



ITC

TRADE IMPACT
FOR GOOD

50 YEARS

1964-2014

Netherlands Trust Fund III

Enhancing export competitiveness of the IT & ITES in Uganda



SUMMARY

The International Trade Centre (ITC) is a joint agency of the United Nations and the World Trade Organization, engaged in trade-related technical assistance. The Netherlands Trust Fund phase III is a programme funded by the Dutch government, particularly, the Centre for the Promotion of Imports (CBI, affiliated to the Ministry of Foreign Affairs). The programme builds export sector competitiveness in key growth sectors in the 4 beneficiary countries of Bangladesh, Kenya, Myanmar and Uganda. It focuses on the exports of services, i.e. the IT & IT enabled Services sectors in Bangladesh, Kenya and Uganda as well as tourism in Myanmar, while addressing needs in traditional

agricultural sectors in Kenya (avocado sector) and Uganda (coffee). The programme addresses export bottlenecks across the entire value chain to enable companies and with them the entire sector, to internationalise - NTF III is implemented over three years 2014-2017).

ITC developed the project with the very close collaboration of the National IT Authority of Uganda (NITA-U) and industry associations as well as close consultation with companies in the industry.

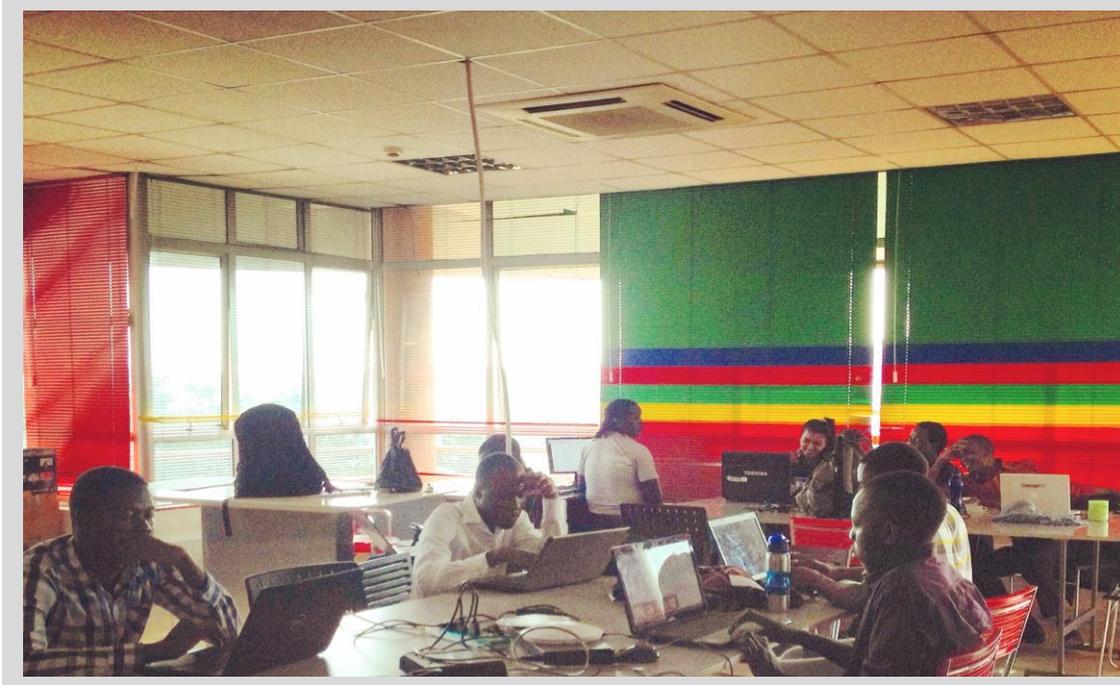
TIME-FRAME: 3 years (2014- 2017)

BUDGET: US\$ 1,025,000.

EXPECTED OUTCOME: **Increased export competitiveness of the Ugandan IT & ITES sectors**

DEVELOPMENT GOALS: **Job Creation, Increased exports, Women & Youth Employment**





OBJECTIVES and ACTIVITIES

The project will enhance the export competitiveness of the IT&ITES sector for 30 beneficiary enterprises in Uganda. The main indicators to be used to measure progress are the percentage increase in the value of IT&ITES exports by beneficiary enterprises, the number of new export markets entered, and the overall number of clients acquired. The outputs to achieve this are:

Output 1: Validated export plan for the IT&ITES sector in place

Several development strategies for the sector have already been devised. Nonetheless, there is no single export/internationalisation related plan, which could guide the sector and provide a road map for development and expansion in foreign markets. To address this need, existing development strategies will be assessed, and stakeholders will be consulted and included in the plan formulation process.

Output 2: Export capacity of IT&ITES SMEs increased.

Export capacities of 30 selected SMEs and start-up companies will be improved by enhancing their business and marketing capacities as well as by developing export marketing plans. Access to finance for selected enterprises will be assessed and existing financial opportunities will be identified.

Output 3: Capacity of Trade Support Institutions (TSIs) improved in providing services to export-oriented SMEs in the IT&ITES sector.

Capacities of three beneficiary sector TSIs, namely the National Information Technology Authority of Uganda (NITA-U), the ICT Association of Uganda (ICTAU), and the Uganda Business Process Outsourcing Association (UBPOA) will be improved in the fields of market intelligence and analysis as well as B2B matchmaking services.

Output 4: Expanded business linkages and technical partnerships/collaborations

Relevant export markets and segments will be researched and targeted. In addition, the project will help to build contacts with companies interested in outsourcing their services to Ugandan IT&ITES SMEs. The project will create actual business linkages.

Technical partnerships will be created and synergies explored among the three NTF III projects that focus on the IT&ITES sector, namely Bangladesh, Kenya and Uganda. This includes regular meetings to exchange lessons learned and experiences made but also joint south-south cooperation activities.

PROJECT MANAGEMENT AND GOVERNANCE

Day-to-day management of the project will be performed by the Project Manager based at ITC in Geneva as well as the National Field Coordinator (NFC) who will be based in Uganda. The NFC is currently hosted in NITA Uganda.

The Project Steering Committee (PSC) provides strategic oversight to the project. It is composed of the CEOs of key stakeholders including the National Information Technology Association of Uganda (NITA-U), Uganda ICT Association (ICTAU), Uganda Business Process Outsourcing Association (UBPOA), Uganda Export Promotion Board (UEPB) and the Uganda Investment Authority (UIA), Private Sector Foundation of Uganda (PSFU). Some IT Innovation hubs are also involved.

In addition to the sector organizations, UEPB and UIA are considered strategic partners given their mandate in export and investment promotion. The latter puts great emphasis on country brand promotion, which is particularly important in this project. The ITC will chair the Project Steering Committee initially and will work with other members to determine whether that role will be rotating.

The Project Steering Committee meets twice a year and to carry out the following activities:

- Provide strategic guidance for project implementation and will ensure liaison with other development partner activities in the same sector
- Provide active input to and endorse the six month work plans prepared by the Project Management Team.
- Review performance data bi-annually and use that data as an input to work plan review and management of project activities.
- Provide technical and managerial guidance. The PSC members serve as ad hoc advisors to the Project Management Team as needed.
- Operate as a network of stakeholders identifying common strategic objectives, designating TSI roles and how the TSIs will cooperate by activity.
- Develop a process of information sharing amongst TSIs with stakeholders and donors

The meeting of the PSC will also consider the formation of a **Policy Committee** consisting of the Ministers of ICT, Trade and Finance. This committee will meet annually and will have the role of considering major policy issues arising out of the project activities, for instance issues of incentives or infrastructure investment.

SUMMARY

The Government of Uganda (GoU) has identified Information Technology Enabled Services–Business Process Outsourcing (ITES-BPO) as one of the key sectors to enhance economic growth and reduce youth unemployment in the Country. The overall vision of GoU is to transform the Country into a ‘Knowledge-Based Uganda’ where national development and good Governance are sustainably enhanced and accelerated by timely and secure access to Information and efficient application of ICT.

It recognizes the fact that the growth of ITES-BPO sector has a multiplier effect on the economy of the Country, leading to higher investments, increased job creation and improvement in quality of life. The project is therefore expected to increase Uganda’s export competitiveness in the sector and contribute to increased wealth creation.
