

**ISLAMIC
DEVELOPMENT BANK
INVESTMENT PROMOTION
TECHNICAL ASSISTANCE
PROGRAM (ITAP)**

**INVESTMENT
PROMOTION
TECHNICAL ASSISTANCE
PROGRAM FOR
UGANDA**

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ITAP

THE CHALLENGE

In November 2006, the IsDB was approached by the Uganda Investment Authority (UIA) to help outline a program for attracting investments into Uganda from other outward-investing IsDB member countries, particularly from Gulf Cooperation Council (GCC) countries. They wanted a technical assistance program to facilitate associated technology transfer through the promotion of Ugandan small and medium enterprises in order to create employment opportunities, generate income, and eradicate poverty.

THE SOLUTION

In 2007, the ITAP of the IsDB responded to Uganda's request for technical assistance needs in the area of investment promotion, as agreed jointly by UIA, IsDB, and UNIDO. The program aimed to assist the UIA in attracting greater flows of investments into Uganda, particularly targeting investment flows from GCC countries and strengthening the institutional capabilities of the UIA through the implementation of a comprehensive investment promotion program, including capacity building in project appraisal and investment promotion, preparation of project profiles, and a direct marketing campaign.

In this respect, six sectors were selected (cotton, dairy, meat, tourism, energy, fruits and vegetables), and specific project profiles were prepared. These were used to promote Uganda in Arab countries.

The identification of sectors corresponded to the economic priorities of the Ugandan government. High-level investment projects (over US\$10 million), as well as small to medium investment projects, were promoted.

RESOURCE MOBILIZATION

The ITAP managed to mobilize both technical and financial resources in order to fund the technical assistance to Uganda Investment Authority (UIA). ITAP established partnerships with the Arab Bank for the Economic Development of Africa (BADEA) and the United Nations Industrial Development Organization UNIDO to fund and implement the program.

THE ITAP MANAGED TO MOBILIZE BOTH TECHNICAL AND FINANCIAL RESOURCES IN ORDER TO FUND THE THE TECHNICAL ASSISTANCE PROGRAM TO UGANDA INVESTMENT AUTHORITY



**COTTON,
DAIRY,
MEAT,
TOURISM,
ENERGY AND
FRUITS &
VEGETABLES,**

WERE SELECTED AND SPECIFIC PROJECT PROFILES WERE PREPARED TO PROMOTE UGANDA IN ARAB COUNTRIES

THE RESULTS:

**600
BILATERAL MEETINGS
WITH A TOTAL INVESTMENT OF
US\$ 291.4 MILLION**

MAIN ACTIVITIES AND SCOPE

The project was expected to achieve the following:

- **Sector analysis and project identification:** Conducted a competitive and comparative analysis (including a strengths, weaknesses, opportunities, and threats analysis) of sectors and identified six sub-sectors based on competitiveness and beneficial impact
- **Comprehensive investment and technology promotion plan:** Compiled a long list of companies in the sub-sector and conducted company-focused research to define investor profiles
- **Support and aftercare services for identified projects:** Provided support in project implementation
- **Capacity building for the UIA:**
 - Provided on-the-job training of UIA staff and developed a training program responding to investor perceptions, sector identification and benchmarking, database maintenance, and direct marketing methods
 - Organized a GCC investment forum in Kampala, Uganda.

PARTNERS

OVERVIEW OF THE PARTNERS INVOLVED AND THEIR ROLE IN THE PROJECT



The project was implemented in partnership with the IsDB, the coordinator of the project and was also responsible for mobilizing the required input from BADEA. The IsDB actively participated in program development, implementation, and monitoring.



BADEA is a financial institution owned by 18 Arab countries that are members of the League of Arab States. BADEA was the main financier of the project.



UIA was the main counterpart institution. It was established in 1991 as a one-stop shop to handle all investment-related issues, including promoting Uganda as an investment location, easing constraints on investment through its one-stop service, and offering competitive incentives.



The UNIDO Investment Promotion Unit in Vienna, backstopped by the Investment and Technology Promotion Office in Bahrain, provided full support to the implementation of the project.

MAIN ACHIEVEMENTS


- Highlighted Uganda's unique investment location attributes and allowed potential investors to physically appreciate its natural endowment
- Created more linkages and business relations between Ugandan and GCC investors
- Underscored the strengths of the Ugandan economy and investment opportunities
- Promoted the different project profiles
- Organized the GCC and Uganda Investment Forum, resulting in a total of 600 bilateral meetings (119 letters of intent signed and documented) with a total investment of US\$291.4 million. The committed large joint ventures included, for example, the following:
 - Expansion of a meat factory worth US\$30 million dollars in investment
 - Investment of US\$5 million in an international school in Uganda
 - Green field investments included a committed Egyptian pharmaceutical company interested in investing US\$25 million in pharmaceuticals in Uganda.


THE PROJECT WAS ACTIVE FROM

2009 TO 2012



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