



**ECONOMIC GROWTH FORUM
REPUBLIC OF UGANDA**



UNLOCKING NEW OPPORTUNITIES FOR INCLUSIVE GROWTH DURING AND AFTER COVID-19

1ST SEPTEMBER 2020 – KAMPALA SERENA HOTEL

CONCEPT NOTE

OVERVIEW

On the 1st September 2020, the Ministry of Finance, Planning and Economic Development will host the fourth Economic Growth Forum to reflect on the state of the Ugandan economy, particularly in light of the recent global economic and health crises caused by COVID-19, and identify policy solutions to drive the country's future economic growth performance.

The conference will provide an opportunity to discuss immediate and medium-term growth challenges, learn from cutting edge research as well as policy experiences in other countries, and identify a course of actionable policies to promote and sustain inclusive growth in Uganda.

The event will be co-hosted with the International Growth Centre (IGC). The audience will consist of government officials, the donor community, and the academic and private sector. The timing of the Forum has been deliberately set to align with the Government of Uganda's budget cycle such that any actionable policy proposals identified may be incorporated into the budget strategy and action plans of relevant institutions for FY 2021-22.

CONTEXT

Until the recent shock from the COVID-19 pandemic, the Ugandan economy had experienced a significant growth rebound since 2016, GDP growth reaching 6.8% in FY 2018-2019, driven by the agricultural, industrial and service sectors. This recovery involved addressing a number of key development challenges that threaten Uganda's long-term growth trajectory, including raising agricultural productivity; spurring a process of structural transformation, raising public savings and investment; and addressing labour force skills deficits.

The recent COVID-19 pandemic and the global recession that has ensued have come at an enormous cost to Uganda's economy both in the short and medium run. Despite decisive action from the government to limit the spread of the disease, the sharp global downturn in economic activity and containment measures put in place have curtailed economic activity. Severe limitations on international transport have reduced exports and tourism, and have further restricted access to key industrial inputs, the collapse in the world economy has lowered remittances from Ugandans living abroad, while lockdown measures stopped people from working, constituting another supply shock and a strain on people's livelihoods.

As a result, economic growth is estimated to have fallen drastically to 3.1% in 2019/20^{1,2} and informal employment was expected to reduce by as much as 42% during the lockdown period.³

KEY AREAS OF DISCUSSION

The objective of the Economic Growth Forum is to identify actionable policy interventions to mitigate the negative impacts of COVID-19 as well as recommend medium term strategies to support economic resilience and recovery.

To address these immediate challenges to the economy and identify key areas for policy in medium term recovery, the Ministry of Finance, Planning and Economic Development has identified three key areas for discussion at this year's High-Level Economic Growth Forum:

- 1. Assessing the global and domestic impact of COVID-19 and future prospects.** This session will explore the outlook for the global economy, key structural changes and opportunities for developing countries, and how policymakers can mitigate developing economies contraction and position economies for recovery in 2021. The session will also look in particular at the macroeconomic effects of the crisis on Uganda's economy and the impact on public finance.
- 2. Understanding the impact of COVID-19 on enterprises and households and government's policy response.** This session will look in more detail at the effects of the crisis in terms of its effects on income levels, poverty and on the survival and functioning of businesses in Uganda, drawing on recent analysis done on affected sectors. The session will also include a presentation by the Ministry of Finance, Planning and Economic Development on Uganda's planned Recovery Programme to address the challenges discussed.

¹ Minister of Finance, Planning and Economic Development (2020) Budget Speech Financial Year 2020/21

² Bank of Uganda statistics department: <https://www.bou.or.ug/bou/bouwebsite/Statistics/Statistics.html>

³ EPRC (2020) 'How has the COVID-19 pandemic impacted Ugandan businesses? Results from a business climate survey'

- 3. Identifying medium term strategies for key growth sectors.** The third session of the day will explore medium term strategies for the most affected economic sectors, looking in particular at opportunities for trade and import substitution; tourism, and agriculture.

DATE, VENUE AND FORMAT

The event will be held from 09:00 - 16:30 hrs on 1st September 2020 at the Kampala Serena Hotel. Given the current constraints to travel and standard operating procedures for in-person meetings, the event will be a novel hybrid event, with some presenters and participants attending in person, and others participating virtually over a video conference link.

The Economic Growth Forum will begin with an Opening Session, where representatives from the Ministry of Finance, Planning and Economic Development and IGC will outline the aims of the event in identifying future strategies for Uganda's economic growth in response to the recent crisis.

This will be followed by the three sessions outlined above. Each session will include 2-3 presentations outlining key ideas to drive inclusive economic growth, and conclude with a Q&A and general discussion with members of the audience on actionable policy interventions for the future. The session Chairpersons will ensure that discussions focus on actionable policy options, rather than theoretical analysis.

After the conclusion of the three thematic sessions there will be a Closing Session where key ideas will be summarised and implications for the budget discussed in more detail. Finally, representatives from the donor community, IGC, and Ministry of Finance, Planning and Economic Development will provide their closing thoughts on next steps for policy and how external partners can best support the Government of Uganda in achieving this.