

CONSULTANCY TO REVIEW AND HARMONISE THE TOURISM LICENSING AND TAXATION FRAMEWORK

TERMS OF REFERENCES

Location	Kampala, Uganda
Languages Required	English
Starting Date	-
Duration of initial contract	80 workdays
Expected duration of assignment	80 workdays

1.0. INTRODUCTION

Government of Uganda has received credit from World Bank towards implementation of the Competitiveness and Enterprise Development Project – Additional Funding (CEDP-AF). The Project Development Objective is to support measures that facilitate increased private sector investment in the tourism sector and strengthen effectiveness of the land administration system.

The project is providing support to strengthen Uganda’s core tourism offerings and modernize and professionalize tourism-related institutions to enable them to better facilitate and coordinate private investment into the sector. This will be achieved through upstream planning and policy and regulatory

The CEDP-AF will be used as an opportunity to conduct a review of the taxation and licensing regime in the tourism sector, and to propose possible reforms to relieve the burden exerted on the sector.

2.0. BACKGROUND

The Government of Uganda in its third National Development Plan (NDPIII) has identified tourism as one of the primary growth sectors for transforming Uganda into a middle-income country.

The Tourism Development Master Plan 2014/24 provides a broad framework of actions required to enhance the Local Government prioritisation and management of the tourism sector towards a more inclusive, productive and competitive industry contributing to the National Development and the Vision 2040.

Tourism related businesses continue to be targeted for revenue collection by Local governments through; Trading licenses, Hotel tax and Local service tax. However, these revenues have not been invested in industry development, enforcement of standards and marketing tourism to grow the industry. To address this anomaly, The Master Plan proposes a number of strategic interventions, including the review and update of the Uganda Tourism Act (2008) to strengthen the registration and licensing of tourism enterprises and services. In the same regard, Uganda’s Competitiveness and Investment Climate Strategy identifies Tourism as a priority sector for the business licensing reforms. The planned implementation of the tourism licence and Levy provided in the tourism act 2008, further strains these businesses.

In order to make export / foreign exchange earning sectors more competitive, the basic premise of Government, is, not to export taxes. Therefore, the Tourism sector despite earning vast foreign exchange, continues to pay various taxes to the Government unlike other foreign exchange earning sectors.

The licensing structures recently imposed by the various government agencies have not been subjected to adequate stakeholder consultation and therefore lack documented and alternative view points of the affected parties.

The assessment structures of the fees payable by the enterprises is not based on a sound principle, for instance the copy right law fees are assessed on the presumed basis of the size of the entertainment area rather than on the utility of the particular music that is protected by the law.

Given that the landscape of the international tourist market offers a wide range of options to the visitors, the competitiveness of the destination is mainly hinged on the value proposition and cost to the visitor.

The tourism sector is therefore seeking to undertake a study that will provide the fiscal policy options to respond to the arching national objectives of private sector productivity, competitiveness and job creation in the economy.

3.0. RATIONALE

The harmonisation of the tourism licensing and levy collection framework is premised on the need to:

1. Provide a competitive Fiscal environment to lower the cost of travel and tourism business in Uganda
2. Protect tourism enterprises from predatory revenue schemes and ensuring value creation and growth
3. Provide an enterprise support programme that will boost efficiency and resource mobilisation for tourism development

4.0. DESCRIPTION OF THE ASSIGNMENT

4.1. Objective of the assignment

The overall objective of the assignment is to develop the tourism services licensing framework, considering the structure, reform and harmonisation of applicable fees in the local governments.

4.2. The specific objectives of the consultancy include;

- i) To propose a legal and administrative framework for the harmonisation of the tourism levy, hotel service tax, the trade and tourism licensing of the tourism enterprises in line with regional/international best practices.
- ii) To propose the licensing requirements and fees structure for tourism enterprises.
- iii) To propose revenue sharing and utilisation formulae for the key stakeholders.

4.3. Scope of Work

As part of the interventions to support the development of a harmonised tourism financing and licensing framework, the project is seeking the services of a consultant to undertake this activity.

The consultant will undertake the following tasks;

- i) Undertake an in-depth stakeholder consultation and literature review on the justification for enterprise licensing reform in the tourism sector.
- ii) Conduct a performance assessment of the existing tourism licensing regime and levy in bid to establish the gaps and critical areas of improvement.
- iii) To develop a framework based on best practice for the administration, and sharing of licence fees and levy collection of the tourism sector.
- iv) Facilitating the consultation meetings to review survey methodologies and research tools and validation workshop. In addition, the firm shall co-opt and facilitate the project team staff during the assignment duration.
- v) the costs of producing, printing and distributing survey tools, equipment, information materials and reports required to successfully carry out the assignment.
- vi) Facilitating project review meetings during implementation usually around report delivery dates.
- vii) The organization and implementation of any consultation activities, including logistics, local travel, accommodation, survey and analytical tools/software, printing and editing of documents, etc.
- viii)

4.4. Deliverables

The key deliverables of this assignment include;

- i) An inception report outlining the methodology and programme for the assignment. 2 weeks/10 days after contract award
- ii) Report on the stakeholder consultation and background study on the tourism licensing and levy reform 5 weeks after contract award
- iii) A framework for the administration and sharing of the licensing and levy collections. 16 weeks after contract award

Total consultancy duration is 80 working days equivalent to 16 weeks

4.5. Reporting

The Firm will report to Contract Manager

At Ministry of Tourism, Wildlife and Antiquities
2nd Floor Rwenzori Towers

Plot 6 Nakasero Road
P.O Box 4241, Kampala, Uganda

A copy of each report shall be submitted directly to the World Bank Task Team Leader, CEDP, Rwenzori House Floor 4 Lumumba Avenue

5 EXPERIENCE AND QUALIFICATIONS OF THE CONSULTANT(S)

5.1 Qualifications of Firm

Consultancy firm/team

- ❖ The consultancy firm/team should have core business services and products in quantitative and qualitative research with strong experience in consumer market research and preference for tourism research and surveys;
- ❖ Have extensive international, regional and national experience in the design, preparation, implementation and analysis of quantitative and qualitative consumer research;
- ❖ Have highly competent research, and statistical technical experts with recognized international and national experience with relevant education, and training in tourism quality assurance;
- ❖ Have a strong understanding of the TOR and practical approach proposed to meet TOR requirements in a timely and cost-effective manner
- ❖ An understanding of the tourism value chain
- ❖ An understanding of environmental, gender, inclusion policies

Key Staff Qualifications

The Firm will ensure that the appropriately qualified expertise is identified and arranged as required for each of the different tasks outlined above.

A preliminary list of experts is provided below:

Team Leader – competency requirements for the team leader are as follows:

Technical Competencies

- Master's degree in economics, tourism economics, tourism management, taxation, trade policy, law or related field;
- Knowledge of the Tourism Industry and stakeholders;
- At least five (5) years of relevant professional experience in conducting similar assignments in the field of tourism and/or business;
- Understanding of the global tourism industry and trends in context of the East African region;
- Proven experience in report writing and drafting.
- Record of publication and production of review reports

Functional competencies

- Excellent analytical skills.
- Excellent ability to communicate in English both written and spoken, and to work in a team.

Personal Competencies

- Demonstrates integrity and ethical standards.
- Positive, constructive attitude to work.

In this assignment the consultant will constitute and lead a team of experts from the following fields

1. A Tax and Finance Specialist

Qualifications, Skills and Experience:

- The applicant should preferably hold a degree in Bachelors of Commerce, Finance, and Accounting, Business Administration, Economics, Actuarial Science and Statistics
- Working knowledge and operational experience in the application of the Income tax, the VAT law & relevant tax laws.
- A minimum of three or more years' experience in the handling taxation matters.
- Past working experience with a reputable international Audit firm
- Membership to Professional Associations like ACCA, CPA, CIMA etc will be an added advantage
- Previous use and thorough understanding and operation of data analysis software will be an added advantage.
- Must have demonstrated knowledge of tax and the operations of companies in the Tourism Sector
- Must demonstrate thorough understanding of data analysis, Tax Planning, Taxation Accounting and Tax Audit
- Working knowledge of how to prepare and interpret final accounts for multinational companies.

2. A local Government Specialist

Required Skills and Experience

- Master's degree in public administration, development studies, economics, political sciences, social sciences, or other related areas.
- Minimum three years of professional experience in the field of local governance and local development;
- Proven knowledge, expertise and practical experience in design and delivery of assistance to local governments; including in local planning and policy design; public consultations, local financial management; local infrastructure projects, etc.;
- Excellent understanding of the overall political, administrative and institutional set-up of local governance;
- Rich previous experience in partnering and interaction with governmental institutions at state/entity/local levels, as well as with civil society organisations;
- Familiarity with key public documents, strategies and trends related to local governance;
- Fluency in English;
- Excellent computer skills (especially Microsoft office applications) and ability to use information technologies as a tool and resource.

3. A Trade and Private Sector Specialist

Required Skills and Experience

Educational Qualifications:

- Master's degree in International and Development Economics, Trade, Public Financial Management or related fields.

Experience:

- Minimum of 12 years of hands-on experience in trade and macroeconomic policies and analysis;
- Trade and private sector expertise
- Experience working with private/public sector trade related research institutions;
- Excellent knowledge on global trade institutions and systems particularly the WTO;
- Research and data collection experience with a focus on Trade and the Private Sector;
- Sound knowledge about the private sector;
- Ability to hold discussion with government senior officials, private sector and development co-operators;
- Excellent ability to write clearly, insightfully and persuasively in an accessible, journalistic style.

4. A Legal Specialist

Required Skills and Experience

Education:

- Advanced degree in law; international law or Business/Tax law

Skills and Experiences:

- Member of the Uganda Law Society with at least 10 years post- qualification experience in finance and taxation law and/or Licensing,
- Experience in Uganda's taxation and licensing system/laws,
- Excellent knowledge of and experience in taxation and licensing issues,
- Excellent command of spoken and written English,
- Ability to work independently and as part of a team,
- Excellent interpersonal skills.