



Ministry of Finance, Planning  
& Economic Development



**RESEARCH DISSEMINATION WORKSHOP**  
**THEME: 'GOVERNMENT DEMAND AND FIRM PERFORMANCE'**  
**14<sup>th</sup> MARCH 2018**  
**KAMPALA, UGANDA**

**CONCEPT NOTE**

*Can government procurement be used as an effective instrument to promote local industrial development?*

A few governments in Africa and the developing world have established reservation policies that favor domestic firms over import competition in public procurement. However, very little research has been conducted to assess the effectiveness of these programs. One way to begin to do so is to look at the productivity of enterprises that already sell to government. Are sales to government linked to improvements in productivity – or are governments effectively subsidizing firms that are not competitive? These questions are especially topical for Uganda's industrial policy review, following the Government's recently adopted 'Buy Uganda, Build Uganda' policy and the ongoing compilation of the country's Local Content Bill.

The International Growth Centre (IGC) has begun to analyze this question in a new paper titled, '**Firm Performance and Participation in Public Procurement: Evidence from Sub-Saharan Africa**'. The paper investigates whether participation in public procurement is associated with realization of the types of goals that underlie industrial policy, i.e. an improvement in measures of firm performance. To share the key findings from this paper, the **International Growth Centre (IGC), in partnership with the Ministry of Finance, Planning and Economic Development (MoFPED), and the Uganda Economics Association (UEA)** is pleased to invite you to a two-hour research dissemination workshop on '**Government Demand and Firm Performance**' on **Wednesday, March 14<sup>th</sup>**.

The researchers (Bernard Hoekman and Marco Sanfilippo) draw on evidence from 6,700 firms across 19 Sub-Saharan African countries, and find that firms that sell a larger share of their output to government entities are associated with better productivity performance. This is most strongly the case for domestically-owned firms, especially small companies, firms engaged in manufacturing activities and those located in the capital city. The proposed dissemination workshop is intended to motivate discussion on the mechanisms through which procurement practices may influence firm productivity and innovation in the Ugandan context. While the



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current analysis is not an evaluation of the effectiveness of the BUBU policy or the regulatory framework governing public procurement – the event will provide an opportunity to discuss the desirability and requirements for conducting further (causal) analysis on the subject.

The target audience comprises of relevant Government of Uganda institutions, non-governmental organizations, the private sector, the donor community, and research.

**DATE: 14<sup>TH</sup> MARCH 2018**

**VENUE: UBOS CONFERENCE HALL, KAMPALA**

## **AGENDA**

|                    |   |
|--------------------|---|
| <b>08:30-09:00</b> | Registration and Tea/Coffee   |
| <b>09:00-09:10</b> | Welcoming Remarks – Master of Ceremonies (Dr. Richard Newfarmer, IGC)   |
| <b>09:10-09:30</b> | Keynote Address: ‘The Role of Public Procurement as an Instrument of Industrial Policy in Uganda’ (MoFPED)                                    |
| <b>09:30-10:00</b> | ‘Firm performance and participation in public procurement: Evidence from Sub-Saharan Africa’ (Bernard Hoekman, European University Institute) |
| <b>10:00-10:10</b> | Response to Research Presentation by Lead Discussant (UEA)  |
| <b>10:10-10:50</b> | Q&A Session with workshop participants  |
| <b>10:50-11:00</b> | Closing Remarks: Summary and Way Forward (Chairperson, UEA)   |



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**BACKGROUND ON PRESENTERS:**



Bernard Hoekman is Director of Global Economics at the Robert Schuman Centre for Advanced Studies (Global Governance Programme) at the European University Institute; and a CEPR Research Fellow. Prior positions at the World Bank include Director of the International Trade Department; Research Manager of the trade team in the Development Research Group; task leader of the trade capacity building program of the World Bank Institute. During the Uruguay Round of trade negotiations he worked as a research economist in the GATT Secretariat (1988-93). He has published widely on the multilateral trading system and economic development, trade in services, and preferential trade agreements. He is a graduate of the Erasmus University Rotterdam, holds a Ph.D. in economics from the University of Michigan and is Senior Associate of the Economic Research Forum for the Arab Countries, Iran and Turkey.