

FEDERATION OF UGANDA CUSTOMS AGENTS AND FREIGHT FORWARDERS (FUCAFF)

STRATEGIC PLAN

2023 – 2026



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ABBREVIATIONS

AGM:	Annual General Meeting
AfDB:	African Development Bank
B.O.D:	Board of Directors
C.E.O	Chief Executive Officer
C&F	Clearing and Forwarding
DFID	Department for International Development
EAC	East African Community
EALA	East African Legislative Assembly
FUCAFF	Federation of Uganda Customs Agents and Freight Forwarders
ICT	Information Communication Technology
KACITA	Kampala City Traders Association
M&E	Monitoring and Evaluation
MAAIF	Ministry of Agriculture Animal Industry and Fisheries
MEACA	Ministry of East African Community Affairs
MTIC	Ministry of Trade Industry and Cooperatives
NDA	National Drug Authority NGO Non-Government Organisation
PSFU	Private Sector Foundation Uganda
TMEA	Trade Mark East Africa
UCIFA	Uganda Clearing Industry and Forwarding Association
UFFA	Uganda Freight Forwarders Association
UMA	Uganda Manufacturers Association
UNBS	Uganda National Bureau of Statistics
URA	Uganda Revenue Authority
USAID	United States Aid

Executive Summary

The clearing and forwarding industry is a vital component of the international logistics system, and plays a key role in facilitating the efficient flow of international trade. The industry involves private players and public regulators, and effective and efficient systems depend majorly on good relations and communication among and between the key actors, as well as the existence of effective institutions. The Federation of Uganda Customs Agents and Freight Forwarders (FUCAFF) in their constitution articulate the desire to promote international/regional trade and tax compliance'. FUCAFF however has encountered numerous challenges in their pursuit of their vision and mission, including both internal and external challenges which necessitated a thorough review of FUCAFF's strategy and approach, and a redefinition of priorities and the institutional framework to adequately meet the needs of its members and other stakeholders. FUCAFF with the support of TRAC Associates carried out an internal review focused on its accomplishments and developments since inception, the key challenges being faced, a mapping of key stakeholders, and expectations of its membership and other stakeholders. FUCAFF as a result from this process developed its first strategic plan, outlining a new roadmap towards achieving their desired goals, vision and mission.

The FUCAFF Strategic Plan 2023-2026 is a result of a participatory process and presents the following strategic goals:

Goal 1: To strengthen institutional, management and governance structures /systems of the federation.

This will be achieved through the establishment of a fully-fledged secretariat, improvement of the governance structure and systems, and broadening the revenue sources.

Goal 2: To advocate and lobby for a favourable business environment in the sector.

This will be achieved through research to inform advocacy positions, good relations with URA and other industry actors, and improved networking on advocacy issues.

Goal 3: Improve membership services.

By initiating projects that respond to member needs and expectations, and in the process contribute to community development. Initiatives will range from information platforms, capacity building programs, promoting ethical practices, discounted service packages (banking, insurance, fuel, etc.).

The Board of Directors and the Management team (when fully constituted) shall be responsible for the implementation of the FUCAFF Strategic Plan, including the mobilisation of the required human and financial resources. Financing for the implementation of the plan shall be majorly from member fees, complemented with funds from innovative sources such as internally generated funds, co-funds donors, 'goodwill' contributions from companies, loans, etc.

Performance management shall be guided by an M&E framework outlining the responsibilities of the Board of Directors and the management team, and the measurement parameters such as the institutional growth benchmarks, staff performance and productivity, and evaluation of outputs over the 3 year period of this plan. An annual financial audit is provided for in the performance tools, as well as midterm and final evaluations conducted by independent evaluators.

SECTION I: BACKGROUND I. I Organizational History and Structure

Federation of Uganda Customs Agents and Freight Forwarders (FUCAFF) is a membership based organisation founded in 2009. It was incorporated under the laws of Uganda as a company limited by guarantee in November 2009 and its operations started in the following year in February 2010.

FUCAFF is governed by a constitution and its membership is comprised of individuals, companies, firms directly or indirectly engaged or concerned with customs clearing and freight forwarding, warehousing, transporting and other allied trade in Uganda, and abroad. Members are of five major categories, namely; Gold Members, Individual Members, Corporate Members, Associate Members, and Honorary Members.

Fees paid by the FUCAFF membership include entrance/admission fees, annual subscription totaling to about Ugx 550,000/= (say five hundred thousand shillings only), plus any other

contribution as may arise from a resolution of the Board and ratified by the General Assembly.

FUCAFF was formed as a an alternative association as a result of unmet expectations ranging from the limited attention to member interests, conflict amongst the leadership of the then existing associations, and stagnation in terms of growth of the association. FUCAFF therefore was started as an alternative following a long predominance of UCIFA and UFFA as the only available industry platforms.. FUCAFF pledged to advocate for members' rights, facilitate trainings for its members, act as an intermediary between the members and the regulators, and to provide a platform to make a meaningful contribution to policy formulation for a better working environment in the sector and the East African Community at large.

Accordingly, the objectives of FUCAFF as detailed in the Constitution include:

1. Promoting and protecting the interests of the business of their members
2. Promoting a high level of professionalism, ethics, integrity and customer care among its members.
3. Promoting and encouraging a high level of uniform conduct among members in the clearing and freight forwarding industry, and for this purpose, provide to members standard trading conditions as a guideline.
4. To publicize the Federation and to educate (capacity building) the general public through any method about the best way to handle customs clearing and freight forwarding activities.
5. To establish and maintain constant contact with all government departments, donors and NGO institutions concerned with the activities of the Federation.
6. To build a sustainably economic stability of the members by setting up income generating activities and engaging in profit making projects.
7. To provide for the benefit of the members, up-to-date information on Customs Clearing and Freight Forwarding documentations and other methods, procedures, and laws to generally improve on their knowledge and also to connect or affiliate them for the purpose of establish and maintain contacts with local and international organizations concerned with the industry.

Achievement of the above objectives is coined around a set of core values that have been and continue to guide her operations and these include:

- Embracing technology and making it the driving force for the members and the industry at large
- Addressing the issue of indiscipline in the industry by the customs agents, freight

forwarders and sometimes their leaders.

- Recognizing the benefits arising from the globalization process, and thus emphasizing networks at national, regional, continental and worldwide.

1.2 FUCAFF as a Corporate Organization

1.2. 1. Scope of Activities

FUCAFF has been advocating for and representing customs agents and freight forwarders on issues arising in the import and export industry, which relate to customs and forwarding activities. FUCAFF however has been carrying out the advocacy activities on an individual basis (where appropriate and cost-effective), and not in collaboration with other parties in the industry. Over the past 4 years of its operation, FUCAFF has distinguished itself as a champion with respect to all issues pertaining to customs agents' and freight forwarders' rights. This has sometimes been at the risk of being singled out as trouble causers by those in the regulatory office. FUCAFF's persistence however, has enhanced its ability to persuade and influence changes within the clearing and forwarding industry to the benefit of all industry stakeholders.

In addition to advocacy for its members' rights, FUCAFF has done well in mobilising and recruiting more members to the association. This is confirmed by the increase in numbers of members from a founder contingent of 5 members in 2009 to 60 and to the current number of 120 members as of 2023. FUCAFF mobilises its members in conjunction with URA, for purposes of licensing as well as providing a platform for URA to disseminate customs related information to the community of Customs agents and Forwarders

The federation also acts as an intermediary between its members and the regulators and also in situations when conflict arises between its members and those of other associations. It therefore helps in conflict resolution as well as dissemination of information as may arise from the regulator to the members and vice-versa.

FUCAFF has developed policy guidelines for its members to facilitate their interaction with the regulator and compliance to regulations. The association however wishes to have a stronger voice in the formulation of national policies in order to highlight and prioritize those issues that affect the C&F industry.

1.2. 2 Management

The Secretariat is fully functioning with all management structures in place. All structures are instituted based on the Directorates and the Administrator. There is the Board of Directors, the Trustees the President, the Director General and the Administrator who run the business of the secretariat. Management has opened branches in Malaba, Busia and Entebbe to cater for those operating in those areas.

1 .2.3 Governance

The supreme governance organ of FUCAFF is the annual general meeting (AGM) that is held each year, and sometimes as need may arise, an extra-ordinary AGM man be held with approval of the BOD.

The AGM elects a Board of Directors (BOD) who are charged with setting the strategic and policy direction of the organization, to approve the budget, performance monitoring, human resource control, conduct oversight and evaluation; set the leadership mission; develop a resource base for the company; maintain good external relations and image; and appoint in Managing Director (MD)/ Chief Executive Officer (CEO). The BOD has been meeting regularly. In place as mentioned earlier. FUCAFF BOD put In a place a constitution and a code of conduct documents to help guide the running of the association and Its secretariat The duties and responsibilities of the MD and the secretariat as a whole are clearly defined In the FUCAFF Constitution. The BOD will get more involved in the monitoring and supervision of Organizations operations.

1.3 The Strategy Development Process

Since its inception in 2009, the Federation of Uganda Customs Agents and Freight Forwarders have registered tremendous growth both In terms of membership, Institutional set-up as well as its usefulness to the members. The FUCAFF Executive has since operationalized the organization as defined in the constitution and established a secretariat with basic requirements.

The membership grew from the 5 founding members to 30 members by the end of 2010, which was the first year of operation. Membership further increased to 120 members as of 2023 licensing season.

FUCAFF also initiated several advocacy and policy dialogue campaigns, with valid degrees of Success.

FUCAFF is however faced with minimal challenges as a result of internal and external influences which have impacted on the organization and the activities of its membership. Such challenges include the following;

- a) Human Resource gaps. In the interim, the Executive have engaged in the administration of the organization, which is definitely impractical as they have their own business to manage. These has limited the association's ability to timely and professionally respond to sector advocacy issues and meet the needs and expectations of its membership.
- b) Financial constraints. The source of funding for the running of this secretariat is primarily through payment of membership dues In form of entrance fees, and Anna subscriptions. These contributions however have not been forthcoming hence crippling the secretariat's performance In meeting the association's objectives.
- c) Lack of commitment from members FUCAFF has observed over time the limited Interest and commitment by a good proportion of its membership in the activities as objectives of the association. This has been demonstrated in the poor turn up in meetings, failure to pay their dues, etc. Member interest is seen during the URA licensing period as they seek for clearance as Is required of the registration process, and also in situations where members conflict with URA and seek for the association mediation.
- d) Unhealthy competition practices by other sector associations. Other associations in the sector have resorted to using un-orthodox style of doing business just to halt operations of FUCAFF and its members.
- e) Incoherent working relationship with the regulator-Uganda Revenue Authority (URA). FUCAFF has experienced a rather unproductive working relationship partly because of her approach and lack of adequate professional so; at the secretariat to guide the executive in coming up with well analyzed and evidence based positions on policy, regulatory and operational issues at URA. The absence of a cordial working relationship with the regulator-URA has limited opportunities for the federation to issuance policy and to actively participate in the reform process of the EAC customs structure, which will have direct impact on her membership.

To address these challenges and a host of others necessitated a review of FUCAFF'S strategy and approach, and a redefinition of priorities and the institutional framework to adequately meet the needs of its members and other shareholders. This required an internal review of the accomplishments and development since its formation, the key challenges faced, a mapping of key stakeholders, member expectations etc., as a basis to document a new roadway towards the desired goals, mission, and vision of FUCAFF, and the federation therefore needed a Strategic Plan as a guide to achieve this.

The strategic plan was developed in a participatory manner and ciliated by a Tim of experts from TRAC Associates. With the support of FUCAFF, a one day enteric planning workshop was held in Kampala at Kati-Kati restaurant on January 10th, 2019. The workshop was attended by the Executive commies inclusive of the President the Director General, and other Committee of directors, and as well as a few non-executive members of the association. The

strategic plan was also informed by key FUCAFF documentation such as the Constitution and the Code of Conduct.

SECTION TWO: THE SITUATION ANALYSIS

2.0 Introduction

The clearing and forwarding industry plays a key role in facilitating the efficient flow of International trade. In combination with other actors such as shipping Lines, port terminal operators, customs officials, operators of ware houses, land transport agents, etc. The clearing and forwarding (C&F) agents act as intermediaries in transactions between shippers and suppliers of logistics services, and are required by customs to represent the owner in the procedures for clearing cargo over international borders. These are regulated by the country's customs authorities, and for the case of Uganda, by the Uganda Revenue Authority. About 700 C&F firms are licensed annually by URA, and their activities supervised through an electronic document transaction system referred to as single window which is controlled by URA, as well as customs designated facilities such as the Bonded warehouses. The broader policy environment in which the C&F Industry operates is the Uganda Customs Regulations and Procedures at country level, while at the regional level, the EAC Customs Union framework the EAC Common Market protocol, as well as the COMESA related instrument do apply. All these frameworks are aligned to the International customs and trade regulations governing trade and movement of goods set by among others, the International Chamber of Commerce, the World Customs Organisation, and the World Trade Organization.

Uganda's clearing and forwarding industry is structured along 3 major associations, namely, the Uganda Clearing Industry and Forwarding Association (UCIFA), Uganda Freight Forwards Association (UFFA), and the Federation of Uganda Customs Agents and Freight Forwarders (FUCAFF) Association. Other players on the industry landscape include the importers, and related, service providers such as banking, transportation, and insurance. Other external actors of relevance to the C&F Industry include the East Africa Business Council.

2.1 FUCAFF and its Members

Federation of Uganda Customs Agents and Freight Forwarders is recognised by URA as a partner bringing together the different firms involved in C&F activities in Uganda. FUCAFF in its constitution commits to deploy her human and financial resources, and direct her operations in the most efficient way possible towards meeting the expectations of the various shareholders. FUCAFF will also position and strengthen her advocacy agenda by ensuring a cordial working relationship with all shareholders. In order to promote international trade and tax compliance by her members. Through a participatory process, FUCAFF reflected on members' expectations of the association, the expectations of FUCAFF of its members. In return for the service being provided as captured here below.

Summary of members' expectations from FUCAFF:

- To help the member in case of rejection of license application by the regulator, URA.
- To help in arbitration following conflicts / disagreements between its members and URA.
- The secretariat to have in place proper guidelines on URA licensing to guide members in the license application process.
- Members also expect the secretariat to enhance communication with the regulator/URA, to disseminate information e.g. regular policy updates, as well as communicate member issues and concerns more regularly to the regulator.
- Mobilize members to effectively participate in the association activities and pay their contributions promptly and to also attract and increase membership.
- Intervene in government (advocacy) at national and regional levels. The members expect the association leadership to have a say in the formulation of policies that promote the interest of the members and the industry.
- Members' welfare: The members expect FUCAFF to meet some of their social welfare needs for example creation of safety nets such as saving schemes which may be used in case of any eventuality that befalls a member (e.g. loss of a FUCAFF or family member of a member). Social events were also suggested to enhance member interaction, which should and also involve deferent shareholders for networking at individual and association level. Welfare programs could also cover corporate social responsibility activities in the members' areas of business, and also enhance visibility for the association
- Members do expect a strong association that pushes for members' interest.
- Members also expect FUCAFF to undertake strategic investments although these investments should not be in conflict with the business of its members.

Summary of expansions of the FUCAFF Executive of its member;

- **Payment of fees and subscriptions.** If FUCAFF is to meet the outlined expectations from its members, they in turn expect the members to remit their subscription and any others fees as agreed to by the Board which shall be ratified by the annual general assembly meeting (AGM).
- **Participation in FUCAFF activities.** The federation also does expect its members to participate in the activities of the association such as periodic meetings (AGM, regional/branch meetings, etc.), workshops, and training programs.
- **Commitment to the Association.** The federation expects loyalty from the members demonstrated through attendance of meetings, participation in elections etc.
- Moving / generating ideas / agenda to stimulate growth of the association.
- **Abide by the FUCAFF Code of conduct.** Federation members should abide by the code conduct issued to them at the time of joining the association, and use this to build brand that has a voice and can be listened to by the authorities. Members need to exhibit at most discipline knowing that a respected association is strong in advocating for the rights of its members.

- **Market the Federation.** Members will be required to market the federation through their ethical behaviour as well as inviting other individuals in the industry to join since they are aware of the benefits that they achieve from it.
- **Members to comply with URA requirements** of having a well organised office in line with requirement for URA licensing.
- **Members to lodge their license through FUCAFF** for pre-evaluation assessment and guidance.
- **FUCAFF be considered as the first channel of resolving problems.** before forwarding this to URA (advisory role)
- The secretariat to harmonise the guidelines on URA Licensing to guide members In the process of application
- Members also expect the secretariat to enhance communication with the regulator/URA, to disseminate information e.g. regular policy updates, as well as communicate member issues and concerns more regularly to the regulator.
- Mobilise members to effectively participate in the association activities and pay their contributions promptly, and to also attract and increase membership.
- Intervene In government policy (advocacy), at national and regional levels, the members expect the association leadership to have a say in the formation of policies that promote the Interests of members and the industry.
- Members' welfare: The members expect FUCAFF to meet some of their social welfare needs for example creation of safety nets such as saving schemes which may be used In case of any eventuality that falls a member (e.g. loss of a FUCAFF or family member). Social events were also suggested to enhance member interaction, and also with different shareholder for networking at Individual and association level. Welfare programs could also cover corporate social responsibility activities in the members' areas of business, and also enhance visibility of the association.
- Members do expect a strong association that pushes for members Interests.
- Members also expect FUCAFF to under-take strategic Investments, although these Investments' should not be in conflict with the businesses of its members.

To this end, FUCAFF commits to:

- a) Advocate for the rights and obligation of members. FUCAFF will champion and advocate for the rights of her members in the entire chain of their business process. We shall advocate for transparency and simplification of processes/procedures for customs operations, clearing and forwarding by government agencies and other stakeholders so that our members remain competitive and effectively promote international trade. In the same spirit, FUCAFF will advocate and lobby members to be compliant with all necessary Government regulations such as tax collection as a safety

measure to protect the member's business interests.

- b) Organise trainings for members. FUCAFF will initiate and mobilise her members to undertake necessary trainings and other capacity building initiatives promoted by URA and other government agencies as a strategy for promoting compliance of members to existing regulations. In conjunction with URA, the federation shall mobilise training and / or workshops for its members so that they are equipped with the necessary skills, knowledge and technologies in line with URA procedure for application for license and for effective customs operations. The training will also be tailored towards empowering member to improve their business and enhance growth of the association.
- c) Act as an intermediary between regulator and members. The federation will facilitate the linkage between members and in situation of dispute between URA and the FUCAFF MEMBERS. First, the federation will take lead disseminating information from the regulators intended to benefit its members. Secondly, it will also help in resolving any conflicts that may have arisen between its members and the regulator. If for instance a member is denied a license under unclear circumstances, then the association would investigate further to understand the problem and assist its member to acquire that license in whatever feasible way, without circumventing any rules/regulatory requirements.
- d) Develop policy guidelines for members. FUCAFF is tasked to formulate policies and internal guidelines to help their members comply with existing regulations. The federation enforce her ethical code of conduct among its members, which will improve the operations of its members in the industry as well support the development of the industry guidelines to be adopted at national level.
- e) Promote members welfare and growth. The federation will initiate projects aimed at helping her members become more competitive and grow their business. This will be achieved through initiation of partnerships with suppliers and other service providers, financial institutions and insurance companies with the aim of securing favourable rates for their members to become competitive.

2.2 FUCAFF and Uganda Revenue Authority

Uganda Revenue authority is the customs regulatory authority and mandated to oversee and regulate activities of licensed customs agents and freight forwarders in the country. URA therefore provides licenses to successful applicants from the different recognized C&F associations in the country, including FUCAFF, and they also have the right to withdraw a license from an agent who fails to comply with the set customs regulations. URA also organizes workshops and seminars to disseminate information on compliance as well as policy developments bound to as to affect the C&F operations. While doing this, URA expects the associations to assist their members to meet the set conditions and guidelines. URA also expects FUCAFF to function effectively, and with adequate information and capacity to organise and enforce discipline among her members and with adequate information and

capacity to organize and enforce discipline among her members. In this regard, the Federation will undertake the following initiatives:

- a) Support member to establish well equipped offices as required by URA
- b) Support members to be compliant to applicable laws and regulations, and to adopt and practice good ethical behavior such as avoiding presentation of fake documentation.
- c) Assist members have well trained and professional staff to manage and handle the Customs process
- d) Demand that all their members operate within the law.

Overall, FUCAFF will initiate programs to promote compliance with URA regulatory requirements including having adequately resourced office with basic ICT and other office equipment and tax compliance.

2.3 FUCAFF Stakeholders Value Table

In addition to FUCAFF members and URA, the federation will work with a number of stakeholders to promote interests of its members. These are listed below and ranked according to their level of importance (3 is high, 2 medium, 1 Low)

Stakeholder	Importance	Influence e and	Interests/ Positive	Concerns/ Negative Impacts	Ranking
Uganda Revenue Authority	Sector regulator	Has mandate to license and regulate operations of FUCAFF	Tax compliance by all players Unethical conduct of players	Transparency in the application of regulations including licensing FUCAFF members	3
FUCAFF members (clearing, forwarding and custom agents)	Favourable business environment	Own FUCAFF and their interests are paramount	Laws and regulations that are supportive of their business Support in meeting URA licensing requirements	Submitting fake documents to URA to avoid tax Inconsistent application of the law by URA	3
Private sector apex bodies like KACITA, PSFU and UMA	Potential partners in advocating for FUCAFF members needs	Have experience and contacts to influence policy and regulatory	Improved business environment for the private sector	Corruption, bureaucracy and Inconsistent application of laws and regulations	3
Banks and insurance companies	Provide insurance and financial services to FUCAFF members	Services for banks and financial services are required regularly by	Consistent and reliable clients	High interest rates and charges for services	2
Ministries and other Government agencies- MEACA, MTIC, UNBS, MAAIF, NDA, etc.	Administer regulations and laws that influence FUCAFF members businesses	Mandate to regulate and influence the business environment	Compliance to laws and regulations by all players	Transparency in the application of regulations	3
Importers and exporters	Provide business to FUCAFF members	Have sole discretion to give the business of transporting cargo to any entity	Safety and timely delivery of their Cargo	Delays in clearing their cargo by URA Mismanagement of their documentation for the cargo Unethical behaviors by custom agents, and forwarding firms	2
East African Community Customs Management Authorities agencies including Kenya Ports Authority	Develop and administer regulations for cross-border trade in the EAC	Mandate to develop and enforce cross border trade regulations	Desire to improve the business environment	Inability to solicit traders inputs when developing policies and regulations for cross border trade	2

<p>Other membership organizations like UCIFA / UFFA in the sector '</p>	<p>Advocate and lobby for improved business environment that benefits FUCAFF members</p>	<p>Limited influence on the regulator and individual entities</p>	<p>Joint voice in advocacy and lobbying Seek collaboration when addressing cross-cutting policy and regulatory issues in the sector</p>	<p>Improved working relationship exists with UCIFA except for UFFA.</p>	<p>3</p>
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2.3 Summary of Strengths, Weaknesses, Opportunities and Threats

2.4.1 Strengths

Experienced and well informed leadership: FUCAFF is managed by a team of very experienced leadership on the Board of Directors (BoD). The BoD comprises the Board chairperson, the Board Secretary/Director general, president and directors, who have been in the C&F industry for over 15 years. Once associated to UCIFA and are now co-founders of the association. They are well informed individuals who also have a passion for the C&F business and the federation, and are committed to promote their members rights. The committee has been able to run the functions of the federation since 2009 in the absence of a fully established and staffed secretariat.

FUCAFF has in place a constitution governing its operations and members; they also have prepared a Code of Conduct to guide members' ethical behaviour in line with the regulatory requirements. Members are provided a copy of the documents on joining the federation.

Steady growing membership: FUCAFF's membership has grown steadily since its inception in 2009 when there only 5 members. By close of the 1st year of operation, the membership had reached 30 in number. The number escalated to 100 members in 2011, but dropped and maintained at 60 members as at the end of December 2013 and as of 2023 the has risen to 120.

FUCAFF has capacity to register increased growth in membership once the secretariat has been put in place and is fully functioning, as this would enable it better deliver the expected membership services.

Ability to engage with URA: FUCAFF's Executive Committee has varied experience and history in engaging URA for the benefit of its members. The BoDs had met with the Commissioner General of URA in the past, to discuss issues pertaining to their members and engaged her to fruition.

2.4.2 Weaknesses

Limited financial resources: FUCAFF depends entirely on member payments to finance its activities and thus impacted on their capacity to recruit staff as well as adequately plan for the medium and long term. In the absence of effective administrative processes, follow-up on unpaid dues among members is difficult, and this is aggravated further by the declining interest and commitment by members.

Incomplete Governance structure: The governance structure of FUCAFF is not yet full constituted, and only has the Board and management is in place. Also not in place are

the committees for each directorate, and the office administrator of the secretariat and the technical and support personnel working for the secretariat. The incomplete governance structure definitely hampers the operations of the associations and therefore inability to fulfill its objectives.

Lack of commitment by some members: Some of the members of the association are not committed, they disappear and do not consistently participate in the activities of the association e.g. AGMs, elections and workshops. But on facing any challenge probably during application for the customs agency license, they return to the association pleading for help. Such members are also reluctant to honour their subscriptions as required by the Constitution.

Weak Knowledge / capacity on policy issues in the sector: There is generally very little knowledge of policy issues in the sector by the FUCAFF members. Their capacity therefore to impact on the industry by advocating for policies that promote members interests and improve their capacity to compete favourable with other similar associations in neighbouring countries is very limited.

Weak External relationship: FUCAFF has very weak external relationships with especially other relevant associations in the country and as well as other similar association in the EAC region, yet this is important for coordinated advocacy on crosscutting issues, establishing networks and contacts, and strengthening the horizontal and vertical linkages therein.

2.4.3 Opportunities

Regional Integration: The East African states of Uganda, Kenya, Tanzania, Rwanda, Burundi and likely South Sudan are bound by the East African Community Customs Union and creating a Single Customs Territory for these, excluding Tanzania and Burundi. This integration poses an opportunity in terms of increased clientele for the FUCAFF members. FUCAFF needs to broaden its networks in the participating countries in order to link into the logistics network through the main corridor routes which transcend through Uganda.

Growing Industry/Sector. The industry is growing as many individuals as well as companies are joining the industry. These individuals/companies are potential members to the association and can therefore boost the growth of FUCAFF.

Development funding opportunities: Trade facilitation is recognised as a key factor for increased market access and trade, and supportive of the regional integration process. This was further reinforced with the signing of the WTO's Trade Facilitation Agreement in 2013, and thus anticipated increased financing for trade facilitation activities. Prospective partners such as AfDB, TMEA, DFID, USAID, etc. could be willing to

partner with associations such as FUCAFF to help build capacity of the stakeholders in the industry. With such additional funding sources, FUCAFF should be in position to finance their development activities and in the process attract new members to the association.

2.4.4 Threats

Unethical behavior/practices in the industry: The industry at the moment is characterized with individuals out to destroy the otherwise good image of FUCAFF to the extent that they give false information to the regulator concerning the operations of the association with an intention of blackmail.

Growing competition from other associations and multinationals: There are more associations coming up and looking at the same pool of agents and forwarders, this coupled with multinationals that do business on their own without the help of associations such as FUCAFF are a threat to the growth and development of FUCAFF. Multinationals may even be in a better position to influence policies in the industry that favour them but are not necessarily favorable to FUCAFF members.

Regional Integration: Although integration was seen as an opportunity earlier, it could also be a threat. With integration comes the more experienced associations from stronger economies such as Kenya that may actually attract FUCAFF members to join them. It is imperative therefore, on FUCAFF executive to have a better strategic plan in readiness to effectively respond to the perceived threats from the integration process.

SECTION 3: STRATEGIC FRAMEWORK

This section presents the strategic framework for FUCAFF for the next three years, based upon a reflection on FUCAFF's performance since inception, opportunities and threats from its operating environment the strategy is informed by the desire to deliver meaningful development to the customs and freight industry.

3.1 Vision

FUCAFF'S Vision is "To be an effective and competitive private sector organization in Uganda that emphasize transparency and tax compliance"

The federation will undertake initiatives to be a well-established and influential partner with Uganda Revenue Authority in customs policy development. Regulations, tax compliance and capacity building of customs agents in core areas of their business: The federations' aspiration is to improve the relationship between the regulator and its members as well its competitors by promoting dialogue and corporation in addressing business and development challenges in the sector.

3.2 Organizational Mission

The mission statement for FUCAFF is “ To engineer the sector's growth by promoting dialogue on policy and business environment, fostering, tax compliance, encouraging, ethical conduct and transparency by all stakeholders”.

3.3 Values:

To achieve the vision and mission articulated in this Strategic Plan, FUCAFF and her staff will be guided by a set of core values designed to promote vertical and horizontal accountability and responsibility. These core values are also designed to motivate staff towards professional excellence, innovation and productivity. FUCAFF will increasingly be known for the following values:

- ✓ Courtesy: Respect everyone irrespective of their background and status.
- ✓ Result-oriented: FUCAFF will be committed and work hard to achieve desired change in the industry for its betterment.
- ✓ Integrity, transparency and accountability: FUCAFF will endeavour to be truthful, reliable and answerable for all her actions and will maintain high ethical and professional standards.
- ✓ Team work: We value and support each other in our duties.
- ✓ Non-discrimination: FUCAFF committed to a policy of non-discrimination and equal opportunity for all race colour, religion, creed, gender, identity or disability. FUCAFF is also committed to compliance with all applicable laws regarding non-discrimination.
- ✓ Social and environmental responsibility: We are duty bound to promote and protect the broader interests of the communities and the environment within which we operate.

3.4 Strategic Goals

Driven by the desire to achieve her vision and mission, FUCAFF will pursue three broad goals over the next three years. Selection of these goals has been based upon a thorough reflection on the federation's internal capacities and the existing needs of her members and other stakeholders in the industry. The goals to be pursued are:

Goal I: To strengthen institutional, management and governance structures /systems of the federation. This will be achieved through:

- i. Establishment of a fully-fledged secretariat with core staff and office facilities necessary for the effective realization of the federation's vision. This will include establishment of branch offices.
- ii. Improvement in the governance structure and systems of FUCAFF.

- iii. To diversify and broaden / increase the source of revenue (improve resource mobilization) so that the federation's activities are implemented as planned.

Goal 2: To advocate and lobby for a favourable business environment in the sector.

This will be achieved through:

- i) Undertaking research on legal and policy and other pertinent issues in the sector to inform advocacy positions and reform proposals
- ii) Promoting a good working relationship with URA and other stakeholder in the industry.
- iii) Networking with other organization on advocacy issues of common interest.

Goal 3: Improve membership services. FUCAFF will undertake initiatives to improve delivery of membership services and these will include:

- i) Enhance communication and information sharing among federation members by creating a centralized information system
- ii) Conduct and facilitate training and other capacity building related programs for members in core areas of their businesses.
- iii) .Recognize and promote ethnical practices in the industry.
- iv) Create an ICT/Web based platform to support tracking of cargo for members.
- v) Undertake initiatives to promote membership welfare.
- vi) .Negotiate favourable packages and rates for members from suppliers and service providers like insurance companies, banks, etc.

Goal 4: Be promoters of the Logistics & Transport supply chain in the region and on the international scene.

3.5 FUCAFF's Strategy Summary

In an effort to achieve the organisation's vision and mission, FUCAFF will focus on instituting a properly facilitated and staffed secretariat. The secretariat will increase on the visibility of the federation and probably boost advocacy work that the association was formed for. FUCAFF secretariat should ensure that it has regular access to up to-date information on both the policies and legal matters that pertains the sector as well as finding proper / appropriate mechanisms to have this information reach the intended stakeholders, especially her members.

FUCAFF's strategy is focused on rebuilding a good working relationship between its board and the regulator who in this case is Uganda Revenue Authority. The relationship should be cordial and geared towards improving the ease with which import and export taxes are collected and fighting any ugly tendencies of fraud that may manifest from its

membership.

FUCAFF shall not involve itself in investments that directly compete with its members but rather those that would complement them.

FUCAFF could, if well-established, negotiate for its members better rates in say the banks, warehouse owners at the port and may be fuel stations that would expect to have at least 5 members of FUCAFF getting services from them on a daily basis. This kind of arrangement could encourage growth of numbers amongst members as well as quick payment of their annual obligations.

3.1 Goals and Priorities

This section presents a performance framework for attainment of different strategic objectives. The framework presents short and medium term targets for each specific objective, corresponding strategies and accountability/responsibility centres.

3.6.1 Goal 1: To strengthen institutional management and governance structures /systems

Specific	Strategies	Strategic actions and Targets	In charge
3.6.1.1 Establish a fully flagged secretariat	<ul style="list-style-type: none"> ➤ Identify suitably located office premises ➤ Establish and define procedures for staffing of the secretariat ➤ Build capacity on available technologies for secretariat staff ➤ Facilitate the office with all the necessary equipment including developing a website for FUCAFF 	<ul style="list-style-type: none"> ➤ Rent office space around Kampala that is easily accessible to members and key stakeholders ➤ Recruit a CEO and two other staff with the ability to drive and ... ➤ Fully equip the office with at least 3 workstations for the staff and one for members consultations ➤ Design a website and post as much information concerning the industry as possible. 	<p>Board</p> <p>Projects Committee</p> <p>CEO</p> <p>Consultant</p>
3.6.1.2 Improve governance structure and systems of FUCAFF	<ul style="list-style-type: none"> ➤ Undertake to fill the vacant positions in the entire governance structure as defined in the FUCAFF Constitution. ➤ Create communication platforms to provide feedback on performance of the secretariat. ➤ Clarify and streamline different roles in the governance structure. 	<ul style="list-style-type: none"> ➤ During the next AGM, elect officials to fill the vacant posts ➤ Review the constitution to simplify and eliminate overlaps in the governance structure ➤ Put in place committees for the different directorates e.g. Finance, Investment, and welfare with committed members who want to see the organization move forward. ➤ Hold quarterly board meetings <p>Conduct performance appraisals for the CEO and the different directorate heads</p>	<p>Board</p> <p>Projects</p> <p>Committee & CEO</p>
3.6.1.3 Diversify and broaden / increase the source of revenue (improve resource mobilization).	<ul style="list-style-type: none"> ➤ Widen the sources of funding Strategically position yourself with viable donors and partners who can work with you Create more trainings opportunities by bringing on board experts in the different areas of members needs 	<ul style="list-style-type: none"> ➤ Mobilise more members to join the association ➤ Improve on revenue collection techniques to ensure all members meet their obligations to the association. ➤ Organise trainings and workshops for the members and potential members at a fee Design t-shirts, caps, diaries for members at small price Undertake training in resource and board members. ➤ Prepare fundraising proposals and solicit for project funding from donors and other corporate companies 	<p>Board</p> <p>Projects & CEO</p> <p>Consultant</p> <p>Consultant & Partners</p>

3.6.2. Goal 2: Advocate for a favourable business environment in the sector

Specific Objective	Strategies	Strategic Actions / Targets	Responsible Person
<p>6.2.1 To promote a good working relationship with URA and stakeholder in other the industry</p>	<ul style="list-style-type: none"> ➤ Support members' compliance the' regulatory requirements ➤ Support regulation and compliance by weeding out the fraudsters who forge documents ➤ Make regular contact with the regulator to share and exchange information 	<ul style="list-style-type: none"> ➤ Prepare and adopt a communication strategy for FUCAFF aimed at defining the communication channels and strategy for both internal and external communication with URA and other agencies ➤ Undertake regular formal and informal meetings on issues in the sector in a diplomatic way with URA and other stakeholders in the sector ➤ Prepare a policy guideline detailing the requirements of the regulator and invite FUCAFF members for a training /workshop to walk them through ➤ Prepare a byelaw on compliance to regulations and related disciplinary actions for members found to default/guilty and enforce these Initiate and maintain personal contact and informal communication channels with key officials in URA and other Government agencies ➤ Using feedback from FUCAFF members and other sources, regularly seek dialogue with URA and other government agencies to discuss the operational and business environment issues arising and experience by members in the course of the work, including the non-tariff barriers 	<p>Consultant Board Projects</p> <p>Committee C.E.O C.E.O</p> <p>Consultant</p> <p>Consultant</p> <p>C.E.O</p>

3.6.3. Goal 3: To improve on membership services

Specific Objective	Strategies	Strategic Actions / Targets	Responsible
3.6.2.2 To undertake research on legal and policy and other pertinent issues in the sector	<ul style="list-style-type: none"> • Enrich the secretariat with information • Create an information bureau at the secretariat 	<ul style="list-style-type: none"> • Mandate the secretariat to initiate research on relevant policy and regulatory issues of interest to FUCAFF members • Prepare and adopt an advocacy and research agenda annually. • Commission research (using both internal and external staff) on pertinent issues and disseminate findings widely. • Liaise with the ministries of trade and industry, and finance to further research on the policies and other issues especially as they relate to improving the business environment in Uganda. 	<p>Board Projects</p> <p>committee & CEO</p> <p>CEO</p>
3.6.2.3 Network with other organization on the issues of common interest.	<ul style="list-style-type: none"> • Establish Rapport with other associations like UCIFA, UFFA and others in the region of East African Community • Identify and engage other associations from other countries in the EAC area that you can work with • 	<ul style="list-style-type: none"> • Reach out to UCIFA/UFFA and combine forces on cross-cutting matters that affect the sector. • Maintain membership to other apex private sector bodies In Uganda and seek partnership and support while addressing pertinent 	<p>CEO and Consultants</p> <p>CEO</p>

3.6.3 Goal 3: To Improve on membership services

Specific Objectives	Strategies	Strategic Actions / Targets	Responsible Person
3.6.3.1. To create centralized information system	<ul style="list-style-type: none"> Have a website and automated services 	<ul style="list-style-type: none"> Design a website to increase on visibility and accessibility to information by members Prepare an automated and web based registration and reporting system for members 	CEO and Consultant
3.6.3.2. To conduct and facilitate training and other capacity building related programs.	<ul style="list-style-type: none"> Organise customs training with partners to benefit the members. Participate in exclusive trade facilitation and customs networking sessions and business missions. Participate in forums, feedback & dialogue sessions with stakeholders in the trade facilitation industry 	<ul style="list-style-type: none"> Define member training needs and prepare a training programme which would run quarterly or semi-annually. The focus could be on members' core businesses and to disseminate regular updates from URA. Prepare members evaluation and feed forms on key activities and processes of the association and design internal mechanisms to address the issues raised Prepare exclusive networking and business sessions to allow members the opportunity to Interact with other actors in the C&F industry 	Consultant and C.E.O C.E.O C.E.O
3.6.3.3 Recognize and promote ethical practices in the industry.	<ul style="list-style-type: none"> Ensure that the code of conduct is adhered to 	<ul style="list-style-type: none"> Disseminate the code of conduct document to every member. Put in place a visible mechanism of punishing errant member who fail to adhere to the set rules. Undertake punitive measures including exposing member who are fraudulent and have refused to reform even after FUCAFF intervention. Organise annual awards for best performing members on tax compliance among others 	C.E.O BoD & C.E.O C.E.O BoD

3.7 FUCAFF Governance and Management

The Board of Directors is the supreme governance organ of FUCAFF, and it consists of the Board chairperson, Board secretary/ Director General, the President, other director, and project heads, and 2 other members who are all either in customs or freight forwarding business. The board of directors is charged with setting the strategic and policy direction of the association, to approve the budget, monitor performance, control human resource, conduct oversight and evaluate direction of the association; set the leadership mission; develop a resource base for the company; maintain good external relations and image; and appoint the President. The BOD is to meet regularly as provided for under the memorandum and articles of association.

In light of new programme areas, the FUCAFF board may need new competences for effective oversight of organizational activities. In this context new Board members working as full members or as ex-officials will be required. In this context, there will be need to assess and identify new competences needed for new oversight functions. On the basis of these findings, the Board size may be expanded or choose to co-opt other professionals as ex-officials to the Board for its effective functioning.

A lean management team in charge of the day to day operations of FUCAFF should be put in place led by a President. The President will be supported with a project officer and a secretary who should be equipped with basic accounting skills. The program officer will be tasked with ensuring that the IT system is up and running and also regularly update and maintain the website to promote visibility for the organisation.

SECTION 4: FINANCING OF THE STRATEGIC PLAN

The strategic plan will be financed from different sources including the FUCAFF member contributions, grants from donors/development partners, other corporate companies' sponsorship and bank loans. These sources are elaborated below:

FUCAFF member contributions: This shall be the main source of financing for the strategic plan activities and investments. This is set to increase with the anticipated growth in membership over the planning period as membership is expected to grow to 250 firms from the current 120.

Internally Generated Funds: FUCAFF, through its secretariat will initiate investment projects that generate some revenue while delivering the much needed services to member. These will include the training programmes, workshops, magazines, etc. All realised net profits will be expansion of the investment projects.

Grants from Donors: FUCAFF will seek donor financial and technical support and collaboration in the delivery and financing of community development projects. FUCAFF staff and members will also actively participate in calls for proposals by development partners and other CSOs with the purpose of generating additional

financing for development work in the region. FUCAFF s' focus will be to guarantee the counterpart financing from its core financing source. Collaborations with partners could also be sought for the projects formulation and design activities.

Corporate/Company sponsorship: FUCAFF will approach corporate companies in the telecom, beverage and manufacturing mining and exploration, etc., and invite these to support their activities such as the awards for best performers, etc.

Bank loans: FUCAFF will consider acquiring bank loans to finance investment projects with an income inflow stream. The Directors will get loans at favourable terms to finance capital development.

SECTION 5: PERFORMANCE MANAGEMENT

This section presents information on roles of different stakeholders and defines the mechanism for monitoring and evaluating progress against different targets for the plan.

5.1 Roles of Different Structures

The obligation of ensuring that all targets set in the strategic plan will be shared by both the board and management. Key roles of the different structures are highlighted hereunder:

Board of Directors

The Board of Directors is the ultimate authority for ensuring attainment of different targets set within the strategic plan and their roles will include:

- Holding the management team accountable for each target defined within the plan
- Commissioning a mid-term and end of plan evaluation on progress in achieving set targets, identify emerging issues hindering or facilitating achievements of set objectives and identify appropriate actions for improving or consolidating performance.
- Putting in place an appropriate performance management and measurement system
- Sourcing for finances to implement community development and FUCAFF projects as identified in the plan
- Establishing a conducive working environment for successful implementation of the plan and pursuance of FUCAFF mission and vision
- Ensuring that there is proper and professional management of the FUCAFF and its projects
- Conducting annual performance reviews and making appropriate

- recommendations for implementations by management.
- Holding Annual General Meetings

Management Team

The management team comprises of the President, Program Officer, and the Director General/ secretary. The President is the head of the management team and is responsible for all the day to day operations of FUCAFF. The responsibilities of the management team are:

- Preparing annual operational plans (work plans) and implementation reports for submission to the Board of Directors for review and approval. Operational plans and implementation reports should follow different strategic objectives and targets as defined within this document.
- Translating strategic plan performance targets into short-term and individual or departmental targets for each staff member.
- Directly take charge of day-to-day management of FUCAFF and its project activities.
- Supervising and giving guidance to staff members on different issues needed for successful implementation of the plan
- Conducting annual staff appraisals.
- Making appropriate project proposals and performance management recommendations to the Board needed for proper implementation of the plan.

5.2 Performance Monitoring and Evaluation

Successful implementation of the strategic plan will require close monitoring and evaluation by different stakeholders. Monitoring and evaluation of the strategic plan will be aimed at taking stock of FUCAFF's achievements, identifying lessons learnt and taking appropriate actions for improving performance of FUCAFF's interventions. In monitoring and evaluating the strategic plan, reference should be made to different targets within given timelines to ascertain the magnitude of change resulting from FUCAFF's interventions in the day to day lives of the local citizens.

Over the duration of this Plan, M&E will be undertaken as a strategic and integral component of programmatic and institutional strategy. As a strategic component, M&E will focus on institutional level organizational performance linking institutional processes and resources to program scope, delivery and effectiveness. As an integral component, M&E will be undertaken in a participatory manner, as part of the day to day service delivery.

Overall performance of FUCAFF will be measured focusing on the following parameters:

Institutional growth benchmarks achieved: This parameter covers evidence of actions to strengthen the institutional and management capacity of FUCAFF. Actions to be monitored will include the existence and quality of governance instruments, quality of office infrastructure, ICT infrastructure, working environment, staff retention capacity and skills quality of personnel.

Evaluation of Staff Performance and Productivity: This will be the micro-level evaluation focusing on individual FUCAFF staff. At this level, M&E will focus on the performance and productivity of individual staff. While informal staff evaluations will have taken place over time, this will be made more systematic in terms of periodicity, feedback and action. In addition to annual staff performance agreements, standard staff performance and productivity evaluation criteria will be developed and used in conducting M&E at this level.

Evaluation of Tangible Outputs: Monitoring and Evaluation at this level will focus on determining the level of success in delivering on specific service outputs under individual contracts. The process seeks to ascertain the tangible outputs that have been completed as part of the ordinary course of FUCAFF's business. All services will be evaluated annually through an internal M&E process. Some of the tools to be used in this case include service reports, monthly performance reports to the board and audit reports.

The Board shall undertake annual, mid-term and end of plan evaluation/reviews while management will carry out quarterly reviews of the plan implementation. Project officers will carry out monthly reviews. Annual staff appraisals will be carried out as part and parcel of the process for managing performance according to the plan.

In order to make monitoring helpful to all stakeholder, revisions will be made to the current performance management system and baseline surveys will be carried out on different aspects to aid setting of realistic targets. In addition new monitoring tools may be developed to aid the monitoring process. As part of the Monitoring and Evaluation (M&E) process, top management and the board will review and refine the plan annually.

An external resource person may be hired to facilitate annual, mid-term and end of plan reviews. This will enable the Board and management to objectively assess progress and take action to address any emerging issues.

A Financial audit shall be carried out annually by an independent firm, and the process shall be informed by the availability of finance documentation compiled over the period.

The financial audit report shall be presented to the AGM for approval.

This Strategic Plan can be adjusted due to prevailing circumstances including **force majeure.**

Approved by,

Board of Directors.