SEATINI

Strengthening Africa in World Trade

SPECIAL

Newsletter

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MESSAGE FROM THE EXECUTIVE DIRECTOR, SEATINI UGANDA

Dear Comrades and Friends,

As we reflect on the past month (September 2024), I am thrilled to share with you the progress we've made in our pursuit of pro-development trade, fiscal and investment-related policies and practices at all levels.

In September, SEATINI, the Secretariat for the Tax Justice Alliance Uganda (TJAU) submitted CSO Alternative Tax Proposals FY 2025/26 to the Tax Policy Department under the Ministry of Finance, Planning and Economic Development (MoFPED)-Uganda for consideration. The CSO Alternative Tax Proposals FY 2025/26 were developed by the broader membership of the Tax Justice Alliance Uganda.

In collaboration with Oxfam in Uganda and tax justice campaigners in Arua, Nebbi, and Zombo districts, we continued to deepen tax awareness and advocacy and strengthen Local revenue management systems in refugee hosting districts and Local Governments of Yumbe and Madi-Okollo and Terego. We are committed to broadening and deepening our outreach towards fostering equitable and effective fiscal policy and practices at the local level.

Together with other partners working on food and agriculture related issues, we continued to advocate for sufficient budgetary allocation to Food and Nutrition Security related matters in Uganda. This is part of collective efforts towards promoting progressive legal and policy environment for Food and Nutrition in Uganda.

Throughout the month of September, we continued to shape the discourse around compliance with the EU Deforestation Regulation (EUDR) shedding light on the Regulation's implications on Uganda/Africa's coffee sector and livelihoods of smallholder coffee farmers. To mark this year's International Coffee Day, SEATINI hosted a hybrid multi-stakeholder engagement under the theme; ***''Saving the Goose that Lays the Golden Eggs: The Rocky Road to Comply with the EUDR.''***

SEATINI is also leading efforts towards developing a youth manifesto dubbed; ***''Youth Manifesto: The Investment Policies and Laws We Want in Uganda.''***

In addition to these advocacy efforts, we welcomed a student intern from Jönköping University and two graduate trainees from Makerere University as part of our Graduate Trainee/Internship Program. The Graduate Trainee Program embodies our commitment towards shaping the next generation of critical thinkers, policy analysts and social justice champions.

As we move forward, we remain committed to strengthening the capacity of various stakeholders to effectively influence trade, tax and investment related policies and processes for the realization of sustainable development and improved livelihoods.

Thank you for your unwavering support

Jane Nalunga

Ms. Jane Nalunga
Executive Director, SEATINI Uganda

Prof. Ezra Suruma, SEATINI Team and Ms. Robinah Kagoye join the Youths for a group photo after dialogue on harnessing youth voices on the investment policies, laws and agreements for decent work, green jobs and sustainable development in Ugandashares key remarks during the session

Harnessing Youth Voices on Investment Policies, Laws and Agreements for Decent Work, Green Jobs and Sustainable Development in Uganda

Investment is universally recognized as a key driver for economic development across both developed and developing nations. Its influence spans the industrial and service sectors, pivotal for job creation, value addition, and sustainable development. Given its significance, countries are implementing various initiatives and strategies focused on attracting foreign direct investments (FDIs).

Building on our ongoing efforts towards shaping pro development investment policies, laws and agreements, we recently organized a pivotal youth dialogue centered on amplifying the voices of the youths in investment policy processes. This dialogue, held on September 12, 2024, brought together youth leaders and students from various higher institutions of learning, CSO representatives and Policy Makers and Academicians to deliberate on how investment policies can be aligned with the goals of decent work and sustainable development. Uganda's youth, with a median age of 16.7 years, are pivotal in driving climate action and solutions for a sustainable future.

The demand for green skills is growing as the world transitions to a more sustainable economy. The International Labour Organization predicts 8.4 million new green jobs by 2030, aimed at equipping young people with economically viable and environmentally sustainable opportunities, highlighting the need for skills that align with a greener economy.

The right to decent work is closely intertwined with realizing the right to an adequate standard of living and is an inseparable and inherent part of human dignity. The integration of specific provisions such as performance requirement measures, joint ventures, technology and skills transfer, and human, environmental and social impact assessments among others into investment policies can help maximize their positive impact while mitigating potential negatives.

As part of her remarks, Ms. Jane Nalunga, Executive Director, SEATINI Uganda, emphasized the need to put youths at the center of policy making processes. Young people need to actively participate in shaping policies that affect their future, especially investment related policy processes. We need to make investment policies work for the youths and most importantly prioritize decent work and sustainable development."

Prof. Ezra Suruma, Senior Presidential Advisor and distinguished Scholar who was the keynote speaker at the dialogue, emphasized the need for policies and programs aimed at reducing vulnerability by promoting efficient labor markets and enhancing individuals' capacity to protect themselves against hazards.

Ms. Robinah Kagoye, Executive Director, Voices for Labour elucidated on labor rights: "We need to prioritize labour rights and standards in all our investment policies. Labor is not a commodity, and investments must promote social protection and fair wages. It's time for real change, not just political slogans."

Mr. Herbert Kafeero, Programs and Communications Manager at SEATINI Uganda brought to light the fact that SEATINI regularly engages youths in cognizance of the fact that the young generation is the next breed of policy makers and leaders.

"It is important to engage young people on investment related policies and issues and how investment policies can be used to address the challenges such as unemployment that the youths continue to face," he added.

The deliberations and views from various youths will culminate into a manifesto on making investment policies work for the youth in Uganda which will be submitted to the relevant government Ministries, Departments and Agencies for consideration.

Ms. Jane Nalunga, Executive Director, SEATINI Uganda during her presentation at the dialogue on harnessing youth voices on the investment policies, laws and agreements for decent work, green jobs and sustainable development in Uganda

Some of the Youths during the dialogue on harnessing youth voices on the investment policies, laws and agreements for decent work, green jobs and sustainable development in Uganda

Prof. Ezra Suruma speaking during the dialogue on harnessing youth voices on the investment policies, laws and agreements for decent work, green jobs and sustainable development in Uganda

Prof. Ezra Suruma, Senior Presidential Advisor and distinguished scholar, during his presentation at the dialogue on harnessing youth voices on the investment policies, laws and agreements for decent work, green jobs and sustainable development in Uganda

Ms. Robinah Kagoye, Executive Director, Voices for Labour making her presentation during the dialogue on harnessing youth voices on the investment policies, laws and agreements for decent work, green jobs and sustainable development in Uganda

Mr. Herbert Kafeero, Programs and communications Manager, SEATINI making his submission at the dialogue on harnessing youth voices on the investment policies, laws and agreements for decent work, green jobs and sustainable development in Uganda

Tax Justice Campaigners from Arua, Nebbi and Zombo District together with SEATINI Uganda staff pose for a group photo after the coaching and mentorship session for Tax Justice Campaigners.

Enhancing Local Revenue Mobilization: SEATINI Uganda and Partners Engage Tax Justice Campaigners and Local Government leaders from Arua, Nebbi and Zombo Districts.

As part of the ongoing efforts to enhance local revenue mobilization and utilization in the West Nile Region, SEATINI Uganda, in partnership with Oxfam in Uganda through the Power of Voice Project, has been actively engaging local government officials and tax justice campaigners from Arua, Nebbi, and Zombo districts through targeted capacity building towards supporting the review and development of Local Revenue Enhancement Plans. Beyond the capacity building, Nebbi Municipal Council and Nebbi districts benefited from the support to develop the LREPs.

In recognition of the need for continuous capacity building, a mentorship and coaching clinic was conducted to provide remedial and tailored capacity building for Local Government Officials and Tax Justice Campaigners on local revenue mobilisation, allocation, utilisation and accountability for improved service delivery. The Local Government Officials and Tax Justice Campaigners were equipped with insights on emerging issues around domestic and local revenue mobilisation.

This engagement was held from 3rd to 6th September 2024 in Arua City in collaboration with the Agency for Community Empowerment.

During the mentorship and coaching session, Mr. Aloysious Kittengo, Program Coordinator at SEATINI Uganda, emphasized that tax is an obligatory payment to the state for which no direct benefit is received in return. He added that an effective tax system should be capable of raising revenue from all sources and treat taxpayers in similar situations equally, whether they are local or foreign, based on existing regulations. Mr. Aloysious further noted that studies on taxation have shown that governments that rely more on taxes from local sources tend to be more accountable, responsive, and democratic. Mr. Henry Ssemanda, a Senior Public Financial Management Advisor, underscored the importance of a well-financed administration, describing it as crucial. He noted that taxation, in various forms, has always been an essential part of governance. "It is expected that when taxes are collected, they are used for the public good and not just those who pay them," he stated.

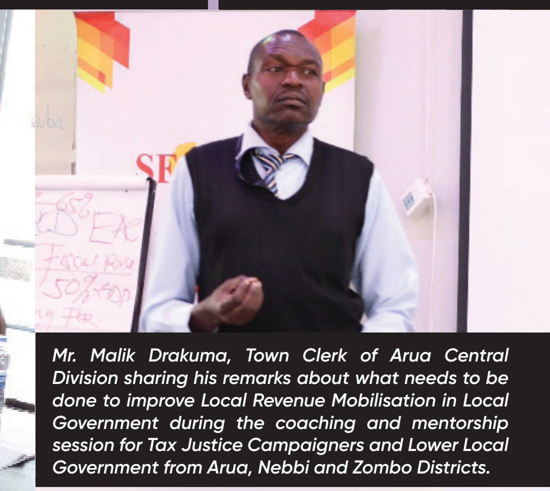
During the engagement, Mr. Maliki Drakuma, Town Clerk of Arua Central Division, expressed gratitude to SEATINI

Tax Justice Campaigners in a group discussion

Mr. Aloysious Kittengo, Program Coordinator, Financing for Development at SEATINI Uganda sharing insights during the coaching and mentorship session for Tax Justice Campaigners and Lower Local Government from Arua, Nebbi and Zombo Districts.

The Revenue Officer Mr. Edienanu Jimmy from Zombo District Local Government presenting some of the projections from Zombo district for the last Financial Year and this Financial Year.

Local Government Officers from Nebbi District in a group discussion



Mr. Malik Drakuma, Town Clerk of Arua Central Division sharing his remarks about what needs to be done to improve Local Revenue Mobilisation in Local Government during the coaching and mentorship session for Tax Justice Campaigners and Lower Local Government from Arua, Nebbi and Zombo Districts.

Mr. Henry Ssemanda, Public Financial Management Advisor Training Tax Justice Campaigners and Lower Local Government from Arua, Nebbi and Zombo Districts about tax related issues during the coaching and mentorship session.

Uganda and partners for the capacity-building extended to the West Nile region. He highlighted how continuous capacity building have significantly improved local revenue collections in the districts of Arua, Nebbi, and Zombo.

Mr. Maliki urged participants to continue utilizing the Integrated Revenue Administration System, which has helped expand revenue streams. He pointed out that, Arua District realized an increase in revenue collection, from approximately 3.3 billion in the 2022/23 Financial Year to 4 billion in FY2023/24. "This system has also simplified taxpayer processes, building greater trust and confidence in local government management" he said.

The Revenue Officer Mr. Edienanu Jimmy from Zombo DLG pointed out that markets being the major source of revenue for Zombo district "women are the largest taxpayers, as they dominate the district's markets", He emphasized that their contributions are driving local economic growth. He also shared that the district's property rate register was approved by the Minister, giving them legal authority to collect property fees, which will increase revenue by an estimated UGX. 250 million.

In Nebbi District, the local government has used local revenue to facilitate the procurement of personal protective equipment, the maintenance of the health department's garbage collection tractor, and the construction of an animal market in Namrwodho, Thatha Division, under the production and marketing department.

To be able to support local government in preparation for Local Government budget process start round September and October, SEATINI Uganda facilitated the selected local governments to come up with their priorities for consideration in the FY 2025/26. Some of the priorities identified included inter alia; continuous citizen/taxpayer sensitization on radio and barazas and full adoption of the digitalized system, for instance, the Integrated Revenue Administration System (IRAS) in revenue collection, strengthening the Local Revenue Mobilization Internal control system, collective effort and working along with other partners and key stakeholders.

As part of the continuous efforts towards strengthening the implementation of Local Revenue Enhancement Plans, SEATINI-Uganda and partners are dedicated to supporting local governments in strengthening their capacity in revenue mobilization and service delivery.

Saving the goose that lays the golden eggs: The rocky road to comply with the European Union Deforestation Regulations (EUDR)

By: Lova Bergman, Student Intern, Jönköping University

As the deadline for the EU Deforestation Regulation looms, Uganda's small holder coffee farmers and value chain actors face a race against time. Coffee is a vital part of Uganda's culture and makes up a significant portion of the country's exports and the EU being the largest market, the new directive poses both opportunities and serious challenges, especially for smallholder farmers. Therefore, SEATINI hosted a multi-stakeholder meeting during which policy makers, coffee farmers, CSOs, and other stakeholders deliberated on the challenges and opportunities presented by the EUDR. By December 30th of this year, Uganda's coffee farmers, exporters and other value chain actors must comply with the new directive, but many challenges remain.

Ms. Jane Nalunga, Executive Director, SEATINI Uganda emphasized that the Regulation should be viewed as a positive opportunity. Uganda is not against the Regulation; rather, it offers a chance for the country to start a new and reorganize its agriculture sector with a focus on sustainability and the preservation of biodiversity, both of which are critical for the future. However, she also pointed out that the EU is implementing this unilaterally, which is likely to negatively impact smallholder farmers in Africa who have not contributed to global emissions and climate change.

Given this situation, there is also the possibility of diversifying Uganda's markets to reduce dependency on the EU. Nationally, attitudes toward Ugandan coffee also need to change; for instance, it's common to see abundant amounts of Nescafé in hotels, yet local coffee is notably absent.

Hon. Linda Agnes Auma, Lira District Woman Member of Parliament and the Chairperson of the Parliamentary Committee on Agriculture stressed the importance of complying with the EUDR. The global market won't wait, and Uganda cannot afford to fall behind. In Africa, coffee production contributes significantly to deforestation, and to avoid negative repercussions in the future, it's crucial to act before it's too late. Uganda must position herself as a key player in this transformation. But for this to happen, there needs to be clear government support, and collaboration is essential.

The Uganda Coffee Development Authority (UCDA) also participated in the event, highlighting the risks of failing to meet the deadline while acknowledging the progress Uganda has made.

"Today, approximately 12 million Ugandans depend on coffee farming for their livelihoods. Reaching all these people is a significant challenge Uganda faces," Mr Robert Nangatsa, Manager Extension Services and EUDR Focal person stressed.

Furthermore, the importance of maintaining dialogue with the EU was discussed, to address concerns and hopefully extend the deadline. At the national level, more Ministries, Departments and Agencies must become involved.

Coffee farmers also pointed out government should disseminate information pertaining to the EUDR and other EU Directives and Regulations. "Information needs to be available in local languages, and there is a need to engage key influencers in small communities to ensure farmers are part of this transition. The coffee market is crucial for Uganda's citizens, and losing access to the European market would be disastrous. Therefore, collaboration is essential," Mr. George Tumuhimbise, Coffee Farmer and Community Monitor emphasized.

While the urgency of climate action cannot be overstated, it is important to consider the disproportionate impacts on smallholder farmers who are often left behind in the global push for sustainability. The EU's unilateral actions have far-reaching implications on coffee value chain actors, and it is difficult for developing countries to meet the EUDR deadline without the necessary technology and financial resources. However, it also presents an opportunity to reform the coffee sector in Africa toward a more sustainable industry. At the national level, collaboration across different sectors is crucial to meeting the deadline.

In conclusion, the meeting served as an important platform for different stakeholders to come together and discuss the way forward. I believe it is vital for these groups to start working together to achieve their goals. While the EU remains an important market and must be prioritized, a dialogue between the Ugandan government and the EU is necessary to express concerns about the set deadlines. Climate change is a disaster largely driven by developed nations, and it must be addressed. The EUDR is a step in the right direction to foster sustainability, but crucially, smallholder farmers should not be left behind. As stakeholders, we must ask ourselves: how can we ensure that sustainability goals don't come at the cost of the most vulnerable?

UCDA's Robert Nangatsa making his presentation

SEATINI Uganda's Executive Director, Ms. Jane Nalunga giving remarks during the multi-stakeholder meeting

SEATINI's Programs Manager moderating the multi-stakeholder meeting

L-R, Mr. Robert Nangatsa, Extension manager, UCDA together with Members of the Committee on Agriculture, Animal Industries & Fisheries; Hon. Abed Bwanika, Hon. Christine Akello and Hon. Enock Nyongore during the multi-stakeholder engagement

Local Government Officials and Facilitators pose for a group photo during the capacity building training for local government officials from Yumbe, and Madi-Okollo districts on local revenue mobilization, utilization and accountability.

Empowering Refugee Hosting Districts and Local Governments: SEATINI Intensifies Efforts to Enhance Local Revenue Mobilization, and Accountability.

Mobilizing domestic revenues for the provision of public goods and services through taxation helps to reduce dependence on loans and foreign aid thus strengthening the legitimacy of the state and deepening the social contract between governments and their citizenry. It also facilitates income distribution to address poverty and inequality.

Since the early 1990s, Uganda has been on a path of decentralization, empowering Local Governments to take the helm in service delivery. This shift was meant to bring services closer to the people, enhance local economic political empowerment, and strengthen the social contract between citizens and the state. However, despite these lofty goals, districts such as Yumbe and Madi-Okollo have faced persistent challenges in generating adequate own source revenue to provide the much-needed services within their jurisdictions as they are mandated by the Constitution of Uganda Article 176 (e), and Section 80(1) of the Local Government Act [Cap.243]. These challenges range from inadequate tax administrative capacity, limited taxpayer engagement, poor linkages between tax and service delivery, hence culminating in significant revenue shortfall that severely impacts public service delivery.

As part of our sustained efforts to enhance local revenue mobilization and utilization across the West Nile Region, SEATINI Uganda, in partnership with Oxfam in Uganda, continues to collaborate with Local Government officials and tax justice campaigners within Arua, Nebbi, and Zombo districts to champion tax awareness and advocacy. SEATINI-Uganda has continued to extend technical support towards strengthening Local revenue management systems in refugee hosting districts and Local Governments of Yumbe and Madi-Okollo and Terego districts, broadening the outreach and deepening commitment towards fostering equitable and effective fiscal policy and practices at the local level.

From 18th to 20th September 2024, SEATINI conducted a capacity building workshop in Arua City for the Technical and political leaders from Madi-Okollo and Yumbe district.

While giving his remarks, Mr. Drakuma Maliki, the Town Clerk of Central Division, Arua City highlighted the significant shifts in local and domestic revenue within Uganda's national budget since 2021, noting that "Tracking these trends helps us enhance fiscal management and governance." Mr. Maliki emphasized the importance of strategic measures in boosting local revenue, indicating that they are pivotal for Arua City's path towards sustainable urban development.

Mr. Aloysious Kittengo, the Program Coordinator, Financing for Development at SEATINI Uganda, indicated that taxation is a compulsory levy, crucial for funding public services. He observed that paying tax is the glue in the social contract. He also stressed the need for citizens to demand accountability from duty bearers.

Ms. Sophie Nampewo, Finance for Development Coordinator at Oxfam in Uganda stressed that collaborative efforts are vital in enhancing local capacities and ensuring fiscal justice. "From climate crises to educational gaps, our communities face diverse challenges," she cited, underlining the commitment to addressing these directly to ensure fair economic opportunities for all.

Mr. Henry Ssemanda, Public Financial Management Advisor, discussed the benefits of fiscal decentralization, indicating that decentralization brings governance closer to the people, improving accountability and responsiveness. He further noted that, "Decentralization is the transfer of authority and responsibility from the central government to local organizations, enhancing the delivery of social services like education, healthcare, and infrastructure."

Mr. Humphrey Onjabo, Town Clerk of Kuru Town Council, Yumbe District, appreciated SEATINI for the invaluable capacity building and training. "It has come at a crucial time as we prepare for the upcoming Budget Conference and the planning process," he noted, highlighting the timeliness and relevance of the training in equipping local leaders with necessary fiscal management skills.

Government officials from Yumbe and Madi-Okollo Districts made commitments to further enhance their revenue mobilization and collection efforts including among others respecting segregation of duties and responsibility in the Local Revenue Management cycle and coming up with a revenue register and increasing public sensitization, especially among property owners as well providing feedback. They further committed to work closely with the technical wing in mobilizing local revenue and to set up a tax tribunal committee to handle grievance among taxpayers.

Ms. Sophie Nampewo, Finance for Development Coordinator at Oxfam in Uganda, making a presentation during the capacity building training for local government officials from Yumbe, and Madi-Okollo districts on local revenue mobilisation, utilisation and accountability.

Mr. Henry Ssemanda, Public Financial Management Advisor, facilitating the capacity building training for local government officials from Yumbe, and Madi-Okollo districts on local revenue mobilisation, utilisation and accountability.

Mr. Drakuma Maliki, Town Clerk of Central Division, Arua City giving opening Remarks at the capacity building training for local government officials from Yumbe, and Madi-Okollo districts on local revenue mobilisation, utilisation and accountability.

Mr. Aloysious Kittengo, Program Coordinator, Financing for Development at SEATINI Uganda, making a presentation during the capacity building training for local government officials from Yumbe, and Madi-Okollo districts on local revenue mobilisation, utilisation and accountability.

Tax Justice Alliance Uganda Members pose for a group photo after the bi-annual retreat to analyze the Tax proposals for the FY 2025/26.

Tax Justice Alliance Uganda holds Retreat to Develop CSO Alternative Tax Proposals for FY 2025/26

SEATINI, the Secretariat of the Tax Justice Alliance Uganda (TJAU) organized a retreat which was aimed at assessing the progress made in 2024 and developing CSO alternative tax proposals for the FY 2025/26. The retreat provided a platform for TJAU members to scrutinize the tax laws/ tax measures to specifically track the CSO input into the tax laws for the FY 2024/2025 and to assess Uganda's tax system.

"Alternative tax proposals are not just about critiquing what is wrong; they are about contributing solutions," highlighted Mr. Kafeero Herbert, Programs and Communications Manager at SEATINI Uganda, during his opening remarks. TJAU members while exploring how to bridge the gap between government needs and citizen demands, he emphasized: "We must address the deep-rooted issues in Uganda's tax system and evaluate the effectiveness of our domestic revenue mobilization strategies."

Kafeero emphasized the significance of sustainable, people-centered alternatives, stressing the need to balance fiscal stability with addressing citizens' concerns.

Mr. Aloysious Kittengo, Program Coordinator for Financing for Development at SEATINI Uganda, emphasized the critical role CSOs play in shaping Uganda's fiscal policy. "Empowering citizens to influence tax policies is crucial," Kittengo stated. "Through research, targeted capacity building and networking, policy influencing and advocacy, we are collectively advocating for an inclusive, transparent and accountable tax system in Uganda. We need to ensure that the marginalized and vulnerable categories of people in Uganda who bear the brunt of regressive taxes, are protected."

Kittengo highlighted that over the years, Uganda has sustained a regressive tax system that disproportionately affects those with lower incomes. He therefore stressed that the Alliance exists to advocate for a more equitable tax system that safeguards the most vulnerable."

In the previous financial year, Tax Justice Alliance Uganda successfully submitted various tax proposals to MoFPED, which influenced the tax amendment process for FY 2024/25. Following the tabling of the Tax Amendment Bills in March 2024, the Alliance reviewed the Tax Bills and subsequently developed CSO Alternative Tax Proposals. Some of these proposals were adopted and incorporated into the national tax Laws, demonstrating the complementary role and positive impact CSOs have in shaping Uganda's fiscal policy. Crucially, the Alternative Tax Proposals reflect principles of social justice, accountability, and progressive taxation.

The Tax Justice Alliance Uganda remains committed to advocating for a tax system that supports fiscal stability while protecting the rights and livelihoods of the most vulnerable citizens. The retreat was part of the of collective efforts of Tax Justice Alliance Uganda members.

Mr. Aloysious Kittengo, Program Coordinator, Financing for Development at SEATINI Uganda sharing key insights during the bi-annual retreat

Mr. Kafeero Herbert, Programs and Communications Manager at SEATINI Uganda giving opening remarks during the bi-annual annual retreat for Tax Justice Alliance Uganda members.

Tax Justice Alliance Members in group discussions analyzing and evaluating the tax proposals for FY 2024/25 and developing Alternative Tax Proposals for FY 2025/26

Members of Parliament together with key stakeholders pose for a group photo with the Deputy Speaker after the round table meeting on matters of policies and legislation of food and Nutrition in Uganda.

Rt. Hon. Thomas Tayebwa, Deputy Speaker of Parliament of Uganda giving his remarks during the round table meeting on matters of policies and legislation of Food and Nutrition in Uganda.

SEATINI and partners advocate for progressive legal and policy environment on Food and Nutrition Security matters in Uganda.

Uganda is considered as the food basket in the East African community. Despite the country's agricultural potential challenges like food insecurity still persist. The country further grapples with the increased double burden of malnutrition, driven by the increased consumption of unhealthy, ultra-processed foods high in fat, sugar, and salt. This shift in dietary habits has contributed to the growing prevalence of diet-related non-communicable diseases such as diabetes, obesity, and stroke.

From 23rd to 24th September 2024, SEATINI Uganda together with other partners in collaboration with the Uganda Parliamentary Alliance on Food and Nutrition Security convened a 3-day roundtable retreat on matters of policy and legislation of food and nutrition in Uganda. This meeting which was presided over by the Deputy Speaker of Parliament of Uganda was geared towards enhancing legislative action and strengthening collaborative interventions on food security outcomes across Uganda.

While addressing participants during the roundtable meeting, the Rt. Hon. Deputy Speaker of Uganda, Thomas Tayebwa noted that according to the latest statistics, Uganda still grapples with high levels of malnutrition. He highlighted that Uganda has a stunting prevalence of 29% among children under 5 with 4% of children suffering from severe acute malnutrition, anaemia affects 53% of women of reproductive age and 26%of children under five. These statistics are a stark reminder of the work that lies ahead.

To address these issues, it is essential for key stakeholders to collaborate in fostering a supportive policy environment that effectively tackles the underlying barriers to achieving food and nutrition security in Uganda.

"As we gather today, we are reminded that nutrition is not a basic need but a fundamental right. It is the foundation upon which we build our lives, our communities and our nation" said Rt. Hon Thomas Tayebwa. He committed to support the passing of the Food and Nutrition Bill into Law, ensuring debate on the and engaging the Ministry of Agriculture on the progress towards reviewing the Food and Nutrition Policy.

Mr. Jonathan Lubega, Program Officer, Agricultural Trade for Rural Transformation, highlighted that the current policy environment involuntarily promotes the production and trade in unhealthy foods.

Lubega added that SEATINI Uganda together with the Uganda National Civil Society Organizations Coalition for Front of Package Warning Labelling sought the support of Members of Parliament and Parliament at large to engage the Ministry of Health to develop and pass the evidence based Nutrient Profiling Model.

During his presentation, Mr. Bwambale Benard, the head of Programs at CONSENT emphasised that the Nutrient Profiling Model is a tool used to classify processed and ultra-processed food and drink products that are in excess of critical nutrients such as sugars, sodium, total fat, saturated fat and trans-fatty acids."

Mr. Asiimwe Charles, the lead facilitator stressed that investing in nutrition is a smart economic investment because it can improve physical work capacity, cognitive development, school performance, and health by reducing disease and mortality. It can increase the country's overall productivity by 11 percent. Accordingly, an estimated 1.86 trillion Ugandan shillings is lost every year as a result of child undernutrition. The return on investment for every 1 USD invested is 30 USD.

"An analysis conducted by Makerere University school of public health reveals that the Draft Food and Nutrition Policy lacks the World Health Organisation best buys for preventing NCDs and incorporating the Nutrient Profile Model into our Food and Nutrition Policy guarantees the regulation of consumption of Ultra-processed foods, food labelling, marketing restrictions of unhealthy food and sugar-sweetened beverages to children and public food procurement guidelines." Florence Basiimwa Tushemerirwe, Makerere University School of Public Health.

Mr. Jonathan Lubega, Program Officer, Agricultural Trade for Rural Transformation at SEATINI Uganda presenting to participants during the round table meeting on matters of policies and legislation of Food and Nutrition in Uganda.

The Deputy Speaker concluded by committing to support initiatives that prioritize Food and nutrition security and later called upon all stakeholders to join Parliament in this endeavour geared towards ensuring that policies and legislation truly benefit the people of Uganda.

The retreat provided a platform to stakeholders including policy makers, CSOs and academia to advocate for evidence-based interventions and sustainable solutions that ensure every Ugandan has access to nutritious food.

SEATINI Uganda together with the Uganda Parliamentary Alliance of Food and Nutrition and partners remain committed towards shaping a favourable policy and legal environment for food and nutrition in Uganda. The debate was taken on the floor of Parliament of Uganda (LIVE: PARLIAMENT IN SESSION 2 | SEPTEMBER 24, 2024 - YouTube). Following the debate, Hon. Muwuma Milton was granted leave to introduce the Private members Bill "*The Food and Nutrition Bill.*"

Cross section view of participants at AfCODD IV

SEATINI Champions Afrocentric Perspectives towards addressing global challenges and fostering multilateralism

As part of the Fourth African Conference on Debt and Development (AfCoDD IV) that was held in Maputo, 28-30 August 2024, SEATINI participated in one of the side sessions themed; "An African alternate perspective for multilateralism: Enhancing the African Continental Free Trade Area as a response to global challenges."

In his submission, SEATINI's Program Coordinator, Financing for Development, Mr. Aloysious Kittengo emphasized that it is imperative to understand multilateralism and its guiding principles. He indicated that multilateralism is a collaboration between several countries in pursuit of a common goal, where other parties such as civil society or the private sector may also be involved, it is also indicating a form of cooperation between at least three States, and it they are formed based on agreed principles.

The principles of multilateralism include, inter alia, inclusivity, equality, cooperation, consultative, consensus aiming to foster a more peaceful, prosperous, and sustainable world. Specifically, multilateralism, for instance, the International Monetary Fund (IMF), World Bank, World Trade Organisation (WTO) and North Atlantic Treaty Organization (NATO) are in place to find solutions to issues that have universal application, like access to finance, peace and security, climate change, debt, labour and especially the critical issues within Agenda 2030.

Aloysious observed that the current multilateralism is falling short of its principles and is at crossroads. He further pointed out that multilateralism has had various implications on development in Africa citing the IMF and World Bank conditionalities like Fiscal revenue measures, clearance of external arrears, governance reform and banking sector restructuring plan. These have made African countries dependent on the Global North due to an equitable global financial architecture which further deepened dependence of African countries on the Global North and multilateral institutions. Other conditionalities with far reaching negative implications on African economies included the Structural Adjustment Programme (SAP) which involved deregulation, privatization, liberalization, among other resulting into Economic Crisis, Poverty and inequality in African countries today.

"Multilateral institutions like World Trade Organisation (WTO) with the responsibility of shaping global trade, have continued to provide empty promises to the member countries, especially the Least Developed Countries," he added. The WTO has failed, for instance, to conclude the Doha Development Agenda which has kept African agriculture sector and farmers in Africa trapped in poverty as they cannot compete with heavily subsidized western farmers in the Global North. This has been exacerbated by the unfair protectionism policies in rich countries which prevents African countries to export finished agricultural products as they are associated with tariff picks and tariff escalations thus making African remain an exporter of raw materials to the global north.

As an alternative to the existing multilateralism, the African Continental Free Trade Area (AfCFTA), a flagship project of "Agenda 2063: The Africa We Want" came into force to aid the free flow of goods and services across the continent and boost the trading position of Africa in the global market. Furthermore, the AfCFTA is geared towards increasing intra-African trade by eliminating trade barriers.

"Although the AfCFTA is well-intentioned towards boosting intra-African trade, the extensive liberalization approach may have negative implications for domestic Small and Medium Enterprises (SMEs) in some African countries given that they have limited capacity to compete," he emphasized. Therefore, ACFTA should ensure that member countries undertake regional value chains.

At the end of the session, there was consensus that the world needs a rules-based multilateral financial and economic system based on principles of multilateralism. Therefore, to ensure that the principle of multilateralism is upheld. Additionally, African countries need to engage as a unified force with a common voice when it comes to international policies and regulations. This can be done effectively through the AfCFTA. Africa should also invest in Research and Development (R&D) to benefit from Intellectual Property Rights (IPR) and also pool both financial and technical resources together to achieve the desired outcomes.


Mr. Aloysious Kittengo (Fourth), Program Coordinator, Financing for Development,SEATINI speaking during the side session at AfCODD IV

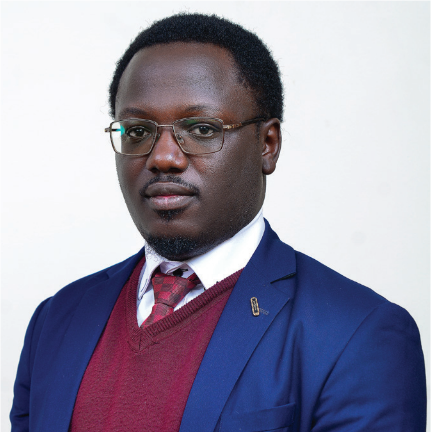
Uganda Should Leverage its Tax Policy to Foster Business Growth and Sustainable Development

By Mark Mutumba – International Tax Policy and Governance

As Uganda strives to achieve its development aspirations as envisioned in its development plans and strategies, taxation can play a critical role in shaping the business environment. Beyond its traditional role of generating revenue, tax policy defined - as the governments' approach and framework of decisions and strategies regarding the design, implementation and administration of taxes serves as a key determinant for investment and trade in addition to influencing economic behavior. Crucially, by considering the 4Rs (Revenue, Redistribution, Regulation and Representation) of taxation, governments can design tax systems that achieve multiple goals beyond just revenue generation. Indeed, when strategically designed, tax policy can promote business growth, foster innovation and drive sustainable development.

Uganda 's tax register comprises of 4.5 million taxpayers but only about 16.5% are significant contributors to the country's tax revenue This small group of value taxpayers bears the bulk of the tax burden, while sectors like agricultures contribute less than 1% to the total tax revenue. The heavy reliance on small formal tax base places undue strain on the few taxpayers ultimately constraining business growth and economic sustainability in the long run.

Given the significance of wholesale and retail sectors in Uganda's tax revenue portfolio accounting for 26 percent of total revenue collected for the past 3 years, it's clear that the business community plays a significant role in the revenue mobilization. The recent trader protests over underscore an important lesson: taxes can become a major barrier to business growth if the public perceives the tax system to be flawed or inefficient. Such a perception can



quickly transform taxation from a development tool into a source of frustration and hardship.

As we approach the beginning of the Budget cycle for the Financial Year 2025/26, the country is at a critical stage in its fiscal policy formulation process. During this period, the country once again has the opportunity to evaluate the current tax policy regime to identify and address the existing tax administration challenges while at the same time formulate policies that are responsive to some of the issues raised by the traders in the recent tax protest.

One of the key demands is the revision of the USD 3.5 special duty rate on textiles. Traders argue that current market conditions not only make the cost of doing business high, but this steep levy also increases prices for the final consumer. Additionally, local manufacturers are unable to sustain supply levels sufficient to meet demand. Therefore, a compromise must be arrived at to revise the specific duty rates as the country builds its capacity to meet market demand.

Setting of the VAT threshold is a critical component in crafting an effective VAT regime. A low threshold often pulls small-scale businesses into the tax net, posing challenges for the tax administration in terms of management and enforcement. To align with administrative capacities and economic realities, the government should consider raising the VAT threshold, this however should be carefully calibrated to ensure it harmonizes with the broader tax policy, particularly the presumptive tax regime. More still, such an adjustment should be accompanied with voluntary deregistration of tax payers who fall below the new threshold, ensuring a smooth transition and preserving the integrity of the tax system.

In the same spirit, it is crucial for Uganda to reassess its tax incentive regime to ensure it effectively supports business growth, particularly for small businesses, and enhances their competitiveness. Recent discussions regarding planned tax waivers for eight taxpayers, alongside the extension of waivers on interest and penalties until December 31st, 2024, underscore the need for more precise criteria in granting such benefits. While Section 43 of the Tax Procedures Code Act outlines the parameters for qualifying for tax waivers, terms like "hardship" and "impossibility to pay" remain ambiguous. To ensure fairness and transparency, these criteria must be clarified to guarantee that all taxpayers have equal access to these remedies, free from the risk of undue influence.

In conclusion, while taxes may never return to individual taxpayers in equal measure, it is crucial to establish a clear link between taxes paid and the public goods and services provided. By delivering tangible benefits such as improved infrastructure, enhanced services that facilitate daily operations, and a supportive business environment public trust and tax compliance can be significantly strengthened. This approach also lays the foundation for formulating economically sound policies that stimulate economic activities, ensuring both macroeconomic stability and micro economic growth.

Making the African Continental Free Trade Area (AfCFTA) Work for Uganda's Structural Transformation and Sustainable Development.

Peninnah Mbabazi, Program Officer, Trade Justice SEATINI Uganda

The African Continental Free Trade Area (AfCFTA) is a flagship initiative of the African Union's Agenda 2063, designed to drive Africa's long-term economic integration and development. By consolidating a massive market of 1.3 billion people and a combined GDP of $3.4 trillion, AfCFTA aims to transform the continent's economic landscape.

According to the World Bank's projections, AfCFTA could boost Africa's income by $450 billion by 2035, while also adding $76 billion to global income.

The establishment of the AfCFTA provides renewed momentum towards boosting and revolutionizing intra-African trade by creating a vast, integrated market, thereby reducing trade costs and boosting economic growth. Despite its potential, African countries have historically traded more with the rest of the world and minimally with each other. Additionally, African countries has long been trapped at the lower end of the global value chain primarily exporting low-value raw and semi-processed goods while importing high-value manufactured products. The AfCFTA seeks to address these challenges by fostering industrialization, improving value chains, and enabling African countries to trade more among themselves, capturing greater economic benefits. This transformative agreement is expected to drive economic growth, enhance intra-African trade, and create new opportunities for sustainable development across the continent.

The AfCFTA agreement, which is reviewed every five years, reached its first milestone on May 30, 2019, when it came into force for the 24 countries

that had deposited their instruments of ratification. Today, 44 of the 54 signatories have deposited their instruments of AfCFTA ratification, marking significant progress toward achieving the agreement's goals.

The imperative to change the way Africa is integrated into the global economy has been on the table for a long time as evidenced by the establishment of the Organisation of African Union (OAU) and the African Union (AU), the Lagos Plan of Action. The fallouts from the 2008 global financial and economic crises amplified the need for African countries to transform their economies and the nature of their integration into the global economy to achieve equitable socio-economic development that is driven by the needs, interests, and aspirations of Africa's peoples. Africa's aspiration for structural transformation which is anchored within ''Agenda 2063: The Africa We Want'' is more urgent now than ever before especially drawing on the numerous lessons from the COVID-19 pandemic and the multiple crises that have left African economies struggling.

The African Continental Free Trade Area (AfCFTA) Agreement acknowledges the vital role of Regional Economic Communities (RECs) as foundational pillars, leveraging existing achievements to foster deeper economic integration. Crucially, the AfCFTA provides an opportune moment for African countries to develop regional and domestic value chains to benefit from increased trade opportunities. However, to realize this potential, countries must actively carry out complementary structural and policy reforms by aligning its national development strategies with the AfCFTA.

By harnessing the potential of AfCFTA, Uganda can develop robust regional and domestic value chains, capitalizing on enhanced trade opportunities. Effective industrialization and economic structural transformation are crucial for Uganda's sustainable development. This entails investing in infrastructure, promoting entrepreneurship, and fostering innovation. Government of Uganda has already initiated various efforts to boost economic growth and employment through infrastructure development.

Structural transformation is an important issue that shapes not only the trade dynamics and how trade flows should be approached by but also the entire development trajectory of countries.

Uganda and other African countries need to harness the numerous opportunities presented by the AfCFTA to achieve structural transformation, sustainable economic growth, reduce poverty, and emerge as a significant player in the global economy. In order to make the AfCFTA work for Uganda's structural transformation, necessary policy reviews should be undertaken to boost industrialisation, enhance productive capacity and competitiveness especially among local Micro, Small and Medium Enterprise (MSMEs).

OUR WORK IN PICTURES

L-R, SEATINI's Program Manager, Herbert Kafeero sharing a light moment with Hon. Linda Auma Agnes, Member of Parliament and Chairperson, Parliamentary Committee on Agriculture

L-R. SEATINI's Programs Manager, Herbert Kafeero, UN Women's Coordination, Resource Mobilization & Partnerships Lead, Lisa Dardis, SEATINI's Program Officer, Debt & Aid, Program Lead, Women Economic Justice, Sophie Ndagire & Financing for Development Program Coordinator, Aloysious Kittengo during an engagement on key trends, issues and opportunities across the areas of gender and human rights.

SEATINI represented by Jonathan Lubega, Policy Analyst, Agricultural Trade Policy joined other regional actors for the Training on the Intellectual Property and Access to Medicine Literacy and Preparedness Workshop held in Mombasa, Kenya.

MEET OUR NEW GRADUATE TRAINEES/INTERNS

Ms. Nanasaano Chantelle, Graduate Trainee, Investment for Sustainable Development

Joining SEATINI Uganda as a graduate trainee under the Investment for sustainable development program has been a transformative experience for me especially with the exposure and hands on experience in investment policy related matters. Understanding the issues surrounding international trade and investment policy landscape and how they impact affairs at the national and regional levels. The graduate trainee program has also provided me with an exceptional opportunity to contribute towards research and advocacy and policy influencing related efforts on trade, tax and investment related issues.

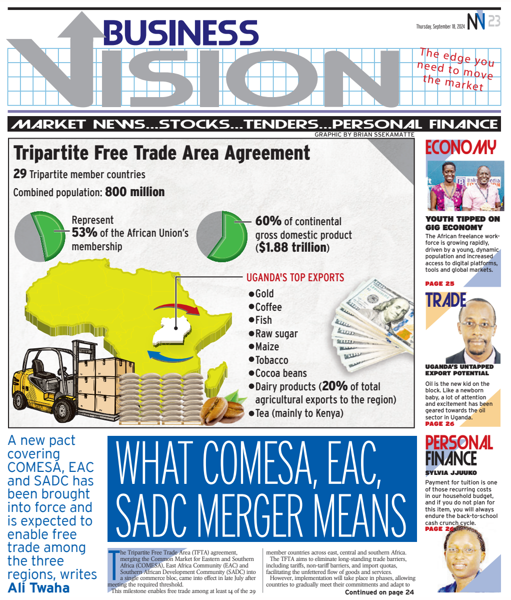
Mwase Samuel, Graduate Trainee, Communications, Documentation & IT

Joining SEATINI Uganda as a graduate trainee provides a valuable opportunity to engage in advocacy on trade policy, economic justice, and regional development. It offers access to extensive research and training resources, enhancing my understanding of trade, fiscal, and investment policies. This role connects me with a diverse network of professionals and experts, fostering collaboration, mentorship, and career growth, while also developing skills in negotiation, research, project management, public speaking, and policy analysis, contributing to both personal and professional development.

Ms. Bergman Lova, Intern, Investment for sustainable development

As an intern at SEATINI Uganda within the Investment for Sustainable Development program, I aim to broaden my understanding of development issues and challenge my Western perspective. SEATINI's impactful work inspires me, and I look forward to learning from the team while sharing my own insights. My primary passion lies in addressing climate change, with a special focus on climate justice. In addition, I am eager to deepen my knowledge of the complexities surrounding international trade and investment policies and how they shape national and regional affairs, influencing sustainable development efforts.

SEATINI's MEDIA OUTREACH



Our last Knowledge product

For more information please contact
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