



**CONSULTANCY: ENHANCING EQUITABLE SUBNATIONAL REVENUE
MOBILIZATION IN NEBBI MUNICIPALITY**

TERMS OF REFERENCE

Introduction

SEATINI Uganda in partnership with Oxfam in Uganda, Public Affairs Center (PAC) Uganda and the Advocates for Research in Development (ARID)-Uganda are implementing a project titled: “Enhancing Equitable Subnational Revenue Mobilization.” The objectives of the project are to; strengthen the capacity of Local Government officials in administration of property taxes; enhance the capacity of property owners to understand the laws and regulations around property rates; and promote dialogue between citizens and duty bearers on property tax.

One of the activities to be implemented is to review Local Revenue Enhancement Plans (LREPs) to exploit all possible sources of revenue including property tax.

Problem statement

Although Section 77 (1) of the Local Government Act 1997 (Cap243) empowers Local Governments to formulate, approve and execute their budget and plans and to collect revenue and spend it, most LGs are unable to finance their budgets from locally generated revenues to support their development needs. Local revenue forms a core means of building an independent and accountable local government system. A scoping study conducted by Oxfam and Southern and Eastern African Trade and Information Negotiations Institute (SEATINI) in 2019 revealed that on average during the last financial years (2014 – 2019) 10 districts raised an average of 349 million annually with a total local revenue contribution of between 4.2% and the lowest being 0.7%. Local Revenue was mainly generated from market fees, Local Service Tax, Land fees, business licenses, animal and crop husbandry related levies, rent & rates from private entities, and royalties. As such these local governments have over the years remained dependent on conditional and other grants from the central governments with minimal resource flexibility to fulfill their responsibilities of delivering economic and social services including: agriculture extension services, public health services, primary and secondary education, roads, water and sanitation.

Furthermore the “operationalization” of guidelines for the Public Finance Management Act (PFMA) of 2015 for LGs and the many PFM Regulations that are not yet popularized are making management and administration of local revenue cumbersome at all levels. Additionally, Local Governments don’t fully comply with the provisions in the laws. For instance, there is reluctance among some Local Governments to spend within the required 20% of revenue collected towards payment of allowances for councilors, limiting the availability of funds towards delivery of social services. More still, there is limited consideration for gender and social inclusion gaps in the development of Local Revenue Enhancement Plans (LREPs) and this could be because of limited appreciation and understanding of how gender dimensions can be factored into the enhancement plans. Also, property taxes, fees, charges etc. are a major source of local revenue whose potential has not been fully explored. Many property owners do not understand the laws and regulations around property rates and are reluctant to pay taxes which reduces the tax base and revenue collections. This is also reflected in the discrepancies between revenue targets and the actual revenue collections. These are some of the impediments needed to be addressed to improve local revenue mobilization in Uganda.

Therefore, there is an urgent need to enhance their local revenue mobilization efforts from local sources like property taxes in a bid to reduce dependence on central government budget support and to offer better local services to the citizens.

Justification

Therefore, SEATINI Uganda in partnership with Oxfam in Uganda, would like to review and develop an updated Local Revenue Enhancement Plan to exploit all possible sources of revenue including property tax in Nebbi municipality. It is expected that the plan will be of great help in terms of streamlining revenue collection processes within the municipality.

Objectives for the review and fact sheet

i. Study on the Review of LREPs

- To understand the priorities laid out in the Local Revenue Enhancement Plans in Nebbi Municipality.
- To assess the extent to which current Local Revenue Enhancement plans support consideration for gender and social inclusion gaps and thus support



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effective Local Revenue Mobilization from the various sources with an in-depth focus on property rates.

- To provide recommendations on how Local Governments can improve mobilization of revenue from property rates.

Duration of the Conducting of the review

The work on the LREP is expected to start on and will go on for one month.

Expected Deliverables

- A study on the review of Local Revenue Enhancement Plans (LREPs) to exploit all possible sources of revenue including property tax

Management of the process

The Consultant will be working closely with SEATINI Uganda Financing for Development / Tax Justice Team.

The Executive Director of SEATINI Uganda will oversee the process.

Qualifications of the Consultant

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.
- Experience working with Local Governments towards improving systems for Local Revenue mobilization.
- A thorough knowledge of fiscal and monetary policy and analytical skills.
- Excellent skills in written and spoken English.

Method of application

- The consultant will submit a technical and financial proposal including the methodology, timelines and 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 on **23rd September 2022** to procurement@seatiniuganda.org.