

# **RESEARCH ON UGANDA'S FISCAL POLICIES AND THEIR ADJUSTMENTS TO FULLY CAPTURE THE POTENTIAL OF THE PRIMARY AGRIBUSINESS VALUE CHAINS**

## **Terms of Reference**

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### **Introduction**

SEATINI Uganda in partnership with Oxfam in Uganda is implementing the Power of Voices-Fair for All Project. The project seeks to strengthen the capacity of CSOs to create space and mobilize the demands of small-scale producers to contribute to more inclusive and sustainable agribusiness value chains (focus on agriculture, specifically coffee and horticulture) that respect land rights and promote grassroots women's rights and economic empowerment in Uganda, as well as a conducive environment that promotes equal opportunities for individuals and businesses, resulting in poverty reduction, better service delivery and sustainable business practices.

As part of the strategies to achieve the project objectives, SEATINI Uganda and Oxfam intend to conduct a study on Uganda's fiscal policies and its adjustments to fully capture the potential of the primary agribusiness value chain.

### **Context and Background**

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Uganda is predominantly an agricultural economy with the sector contributing over 20% of the GDP of Uganda (Ministry of Agriculture, 2020). More still, although the biggest part of Uganda's population is employed in the agricultural sector, its contribution to revenue collections in the country has remained minimal. In FY 2019/20 the sector contributed just UGX 14.9 million in revenue or 0.09% of the total revenue collections of the year. This is partly attributed to the fact that information on the fiscal policies within the agricultural sector is not readily available hence limited capacity of various stakeholders to maximize the full potential of the primary agribusiness value chain.

In terms of revenue mobilisation, there is a lot of tax avoidance and evasion, by actors engaging at different value chains within the sector. Partly as a result of this, Uganda is losing over 500

million US dollars annually. To illicit financial flows hence reduction in the amount of revenue available to finance social services. Additionally, some of those engaged in the sector are not fully aware of their need to contribute to the revenue basket hence remaining unresponsive. More still, the sector has had limited benefits in terms of allocation from the national budget. For instance, in FY 2021/22, the agro-industrialisation programme received only Ugx 1.67 trillion representing 3.7% of the national budget. This has contributed to crippling the sector with the various stakeholders engaged in it hence registering limited benefits and thus resorting to subsistence farming. As a result of these challenges, the country has not been able to maximize benefits across the primary agribusiness value chain.

## **The Task**

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SEATINI Uganda in partnership with Oxfam in Uganda is seeking for consultancy services to conduct a study on the fiscal policies in the agribusiness primary value chain.

The objectives of the study are:

These are my proposed objectives

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- To establish extent to which the existing tax policies contribute to revenue leakages within the agribusiness value chains.
  - To assess the revenue potential of the agribusiness value chain and its contribution to domestic revenue mobilization in Uganda.
  - To assess the extent to which government investment/allocation to the agricultural sector maximizes benefits from the sector.
    - To provide recommendations on how the fiscal policies can be adjusted/reformed to maximise benefits across the agribusiness value chains.

## **Scope of assignment**

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The consultant is expected to develop a study on fiscal policies within the primary agribusiness value chains.

The study should provide case studies on the primary agribusiness value chain on major crops within the project districts including West Nile (Arua, Zombo, Nebbi) and Mubende. Specifically focussing on Coffee and Horticulture value chains.

The study will focus on the five past financial years.

### **Expected deliverables**

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- A complete study report on fiscal policies in the primary agribusiness value chain.
- A Policy brief.

### **Duration**

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The study will take 2 months

### **Management of the process**

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- The Consultant will be working closely with SEATINI Financing for Development / Tax Justice Team.
- The Executive Director of SEATINI Uganda will oversee the process

### **Qualifications of the Consultant**

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The suitable consultant shall have the following qualifications:

- At least a master's degree in a relevant field in the area of planning, public policy, development economics, law and tax.
- A thorough knowledge of the decentralisation processes and Local Revenue Mobilisation in the Ugandan context and analytical skills.
- Excellent skills in written and spoken English.

### **Method of application**

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- The consultant will submit a technical and financial proposal with an indicative budget including tax. It should be followed by a CV and an Expression of Interest that highlights previous similar experiences.

- Submission deadline by COB 30th March 2022 to [nregina@seatiniuganda.org](mailto:nregina@seatiniuganda.org) and cc: [info@seatiniuganda.org](mailto:info@seatiniuganda.org).