan investors in the Diaspora.

Hon. Ernest said that those who are able to travel to Uganda from the Diaspora are free to register and no one will stop anyone.

Gideon also suggested that the Uganda UK Convention should be extended to two days in order to give opportunities for others to be able to interact with some of the government VIP guests.

Mutenza, the organiser responded that by extending the convention to two days has a cost implication which we do not have the capacity unless if the government comes in and facilitates it.

AMONGIN APORU CHRISTINE HELLEN (MP), MINISTER OF STATE FOR TESO AFFAIRS

Hon Amongin presented her concept paper which highlighted a lot of contentious issues.

She said that since the 1990s, Uganda has enjoyed strong and impressive gross domestic product (GDP) growth supported by prudent macroeconomic management. However, although Uganda registered 7.1% growth in GDP in fiscal year 2008/09, this was below the projected growth of 8.9%. Furthermore, analysis at sectoral level reveals differences in performance, notably the poor performance of the coffee sub-sector, resulting in an overall poor performance by the cash crop sector. The drastic deceleration of the construction sub-sector had impacts for the overall performance of the industry sector. The agriculture sector grew, although from a low base. Studies have shown that Uganda seems to have emerged from its vulnerability to the second-round effects of the mid 2007-2009 global financial crisis without serious damage to its financial sector relative to Kenya with the main pillar being through the balance of payments. Specifically, the main transmission channels which cushioned Uganda against the crisis have included trade, private capital flows, private transfers and aid.

➜ **Remittances**

Aid

International remittances have become a major source of external development finance, and have been found to be relatively more stable and more dependable than other forms of foreign-exchange inflows such as Portfolio Equity (PE), Foreign Direct Investment (FDI) and Overseas Development Assistance (ODA), and may even counter a financial crisis in the economy in times of economic recession.

The flow of remittances to developing countries including Uganda has attracted increasing attention because of the volume and impact on the receiving countries. According to a 2011 Report of the African Development Bank, between 2000 and 2010, individuals living outside their countries grew from 175 to 215 million people worldwide, representing 3.2% of the world's population. According to the Bank, in 2010, official recorded remittances received amounted to US$ 293 billion, exceeding total official development aid (US$90 billion), and amounted to roughly sixty-three per cent of foreign direct investment inflows (US$463 billion) received by developing countries in that year. Very often however, the remittances' transfers are backed by self-interest motives.

Uganda, like many countries the world over, face a lot of unprecedented economic turbulences as a result of fall in commodity prices (such as oil and other petroleum products, coffee, steel, gold and wheat), civil conflict and wars, crop and livestock loss as natural disasters. These countries must cope with such shocks as they affect the national wealth, the government's future financial plans and the growth of the economy. They do this by relying on external financial flows in times when they experience these transitory income shocks.

As part of a private welfare system, remittances transfer purchasing power and help to reduce poverty, smooth consumption, affect labour supply, provide working capital and can have multiplier effects through increased spending.

The questions are: 1) Are remittances a buffer and stable for the Ugandan economy? 2) Do remittances have a stabilizing impact for the Ugandan economy? and 3) Can remittances propel the economy in the direction of its overall development goal?

From the macroeconomic perspective, international remittances constitute a major source of foreign exchange, influence the national balance of payments, and represent a substantial share of the gross domestic product in many countries hence Uganda too.

The remittances help Uganda to narrow the gap of economic standing and disparities between its economy and that of other countries. According to the African Development Bank, remittances have been known to exceed official aid transfers in some regions and act as a buffer from economic shocks.

However, international remittances, in general, can render the citizens vulnerable to changes in global economic shocks if spent on unproductive investment and short-term consumption gains.

There are three broad sectoral areas of potential investment are 1) agriculture, forestry and fisheries 2) industry; and 3) services
Under stable world prices, remittances will serve as a macroeconomic stabilizer to smooth out large fluctuations in the national income observed over different phases of the business cycles. The stability of these inflows also opens up an opportunity for developing countries to lower borrowing costs in international capital markets by securitizing future flows of remittances.

For the majority of the larger economies examined by the African Development Bank, the investment motive of remittances is stronger than the altruistic motive. By this motive, a more stable economic environment is created.

Civil conflicts, high levels of unemployment, poor governance, weak regulatory frameworks and institutions are some of the factors together among others that have resulted in high levels of poverty and general economic deprivation leading to regular and consistent migration of both skilled and unskilled labour to other regions of the world in search of better working and living conditions.
Uganda is one of those countries in Sub-Saharan Africa graded as 60-90% of their labour force is employed in agriculture, with most of its activities still at the subsistence level and thus vulnerable to climate change and global warming.
Bank of Uganda is currently reviewing and assessing the informal remittances and the figures are expected to be higher than the known amount. According to the Word Bank, informal remittances to sub-Saharan Africa are relatively high, at 45-65 per cent of the amount of formal remittances. Relative to GDP, remittances were approximately 34% of GDP in Lesotho, approximately 5% in Uganda, the Gambia, Togo, Senegal, Cape Verde, Kenya, Guinea-Bissau, Nigeria and Mali.

The conclusion here is that even though remittances may be generally small as a share of GDP, in majority cases it may amount to a large share of the income of recipient households and may therefore have a substantial impact on the stability of these households' income and play a role in insuring the families against transitory shocks to income in the economy and the households.

Aid

While official development assistance (ODA) to developing countries is expected to be adversely affected by any reversals in economic fortunes, there is little evidence to suggest that this has been the case in Uganda. According to the World Bank report, there was a declining trend in ODA to Uganda since 2006/07, and in particular the report revealed that ODA declined from $426.60 million in 2007/08 to $401.96 million in 2008/09 (5.8%), and ODA reached its lowest level in 2008/09. Whether this can be attributed to the global financial crisis during the global financial crisis has not been established.
The World Bank reported that inflows to NGOs declined from $547.23 million in 2007/08 to $453.64 million in 2008/09, representing a year-on-year reduction of 17.1%. However, calls to and commitments by Western countries to increase aid to developing countries have continued.
In the Report of the African Development Bank (2008), Uganda has a longstanding migratory tradition associated with its political history and geography. Yet little is known of how large the size of the emigrant population or diaspora is or about the extent of the economic activities migrants have with Uganda. Using available Albeit Limited survey data, expert interviews

and data collected from the Central Bank, commercial banks, microfinance institutions and foreign exchange bureaus, there may be as many as 3 million Ugandans living abroad, much larger than what official records show. More importantly, just over 800,000 Ugandan migrants may be remitting a total of US$700 million, a figure similar to earlier Uganda Central Bank statistics. The top destinations for Ugandan emigrants are the United Kingdom, Tanzania, the United States, Canada, Rwanda, Sweden, and Kenya, among others. The UK in particular is home to a large Ugandan diaspora community, due in part, to colonial ties between the countries and the fact that prior to 1990, Ugandans did not need a visa to travel to the UK.

According to a household survey on migration and remittances in Uganda, conducted by Bendixen and Associates, 42% of Ugandans have a relative abroad, amounting to 2.9 million Ugandans, 30% of which are living in the United Kingdom. This 2.9 million figure may be more suggestive than other figures of the population abroad, given the three generational migration groups recognized by the literature on political history and migration from Uganda.

The mobility of labor abroad has been accompanied by a series of economic relationships that migrants establish with their home country. These relationships include exchanges such as phone calls, importation of home country goods, remittance transfers to their families, or investment in real estate or small businesses. In the case of Uganda, data, statistical records, or evidence of these types of relationships is unknown.

Although the validity of the statistics is still under consideration the inbound remittances to Uganda tripled from 2005 to 2007 to nearly US$900 million, representing 10% of the country's GDP and approximately 800,000 person to person transfers. As a result the 2007 Bank of Uganda estimate yielded US$476 million. Using data from money transfer companies, the average remitted is US$350 at a frequency of 9 times a year (for a total of US$3150 per year), a situation that may yield a lower number of person to person transfers.

The money transfer business to facilitate easy transfer of remittances from abroad was addressed by liberalization of the foreign exchange transactions in the later years of 1980s. Diaspora Ugandans may wish to participate and establish this business in our country.

➜ Marketplace dynamics for remittance transfers in Uganda

Uganda's licensed marketplace for money transfers is predominantly dominated by the two largest money transfer operators (MTOs), Western Union and MoneyGram, and distributed by banks as agents in collaboration with microfinance institutions as subagents, as well as foreign exchange bureaus (both as agents and subagents). On the remittance origination side, the remittance landscape is not competitive, and in the payout destination, there are more players participating but there is room for more competition.

➜ Money Transfer Regulatory Framework:

The regulatory environment governing money transfers in Uganda is led by foreign exchange laws. The Exchange Control Act of 1964, which established controls on foreign exchange inflows and outflows, has been progressively amended. It allowed foreign exchange bureaus to operate and, after 1997, allowed liberalized funds transfers. Currently, the Foreign Exchange regulation of 2006 established who is allowed to obtain a money transfer license. The regulation establishes various classes of licensed institutions and requirements. In section 15 (3) the law stipulates the classes:
(a) Class A—International Money Transfer Agency Licence; (b) Class B—Forex Bureau and Money Remittance Licence; (c) Class C—Direct Entrants Licence; or (d) Class D—Sub-Agency Licence.

To obtain a license, a company must exhibit:
(i)a clear license to operate in the base country; (ii) a good track record of conducting money remittance business; (iii) a recommendation from the regulatory authority in the base country; (iv) a minimum paid -up share capital of two thousand and five hundred currency points; (v) the ability to comply with all applicable anti-money laundering and combating of financing of terrorism standards and measures; (vi) acceptable Agency Agreements.

To date, in addition to the main banks there are 35 licensed companies paying remittances. The large majority of businesses are paying for Western Union and MoneyGram. There are also other MTOs operating in the country such as *Coinstar*, *Salabed International*, and *DahabShill*.

According to a 2010 Bendixen's survey, remittances through MTOs and banks are 70% of the total market. Diasporas need to know the following facts to build confidence and realize the strength of the financial remittances and transactions in the Ugandan economy:

- Twelve percent of Ugandan households receive remittances in amounts of over US$200 per transfer;
- At least US$700 million per year, or a little over 800,000 transfers per month, are going into the country;
- Money transfers from the main MTOs may be originating some 200,000 person to person transfers from the United States and the United Kingdom each month;
- Banks and foreign exchange bureaus are the main licensed payers of remittances, followed by a network of microfinance institutions together conducting around 80% of the payments;
- Financial intermediation is an important factor considered among banks while performing money transfers, yet practical knowledge or metrics of how many remittance recipients are being benefited are missing;
- More than 50% of remittance recipients are saving, but they are more likely to be doing so outside of financial institutions.
- Sensitization is ongoing by the Uganda Communications Commission for communities to learn about outbound transfers with focus on rural areas and cross-border flows.

➜ Way Forward:

Government formed a Diaspora office in the Ministry of Foreign Affairs that is to coordinate activities of the Ministry with those of the Ministries of Trade, and Finance.

Diaspora Bond: Bank of Uganda (BOU) finalized a feasibility study for the Diaspora bond and it could be auctioned later this year. This is a method to ensure secure investment by purchase of Bank of Uganda Bonds or Treasury Bills. The investment compendium and the Diaspora bond will be important for the Diaspora to start investing locally. This arrangement will address most of the constraints that Ugandans abroad face when investing home

Ugandans abroad should use the compendium to earmark areas of investment back home. Foreign missions will supplement downloadable copies on the Ministries of Trade, Foreign Affairs and the Uganda Investment Authority (UIA)

Ugandans abroad remit close to $767m (sh1.99 trillion) back home each year. Top sources are Kenya at $326m, the UK at $176m, and the US with $87.4m accounting for over 70% of all remittances.

Ugandans abroad should use the compendium to earmark areas of investment back home. Foreign missions will supplement downloadable copies on the Ministries of Trade, Foreign Affairs and the Uganda Investment Authority (UIA)

➜ SUMMARY - REMITTANCES FROM ABROAD

1. Diaspora remittances are critical to the livelihoods of recipient families back home because they help in meeting basic needs. The reduction in remittances, therefore, means that a sizeable portion of Ugandans could be driven into financial difficulty.
2. In addition, as the report notes, remittances into the country have been key to seeing the shilling rebound against the dollar - although the decline in imports can contribute immensely to this trend.
3. Until last year, remittances from abroad had been increasing. It had been projected that Ugandans living abroad could transfer as much as $1billion in 2014. The World Bank, indeed, forecasts that as the European economies rebound, we are likely to see an increase in the remittances.
4. The bank wishes to see financial institutions help the beneficiaries to use the money wisely. The primary impact of remittances is on the living standards of the direct remittance beneficiaries.
5. With a saving culture promoted by financial institutions and adopted by beneficiary families for small loans for microenterprises, it is likely that the portion of remittances saved and invested would grow from current levels.
6. BoU has strengthened its monitoring surveillance of the risks that could affect the banking system although there are no major risks to the banking system

at the moment as a result of the "strong financial conditions of the banks.

7. Arising from the assurances of a stable financial system in Uganda bigger, stronger and long-term investments should be focused by the Uganda Diaspora in the near future.

➜ **Other Issues**

B. The Brain Drain Phenomenon

1. Human Resources as critical capital to development
2. Diaspora Human Resource strength
3. Diaspora Investment in the Human Resource Development in Uganda
4. Way Forward
   - ➢ Government strategy to attract high skilled citizens in Diaspora to come to strengthen the home workforce:
     - ✓ Dual Citizenship
     - ✓ Motivation
     - ✓ Tourism - Marketing & participation in promotion of Uganda as No. 1 tourist destination

➜ **TOURISM**

8. Tourism has for the first time became Uganda's biggest export earner after it fetched $1.4bn in financial year 2013/2014, up from $1.1bn the year before, according to the Central Bank's monetary policy statement for August 2014.
9. Diaspora workers' remittances, long the dominant sector when it came to calculating export receipts, registered the second position, with coffee in third. Remittances from Ugandans living abroad was roughly $800m during FY 2013/2014, although the African Development Bank expects this figure to reach $1bn this financial year
10. Uganda is regarded Africa's best destination for birders. The country boasts of more than 1,058 bird species, accounting for 11 per cent of the globe's total, and half of Africa's.
11. There are many cultures in Uganda that could be developed to become tourism attractions. Key attractions include the celebrations to mark Martyrs day every third day of June that continue to attract thousands of people. There are plans by the Uganda Tourism Board (UTB) to market it as a tourism attraction. Cultural activities such as dances, for example, akoogo and ajos dances in Teso; the circumcision ceremony (imbalu) in Mbale and others attract thousands of people.
12. Tourism is not only about wildlife and nature. Uganda has 56 tribes and all have different cultures and heritages and all are unique. In Kenya, the Maasai are used as a tourist attraction.

Challenges

UTB has insufficient funds to effectively promote the industry. Diaspora can play a significant role in promoting Uganda as a tourist destination of choice.

The minister said that Teso has a lot of partnerships especially in the agriculture sector. Agro-processing, irrigation and value addition is the missing investment to spur growth in the region. Also the education sector in the region still lacks partners and skilled people to fill some gaps. She also encouraged Diasporas to start donating skills to their community and they cannot utilise it in their own areas. And she pointed that UIA has not been very welcoming to Diasporas but the President is making it clear for every Ugandan to come home and invest with no hurdles.

Hon. Ernest Kiiza supported the argument that people in the Diaspora should be taken as investors and partners in development. And he assured that the government will take it up.

The minister appreciated the effort by Willy Mutenza and also assumed that foreign affairs has been facilitating the convention and she will ensure that they discuss facilitating the UK Convention like the USA convention. She agreed the fact that most of the discussion at the UK convention and in various UK engagement there is no politics discussed and she appreciate UK Diasporas.

HON. KATAIKE SARAH NDOBOLI, MINISTER OF STATE FOR LUWERO TRIANGLE

Hon. Kataike commended the Diaspora group that we cannot keep on looking at the past and she is happy the group is much focused looking for future solutions.

She commended the support from UPDF officers assigned to strengthen and support the special programme to increase food production especially cash crops.

She appealed to Ugandans in the Diaspora to come and be partners and take advantage of investment opportunities. She had recently mobilised Luwero region to grow a lot of maize and now they do have a surplus which pose opportunities like food processing and the supply and production chain has various opportunities.

The minister cited most of the challenges emanates from un-mechanised agriculture where farmers are still using manual hoe farming. Diasporas should come in and improve on modern farming skills coupled with mechanised farming.

Also cooperatives can be established to mobilise collective funding in order to invest in mobilised schemes.

She also said that farmers are capable to produce and even increase production as long as market availability is assured.

Uganda has a free agriculture zone where land has been allocated and more investors are needed to come and take advantage of this provision of opportunity.

Post-harvest handling is also lacking due to lacking of proper infrastructure and this is also another opportunity for investment.

The minister assured Diasporas that some of the critical issue like dual citizenship will be take into the parliament for debate.

The minister appreciated the fact that Mutenza has managed to engage the government on various issues concerning Diasporas and assured that even the government is committed to be partners.

The **Minister said that** Luwero Rwenzori Development Programme's primary objective is to redress the socio-economic effects of previous conflict in the region.

In furtherance of this objective, the Luwero Rwenzori Development Programme was established and is currently being implemented. The stated objectives of the programme are:

- To improve the economic well-being of 105 households per parish in 523 parishes by enabling them to earn at least shs 20 million a year by 2015;
- To repair and improve the condition of 2,300 km district roads; 29,000 km community access roads and 30 km urban roads to a motorable state by 2015;
- To increase the safe water coverage of 11 districts which are below the national level coverage to 65% by 2015;
- To protect and sustainably manage the environment;
- To increase access to renewable energy to service delivery points and rural growth centres by 2015;
- To ensure that there is a Government aided primary school and secondary school in all parishes;
- To improve the health service delivery;
- To increase access and use of Information and Communication Technology in the regions;
- To promote peace, reconciliation and strengthen community based conflict mitigation and management within communities.

The LRDP targets 40 districts from Central and Western Uganda; they are: Buliisa, Bundibugyo, Ntoroko, Hoima, Ibanda, Isingiro, Kabarole, Kalangala, Kampala, Kamwenge, Kasese, Kayunga, Kibaale, Kiboga, Kyankwanzi, Kirihura, Kyenjojo, Kyegegwa, Luwero, Lyantonde, Masaka, Bukomansimbi, Kalungu, Lwengo, Masindi, Kiryandongo, others include: Mbarara, Mityana, Mpigi, Gombe, Mubende, Mukono, Buikwe, Buvuma, Nakaseke, Nakasongola, Wakiso, Rakai, Sembabule and Gomba.

Hon Kataike assured Diaspora investors that the government has a clear effort to improve on procedures and has the will to streamline systems on how they deal with Diasporas.

Hon Kataike responded to Geoffrey Lutaaya's disappointment on maize surplus. She said that mobilising farmers was an immediate measure to curb food security but it ended up being a successful programme with a lot of surplus and they are working on the mechanism to absorb food surplus and post-harvest production.

CHARLES OKWALINGA

Charles raised a point that an institution in the Diaspora needs to be establish an organisation that coordinates and facilitate issues of the Diaspora. He expressed disappointment that meetings like this do not serve a purpose with a central organisation that can discuss issues consistently both online and offline. He pointed out a point of harnessing Diaspora resources beyond remittance. He promised that he is embarking on a project to establish an organisation that will be coordinating policies and issues of Diasporas.

Charles said that he is disappointed because he thought the room would be full of Ugandans. Rev Danny Kajumba made a point of information in responding to Charles that it was the intention of the meeting to have a limited number of people in order to be able to discuss on issues comprehensively.
Frances Ddungu also supported the idea of a forum that can support Diaspora investors as the bureaucracy and government institutions are very frustrating in Uganda.

DOROTHY ELANGOT

She said that there is a lot of people here who are willing either to support to expatriate their skills to Uganda even for free. And there is a lot of organisations that gives free kits and stuff and she has found challenges in facilitating shipping and others costs to ship kits that can be of usage to our people.
Elizabeth expressed disappointment on the new taxes levied on agriculture equipment's and this is very counter-production, this point was supported by Frances Ddungu who has experienced disappointments in Uganda and she said that if the country is advocating on mechanising agriculture then start putting taxes on agro-machinery then it is contradicting its efforts.
Hon Ernest Kiiza promised to give support to Elizabeth on her issues of establishing an employment consultancy and the same goes to the issue of charity sports kits being charged taxes, Hon Kiiza promised to discuss the issue with the minister of sports and finance to look into the matter.

SIRAJ SWALEH TWINE

Siraj thanked the effort and love exhibited by the ministers to come and meet us and also the effort by Willy Mutenza for the effort and patriotism he always exhibits. He urged Ugandans never to give up in investing and loving their country.
He made a critical issue that some of institutions here in UK dispose of their computers every two years and some of these computers are better in terms of quality some of computers imported in Uganda. He made this point in reference to the law passed in June 2009 where the Ugandan Government passed the Financial Bill which prohibited the import of "used refrigerators, freezers, computers and television sets" from October 2009. The background to the legislation was a concern that Uganda was not dealing properly with the issue of e-waste.
He requested the ministers to re-table the law and either classify computers either by operating system or processor power otherwise we are missing out and it has slowed down the roll out of IT in many schools and slowed down a lot of work for businesses.
According to United Nations Industrial Development Organisation (UNIDO) about 15 percent of all computer imports, are used computers while the majority are clones. As the ban goes on, over 1,500 schools and tertiary institutions could not offer computer lessons as they relied entirely on donations of used computers.

"The ban has also widened the digital divide between the rural and urban, the poor and the rich, as very few people could afford to buy new computers. For three years, it has hurt Ugandan consumers by depriving them of low-cost, used computers" quoted Fred Kiapi, the executive director of Commonwealth People's Association of Uganda (CPAUG).

JOSHUA BWIRE

Joshua proposed a Diaspora Desk Website where they can share ideas and access information regarding issues that affect us and our country. For example; consulting us on the Diaspora bill would be easier if the draft bill is posted on the website and we are asked to submit our views online. And all services by the Diaspora desk would be on this website portal.

He further proposed websites for MP. MP Websites not only provide a cheap platform where MP can engage and interact with their constituents but also, they enable constituents' access their MPs, voice their concerns and be able to hold them accountable.
Websites give MP the ability to share information and attract both local and foreign investment to their communities with much ease and at no extra cost. For example, the Hon. Ministers would not have laboured detailing the investments opportunities present in their respective communities if much of that information was already on their websites, and not only would that information be accessed by the local communities they represent as Hon. Sarah Kataike commented but by both the Diaspora and foreign investors they are trying to attract.

STEPHEN KASAMBA

Kasamba thanked the ministers for sparing the time for engaging Diasporas. As someone who runs a cultural and drama group, he sees himself

as an ambassador for Uganda's culture but expressed concern that in most of the schools that he teaches drama, Kenya seems to be known more than any other country in the region. He thinks that support is needed from the government to in promoting Uganda's culture more in the UK. He says that culture is neglected in Uganda yet it is very diverse and rich.
Hon Aporu said that one of the reasons why they visited USA recently and the government is aware of the issue.

DAISY BYARUHANGA AMOOTI

Daisy said that the government needs to have clear polices to demystify misconception and mistrust within people minds. What is the social responsibility? Have the environment and climate effects been considered, thus clear guidance or policies need to be addressed.
She said that during the convention Hon Nantaba promised that land issues are being streamlined and everything will be online to clarify some pending issues.
She requested the government to sensitize local Banyoro on the disadvantage of selling of their land for peanuts and most of them end up becoming homeless due to the fact that money acquired from land selling is not enough for starting a business.
Another issue she expressed is the frustration of registering an NGO in Uganda and she failed to have one registered though she had a potential investor who was promising a £250K. Ease of registering NGO's needs to be streamlined.
Transfer of skills to Uganda needs also to have a system that can facilitate and guide those who are willing to transfer their skills.
Herbal medicine needs to harness more than it is as it is a big industry that just needs government intervention.
Hon Aporu added that Uganda should not only rely on western medicine. She was recently in China to see how they utilise herbal medicine and she supports research into herbal medicine and this meeting should make a resolve of some discussed points which includes dual citizenship, remittance and research into herbal medicine.

ZAHARAH KAYONGO

Zaharah made an observation from a neutral perspective; she expressed some disappointment from some of the points which were raised highlighting only personal perspectives. She argued that it is hard to change or influence development if a vision is self-centered. She proposed to Ugandans in the Diaspora to initiate programmes or projects in order to have a case study before even inviting the government to come in for support.

➜ Summary

HON ERNEST KIIZA- closing remarks:

- Ensuring Ugandans that most of the raised issues would be discussed and handled accordingly.
- He confirmed that UIA is being made as a one stop centre to allow ease of registering a business within one or two days.
- Taxation on agriculture equipment's and products was an outcry for everybody, he said and he promised that the cabinet is currently discussing it.
- The matter of government to buy surplus maize from farmers would be discussed in parliament as it is a good proposal by Geoffrey Lutaaya.
- Hon. Kiiza said that the government has the will to fight the vice of corruption but in order to win the battle we should fight together.
- He also pledged to raise the topic to the appropriate ministries (ICT and finance) regarding: the classification and ban on used computers
- On responding to the issue raised by Daisy on sharing resources from oil, Hon Kiiza confirmed that a public finance bill is being discussed in parliament and the issue of how to share oil revenues is well catered for in the bill. Regional districts will be getting 7%.
- The minister agreed with Zaharah that people needs to push a bigger development plan rather than a personal agenda.
- *"Voting rights for Diaspora is a critical issue and needs to be considered to extend voting rights either online or through the Embassies"* He said.
- He affirmed that the issue of creating a commissioner at the highest level needs to be established and will be fast tracked and will be discussed with the head of state and cabinet

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