



Summary Report

**Fostering Equity and Accountability in the Trading System
(FEATS) Project National Dialogue Uganda
Imperial Royale Hotel, Kampala
20th May 2009**

Background

The project Fostering Equity and Accountability in the Trading System (FEATS) broadly aims at raising awareness for better coherence between development and trade policies thus contributing to economic development and poverty reduction in project countries. Under the FEATS project, SEATINI-Uganda with support from CUTS GRC and CUTS International organised a National Dialogue for Uganda on 20 May 2009. The Dialogue was attended by about forty representatives of various national stakeholders.

The main objectives of National Dialogue were to deepen the understanding of all stakeholders about CUTS, FEATS Project and the research studies, present the draft of first phase research study on the political economy of trade policy making for discussion and validation, approve the topic and discuss the Terms of Reference for issue-specific research study in the second phase, discuss the modalities of second phase research, and consolidate the networks established, particularly the Uganda National Reference Group (UNRG).

1:0 Welcome remarks, Ms Jane Nalunga, Country Director, SEATINI-Uganda

Ms. Jane Nalunga welcomed all participants and extended her appreciation to CUTS for coming up with the project. She noted the key contributor to Uganda's economy as agriculture hence stressing the relevance of research studies being carried out in the project to Uganda's economy.

1:1 Presentation of CUTS and FEATS Activities: Clement Onyango, Centre Manager, CUTS Africa Resource Centre, Nairobi

The presentation gave an overview of CUTS and also highlighted the background of the FEATS Project which broadly aims at raising awareness for better coherence between development and trade policies. The project consists of policy research, advocacy and networking to be undertaken in two phases in the five project countries of Kenya, Malawi, Tanzania, Uganda, and Zambia.

2:0 Session II: FEATS Research Study Phase One - Political Economy of Trade Policy Making: Trade Policy Making Process in Uganda, Presentation by Clement Onyango, Centre Manager, CUTS Africa Resource Centre, Nairobi

The presentation highlighted the economic background of Uganda, explained Uganda's trade policy regime, trade policy making process, its key stakeholders and consultative

mechanisms. It also gave an overview of stakeholder views about the trade policy making process in Uganda and offered suggestions on the way forward. A key highlight was the Inclusive Trade Policy Making (ITPM) Index that has been developed under the study.

2:1 Floor deliberations

The following were the issues arising from the plenary discussion.

1. The need to explore modalities for making the research enable greater stakeholder participation in the trade policy making process in the country. This called for a more coordinated advocacy approach which should focus on people at the grassroots. This task needs to adopt innovative advocacy approaches due to poor readership in Uganda.
2. The policy of privatization needs to be critically analyzed whether it is actually the best option for Uganda. Public enterprises are not necessarily inefficient and do not always operate at losses as commonly assumed. The issue of transparency in privatization also remains a challenge. There is therefore need for enforcement of legislation and rethinking the overall policy of privatization.
3. There is need to tackle land problems which have of late become widespread across the country. Land is critical for any investment whether industrial or agricultural. Addressing these issues will be important for achieving the Millennium Development Goals.
4. The views of Faith Based Organisations should also be taken into consideration as they interact and strive to work for large segments of the population.
5. The IPTM Index should be presented in a simpler form for easier understating by people at the grassroots.
6. Currently there is a lack of parliamentary representation in the trade policy making process which implies that the overall process lacks adequate representation of stakeholder views.
7. There is need to critically analyze the relevance of poverty eradication strategies in Uganda like Vision 2030, which is still in its draft form. This is because growth in Uganda's GDP is not being matched by reduction in poverty levels; instead it is argued that poverty and income inequality are increasing at household, community and regional levels.
8. There is need to widen consultation of stakeholders in trade policy making. This should as well include awareness-raising at all levels and the views of different stakeholders should be taken into consideration. Of paramount importance as well is youth involvement in the overall process because they compose 64% of the population and their potential should be tapped.

9. There is urgent need for the linkage between District Commercial Officers and the Ministry of Trade to be strengthened. This would contribute towards inclusiveness in the trade policy making process.
10. Gender dynamics should also be taken into consideration in trade policy making process. The policy should respond to / and take into consideration the different needs of women and men.
11. There is also need to have a deeper analysis of the nature of Uganda's integration into the global economy. The country's imports are basically manufactured goods while exports are raw materials and agricultural products in their raw form. Therefore earnings from global trade are meager compared to expenditures on imports which can contribute to high poverty rates.
12. The CSOs should step up their advocacy and networking as a means of strengthening their influence on trade policies. It was noted that although CSOs participate in trade policy making process, their influence is limited compared to the private sector whose influence in trade policies is greater. This calls for closer working relationship with the private sector as well. However the challenge is harmonization of agenda with the private sector as private sector is profit driven whereas CSOs advocate for sustainable economic and human development.
13. The use of alternative data in research should also be enhanced as data from World Bank can sometimes be misleading. For instance World Bank indicates that Uganda is a success story of liberalization in Africa yet the poverty is on the increase and other studies carried out also indicate that liberalisation has affected the economy with the collapse of many industries and increase in unemployment etc; all of which has contributed to poverty.
14. In response to the comments, it was pointed out that the study does not focus on the content but rather the process of trade policy making. Comments about alternative sources of data, simplification of ITPM Index, and effective advocacy strategy to reach the grassroots level were noted for incorporation in the revised version of the draft as well as for further work under the FEATS project.
15. Draft research study was validated subject to the incorporation of the relevant comments.

A short survey based on a questionnaire was conducted at the end of the first session. The responses by the participants would provide further information and insights into the trade policy making process in Uganda.

3:0 Session III: Topic and Draft Terms of Reference for In-Depth, Issue-Specific Research in the Second Phase, Presentation by Rashid S. Kaukab, Deputy Director and Research Coordinator CUTS Geneva Resource Centre

The presentation highlighted the background of phase one study which affirms the importance of agriculture in Ugandan economy and gave objectives for the second study. The process for the selection of the topic was highlighted which has led to the selection of the topic “Linkages between Agricultural Productivity and Rural Livelihoods on the One Hand and Trade in Agriculture and Trade facilitation on the Other: Recommendations for Poverty Reduction and Development for a Landlocked Country like Uganda”. The key issues to be covered were also presented as well as the methodology and a detailed draft Terms of Reference for the study on the selected topic.

3:1 Floor deliberations

The following were the issues arising from the plenary discussion:

1. Agriculture still remains the key to Uganda’s economy in spite of rapid growth in the service sector. This is because it is the biggest source of employment and a vast majority of Uganda’s population live in rural areas and derives its livelihoods from agriculture.
2. Gender aspects should also be considered in the study as women’s contribution to the agriculture is enormous yet they do not fully benefit from the proceeds.
3. The informal sector should also be examined in the study as many are employed in this sector and their livelihoods totally depend on the sector.
4. There is need to widen stakeholder participation in the policy-making process to ensure it responds to the needs of the people especially small scale farmers. The National Development Plan which is currently being developed is expected to be broader than PEAP and hence should take the views of all stakeholders into consideration for equitable and sustainable development.
5. There is need to examine the extent to which agriculture is affected by the land problems which has of recent been a big issue in the country. Productivity of agriculture is directly linked to access over farmland, therefore land wrangles affect agriculture.
6. The study should be widely shared with partners in the FEATS Project as well as partners in the South and in the North. This would enable stakeholders to share ideas on how to strategize for a well coordinated approach in advocating for better trade policies.

7. CSOs should explore modalities of feeding this research into the different processes like for the preparation of the National Development Plan and the plan by the Ministry of Agriculture, Animal Industry and Fisheries.
8. The study should address the vulnerability of farmers in dry areas like North Eastern parts of the country for a more sustainable usage of the resources. Irrigation should be enhanced to mitigate the impacts of prolonged droughts which affect the productivity of farmers.
9. The study should explore ways of addressing the challenge posed by the discovery of oil in Uganda. Oil discovery will have a great impact on the economy. However, agriculture in oil producing areas might be compromised due to pollution and displacement of people from their farmland.
10. Increase in the national budget to agriculture should be advocated to match 10 % commitment in “The Maputo Declaration”, which Uganda has signed. This has not been met hence exacerbating the problems faced by small scale farmers in Uganda.
11. Issues related to external market access should be looked into considering that policies and conditions in the global system constraint farmers especially from a poor country like Uganda to penetrate markets of developed countries.
12. Issues of governance and conflicts may also be included in the research as agriculture is greatly affected during periods of conflict.
13. Agriculture is not the only linkage to livelihoods. Much as the study is to cover agriculture which is the main sector in Uganda’s economy, there is need to have in mind other factors that also affect people’s livelihoods like illiteracy, poor infrastructures, inadequate medical care, HIV/AIDS and its impacts, inadequate resources and control over them etc.
14. The legitimacy of CSOs to participate in trade policy making processes was also discussed and participants agreed that representation is not only by mandate but by legitimacy and authenticity. Therefore CSOs as a key stakeholder has got a role to play in the process.
15. The need to address employment issues was also highlighted. Investors in Uganda in many cases do not give equal employment opportunities to the nationals. Similarly, foreign investors are sometimes given tax holidays hence denying the government the much needed revenue as well as enabling them to out-compete the local investors.
16. In response, it was expressed that while many issues raised were important, the study will have to address a narrower range of issues to keep its focus and ensure targeted research within the available resources. The key issues to be addressed

will be relationships among agriculture productivity, trade in agriculture, trade facilitation, and poverty reduction. Draft ToR will be revised accordingly and shared with the UNRG for further comments and finalization.

3:2 Conclusion and Vote of Thanks: Ms. Jane Nalunga, Country Director, SEATINI-Uganda

In her final remarks, Ms. Jane expressed the need for the strengthening of Uganda's CSO Working Group on Trade in order to re-orient and re-strategize for more effective advocacy. She called for the usage of more tools like studies in order to help stakeholders advocate from a more informed point of view and strengthen their positions on matters affecting trade and agricultural development in the country.

The need to explore modalities of bridging the gaps in CSO participation in trade policy making processes was also highlighted in her remarks. Whereas the private sector has more influence in the process, CSOs are often sidelined. Therefore networking can be used as an effective tool in strengthening CSO participation in trade policy making process.

She concluded by stressing the need for re-examination of the strategy being used by CSOs in order to ensure a better and more effective trade policy advocacy for poverty eradication. She was appreciative of the positive role being played by CUTS and FEATS project in this respect.