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The cost of Uganda’s business licensing system: Dynamics, progress, and prospects, 2012-2022

This study provides an up-to-date understanding of the trajectory and progress of business licensing reforms in Uganda over the last decade.

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The Cost of Uganda’s Business Licensing System
DYNAMICS, PROGRESS, AND PROSPECTS, 2012-2022

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1.0 Introduction

A decade of reforms intended to improve Uganda's business environment (2012-2022) has resulted in significant changes in the country's business licensing system. A five-step, straightforward, investment process is assumed in Uganda: from company ***registration*** to registration for ***TIN*** [Tax Identification Number], to acquisition of ***investment licence***, to acquisition of "***secondary licences***", and finally securing ***Work Permits*** (for company workers/employees).[1] Uganda's efforts to improve the business climate in general, and reduce licensing burdens in particular, are rooted in the realisation that the economy needs an enabling environment for private sector operations, easy entry into and operations of business activities. This is crucial for a private-sector-led development trajectory which Uganda has towed following liberalization of the economy in 1990. The Government of Uganda (GoU), through responsible ministries, departments, and agencies (MDAs), has undertaken various initiatives intended to minimise the cost of doing business, and thus attract more domestic and foreign investments. The GoU also noted the "critical business licensing burdens" that afflict the private sector. These "burdens" are mainly rooted in multiple and overlapping business and trading licences, levies, fees, and permits, at central national local government levels. They are also symptomatic of a legislative landscape that contains gaps and insistencies which constrain private-sector investment and growth through administrative and regulatory burdens. Thus, as the GoU came to acknowledge, "reducing regulatory burdens can lead to a better business environment that encourages both local and foreign investments." [2]

This desk-based study provides an up-to-date understanding of the trajectory and progress of business licensing reforms over the last decade. Since 2012, a multisectoral reform process has altered the licensing landscape of all the 15 licence-issuing sectors. Local government is now a sector. A 2016 study on the establishment of principles for amending business licensing laws[3] recommended further reforms, while the 2017 Jonkheer study undertook a standard cost model (SCM) calculation of the compliance cost of business licencing since the Business Licensing Reform Committee (BLRC) report. The period 2017-2022 remains unobservable with regards to what has changed or not changed following proposed legal amendments and other reforms since 2017. Some un-envisaged reforms have also taken place, while new reforms may be worthwhile with regard to improving Uganda's business climate. After outlining the background to this study, the report outlines outstanding reforms that should be completed, fiscal compensations to affected MDAs and LGs, and makes recommendations for improving voluntary compliance and reducing compliance costs.

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[1] Republic of Uganda, 2022. "5-Step Investment Process", Kampala: Uganda Investment Authority (UIA) (from https://www.ugandainvest.go.ug, 22 Feb 2022). ,

[2] Republic of Uganda, 2012 (13th March). *Report of Business Licensing Reform Committee (BLRC),* Vol. 1. Kampala: Ministry of Finance, Planning and Economic Development (MoFPED), p. vii

[3] Olive Zaale Otete, 2017. Preparation of Principles for Amending Business Licensing Laws - PSF/CEDP/CONS/15-16/00078 - Final Assignment Report. Kampala: MoFPED.

1.1 Background

Until 2009, about 790 different business licences existed in Uganda and were considered to be amongst the key obstacles to private sector growth. The 790 licences engendered an administrative burden in terms of procedures and regulatory requirements, which was "estimated at UGX 725.73 billion representing 3.49% of GDP." [4] To address these obstacles, GoU launched various multi-stakeholder consultations in 2009, which revealed several bottlenecks to doing business: Legal and regulatory barriers; infrastructure deficiencies; limited access to finance; deficiencies in power/electricity supply; and corruption. GoU, working with the investment climate teams of the World Bank and International Finance Corporation (IFC) undertook a comprehensive review of the business licensing regime with the view to identifying and eliminating legal and regulatory barriers to doing business. The six-month review included validation workshops, meetings with business representatives from fifteen different sectors, and intensive reading of the country's governance frameworks then in place.[5]

In order to address constraints to doing business, Government established the Business Licensing Reform Committee (BLRC), led by Gerald Ssendawula, and tasked it to study and propose possible measures for reducing burdens to doing business in Uganda. the BLRC proposed a raft of legal, regulatory, and administrative reforms. Established in 2012 under the Uganda Investment Climate Program (UICP), the BLRC's goal was to review processes of the business licensing regime in Uganda, and to "make recommendations based on the ultimate disposition of the licences assessed, and steer implementation of agreed reforms."[6] The Committee produced a two-volume report which identifies critical business-licensing burdens then extant in Uganda arising from the multiple overlapping business and trading licences, levies, fees and permits at national and local government levels.

The BLRC also revealed that Uganda's legal and regulatory regime was one of the greatest constraints to private investment and growth, alongside administrative and regulatory constraints that negatively impacted large firms, Multinational Corporations (MNCs), and the mainly-indigenous Small and Medium-sized Enterprises (SME's). The BLRC identified 790 separate business licences – 572 of which are issued by 65 MDAs, while 218 are issued by Local Governments – issued under 87 laws and 174 regulations, half of which predated Uganda's economic liberalization in 1991. The BLRC estimated the total compliance burden associated with these licences at 3.5% of GDP (UGX 725.73 billion at the time), and recommended several important reforms to reduce this burden by 25%.

The key recommendations entailed reduction in legal ambiguities, overlaps, and regulatory burdens to engender a better business environment that can encourage local and foreign investments. This would be achieved, through, among others, elimination of some licences; streamlining other licences; establishment of an e-

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[4] BLRC Report, Vol. 1, p. 63
[5] World Bank, 2013 (31 Dec.), "Uganda Embarks on Licensing Reform to Reduce Costs for Small Businesses", Washington D.C.: World Bank (Online).
[6] ibid, p. ii

registry for all businesses in order to enhance a virtual transaction platform; establishing a One-Stop Shop to ease business formalisation processes; and adopting a mandatory Regulatory Impact Analysis (RIA) mechanism, a legislative process, as a tool to promote efficient regulatory policy and improve the quality of the flow of legislation while also preventing the re-introduction of unnecessary and complicated regulations.[7] By Cabinet Decision of August 2013, the reforms were authorised for implementation.

In 2017, five years since the start of implementing the 2012 proposals, Jonkheer Consulting undertook a Cost Analysis of the Business Licensing Reforms, titled "Cost of the Business Licensing Reforms, 2012-2017." The Johkheer report applied a Standard Cost Model (SCM) approach to a combination of desk and countrywide field research to provide a comprehensive analysis of the implemented business-licensing reforms since 2012 and calculates the compliance cost changes arising from these reforms. The study reveals that:

(i) government, in a bid to achieve an efficient licensing system, has taken measures to improve the business licensing landscape through automation, decentralisation, and capacity building;
(ii) government regards reforms less as a means of lowering compliance costs to businesses but more "as a necessary and welcome revenue funding source"[8], enhancing control, improving sector performance, and better enforcement
(iii) between 2012 and 2016, a total of 116 legal reforms were implemented across different sectors, the highest numbers being in Trade, Commerce and Cooperatives (14), Transport and Logistics (18), and Health and Nutrition (12), and Energy, Mining and Petroleum (11), and Others (19).
(iv) There has been an 8.0% compliance cost increase during 2012-2017, estimated at UGX 58.1 billion. This increase arises from a 12.9% compliance cost reduction in business licensing as a result of reforms, concurrent with a 20.9% (or UGX 151.5 billion) compliance cost increase. Hence, while administrative reforms resulted in overall compliance cost reductions (31% or UGX 93.4 billion) – through decentralisation, automation of licensing processes, and capacity building of government's licensing personnel and structures – legal reforms show a mixed result: some bred compliance cost reduction, estimated at 69% of the total compliance cost reduction (e.g. Agriculture, Animal Industry and Fisheries; Lands, Housing, and Urban Development; Education, Skilling and Sports; Local Government), while others engendered compliance cost increase (e.g. Trade, Commerce and Cooperatives; Water, Sanitation and Environment; and Transport and Logistics) through introduction of new licences, expanded regulations, more extensive licensing requirements, and licensing fee increments.

[7] Ibid, pp. viii – ix.
[8] Drs. Kees R. Jonkheer, 2017. *Cost Analysis of the Business Licensing Reforms, 2012-2017.* Project ID: 130471, PSF/CEDP/CONS/16-17/00091), Kampala: Jonkheer Consulting, p. 13

(v) reform processes have led to elimination of burdensome and redundant regulations, improvements in government services, and easier access to government services in many sectors.

1.2 Methodology

This report builds on the 2012 BLRC Commission Report (Vols. 1 & 2), the 2017 Jonkheer Report, draft reports on *Principles for Amending Business Licensing Laws* (PSF/CEDP/CONS/15-16/00078), recent legislations (since 2017), and sectoral reports, to further assess the implementation of the 2012 reforms. Unlike the BLRC and Jonkheer efforts, which involved comprehensive field interviews, group discussions and survey, this report is a product of a desk-based research intended to update the 2012 mapping of Uganda's business licensing system which covered mandatory *business licences* issued by government MDAs as well as mandatory *trading licences* issued by Local Governments (LGs).

Supported by the Private Sector Development Unit in the Ministry of Finance, Planning and Economic Development (PSDU/MoFPED), the study utilizes information from parliament, MDAs, and LGs to ascertain the time and cost of obtaining the various still-remaining licences and permits to calculate the economy-wide cost of complying with the current business licensing system, inclusive of the time it takes to obtain a licence, using the Standard Cost Model approach. This utilizes 2017 data, integrates reforms since 2017, and updates the SCM calculations.

The study would have evaluated the *compliance costs* of individual business and trading licences against their *regulatory benefits* (in terms of protecting public safety, health, investors, and the environment) and make recommendations to streamline the licensing system with the view to reducing compliance costs and thus improving Uganda's business environment. But desk research has limitations; it lacks empirical evidence with which to apply the SCM. The desk-research also entailed identifying *licences which should be abolished* (as per the 2012 BLRC proposals), whose *fee structures need review* or *streamlining* (as per the 2012 BLRC recommendations), and estimating the *agency-level revenue implications* of these proposals. The study proposes *fiscal compensations which will enable MDAs and LGs to continue their operations as usual* without unnecessarily burdening the private sector.

1.3 Data Sources

This report's main data are derived from a detailed reading of the 2012 BLRC Reports; the Jonkheer Report of 2017; Cabinet directives; MDA/sector and LG reports; legislations (laws and regulations) since 2012; administrative guidelines and other documents; ministerial policy statements; parliament Hansards; Gazette Publications by the Uganda Printing and Publishing Corporation (UPPC); reports of the Private Sector Coordination Unit in the MoFPED; reports on *Principles for Amending Business Licensing Laws* (PSF/CEDP/CONS/15-16/00078); reports of technical assessments of Uganda's economy by international development institutions (specifically International Monetary Fund, IMF, World Bank, and African Development Bank, AfDB); and independent studies of Uganda's business environment/investment climate. These *s*ources inform a comprehensive stock-taking of post-2012 reforms, hence updating the Jonkheer report with findings about reforms during 2017-2022.

The desk-research findings will be enriched with intensive discussions with PSCU/MoFPED, the BLRC, sectoral stakeholders, and representatives of new urban authorities of Gulu, Fort Portal, Mbale and Kampala Capital City Authority (KCCA). These brief field engagements are not intended to act as intensive fieldwork efforts but more as validation and enrichment exercises. Again, unlike the BLRC (2012) and the Jonkheer (2017) reports, this report concentrates on implemented reforms to update key stakeholders on the status of implementation of the reforms proposed in 2012. The study focuses on in-government reform efforts and processes; it does not cover private-sector stakeholders because reforms were mainly proposed for government MDAs and LGs. By 2017, it was observed that "Many Bills and regulations are currently still in draft, and/or Acts [of Parliament] are still in the final approval process" or not yet operationalised through Regulations and operational authority structures. Further, "once an Act is introduced, it often requires further regulation to become effective, for example this is the case with the Building Control Act of 2013, that requires completion of the National Building Code to become ready for implementation."[9] The Act, which seeks to guarantee decent, secure and planned building structures in Uganda, predates the reforms envisaged in 2012. It was tabled before Parliament in 2009 and by 2012 had not been enacted into law.[10] In 2017, the Act was yet to be operational, and it remains unclear why such legal reforms take too long to become operational. By February 2023, the Act and the Code have been finalised. A reform process lasting 10 years – equivalent to two National Development Plan (NDP) periods – should be sufficient to change the business licensing regime and the investment climate.

Uganda's private-sector environment has not improved significantly despite reforms. The World Bank's Doing Business Report 2020 scores Uganda at 60 points (rank: 116/190)[11], a slight improvement over a decade from rank 119/183 in 2011 (then below regional peers: Rwanda, Kenya, Zambia).[12] The AfDB Country Strategy Paper for Uganda (2022-26) acknowledges progress made in reforming the private sector and deliberate efforts to strengthen governance, but international governance indices show slow progress in many respects. The 2020 Mo Ibrahim Governance Index score increased by just 0.7 points between 2010 to 2019 to 51.8, and the 2022 index ranks Uganda 31 out of 54 a 29-point score.[13] The African Development Bank's CPIA Governance rating (3.47) marginally improved since 2015; a CPIA score of 3.6 in 2021 concurrent with a low score (2.5) in transparency, accountability and corruption in the

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[9] Jonkheer, p. 17

[10] Republic of Uganda, 2012 (13th March). *Report of Business Licensing Reform Committee (BLRC),* Vol. 2. Kampala: MoFPED, p. 187

[11] World Bank, 2020. *Doing Business Report - Economy Profile of Uganda*. Washington D.C.: World Bank

[12] World Bank, 2012. World Bank & International Finance Corporation. 2012. *Doing Business Economy Profile 2012: Uganda.* Washington, DC. World Bank. https://openknowledge.worldbank.org/handle/10986/27048 Licence: CC BY 3.0 IGO

[13] Mo Ibrahim Foundation, 2022. 2022 Ibrahim Index of African Governance - Index Report. London: Mo Ibrahim Foundation

public sector may send discouraging signals ro foreign investors.[14] Some of the Covid-19 control measures had negative macroeconomic implications: fiscal support measures "to address the effects of the COVID-19 pandemic led to a significant widening of the fiscal deficit and rising public debt… the June 2021 joint International Monetary Fund–World Bank Debt Sustainability Analysis downgraded the country's rating to moderate risk of external and overall public debt distress, with limited space to absorb shocks."[15]

Despite improved property rights, transparency and accountability have deteriorated as seen in CPIA scores that deteriorated across most aspects during 2015-2020, limited progress since 2012 in perceptions of corruption (still unchanged at 27 out of 100 in the 2020 Corruption Perceptions Index) despite anti-corruption institutions, such as the Inspectorate of Government and the Auditor General.[16] The country's "private sector is constrained", among others, "by limited access to affordable finance, low technology uptake, poor skills, and little business innovation"[17], which the 2012 reforms are envisaged to address/reduce.

This report ends with a set of recommendations for more in-depth and comprehensive field studies that take into account the broad implications of these business licensing reforms for: (i) the private sector, (ii) sectoral MDAs, and (iii) Local Governments.

1.4 Standard Cost Model

Businesses worldwide are subjected to a range of requirements and obligations by their respective regulatory bodies. This create incentives for national governments to undertake initiatives aimed at reducing the administrative costs of doing business, which are sometimes associated with constraints on both domestic and foreign investments. For example, in Uganda the administrative burden of doing business was estimated to be UGX 725.73 billion, representing 3.49% of GDP.18 It is important to constantly strive to ensure that both existing legislation, regulations and new regulations, do not impose unnecessary administrative burdens to businesses.

The Organization for Economic Co-operation and Development (OECD) developed the Standard Cost Model (SCM) method for determining the administrative burdens for businesses imposed by legislative regulations. The SCM methodology has been immensely documented mostly by world bank, and European union and adopted by most developing countries.[19] The method has been widely used due to its ability to carefully analyse specific components of a regulation caused on generating activities of firms.Thus, making the compliance costs easy to calculatee for each of the activities. The methodology is considered suitable for measuring administrative consequences of new legislative proposals as well as existing rules. In this case, the

[14] World Bank, 2022. Country Policy and Institutional Assessment (CPIA). Washington D.C.: World Bank, p. 17.
[15] World Bank, Ibid, p. 19.
[16] African Development Bank, 2022. *Country Strategy Paper - Uganda, 2022-26*. Abidjan: AfDB
[17] Ibid, p. 5
[18] Jonkheer; BRLC Report.
[19] Worldbank, 2010 Here is Your Money: Using the Standard Cost Model to Measure Regulatory Compliance Costs in Developing Countries

laws and regulations that constitute the burden that Ugandan businesses face are measurable using the SCM. The Model is especially important because its application is associated with higher foreign direct investments (FDI), rendering the benefits "more significant where the SCM has been implemented for a long time."[20]

This study follows the procedure detailed out in the BLRC, Jonkheer Report (page 6) and the simplified model (SCM Lite) documented in World Bank report (page 13). Since this study is purely desk review based, the simplified procedure assumes that it is not necessary to study each individual element of information required in the license application and makes no distinctions between segments of a firm affected differently. It further notes that, in licensing, the major cost component is the direct financial costs. However, it is important to note that, the SCM light only uses salary cost for the calculation and relays on estimates in some form. SCM lite assumes that, the major cost component is licensing which is a direct financial costs. Thus, detailed measurement of administrative costs has limited relevance since measurement efforts are spent on the a fraction of the total compliance cost. In this case, standardized cost components and use of focus groups to collect information are encouraged rather than the detailed interviews with individual private firms which are time consuming, have high financial constraints and require a large amount of data from both firms and government agencies.

Since the main objective of this study is to review and update the BLRC report, we posited that, to be more effective, a few key licenses be analyzed in detailed as it is a desk research. This is line with the World bank report suggestion that, when the objective of the study is not to document all licenses and regulations, then the Pareto Principle can be followed where, a small sample of licenses that can studied and results used to extrapolate for other licenses. In this regard, the rule of thumb of 20 percent most burdensome licenses represent approximately 80 percent of the administrative costs for companies. Therefore, in this study we focus on the most issued licenses from 2012 to 2022 to calculate the cost of doing business in Uganda. It is assumed that the selection of the 20% of the most burdensome licenses to be included in the SCM is as a Catch 22. That since the administrative burdens is known beforehand, there would be no need to carry out an SCM.

Therefore, the basic SCM formula provides the activity cost as:

Administrative Activity Cost = *Px X Q = (W x T) x (N x F)*

- Where Price (Px) consists of a tariff (W), i.e. wage costs (plus overhead, non-wage costs) for activities done internally or hourly cost for external service providers
- Time (T)is the amount of time required to complete the activity
- Quantity (Q) comprises of the size of the

- Population (N) of businesses affected

- Frequency (F) that the activity must be completed each year

[20] Jacopo Torriti and Eka Ikpe, 2015. "Administrative costs of regulation and foreign direct investment: the Standard Cost Model in non-OECD countries", *Review of World Economics*, 151 (1):127-144

Thus, for every administrative activity, these cost parameters need to be collected to get the basic SCM formula as:
SCM= cost per Administrative Activity = *Px X Q = (W x T) x (N x F)*

Basing on the BLRC baseline report, a list of 20 costly licenses was generated from Agriculture, Trade (import and export), Transport & Logistics, and Tourism, which were identified as the most burdened sectors.

Table 1: Top 20 High-Compliance-Cost Licenses

Sector	**Licence**	**Compliance cost (million)**
Agriculture	Fishing Vessel license	604.1
	Cattle traders license	**279.3**
	Cattle export license	233.8
	Registration of fumigator of agricultural chemical or commercial applicator	125.3
	Registration for dealing in cotton seed	101.8
Trade(import and export)	Statement of nominal Capital	14,800
	Annual Return	11,800
	Registration of the Memorandum and Articles of Association	10,500
	Reservation of name	7,100
	Certificate of Remittance	6,800
Transport & Logistics	Driving Permit	19,000
	Motor Vehicle Registration	15,300
	Learner Driving Permit	14,000
	Regulated Agent Security Programme Certification	82
	Approved Maintenance Programme	82
Tourism	Class F wildlife use right	713
	Environmental Impact Assessment	161
	Tour facility Licence	130.5
	Import, export or re-export permits	255
	Professional hunters license	31
Total burden cost for the 4 sectors		**102.098.8**

SOURCE: BLRC

Whilst it was noted that these licenses were the most burdensome to business compliance costs, they were still recommended to be retained.

(Still waiting on data for the most issued licences between 2012-2022) This will help with the calculation of the SCM for the 5 top sectors then extrapolate for the remaining 10 sectors

1.5 Why this Report/Study?

Key GoU stakeholders, specifically, Cabinet, PSCU/MoFPED, the BLRC, sectoral MDAs, LGs, and reform-supporting institutions (such as Parliament, Law Reform Commission and Ministry of Justice and Constitutional Affairs), lacked an up-to-date understanding of the trajectory and progress of the post-2012 reform efforts. Since 2012, a multisectoral reform process has altered the landscape of all the 15 licence-issuing sectors. LG itself has since become a sector (which at once encompasses production, service delivery, administration and support). Despite the 2016 study on the establishment of principles for amending business licensing laws[21] and the 2017 Jonkheer study, the period 2017-2022 remains unobservable with regards to these reforms: what has changed, or not changed, with regard to proposed legal amendments and other reforms, since 2017? Which of the 116 reforms observed in 2017 were envisaged in 2012, which were not, and where did these un-envisaged reforms come from? Which new reforms are worthwhile with regard to improving Uganda's business climate? Beyond revealing answers to these questions, this study's analytic take acknowledges that while the preceding comprehensive studies underscore the cost implications of the licensing regime, emphasis on cost reduction vs. cost increase leaves out key analytic details about these cost dynamics.

Particularly, few critical questions remain unanswered: whether cost reductions constitute significant revenue losses to LGs and MDAs; what new benefits (in terms of revenues and operations) arise from reform-related cost reductions; whether cost increases (due to new legislative reforms, say in the oil and gas sector) necessarily imply revenue increases for MDAs and LGs, or whether there are more nuanced dynamics at play; and whether legislative and administrative reforms translate into change in (or new) practices. Of specific interest here, stakeholders need a clear articulation of the reforms proposed in 2012; those which have been fully legislated (new or reform bills tabled, passed, and assented to; regulations made and approved; new structures created and operationalised, where necessary) or administratively embraced; those which are incomplete (still ongoing); and those which have not been attempted (for instance due to contestation). This is crucial for a reform cost analysis that specifies the implications of these reforms for possible fiscal compensations to affected MDAs (and LGs). This approach is vital for not all reform-related compliance cost reductions translate in revenue losses to MDAs and LGs; and not all reform-related compliance cost increments translate in more revenues for MDAs and LGs.

At any rate, a conducive business environment offers wide-ranging opportunities and wealth to citizens which increases disposable incomes and consumption with resulting positive outcomes for revenue collection. Ironically, Uganda still ranks poorly in many of the indicators about doing business, which highlights inadequacies in the reform process. The 2022 Global Innovation Index ranks Uganda 119 out of 132 globally (16th in Sub-Saharan Africa, score 15.7/100), below regional peers like Rwanda, Zambia, Ethiopia, Kenya, Zimbabwe and Senegal.[22] The 2020 Doing Business Report ranks Uganda 116th out of 190 (score 60/100), with low scores in the 13 procedures for starting business[23], which differ marginally from the 2012 scenario save for the speed

[21] Olive Zaale Otete, 2017. Preparation of Principles for Amending Business Licensing Laws - PSF/CEDP/CONS/15-16/00078 - Final Assignment Report. Kampala: MoFPED.

[22] Soumitra Dutta, Bruno Lanvin, Lorena Rivera León and Sacha Wunsch-Vincent, 2022. Glo*bal Innovation Index 2022: What is the future of innovation- driven growth?* Geneva: World Intellectual Property Organization (WIPO), p. 19.

[23] Contrary to the 5 procedures or steps outlined on the UIA website, the World Bank identifies 13 procedures, excluding time spent on preliminary research and name determination: (1) Submit Name Reservation Form to URSB's assessment window; (2) pay name reservation fees at the bank; (3) reserve company name with URSB; (4) Obtain the slip-in for the payment of registration fee and stamp duty from URSB; (5) Pay the registration fees at a designated bank; (6) File the registration documents at the Office of the Registrar and Obtain the Certificate of Incorporation; (7) Obtain Tax Identification

of delivery arising from improvements in information systems and the added role of URSB.[24] Uganda ranks 115 out of 140 countries in the 2019 Global Competitiveness Report.[25] The 2022 Uganda Investment Climate statement, by the US Department of State, indicates "weak rule of law", "threats to open and free internet access", and "an increasingly aggressive tax collection regime", as some of the hindrances to FDI despise a raft of recent policy and legislative reforms.[26] This is consistent with the United Nations Commission on Trade and Development (UNCTAD)'s 2020 World Investment Report, which shows that accounting for Covid-19-induced disruptions and petroleum-sector dynamics, "Uganda has provided fiscal support to accelerate the development of industrial parks" but still suffered a 35% FDI inflows to $823 million compared with $1.3 billion in 2019.[27]

The foregoing synthesis stresses three justifications for this study. First, post-2012 reforms and their institutionalization (ensuring governance frameworks, policies, legislations, guidelines, and structures, are in place and functional) are important steps in improving the business climate. Outstanding gaps remain in this institutional-reform process, some of them involving protracted engagements among responsible MDAs. An example is the overly-delayed enactment of The National Food and Drugs Authority (FDA) Bill which has had back-and-forth oscillations between ministries of Agriculture and Health, Cabinet, and Office of the Prime Minister since 2009.[28] Second, some of the ongoing reforms are consistent with Public Investment efforts, especially in procurement and contracting, which affect private-sector operations.[29] This study is critical for unravelling reform-related gaps that affect this interplay between public investment and private sector business and trading activities. Finally, given the observed positive association between application of the SCM and FID inflows.[30] This study is a critical step in informing policy and technical decisions about the reform

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Number (TIN) and Register for taxes from URA; (8) Receive inspection of business premises by URA; (9) Obtain trading licence (from Local Government or Urban Authority); (10) Receive inspection of the business premises by the licensing officer and obtain licence Assessment Form; (11) Pay the licence fee at the bank; (12) Register with the NSSF; (13) Make a company seal. These 13 procedures also exclude (14) travel time for businesses located upcountry which need licences from Kampala or Entebbe, and (15) securing work permits (for foreign investors) as stated in the UIA guide. World Bank, 2020. *Uganda - Doing Business 2020: Comparing Business Regulation in 190 Economies*. Washington D.D.: World Bank Group (report Available Online).

[24] see BLRC Report, Vol. I, p. 5

[25] Klaus Schwab & Saadia Zahidi, eds., 2020. The *Global Competitiveness Report Special Edition 2020: How Countries are Performing on the Road to Recovery*, Cologny/Geneva: World Economic Forum

[26] Department of State, 2023. *2022 Investment Climate Statements: Uganda*. Washington D.C.: DoS (Online).

[27] UNCTAD, 2020. *World Investment Report 2021: Investing in Sustainable Recovery,* New York: UNCTAD

[28] Republic of Uganda, 2020 (14th February), *Statement to PArliament on the on the Status of The National Food and Drugs Authority (FDA) Bill*, by Dr. Aceng Jane Ruth. Kampala: Ministry of Health (from https://parliamentwatch.ug/wp-content/uploads/2021/07/Statement-to-Parliament-on-the-Status-of-the-National-Food-and-Drug-Authority-FDA-Bill.pdf, 22 Feb 2023).

[29] Republic of Uganda, 2017. *NATIONAL STRATEGY FOR PRIVATE SECTOR DEVELOPMENT, 2017*. Kampala: MoFPED

[30] Torriti 7 Ikpe, "Administrative costs of regulation and foreign direct investment".

process and the institutional adaptations [that may be] necessary to consolidate reforms and engender a more conducive business environment.

1.6 Major Findings

Several reforms have been undertaken since 2012, with 116 legal reforms during 2012-2017. SCM calculations indicate a 12.9% compliance cost reduction simultaneous with a 20.9% compliance cost increase in business licensing regulation for the period. This translated into an 8.0% compliance cost increase, valued at f UGX 58.1 billion. Most of the compliance cost increase arose from new legal reforms, indicating that new legislations in Uganda engender new burdens to the private sector.[31] An economy-wide reform process is hardly easy amidst resource and capacity constraints within, and limited coordination among, MDAs. New governance frameworks (policies, laws, regulations, strategies, guidelines) have been developed. New structures have been established to operationalise these frameworks. And new innovations, technology adaptations, and information management systems, have reduced the administrative costs upon businesses. For instance, elimination of the requirement that a commissioner of oaths sign compliance declarations alongside other reforms (e.g. ASYCUDA World electronic system, construction of the Malaba One-Stop Border Post alongside electronic document submission for import-export trade, easier procedures for paying stamp duty for property registrations, online submission of tax returns), made starting a business easier.[32]

By 2017, a total of 59 licences had been eliminated, streamlined, amalgamated, or reclassified; 30 were still ongoing; while 15 had been contested. Some 24 licences had their amendments drafted, while 9 remained outstanding.[33] By February 2023, the Insurance Act and accompanying Regulations had been completed, but reforms in the health sector and the fisheries sub-sector remain incomplete. The degree of institutionalisation of reforms and accompanying practices remains inadequate. There is contestation of some proposed reforms, especially in agriculture; and energy, mining, and oil and gas. Various licensing burdens remain in various sectors, which negatively impact the growth of businesses and inhibit business transition from the informal to the formal sector. The National Strategy for Private Sector Growth is partly intended to address this challenge.[34]

Several businesses still require licensing and approvals from various MDAs and sometimes also LGs, which retains costly delays. A total of 20 most costly licenses remain in Agriculture, Trade (import and export), Transport & Logistics, and Tourism. Inter-MDA and MDA-LG coordination and ICT solutions are still inadequate, partly due to: unreliable and costly internet; limited sharing of information and coordination among MDAs; inter-MDA pull-and-push over responsibility for certain reforms (e.g. MAAIF and MoH contestations over the FDA Bill); and inefficiencies in data sharing between NIRA and other MDAs and LGs. These gaps allow for corrupt dealings, non-documented and fraudulent transactions, and costly delays to the business sector.

[31] Jonkheer, *Cost Analysis of the Business Licensing Reforms 2012-2017*, pp. 16-17
[32] World Bank, *Doing Business Report,* p. 65
[33] Otete, PSF/CEDP/CONS/15-16/00078, p. 2
[34] Uganda, *National Strategy for Private Sector Development.*

More and newer licences have been introduced by new legislations, for instance in the oil and gas sector, and it is envisaged that the FDA Act and accompanying Regulations will introduce new licences, fees and other levies. Most LGs and MDAs lack up-to-date business registers, detailed and sufficient data about company ownerships, and business monitoring and tracking capabilities.

In addition to the business licensing reforms, current cost (economy-wide, based on SCM) has not changed significantly. Out of the reforms proposed in 2012, 116 have been implemented (as of 2017). There are newer reforms not envisaged or proposed in 2012 and those that precede the 2012 proposals (e.g. efforts to enact an FDA Act since 2009), which reveals that GoU embraced the reform process and extended it beyond areas then envisaged by the BLRC. But, overall, the compliance cost has not reduced for three reasons. First, some of the new reforms entailed new legislative frameworks, some of them born of new policies, which were not envisaged in 2012. Other legislations are not based on preceding policy instruments, which renders them hanging.

Second, new laws, regulations, and some of the newly-created structures (such as NIRA, established by the Registration of Persons Act 2015; the proposed Foods and Drugs Authority; Petroleum Authority of Uganda; or the National Lotteries and Gaming Regulatory Board Uganda, NLGRB, established under the Lotteries and Gaming Act, 2016) develop and implement new administrative rules. These rules place additional compliance costs (e.g. the requirement for National Identity Card and/or NIN in almost all transactions in Uganda today). NIRA's and Immigration Department's new guidelines on replacement of lost National Identity Cards and/or Passports are but examples of increased compliance costs. Third, legislative reforms tend to introduce new licences and fees, or increase existing ones, which increases compliance costs.

Compliance cost increases or decreases ought to be understood holistically with regard to revenues to MDAs or net cost to private-sector stakeholders. Not all compliance cost increases translate in increased revenues to MDAs and LGs. For instance, before implementation of the then multistakeholder National Security Information System (NSIS), state and non-state service providers did not demand for National Identification Numbers (NINs) and National Identity Cards. The NSIS program resulted in the compilation of national citizenship data on the basis of which new Identity Cards and NINs were issued and apportioned to all registered Ugandans. This came to be legalised in the Registration of Persons Act 2015. The Act established NIRA, which inherited the NSIS data and took over subsequent citizen registration obligations. Today, almost everywhere Ugandans require NINs and Identity Cards in education, finance, health, insurance, telecommunication, and other service centres. This new requirement, now normal, implies additional Information Obligations (IOs) and their corresponding Data Requirements (DRs) and Activities, as per the SCM. These additional costs to businesses translate in non-state-revenue compliance cost increases that affect business actors dealing with most stakeholders. Some of these compliance cost increases are difficult to estimate and measure (e.g. cost of returning home if one forgot the Identity Card, photocopying or scanning the Card).

Not all reform-induced compliance cost reductions translate in reduction in revenues to MDAs and LGs. Many compliance cost reductions result from: (i) private-sector innovations; (ii) reduced administrative, procedural, and process burdens that have been lifted by capacity building, automation, information sharing, and decentralisation; (iii) improvements in information access due to improvements in the ICT infrastructure; and (iv) changing capacity of business actors. NIRA, for instance, was not in place in 2012, though reforms in data integration and exchanges between MDAs were made. NIRA has an electronic platform for checking whether or not a person is registered and/or has a NIN. This enables persons intending to open bank accounts, seek health services, seek insurance services, or enter agreements and contracts, to cross-check one another's details at very low internet cost (compared to having to travel to the nearest NIRA office, usually at district level for such information). The resulting reduction in compliance costs (measured in terms of reduced time, frequency of seeking the information needed, cost/price, and action-quantity of such effort) does not necessarily erode government revenues; on the contrary, this benefits the business sector from which the government reaps in terms of increased business activities and their economy-wide implications.

New sectoral developments have resulted in compliance cost increases. For instance, while the oil and gas sector had been evolving for many years, the 2008 National Oil and Gas Policy and accompanying legislations during 2013-2016 changed the sector's governance landscape. By nature of the sector, business licencing reforms in the oil and gas sector translated in an annual compliance cost increase of UGX 5,760 million following the 2016 Petroleum (Exploration, Development and Production) Regulations alone, and other increases of between UGX 2.3 million and UGX 110 million annually for the other six Regulations. While this study does not determine whether or not this compliance cost increase overburdens petroleum-related business actors (thanks to limitations of desk research), no evidence reveals that sectoral stakeholders consider such increases as burdensome and could hamper actual compliance with these rules.

1.7 Structure of the Report

This report proceeds as follows: Section 1 summarises the context and background to the business licensing reform process in Uganda. It ends with a tabulation of the recommended reforms in 2012, per sector, the reforms so far implemented, and authors' observations about these yet-to-be-implemented reforms. Section 2 applies that Standard Cost Model to estimate overall and sector-specific compliance costs of implementing these reforms. Section 3 identifies licences which should be abolished (as per the 2012 BLRC proposals), whose fee structure needs review, or streamlining (as per the 2012 BLRC recommendations), and estimates the agency-level revenue implications of these proposals. Section 4 analytically weighs the MDA-specific implications of abolishing, streamlining or review of business and trade licences (as recommended by the BLRC in 2012), against their regulatory benefits (in terms of protecting public safety, health, investors, and the environment). It then makes recommendations on how to streamline the licensing system with the view to reducing compliance costs and thus improving Uganda's business environment. The section ends with proposals on amounts of fiscal compensation which will enable MDAs and LGs to continue their operations as usual without unnecessarily burdening the private sector. The concluding Section 5 summarises the findings and makes recommendations for completing the reform process, operationalising the reforms, and more in-depth studies that can enrich understandings, inform decisions, and guide practices, on the reform process from a multistakeholder perspective.

2.0 Reform Process in Uganda's Business Licensing System

From the BLRC's investigation, it was concluded that to create a competitive business environment, and/or improve Uganda's ranking on key investment climate indicators, Uganda needed to address these constraints to doing business. This included rationalizing, simplifying, and coordinating central government level and local authority business licences. Elimination of some overlapping and duplicate licences would ensure that "business licences are efficient, transparent and focused on legitimate regulatory purposes (e.g. protection of public health, environment, and safety). Following the 2012 Report of the BLRC, a comprehensive reform process intended to improve the business environment came underway.

The proposed reforms would lead to a 25% reduction of the administrative burden businesses faced, reduce the regulatory burden on MSMEs and encourage MSMEs to transition into the formal sector.[35] revealed that legal and regulatory barriers are responsible for the high cost of doing business in Uganda, and reducing the cost of compliance by 25% before June 2014 would positively impact small businesses that always suffered due to administrative costs. As a quick measure, on 11th June 2013 GoU launched an e-licensing business portal to allow businesses to share information on the licences they need to operate. GoU also invested resources in implementation of reforms and planned to reform its entire licensing regime, automate the entire licensing process, and develop and operationalise the requisite legislative rules.[36]

Specifically, the Commission had revealed that:

- MDAs and LGs issued a total of 790 licences, permits, and user charges across the country;
- Agriculture, trade, transport and logistics, and tourism, were the most burdened sectors
- The trading licences constitute a major driver of the high compliance costs, het they are issued by LGs more as local-revenue-generation tools than regulatory measures;
- Numerous overlaps with regards to licences, levies, fees, and permits at national and local government levels obtained;
- Outdated business registers, along with poor coordination among MDAs and insufficient digital connectivity, fail to integrate and streamline administrative processes.

[35] BLRC Report, Vol. 1, p. 63
[36] World Bank, "Uganda Embarks on Licensing Reform to Reduce Costs for Small Businesses".

- Compliance to the identified 790 business licences costs the private sector an estimated US$ 280 million annually; elimination of only 27 of these licences would save businesses US$ 21 million annually.

The post-2012 reform process involved, in the main, reducing regulatory obstacles to doing business. Business licensing was the main focus of the reforms. GoU undertook many initiatives on legal reforms, some instigated by the BLRC recommendations of 2012, others preceding it, and others occasioned by new sectoral developments. Many of these reforms are still incomplete; some Acts of Parliament lack preceding policies, others are yet to be operationalized with Regulations or Statutory Instruments while others delayed (e.g. the Building Control Act 2013 required a National Building Code, which came out in 2019 - 6 years later; and the Building Control Regulations, 2020, seven years later). Some of the proposed institutional structural reforms are not yet in place (e.g. the FDA), while other reforms have been delayed due to inter-MDA contests and limited coordination (e.g. enactment of the FDA Act).

GoU reasons that eliminating some licensing burdens, streamlining others, improving government services, through efforts like decentralisation of services, automation and integration of information, and capacity building for state MDAs, can engender serious positive changes in the business licensing regime. The GoU is in the process of addressing informalities through new regulations, improving government efficiency through information integration and capacity building, revising or updating old legislations, and streamlining administrative processes. In so doing, GoU seems to target three end-results: (i) achieving an efficient licensing system; (ii) lowering compliance costs for businesses; (iii) enhancing government revenues and controls.[37]

The reform process has entailed several steps:

- development of policies, enactment of legislations,
- establishment of authority structures (e.g. NIRA),
- enhancing engagements with non-state actors,
- periodic reform-process assessments, improvements in information systems and information dissemination, and
- adaptations to regional developments (e.g. under the EAC Common Market).

During 2012-2017, a total of 116 legislative reforms (Acts, Regulations) were enacted over different sectors (Table 1):

[37] Jonkheer, p. 13

Table 2: Business Licensing Reforms since 2012

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
Applicable Legislation:			
A. Agriculture, Animal Industry & Fisheries (60)			
Cotton Development Sub-Sector	Amalgamate the registration for dealing in ***cotton seed***, the registration for dealing on ***seed cotton*** and the registration of dealing in ***lint cotton***, into one licence, under one process, for there is no technical distinction between the three.		Cotton Development Act (cap. 30), 1994 - and Regulations thereunder - still in force.
Dairy Sub-sector	Amend Dairy Industry Act to make it more punitive for persons who fail to register for the functions stipulated under Regulation 10.	Draft amendment to increase the penalty made as *Dairy Industry (Amendment of Second Schedule) Instrument, 2016.*	Statutory Instrument not yet in force. The Dairy Industry Act (Cap. 85), 2000, still in force
	Reclassify - Licence for cooler operators, to offer regulatory clarity as to the activity being monitored that is the dealing in raw milk of a smaller capacity. - Licence for freezer operators, to offer regulatory clarity as to the activity being monitored that is the dealing in raw milk of a larger capacity.	Draft *Dairy (Marketing and Processing of Milk and Milk Products) (Amendment) Regulations, 2016*	Regulations not yet in force
	Amalgamate licences related to: - registration for processing, marketing, storage, transportation, import, export of milk and milk products or equipment and starter cultures and the Permit for milk	*Draft Public Health (Sale of Milk and Milk Products) (Amendment) Rules, 2016.*	Regulations not yet in force *The Public Health (Sale of Milk and Milk Products) Rules, S.I 281-19 amended-* *(a) by revoking regulations 4,5 and 6;*

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	transporters into one licence - both licences related to milk transportation.		*(b) by revoking the Second Schedule to the Regulations.*
Fisheries Sub-Sector	***For streamlining*** (to make penalties for non-compliance more punitive, improve enforcement? a) Approval of aquaculture establishment b) Fish breeding permit c) Fish transfer permit d) Risk Assessment/ Approval of products and technology	The Fish (Beach Management) Rules, 2016, S.I. No. 73 of 2016	Rules increased penalties for noncompliance by raising currency point from 30,000 to 100,000.
	For Amalgamation 1) The Fish Vessel licence and the Licence for Vessels used in fisheries since both of them address the regulation of vessels; 2) The Angling Licence and the Permit for recreational Fishing, since both of them regulate recreational activities in the fisheries sector; 3) Fish seed production certificate and the Certificate for Aquaculture inputs (fish seed, fertilisers, hormones and antibiotics) in view of the overlap created by the broad coverage of the certificate;		Media briefing given by the State Minister in January 2022, reiterated the Fish (Fishing) Rules 2010, in line with The Fish Act (Cap. 197), 2000.

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	4) Certificate for importation of live fish into Uganda and the Permit for Exportation and Importation of live fish into Uganda, in view of the overlap in the case of live fish importation; 5) Licence for the manufacture, sale and importation of fishing appliances and the Authorization on nets, since nets constitute fishing appliances.		
	For Elimination: 1) The Approval of Authorised Landing Site, since the Registration of Beach Management Unit serves the purpose of regulating fish landing sites.	Beach Management Registration Guidelines	Guidelines not yet operational National Environment Act, 2019 (Sec. 53) makes provisions on protection of "Natural Beaches".
Coffee Development Sub-Sector	***For Streamlining:*** 1) a) Export licence 2) b) International Coffee Organization Certificate 3) c) Processor licences (Hullers 1,2,3,4) 4) d) Quality Certificate	***1)*** National Coffee Act (Cap. 17), 2021 repeals and replaces the Uganda Coffee Development Act Cap 235	35% CET, wef July 2022 1. Legislations based on National Coffee Policy, 2013 Regulations not yet enacted.
Tobacco Sub-Sector	for Streamlining 1) Declaration of tobacco growing area, 2) Registration of tobacco grower 3) Consent to export tobacco	1) Effected in the Tobacco Control Act, 2015; and the Tobacco Control Regulations, 2019	

	For Amalgamation: 1) Authorization for distribution of tobacco seed with the Registration of tobacco activity (buying tobacco, processing tobacco, operating a factory in which tobacco is processed, controlling a store used for storing tobacco, sponsoring the growing of tobacco) since the distribution of tobacco is essentially a tobacco activity; 2) Tobacco buying licence with the Registration of tobacco activity	Tobacco Control Committee established under Sec. 3-5 of the Act mandated to regulate these activities	No Guidelines yet

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
Agriculture Sectoral Legislations	***Review and Amend:*** 1) The Cotton Development Act Cap. 30 2) The Dairy (Marketing and Processing of Milk and Milk Products) Regulations 2003 3) The Fish Act Cap. 197 4) The Fish (Aquaculture) Rules 2003 5) The Fish (Quality Assurance) Rules 2008 6) The Fish (Fishing) Rules 2010 7) The Uganda Coffee Development Act Cap 235 8) The Tobacco (Control and Marketing) Act Cap 35 9) The Tobacco (Control and Marketing) Regulations SI 35 -1	2) Draft Dairy (Marketing and Processing of Milk and Milk Products) (Amendment) Regulations, 2016 3) Draft Fish (Aquaculture) Rules, 2016 ***4)*** National Coffee Act (Cap. 17), 2021 repeals and replaces the Uganda Coffee Development Act Cap 235 5) Tobacco Control Act, 2015 6) Tobacco Control Regulations, 2019	Others added: 7) *Dairy Industry (Amendment of Second Schedule) Instrument, 2016.* 8) *Draft Public Health (Sale of Milk and Milk Products) (Amendment) Rules, 2016.* 9) The Fish (Beach Management) Rules, 2016, S.I. No. 73 of 2016 10) Cotton Development Act (Cap. 30), 1994 still in force.
B. Tourism, Wildlife and Hotels (16)			
Tourism and Hotels - six licences	***For Streamlining:*** 1) *Travel Agents, Tour Operators and Tour guides Licence*: procedures for obtaining the licence be streamlined for better implementation: a) A single licence be retained with three grades representing the activities that a licence holder	1) The Wildlife Act (Cap 19), 2019, repeals the Uganda Wildlife Act, Cap. 200, and introduces wide ranging reforms 2) Tour Agents, Operators and Guides Streamlined by: The Uganda Tourism (Tour Package) Regulations No.57, 2013; The Uganda Tourism (Tourist Accommodation and	3) The 2008 Act had repealed the Tourist Agents (Licensing) Act (Cap. 100), 1972). 4) The Tourism Act, 2008, not amended 5) licences and levies remain 6) Wildlife Regulations not yet enacted

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	is authorised to perform at each grade. b) Standards should be set to improve actual administration. For instance to show certification for activities to prove qualification for a higher licence. c) utilise non-regulatory measures to improve service delivery (e.g. consumer feedback and self-regulation). 2) *Tourism Development levy*: regulations should be enacted to implement the levy as the single revenue collection mechanism under the tourism and hotels subsector.	Restaurant Establishments) Regulations No.48, 2014; and The Uganda Tourism (Tour Guide) Regulations No.49 of 2014; i. The Uganda Tourism (Classification of Accommodation Facilities and Restaurants) Regulations No.82 of 2014; and The Uganda Tourism (Registration and Licensing of Tourists Accommodation) Regulations No.68, 2014.	
	for Elimination: 1) The Tour facility Licence 2) The Hotel Licence 3) Hotel Manager's Licence 4) Tourist Agent Licence	7) 2014 Regulations introduce several reforms	The Value Added Tax (amendment) Act, 2020, exempts VAT on the supply of "accommodation in tourist hotels and lodges located up-country", as well as on the Islamic Development Bank,
Wildlife Sector	***For Streamlining:*** 1) Professional hunters' licence vs. Professional trappers licence:	8) Uganda Wildlife Act, 2019	Uganda Wildlife Act, 2019 (Sec. 51-52) retains separation of professional hunters' licence; from professional trappers' licence.

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	the licences be streamlined to clarify the specific activities that the professional hunters as opposed to trappers perform for instance. Law should clearly state that the activities of a trapper include breeding wildlife.		
	Review/Amend: 1) The Uganda Tourism Act, 2008 2) Review and amend Uganda Wildlife Act, Cap. 200	9) Tourism Act, 2008, not amended - but several Regulations introduced in 2014. 10) Uganda Wildlife Act, 2019 reviews and amends Uganda Wildlife Act, Cap. 200	Others added: 1) The Museum and Monuments Bill, 2022 - to address defects in the Historical Monuments Act (Cap. 46), 1967
C. Trade, Commerce and Cooperatives (88)			
Incorporation/Registration of Business	***For Streamlining:*** 1) Reservation of business name - an electronic registry of incorporated and registered businesses be maintained and made accessible by the public to conduct online searches. 2) Registration of the Memorandum and Articles of Association - introduce standard Memorandum and Articles of Association that are accessible to the public, and introduce procedures for online submission.	Streamlined. The *Companies (Amendment) Act* 2022 amends the Companies Act, 2012	● Cess on on Produce & bicycle licences/fees remain ● New licence for medical laboratories ● ● New licences for fund managers, investment houses, collective investment schemes, market advisers, representatives, trustees, custodians/depositories ● Other applicable laws: Data Protection and Privacy Act 2019; Investment Act, 2019;

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	3) Certificate of Incorporation - introduce an electronic certificate; or a Company registration number, to replace the current Certificate of incorporation 4) and facilitate online searches of the company using the registration number. 5) Statement of nominal Capital - fee structure be revised such that the fee should not be linked to the amount of nominal capital to encourage transparency among businesses in declaring their nominal capital.		National Environment Management Authority Act, 2019; Security Interests in Movable Property Act, 2019; Civil Aviation Authority (Amendment) Act, 2019; African Export Import Bank Agreement (Implementation) Act, 2019; and Human Rights Enforcement Act, 2019
	For Elimination 1. Declaration of Compliance - registrar should be in position to certify that there has been such compliance by an applicant to the requirements of incorporating their business. 2. Statement in lieu of prospectus - regulatory purpose of this licence fulfilled during registration of prospectus when the company intends to issue shares to the public.	Declaration eliminated Statement in lieu of prospectus	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	1) Review & amended Companies Act to bring it in line with modern company law and practice - Sec. 3 restricts formation of a company to at least two people - but Companies Bill provided for incorporation of a one member company. 2) Incorporation of Companies be integrated with other business registration processes (e.g. tax and social security registration). 3) An e-registry system can be maintained and shared with other public departments to lessen the burden on businesses for constant requests to obtain certified copies of documents already submitted to URSB. ***4)*** Registration of companies should be decentralised - URSB should have offices at a regional level to enable quicker access to its bureau's services.	1) See amendments introduced in the Companies (Amendment) Act 2022 2) NITA-U and URSB introduced an electronic document management system (EDMS) (aka OnBase) to to automate the existing functionality of search and certification of documents, with an online Link.	Company Registration/Incorporation an online function. SMCs allowed
Investment	***For Streamlining:*** 1) The Investment Licence - licence be maintained only as an optional certificate of registration; & procedures be	*E-licensing system in place (not operational for health professionals)*	URSB, UIA, and Sector MDAs undertake e-licensing

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	streamlined to reduce submission of information already available to another regulatory authority.		
	For Reclassification: 1) The 3 licences provided for in the Investment Code Act would be better regulated and managed by other regulatory authorities 2) Entry permit (Sec. 10 (7) & (8)) - the entry permit should be reclassified and provided for under the immigration laws. 3) Trade licence (Sec. 10 (9) of the Act) - the Trade licence should be reclassified under the Trade (licensing) Act. 4) Registration of agreement for the transfer of foreign technology or expertise (Sec. 29 & 30) - the licence should be reclassified for enforcement under the National Council for Science and Technology.	The Investment Code Act, 2019, revises, modernises and replaces the Investment Code Act, adapts it to the Constitution, and caters for proposed reforms	Regulations not yet in place
	For Elimination: 1) Certificate of Remittance 2) Certificate of Incentives	Eliminated by The Investment Code Act, 2019.	Certificate of incentives retained in The Investment Code Act, 2019 (Sec. 16).

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	3) Certificate of approval to externalize funds		
Export and Import	***For Elimination:*** 1) Membership Registration Certificate 2) Levy on designated exports	the Companies Act, 2012; the Business Licences (Miscellaneous Repeals) Act 2015; and the Copyright and Neighbouring Rights Regulations 2010.	There is also a Common External Tarriff (CET) of 35% on many products imported into the EAC, since July 2022 (increasing compliance cost on importation of specific products*)
Product Standardization	***for Amalgamation:*** 1) Standard Mark certificate 2) Permit For Distinctive Mark to Complying Commodities.	Uganda National Bureau of Standards (amendment) Act, 2013 **-** addresses these concerns	
Cooperative Societies	***for Elimination:*** 1) Probationary Society Registration 2) Investment of funds approval 3) Contributory Provident Fund Approval	Eliminated by the Cooperative Societies (amendment) Act 2020.	
Sectoral Legislative Reforms	***Review and amend:*** 1) *T*he Companies Act, Cap 110 2) The Stamps Act, Cap 342 3) The Uganda Investment Code Act, Cap. 92 4) Uganda Export Promotions Board Act, Cap. 102 5) The External Trade Act, Cap. 88 6) Customs Management Act, Cap 77 7) The Customs Management (Export of Textiles and Apparel	*Legislations reviewed and/or amended save for the External Trade Act of 1953.*	External Trade (Cap. 88) Act, 1953 in place, alongside The External Trade (Restriction of Importation and Exportation of Goods) Order, 2022

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	Articles to the United States) Regulations, 2001. 8) Uganda National Bureau of Standards Act, Cap 327 9) The Cooperative Societies Act Cap. 112 10) The Hire Purchase Act, No. 3, 2009		
	Repeal 1) The liquor Act, Cap 93	Ongoing	Alcohol control Bill, 2022.
D. Transport and Logistics (74)			
Road transportation	***For Streamlining***: 1) Motor Vehicle Licence - Enact regulations and establish administrative systems to operationalise the currently redundant licence. 2) Dealer's Plates and Dealer's Vehicle Licence - regulations be enacted and administrative systems established to operationalise the currently redundant licence. 3) Driving Permit - procedure for obtaining this licence be harmonised under one institution preferably under URA. 4) Driving School Licence - regulations & administrative	Motor Vehicle Licence repealed by the Finance Act of 2007 and replaced with the fuel levy. The Traffic and Road Safety Act 1998 Act 6 (Amendment) Act, 2020 amends several sections, repeals sections 15-17 and 20 and 23 on the motor vehicle licence	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	systems be established to operationalise the licence. 5) Instructor's Licence - Section 37(4) of the Act be reviewed to add a list of qualifying requirements of an instructor. 6) Learner Driving Permit - procedure for obtaining this licence be harmonised under one institution preferably under URA 7) Public Omnibus Operator's Licence - reduce the time frame by eliminating the requirement to publish every application in the gazette save for situations like applications for competitive bidding on specific routes. 8) Tourist Agent Vehicle Operator's Licence - Regulations should be enacted under the Uganda Tourism Act, 2008 to provide the procedure. 9) Riding Permit - a single payment centre should be established such that the applicants for a riding permit do not have to travel to and make payments at both URA office and Face technology		

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	10) Special Licence - procedures be streamlined.		
	for Amalgamation: 1) The Contract Omnibus Operator's Licence and the Temporary Contract Omnibus Operator's Licence - both facilitate the transportation of passengers and goods for a limited period - amalgamate into a single Contract Omnibus Operator's licence. 2) The Town Taxicab Operator's Licence and the Rental Vehicle Operator's Licence - town taxicabs and rental vehicles reverse roles in practice - grant them one licence permitting both activities	1) Reforms undertaken under the Traffic and Road Safety Act 1998 Act 6 (Amendment) Act, 2020 2) The Uganda Driver Licensing System (UDLS), run by the Uganda Security Prnting Comoany (USPC), and Face Technologies (Pty) Ltd, design, print and supply Driving licences, and the procedure for obtaining a driving permit has been harmonized and streamlined.	Driver Licence fees increased
	for Reclassification: 1) Goods Operator's Licence - redundant owing to conflict with the transit Vehicles licence - should be reclassified and harmonised with the Transit Vehicles licence	Traffic and Road Safety Act 1998 Act 6 (Amendment) Act, 2020	New Regulations not yet in place to replace the Traffic and Road Safety (Driving Tests and Special Provisions for Drivers of Public Service Vehicles and Goods Vehicles) Regulations, 2012
	for Elimination:	Traffic and Road Safety Act 1998 Act 6 (Amendment) Act, 2020	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	1) The Basic Licence - duplicates other licences in the Act.		
Rail transportation	Develop Framework: 1) a legal framework should be developed to facilitate the participation of private businesses in the rail transportation sub sector.		Reform process still ongoing
Aviation	***for Streamlining:*** 1) The Airport Service Charge - (Airport Service Charges Act, Sect. 2 imposes the charge of UGX 500 but amount charged in practice is much higher and has raised complaints) - the service charge be retained but the provision of the law be streamlined to set out the payable charge.	The Civil **Aviation** Authority (Amendment) **Act** 2019	
Sectoral Legislative Reforms	***Review and amend:*** 1) The Traffic and Road Safety Act, Cap 361 2) The Traffic and Road Safety (Motorcycles) Regulations 2004 No. 30 3) Traffic and Road Safety (Driving Permits) Regulations, 2005. No. 4.	1) Traffic and Road Safety Actammended in 2020. 2) Inland Water Transport Act (no. 18), 2021, repeals the Vessel (Registration) Act, Cap. 362; the Ferries Act, Cap. 355; the Inland Water Transport (Control) Act, Cap. 356; Part XII of the Uganda Railways Corporation Act,	1) The Road and Safety Act Regulations not yet in place 2) New Regulations under Civil Aviation, during 2019-2022 Traffic and Road Safety (Authorised Emergency Motor Vehicle) (No. 2) Order, 2022 (Statutory Instrument 3 of 2022), and Traffic and Road Safety (Authorised Emergency Motor Vehicle) Order, 2022 (Statutory Instrument 1 of 2022)

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	4) The Inland Water Transport (Control) Act. Cap 356 5) The Civil Aviation (Aerodromes) Regulations, 2007 6) The Civil Aviation (Aircraft Registration and Marking) Regulations, 2006 No. 50 7) The Civil Aviation (Airworthiness) Regulations, 2006 8) The Civil Aviation (Personnel Licensing) Regulations, 2006 9) The Airport Service Charges Act, Cap 353 10) The Uganda Railways Corporation Act. Cap 331	Cap. 331; and consolidates the law relating to shipping and for related matters.	
E. Housing and Urban Development			
Local Governments	***for streamlining:*** 1) The Building Permit, to reduce processing time at the district/policy level and by according more to the technical process at the local authority level. Temporary permits or letters of objective could be issued after the mandatory review by the Technical Committees. 2) Consider establishing a Home Builders Registration Council (a		

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	model adopted in South Africa) as a regulatory body, to protect the interests of housing consumers & ensure compliance with regulated building industry standards. 3) The Road Cutting Permit - by actualizing the Land Tribunals that are the licensing authority		
	for amalgamation: 1) The Trading Licence Apartments Grade 1 and Trading Licence Apartments Grade 2 - legal framework provides no distinction between the two 2) The Trading Licence Brick/ Block/Concrete Products Workshop Grade 1 and the Trading Licence Brick/ Block/Concrete Products Workshop Grade 2 - legal framework providesno distinction between the two.		
Sector-wide Reforms	Review and amend: 1) The Public Health Act, 1964 Cap 269 2) The Access to Roads Act, 1969, Cap. 350 3) The Trade (Licensing) Act, Cap 101		

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
F. Energy, Mining, Petroleum			
Atomic Energy	***for Streamlining (***by developing more detailed regulations under the new Atomic Energy Act 2008): 1) Licence to possess or use radioactive materials or devices; 2) Licence to sell, loan or deal with radioactive material or radiation devices 3) Licence to dispose of radioactive materials 4) Licence to import/export radioactive materials or device 5) Licence authorising administration of ionising radiation to persons 6) Certificate of Compliance/Acceptance for a building 7) The licence authorising an engineer or technician to install, service or maintain irradiation device or 8) radioactive material 9) Radiation Premises Licence 10) Certificate of Compliance or Acceptance of a new modified radiation device or radiation premises		Atomic Energy Act, 2008 in place together with Regulations

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
Mining	***for Streamlining*** 1) a) The Prospecting Licence be streamlined to increase the licence period for the licence. 2) The Exploration Licence and The Retention Licence be streamlined by amending the Mining Regulations 2004 to: a) stipulate the same licence application procedure as in the case of an application for a Prospecting Licence and (b) Provide for a lighter application process for this application in view of the fact that the applicant is a known entity to the licensing authority 3) The Mining Licence and the The Location licence should be streamlined by amending the Mining Regulations 2004 to stipulate the same licence application procedure as in the case of an application for a Prospecting Licence. 4) The Goldsmith Licence be streamlined by amending the Mining Regulations of 2004 in order to make the regulatory	Reforms caters for in The Mining and Minerals Act, 2022	Regulations not yet in place.

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	considerations of this Licence more apparent 5) The Environmental Impact Assessment can be streamlined by putting in place approval mechanisms that enable the utilization of internal information in order to reduce on the possibility of multiple submissions of the same information.		
	for Amalgamation - into one licence with various categories for all activities regulated in these three cases are related: 1) The mineral dealers licence; 2) The importers licence and 3) The Exporters	As above	As above
Petroleum Supply	***for Streamlining:*** a) The Petroleum Operating Licence - amend the Petroleum (Marking and Quality Control) Regulations to align penalties therein with original penalties instituted under the Petroleum Supply Act 2003	Petroleum (Marking and Quality Control) (Amendment) Regulations, 2012	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	for Amalgamation - *into one licence since the distinction in licenced activities is not significantly different:* 1) Container Licence; 2) Underground Tank Licence; 3) Bulk Storage Licence.	As above	
Petroleum Exploration and Production	***for Streamlining:*** 1) The Petroleum Exploration Licence 2) The Petroleum Production Licence 3) Consent to Drill	Reforms catered for under: 1) Petroleum (Exploration, Development and Production) Act, 2013 - and Regulaitons of 2016 2) Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013 - and REgulations of 2016.	
Power Generation	***for Streamlining (*** by amending the Electricity Act, 1999): 1) Generation licence; 2) Transmission licence; 3) Distribution licence; 4) Sale licence; 5) Export licence; and the 6) Import licence;	The Electricity (Amendment) Act, 2022 amends the Electricity Act, Cap. 145	Seemingly lengthy timeline allows for applicant to conduct a feasibility study of the intended project to ascertain its viability; period allows for consultations with stakeholders and the general public to give their views on the proposed project.
Sector-wide Reforms	***Review and amend:*** 1) The Atomic Energy Act, 2008 2) The Mining Act, 2003 3) The Petroleum Supply Act, 2003	Mining, and Petroleum and Electricity Acts reformed Electricity (Isolated Grid Systems) Regulations, 2022 in place	Atomic Energy Act still in place

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	4) The Petroleum (Exploration and Production) Act, Cap 150 5) The Electricity Act, 1999, Cap 145 6) The Electricity (Licence Exemption) (Isolated Grid Systems) Order, 2007		
G. *Manufacturing (Processors, Small scale Industries, Arts & Crafts) Sector*			
Hide and Skins	***for streamlining:*** 1) Buyer's Licence - localise issuance of the licence to District Veterinary officer and not the commissioner livestock and entomology in Entebbe 2) Veterinary health Certificate - procedures for obtaining certificate should be provided for in the law. 3) Movement Permit - effect inspection of hide and skin being to meet licence's the regulatory purpose - also enact regulations on issuance of the permit	Administrative reforms	More reforms under way, with e-Licensing and e-Registration and e-Payment systems
	for Elimination. 1) Permit to export in any manner or place - Export centers ceased to exist with the liberalization of the economy.	Eliminated by Business Licences (Miscellaneous Repeals) Act 2015	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	2) Export-buyer's licence - licence duplicates the veterinary certificate for phytosanitary management of hide and skin and the role. Licence's in generating statistics of the trade is better managed by the URA. 3) Returns to regional commissioner of customs and excise - not necessary as the information required should be collected by the commissioner with every export.		
	Review and amend: 1) The Hide and Skin Trade Act, Cap. 89 2) The Hides and Skins (Export Duty) Act, Cap. 339		Laws not yet amended or reviewed
Industrial Licensing	***Repeal:*** 1) The Industrial Licensing Act, Cap. 97		Not yet repealed
H. Financial Services			
Foreign Currency Trading		1) Foreign Exchange (Amendment) Bill, 2022 ***- not yet passed***	
Financial Institutions	for Streamlining - because Class 1 licence (Commercial Banks) encompasses the activities under the other classes & allows the holder to continue or discontinue lines of business	Reforms effected under: 1) The Financial Institutions (Amendment) Act 2016	● The Finance Bill, 2022, seeks to provide for the amendment of the Finance Act, 2016; the Finance Act, 2015; the Finance Act,

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	related to the other classes without applying for another licence (duplication in the legal framework), & application timelines for all the above licences be reduced from six months and above: 1) The Licence to transact financial institutions business (commercial bank) 2) The Licence to transact financial institutions business (post office savings) 3) The Licence to transact financial institutions business (merchant bank) 4) The Licence to transact financial institutions business (mortgage bank) 5) The Licence to transact financial institutions business (credit institution) 6) The Licence to transact financial institutions business (acceptance house) 7) The Licence to transact financial institutions business (discount house) 8) The Licence to transact financial institutions business (finance house).	2) The Tier 4 Microfinance Institutions And Money Lenders (Non-Deposit Taking Microfinance Institutions) Regulations, 2018 3) Reforms Undertaken During 2013-2023, as legislations and instruments	2014; the Finance Act, 2013; the Finance (Amendment) Act, 2010; the Finance Act, 2009; the Finance Act, 2008; the Finance Act, 2006; the Finance (No. 2) Act, 2005; the Finance Act, 2005; and to provide for the repeal of the Finance Act, 2012 Act 6 of 2012. ● Financial Institutions (agent Banking) Regulations, 2017 introduce new licences & application fees for Agent Banking & Bancassurance services (ee IRA)

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
Micro finance Institutions	***for Streamlining***: 1) The Microfinance Deposit-Taking Institutions Licence to reduce application timeline of six months and above	1) Reforms under the The Tier 4 Microfinance Institutions And Money Lenders Act, 2016 and the Financial Institutions (Amendment) Act 2016 2) Several Regulatory Instruments during 2012-2023	The Micro Finance Deposit-Taking Institutions (Amendment of Second Schedule) Instrument, 2022
Capital Markets	***for Streamlining:*** 1) Approval of Stock Exchanges - change licensing criteria to prudential and risk management considerations and enable applications by profit-motivated applicants. 2) *Reduce process application timelines of a minimum of 45 days* for: the Broker/Dealers Licence; the Broker/Dealers Representative Licence; the Investment Advisers Representative Licence; and the Investment Advisers Licence. 3) *Reduce process application timelines of a minimum of 6 months* for: The Investment Company with Variable Capital Licence; The Unit Trust Scheme Licence; The Authorized Corporate Director Licence; The	1) The Capital Markets Authority (Amendment) Act 8 of 2016 **repealed Part VI** and other sections of the Capital Markets Authority Act (Cap. 84). 2) Several Regulations during 2012-2022 have addressed these reforms.	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	Manager Unit Trust Scheme Licence; and The Trustee Licence. 4) Licence to Establish and Operate a Securities Central Depository - *reduce the licensing processing minimum timeline of 45 days* and convert the annual licence of 1 year to an approval as is the case for the approval of a stock exchange		
Insurance Services	***for Streamlining:*** 1) The Insurance Licence 2) The Reinsurance Licence 3) The Health Insurance Licence 4) The Amalgamation Licence 5) The Transfer Licence 6) The Insurance Broker Licence 7) The Reinsurance Broker Licence 8) The Risk Manager Licence 9) The Loss Assessor Licence 10) The Insurance Surveyor Licence 11) The Claims Settling Agent Licence.	Insurance Act 2017 amends & replaces previous law and provides for the regulation of insurance business.	1) The Insurance (Amendment) Act, 2011 replaced the Uganda Insurance Commission (UIC) with the Insurance Regulatory Authority of Uganda (IRA), which has wide-ranging powers. 2) The Insurance (Bancassurance) Regulations,

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
			2017, introduced new licences for Agent Banking & Bancassurance services
Money Remittances	***for Amalgamation*** 1) Money remittance licence 2) Forex Bureaux Licence		2018 Guidelines by the Bank of Uganda retain this separation
Sector-wide Reforms	***Review and amend:*** 1) The Foreign Exchange Act 2004 2) The Financial Institutions Act 2004 3) The Micro Finance Deposit-Taking Institutions Act 2003 4) The Capital Markets Authority Act 1996, Cap. 84 5) The Collective Investment Schemes Act 2003 6) The Securities Central Depository Act 2009 7) The Insurance Amendment Act 2011	1) *Financial Institutions (Amendment) Act* 2016 2) New Regulations on licensing and Unit Trusts, 2022 3) The Micro Finance Deposit-Taking Institutions (Amendment of Second Schedule) Instrument, 2022 4) National Systems Payment Act 2020 5) Insurance Act, 2017 amends the Insurance (amendment) Act, 2011	2) Microfinance Deposit-Taking Institutions (Amendment) Bill, 2022 ***- not yet passed*** 3) Foreign Exchange (Amendment) Bill, 2022 ***- not yet passed*** Collective Investment Schemes Act 2003 - not amended
I. Health & Nutrition (81)			
The National Drug Authority	***for Streamlining:*** 1) Authorisation to import drugs not on the national formulary - procedure be clearly laid out in the law so that businesses	New Regulations that address these reforms: 1) Fees Regulations, 2022	Main law, The National Drug Policy and Authority Act (Cap. 206), 1993, not amended

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	spend less time searching for procedures. 2) Licenced Person licence - criteria for determining that a 'person is fit' for this licence be outlined in the law to promote transparency 3) Return of details of pharmacy business - remove requirement to file returns within 21 days of commencement of business as all the information about the business is already submitted to the authority at the time of obtaining a Licenced Seller licence. The provision should be restricted to apply to only to annual returns starting at the end of the first year of operation 4) Approval of drugs & drug combinations - law should clarify the activities that this licence regulates so that businesses are able to ascertain whether this is a licence their business should obtain for their business activities.	2) Certificate of Suitability of Premises) (Amendment) Regulations, 2021 3) Conduct of Clinical Trials (Amendment) Regulations 2021 4) Licensing (Amendment) Regulations 2021 5) Pharmacovigilance (Amendment) Regulations 2021 6) Drug Importation and Exportation Regulations, 2014	
	for Amalgamation:	See Licensing (Amendment) Regulations 2021; and Fees Regulations, 2022	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	1) The ‘Licenced sellers’ licence’ and the ‘Wholesale dealer licence’ - into a single Licenced Dealer licence as they both regulate the sale of restricted drugs.		
	for Elimination: 1) The ‘Certificate of suitability of premises’ - regulatory purpose already met by Licenced Seller’s licence, ‘Wholesale dealers licence’ and the ‘Return of Details of Pharmacy Business’ which are only valid on the premises specified on the licences.	Changes made in the Licensing (Amendment) Regulations, 2021	Certificate of Suitability of Premises retained. See Certificate of Suitability of Premises) (Amendment) Regulations, 2021, and the Licensing (Amendment) Regulations, 2021
The Pharmacy board			
The Medical and dental Practitioners Council - Medical and Dental Practitioners Act. Cap 272	***for Streamlining:*** 1) Temporary registration - review and amended Act to reflect a duration of the temporary licence and provide that a holder for a temporary licence of more than a specified period qualifies for full registration. 2) Health Unit Operational licences - 52 categorisations of health units to obtain operational licence yet Health units serve		1) Uganda Medical Society Bill, 2014 Main law not yet amended

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	the same purpose: classifications intended to raise revenue for the council. 3) Enhance Coordination between the Medical and Dental Practitioners Council and the Local Government to merge supervision for approval of the operational licence with trade licensing regime.		
	for Elimination: 1) The 'Special licence' as it duplicates licences on stockpiling, retailing or wholesaling of drugs under the National Drug Authority Act.		As above
Allied Health professionals Act	***for Streamlining:*** 1) Registration of Private Allied Health Units - Section 32 (2) be revised to state the nature of the inquiry that the Council performs before registration of a health unit - to help professionals be better prepared for the inquiry procedure in advance and save processing time. 2) Private Practice licence - Act should be amended to make provision for an appeal against		Act in place without amendments

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	the decision of the council to courts of law.		
	for Elimination: 1) The 'Special licence' - serves no regulatory purpose and creates multiple licences. Activities it seeks to regulate are sufficiently regulated under the National Drug Authority Act.		As above
The Nurses and Midwives Council	***for Elimination:*** 1) Special Licence (Nurses and Midwives) - serves no regulatory purpose, creates multiple licences for businesses as the activities sufficiently regulated under the National Drug Authority Act.		as above
Sector-wide Reforms	***Review and amend:*** 1) National Drug Authority Act, Cap. 206 1) The Medical And Dental Practitioners Act, Cap 272 2) The Allied Health Professionals Act, Cap. 268 3) Nurses and Midwives Act, Cap 274	New Regulations operationalising National Drug Authority Act, Cap. 206	All main laws in place
J. ICT & Media			
Broadcasting • Communications • Information technology services	***For Reclassification*** (consider merger between the UCC & Broadcasting Council, and proposed	1) Uganda Communications Act, 2013, consolidated and harmonised the Uganda Communications Act and the	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	enactment of a new consolidated law which will merge the operations for broadcasting and communications in line with best practice and contemporary international standards): the following 5 licences be reclassified to eliminate duplication: 1) Licence to install television and radio station 2) Registration of television and radio stations 3) Broadcasting licence 4) Theatre licence 5) Registration of video and cinematograph operators	Electronic Media Act; and reconstituted the UCC and Broadcasting Council into a single body, the UCC. 2) New Regulations during 2013-2020 3) Service-Provider licences in place	
	for Elimination 1) Television viewer's licence 2) Television dealer's licence	Reformed	
NITA - NITA Act	***for Streamlining:*** 1) Licence for certification service providers	1) The NITA-U (Certification of Providers of Information Technology Products and Services) Regulations, 2016	Certification is still required (see S.I 69, 2016, Schedule 3) to provide information technology products and services, upon payment of Registration and Certification annual inspection and other fees
Repeal	***Repeal:*** 1) The Electronic Media Act Cap 104 and all regulations there under	UCC Act, 2013, consolidates and harmonises the Uganda Communications Act, 2004 and the Electronic Media Act, Cap 104	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	2) The Uganda Communications Act, 2004 and all regulations there under		
K. Education and Skills Development			
Pre-primary education, Primary education and Post primary education Tertiary and university education	Review and amend: 1) The Education (Pre-Primary, Primary And Post-Primary) Act, 2008 2) Universities And Other Tertiary Institutions Act, 2001 (As Amended in, 2003 and 2006) 3) Universities and Other tertiary Institutions (Quality Assurance) Regulations 2008		Ministry of Education and Sports' Laws, Policies, and Instruments unreformed Sector-related licences unchanged
L. Water Environment and Sanitation (13)			
The Director of Water Development	for streamlining - by prescribing specific criteria applicable to their issuance, renewal, and processing timelines: 1) The Drilling Permit 2) The Construction Permit 3) The GroundWater Permit 4) The Easement Certificate 5) The Hydraulic Construction Permit, and 6) The Surface Water Permit.		1) Ministry still in the process of reviewing the Water Act with a view to repealing and replacing it with a new law and later Regulations. Sector-related licences, permits, unchanged
	for amalgamation: 1) The WasteWater Discharge Permit and the Pollution Licence		As above

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	in order to eradicate an overlap in the case of water pollution		
National Environment Authority	f***or streamlining -*** to give licensing powers and authority to technical committees and away from individuals to ensure application of technical considerations in the licensing process, eradicate potential abuse of power and corruption, and make specific provision on the licensing application timelines: 1) The Environmental Impact Assessment 2) The Wetland Resource Use Permit 3) The Licence for Noise in Excess of Permissible Noise Levels 4) Licence for the Transportation and Storage of Waste, to offer clarity as to the application 5) process, application timelines and licensing authority 6) Licence to own or operate a water treatment plant or disposal site, to make provision for 7) specific application timelines.	1) National Environment Act, 2019, repeals, replaces and reforms the legal frameworks relating to environmental management in Uganda 2) New Regulations during 2019-2020	
	for amalgamation: 1) The WasteWater Discharge Permit under the Water Act, and the Pollution licence under the	As above	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	NEMA Act to the extent that they both relate to water pollution		
Sectoral Reforms	***Review and amend:*** 1) The Water Act, Cap 152 2) The Water Resources Regulations (SI 152 – 1) 3) The Water (Waste Discharge) Regulations (SI 152 – 4) 4) The National Environment Act, Cap 153 5) National Environment (Noise Standards and Control) Regulations	1) National Environment Act, 2019 2) New National Environment (Environmental and Social Assessment) Regulations, 2020	Ministry still in the process of reviewing the Water Act with a view to repealing and replacing it with a new law and later Regulations. Other Environmental Regulations passed during 2019-2020
M. Employment, Labour and Industrial Relations			
Citizenship & Immigration Control	***for Streamlining:*** 1) The Work Permit (Class D) - by amending the Uganda Citizenship and Immigration (Fees) Regulations 2009 to revise the Class D fees so as to put them in line with the other fees in order to eliminate the possibility of the permit fees being a deterrent to business		Recommendation contested. Ministry responsible for Finance increased Work permit fees through the amendment to the Finance Act and not amendment to the Uganda Citizenship and Immigration Control (Fees) Regulations 2009
Employment and Labour Services	***for Streamlining:*** 1) The Recruitment Permit - by amending the Act and regulations to: offer clarity as to the licensing authority; reduce		Recommendation contested

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	the large discretionary powers of the issuing authority… and to make clear provisions on the circumstances that could lead to revocation of the licence. 2) Accreditation - by amending the Act and regulations to make provision for maximum application timelines.		
Sector-wide	***Review and amend:*** 1) The Uganda Citizenship and Immigration Control (Fees) Regulations, 2009 2) Act, 2006 3) The Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations, 2005		1) The Employment (Amendment) Bill, 2022 - so Regulations not yet in place 2) The Statutory Instrument No. 12, of 2021 regulates Citizenship and Immigration Control Fees
N. Professional Services			
Engineering professionals Architects Surveyors Accounting Professionals Legal professionals Customs Agents and forwarders	***Online Services:*** 1) Introduce electronic submission of application and renewal forms to reduce the burden of several trips to institutional premises in Kampala to submit and follow-up on applications		
	Review and amend: 1) The Engineers Registration Act. Cap 271	Few reforms: 1) Accountants Act, 2013	Main laws not amended or reviewed. 1) Building Control Act, 2013, the Building (Standards for

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	2) The Architects Registration Act. Cap 269 3) The survey Act, 232 4) The Surveyors Registration Act, Cap 275 5) The Accountants Act, Cap 266 6) The Advocates Act, Cap. 267 7) The Court Bailiffs Rules, 1987 No. 64 8) The Customs Management Act, Cap 77 9) The East African Customs Management Act, 2004	*2) East African Community Customs Management (Amendment) Act, 2019*	Mechanical Installations in Buildings) code, 2019; and Building Control Regulations 2020, reflect some reforms 2) Surveyors Registration (amendment) bill, 2013 not yet passed 3) Survey Bill, 2013 not yet passed
O. Local Government			
Local Government	***for Streamlining:*** 1) Property Tax - property rates be fixed according to localities and segmented according to nature of usage of the property and size of the property (e.g. separate value be attached for bungalows as opposed to a storied residency in a specific locality); a valuer be maintained at LG offices to expedite the process of obtaining a valuation, to inspect properties and make necessary revisions to the fixed rates within the localities.	Local Governments Act amended 2015 and 2020 - emphasis placed on election-related reforms (Sections 103, 127 and 168C repealed) Market fees streamlined by the Guide for the Management, Operation and Maintenance of New Re-constructed Markets, 2015	1) Property tax still chargeable according to the Local Government (Rating) (Amendment) Act, 2005 - not reformed. See Local Governments (Amendment of Fifth Schedule) Instrument, 2020 (Statutory Instrument 73 of 2020) on KCCA-relates fees

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	2) Advertisement Fees - LG Act should specify rates payable for different sizes of advertisements and clearly state the procedure for obtaining the permit. 3) Market Fees - there are no regulations under the Markets Act prescribing market fees: fees for collection be streamlined and criteria for determining the fees be available to the vendors. 4) Local service tax - rates for self employed artisans cause confusion. Local service Tax should be revised to ensure that amounts payable qualify to only a single payment bracket.		
	for Reclassification ***1)*** Charcoal burning Licence - be reclassified to be issued and regulated by an environmental protection body (e.g. NFA or NEMA). Enact Rules prescribing the criteria used for assessments, prescribing fees and mode of payment. Regulate dealing in charcoal like any other business.	-	As above

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	2) User charges - single business levy recommended instead of individual payments for each service the LG provides.		
	Eliminated licences: ***1)*** Graduated Tax - abolished in 2005 by the private Members' Bill but is still reflected in the Act: law should be amended to eliminate this licence. 2) Bicycle Licence - serves no regulatory purpose and is utilized only for revenue collection 3) Cess on produce - fees on produce brought into the market. Each LG charges a different rate, for the same produce, and at different markets. This lack of transparency negatively affects doing business. The Produce Protection Act which is cited as the basis for this cess is a pre-liberalization law that needs to be abolished. The charges made should be eliminated to improve the economy's competitiveness	Graduated tax eliminated by section 18 of the Local Government (Amendment) Act, 2005. Bicycle licence eliminated by section 2 of the Local Government (Amendment of Fifth Schedule) Instrument, S.I 47 of 2014 Cess on Produce eliminated by section 2 of the Local Government (Amendment of Fifth Schedule) Instrument, S.I 47 of 2014 Fishing licence eliminated under the Local Governments (Amendment of 5th Schedule) Instrument, 2014	Still in Act

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	4) Fishing licence - duplicates the fishing licences under the Fish Act, Cap 197. 5) Hotel tax - Hotel industry already succumbs to several licensing regimes. Additional tax negatively impacts the competitiveness of the tourism industry.		
Enguli manufacturing and trade.	***For elimination:*** 1) The Enguli Licence 2) Jaggery Licence	1) The Sugar Act, 2020 (Sec. 19-21), provides for licensing for jaggery mills	2) Licences Outstanding: Alcoholic Control Bill still in offing; while the
Public health, Nutrition & Medical Services	***for streamlining:*** 1) Health Centres 2) Pharmacies 3) Private hospitals 4) Nursing Homes 5) Maternity Homes 6) Clinics 7) Drug stores	**National Drug** Policy and **Authority** Act not amended	1) National Food and Medicine Authority Bill not yet passed Public Health (Amendment) Bill 2021 not yet passed
Trade	***for streamlining:*** 1) Legal firms 2) Auditors, accountants and tax consultants 3) Surveyors engineers and valuers 4) Fumigation business and cleaning firms 5) Events management	Reforms reflected in sectoral legislative reforms; Trade Licensing (Amendment) Act, 2015 (Sec 10); Investment Code Act, 2019; and Financial sector reforms	Limited reforms in professional services' legal instruments (Engineers, surveyors, Advocates, Court Bailiffs)

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	6) Security investigation 7) Auctioneers, court brokers and bailiffs 8) Business Consultants 9) *Recreation & Entertainment licences for streamlining*: Bars; Pubs; Inns; Entertainment venues; Theatres; Disco halls and night cluss; Restaurants; and Eating houses. 10) A*gencies & Representative business service licences for streamlining*: Agencies; Clearing and forwarding; Manufacturers representatives; Commission agents; Travel and Tour agents; Transport agents 11) *Trade licences for Financial Services*: Insurance companies; Money lending; Savings institutions; Foreign Exchange Bureau 12) *Trade licences for Education Services to streamline*: Driving schools; Tertiary institutions; Private primary schools; Private universities; Day care centres and nurseries 13) *Trade licences for Hotel Services:* Hostels above 100		

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	rooms; Hostels of between 50 and 100 rooms; Hostels of less than 50 rooms 14) Printing and Publishing 15) Construction Companies 16) *Garages & Workshops*: Motor Vehicle garages; MotorCycle garage services; Repair shops.		
Hotels & Lodges	***for streamlining:*** 1) Hotels (3 stars and above) 2) Hotels (less than 3 stars) 3) Lodges (less than 20 rooms) 4) Lodges (20 rooms and above)	Under The Uganda Tourism (Classification of Accommodation Facilities and Restaurants) Regulations (No. 82), 2014	
Sector-wide Reforms	***Review and amend:*** 1) The Public Health Act, Cap 281 2) The Food and Drugs Act Cap. 278 3) The Markets Act, Cap 94 4) Enguli Act (Manufacturing and Licensing Act) Cap 86 5) The Shop Hours Act, Cap 99 6) The Produce Protection Act, Cap 32 7) The Local Government Act, Cap 243 ***Repeal and replace:*** 1) The Trade Licensing Act, Cap 101	See reforms as previously stated 1) Local Governments Act amended in 2015 and 2020 2) Trade Licensing (Amendment) Act 2017 3) Other reforms ongoing	4) Public Health (amendment) Bill, 2021 5) National Food and Drugs Authority Bill 6) Alcohol Control Bill, 2022 7) The Market Bill, 2021
P. Others (e.g. Entertainment, Gaming, Gambling, private services, etc)			
Other licences	***For Streamlining:***	Undertaken under the Trade Licensing (Amendment) Act 2017	

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	1) Radio stations 2) Pool tables 3) Satellite connections 4) Garbage collection 5) Internet cafes 6) Mineral dealers 7) IT solutions 8) Power generation 9) Mobile Network Services providers. 10) Power distribution 11) Casinos 12) Private Car Park 13) Lotteries 14) Bakery 15) Slot machines 16) Butchery 17) Photo booth 18) Website design 19) Car Washing Bay 20) Herbal / Local Medicine 21) Flower selling 22) Imaging Company 23) Decorator 24) Catering 25) Engravers 26) Private public toilets and bathrooms 27) Scrap dealers 28) Funeral services		

Reforms SECTOR, 2012	Proposed Reforms, 2012	Implemented Reforms, since 2012	Observations
	29) Event manager 30) Private fire fighting 31) Catering 32) Car special hire services 33) Hawkers		

Sources: BLRC Reports, Vol 1&2, 2012; Jonkheer, 2017; URA, 2022, Tax Amendments, FY2022-23

From the foregoing (Table 1), it is observable that a number of commendable, multisectoral, and cross-cutting licensing reforms have been undertaken since 2012. The reform process is still undergoing; some of the outstanding reforms are still being undertaken, such as in the health sector, through legislation and development of Regulations. The Education sector has been slow at implementing many of the proposed reforms (save for recent curriculum reforms, many of which have limited licensing implications). The overall number of outstanding licences remains low, while some of the reforms introduced new licences, such as in the oil and gas selector and the finance sector. In the finance sector, for instance, the Financial Institutions (Agent Banking) Regulations, 2017, introduce new licences and application fees for Agent Banking and Bancassurance services. Similarly, the Tier 4 Microfinance Institutions and Money Lenders Act, 2016 (that commenced in July 2017) establishes the Uganda Microfinance Regulatory Authority (UMRA), which has created Regulations requiring a licence to operate a Non-Deposit Taking Microfinance Institution. The licence is issued upon payment of a licence fee (application for licence, 50,000/=; Annual Licence, 500,000/=; Branch Licence, 300,000/=; and Alteration,100,000/=).[38]

The ongoing reforms are yet to be exhaustive. Table below outlines some of the outstanding licences.

[38] Republic of Uganda, 2018. *The Tier 4 Microfinance Institutions and M<oney Lenders Regulations, No. 8, 2018.* Entebbe: UPPC, Schedule 2

Table 3: Outstanding Licencing Reforms

SECTOR, 2012	Outstanding Licences	Observations *(including Justification/Reasons for Non-Implementation)*
1. Agriculture, Animal Industries and Fisheries	a. Licence to import or export animal breeds b. Registration of animal genetic resources and related activities c. Buyer's licence (Hides & Skins) d. Alignment of provisions in the Hides and Skins Act with the Leather Development Policy e. Export buyer's licence f. Veterinary Health Certificate g. Provision of procedure obtaining the veterinary health certificate in law *Animal Breeding Act 2001 should be amended to delete all references to fisheries in order to eradicate the overlap and confusion in the licensing frameworks of the animal breeding and the fisheries subsector.	a. (Recommendation contested by NAGRC & DB b. Recommendation contested by NAGRC & DB c. Recommendation contested by MAAIF d. Procedure (veterinary health certificate) contested by MAAIF e. Recommendation contested by MAAIF f. Recommendation contested by MAAIF *Amendment of Animal Breeding Act 2001 contested by NAGRC & DB
2. Education and skills Development	A. Provisional permit to operate new school B. Permit for the Letter of Interim Authority *Process for obtaining this letter be streamlined to provide a specific and shorter time frame within which to obtain the letter following submission of the application	1) Recommendation contested by Department of Private Schools and Institutions, MoES 2) Recommendation contested by National Council for Higher Education *Recommendation contested by National Council for Higher

SECTOR, 2012	Outstanding Licences	Observations *(including Justification/Reasons for Non-Implementation)*
		Education
3. Energy, mining, oil and gas	A. Generation licence B. Transmission licence C. Distribution licence D. Sale licence E. Export licence F. Import licence G. Certificate of exemption H. Generation levy ● Licensing Procedures: Generation licence; Transmission licence; Distribution licence; Sale licence; Export licence; Import licence; Certificate of exemption; and Generation levy: *The Electricity Act be amended to streamline the licensing process in order to achieve the application timeline efficiencies. The 30-day period for publishing the intention to apply in the Gazette as well as the 30-day period for confirmation of a complete application seems unnecessarily long. Furthermore, the 180-day period for processing the application should be reviewed with the intention of making a significant reduction in the time allocated to this stage of processing as * The Electricity Act be amended to streamline the licensing process in order to achieve the application timeline efficiencies. The 30-day period for publishing the intention to apply in the Gazette as well as the 30 day period for confirmation of a complete application seems unnecessarily long.	All these recommendations were contested by ERA ● *Recommendations contested by ERA

SECTOR, 2012	Outstanding Licences	Observations *(including Justification/Reasons for Non-Implementation)*
4. Financial services	A. Licence to transact financial institutions business (Class 6 Licence) B. Licence to transact financial institutions business, Post Office Savings Bank C. Licence to transact financial institutions business, Merchant Bank D. Licence to transact financial institutions business, Mortgage Bank E. Licence to transact financial institutions business, credit institution F. Licence to transact financial institutions business, acceptance house G. Licence to transact financial institutions business, discount house H. Licence to transact financial institutions business, finance house I. Microfinance deposit taking institutions licence	Outstanding J. Microfinance deposit taking institutions licence retained in the Tier 4 Microfinance Institutions and Money Lenders Act, 2016 and the 2018 Regulations. K. The Financial Institutions (Amendment) Act 2016 addresses some of these reforms, specifically Islamic banking; bancassurance; agent banking; special access to the Credit Reference Bureau by other accredited credit providers and service providers; and reforms the Deposit Protection Fund.
5. Trade, Industry and Cooperatives (Liquor-related licences)	1) Bar licence 2) Night club liquor licence 3) Wholesale liquor licence 4) Travelling wholesale liquor licence 5) Entertainment licence 6) Ship and Train licence 7) Auction liquor licence 8) Special liquor licence 9) Club liquor licence	Outstanding ● Ministry of Trade Industry and Cooperatives (MTIC) is agreeable to the recommendation to repeal and replace the Liquor Act but has not yet initiated formulation of Policy to regulate liquor ● The process of enacting the

SECTOR, 2012	Outstanding Licences	Observations *(including Justification/Reasons for Non-Implementation)*
	10) Extension licence 11) Travellers bar licence 12) Temporary liquor licence 13) Temporary extension liquor licence 14) Temporary transfer liquor licence 15) Spirituous liquor licence 16) Refined spirits licence 17) Temporary disposal licence 18) Native liquor shop licence 19) Native liquor brewing licence 20) Casual brewing native liquor licence 21) Temporary native liquor licence	Alcohol Control Bill, 2022, is still in nascent stages

Sources: BLRC, 2012; Jonkheer, 2017; Odete, 2016

Table 2 reveals that despite the various reforms undertaken since 2012, several reforms remain outstanding. Some of the proposed reforms have been contested on various grounds (e.g. by Agriculture and the Electricity Regulatory Authority). Others have been implemented by introducing even more sweeping reforms, while some (such as on alcohol control) require overhaul of the sub-sector. This implies that the affected licences (and their accompanying compliance costs) remain in place.

Table 4: Reforms Trajectories and numbers

	Sector	**No. of licences to (Eliminate/streamline/ amalgamate/reclassify**	**No. of licences eliminated/streamlined/ amalgamated/reclassified**		**Amendment Drafted**	**Contested**	**Outstanding**
			Done	**Ongoing**			
1	Agriculture	29	3	8	13	5	
2	Education and skills Development	5	1	1	1	2	
3	Energy, mining oil, gas	14	5	1		8	
4	Financial services	30		12	9		9[39]
5	Health	59	50	8	1		
	Total	**137**	**59**	**30**	**24**	**15**	**9**

Source: Otete, PSF/CEDP/CONS/15-16/00078, 2017, Cluster II, pp. 4

[39] This is as of end 2016. Some of these have since been addressed in the Financial Institutions (Amendment) Act, 2016; the Tier 4 Microfinance Institutions and Money Lenders Act, 2016; and the THE TIER 4 MICROFINANCE INSTITUTIONS AND MONEY LENDERS (MONEY LENDERS) REGULATIONS, No. 8 of 2018.

Table 5: Contested Reforms

	Sector	MDA	Licence contested	Recommendation contested	Reason for contestation
1	**Agriculture (5)**				
	(a) Animal breeding subsector	National Animal Genetic Resources Centre and Data Bank (NAGRIC)	Licence to import or export animal breeds	Animal Breeding Act 2001 to delete all references to fisheries, eradicate the overlap with fisheries subsector	No overlap in the regulation of the fisheries sector between the Fish Act and the Animal Breeding Act. Fish Act regulates fishing activities through issue of licences; Animal Breeding Act concerned with the quality assurance of animal and fish genetic materials.
	(b)		Registration of animal genetic resources and related activities	Animal Breeding Act 2001 to delete all references to fisheries, eradicate the overlap with fisheries subsector	No overlap in the regulation of the fisheries sector between the Fish Act and the Animal Breeding Act. Fish Act regulates fishing activities through issue of licences; Animal Breeding Act concerned with the quality assurance of animal and fish genetic materials.

	Sector	MDA	Licence contested	Recommendation contested	Reason for contestation
	(c) Hide and skin	MAAIF, Department of Hide and Skin	(a) Buyer's licence	Licence be localised and issued by the veterinary officer at the district	Powers of issue of licence belong to the Commissioner; Ministry not willing to divest this power to district veterinary officers
		"	(b) Export buyer's licence	Align provisions in the Hides and Skins Act with the Leather Development Policy	Hide and skin are very different from leather
		"	**(c)** Veterinary health certificate	Procedure for obtaining the veterinary health certificate in Uganda should be provided for in the law	Cannot provide procedure for certificate not provided for in Act
2	**Education and Skills Development (2)**				
	(a) Pre-primary education, primary education and post primary	MOES, Department of Private Schools and Institutions	Provisional permit to operate new school	Applicants should not present approvals to different offices listed on the assessment form; but to Town Clerk or CAO; LC III should be omitted from approvals.	This would delay processing licence; CAO's office may not route the applications to the lower channels as fast as when the applicant does it himself or herself. The LC III chairperson cannot be omitted from the licensing process; office provided for in the planning framework of local governments.

	Sector	MDA	Licence contested	Recommendation contested	Reason for contestation
	(b) Tertiary and university education	National Council for Higher Education	Permit for the Letter of Interim Authority	Provide shorter time frame within which to obtain the letter following submission of the application	Shorter timeframe shall constrain the Council's performance of its function to evaluate and verify information provided by the applicant.
3	**Energy, Mining, Oil and Gas (8)**				
	Power generation subsector	Electricity Regulatory Authority	1. Generation licence 2. Transmission licence 3. Distribution licence 4. Sale licence 5. Export licence 6. Import licence 7. Certificate of exemption 8. Generation levy	Shorten application process from 180 days.	Seemingly lengthy timeline allows for applicant to conduct a feasibility study of the intended project to ascertain its viability; period allows for consultations with stakeholders and the general public to give their views on the proposed project.
4.	**Labour and Employment Sector (2)**				

	Sector	MDA	Licence contested	Recommendation contested	Reason for contestation
	Labour and Employment Sector **(2)**	Directorate of Citizenship and Immigration Control	Work Permit Class D	Revise Class D fees so as to eliminate the possibility of the permit fees being a deterrent to business.	Ministry responsible for Finance increased Work permit fees through the amendment to the Finance Act and not amendment to the Uganda Citizenship and Immigration Control (Fees) Regulations 2009.
		Ministry of Gender, Labour and Social Affairs, Department of External Services	Accreditation	Provide for maximum application timelines.	Accreditation process cannot be rushed given the sensitivity of human trafficking. Technology has eased exchange of documents, in practice procedure not lengthy.

	Sector	MDA	Licence contested	Recommendation contested	Reason for contestation
	Local Government **(3)**	Ministry of Local Government	Property rates	(i) Property rates be fixed according to the localities and nature of usage of the property and size of the property; valuer be maintained at the offices of each local government administration.	(i) Recommendation already catered for under Part III of the Local Government (Rating) Act, 2005; recommendation is redundant because what has been recommended is actually what is happening in practice. (ii) Not feasible to have at each local government a stationed valuer - valuations are not a regular function.
		“	Advertising fees	Specify the rates payable for different sizes of advertisements and the procedure for obtaining the licence.	Advertisement fees should not be equated to a licence; fees for different sizes of advertisements are negotiated between the different Local Governments.

	Sector	MDA	Licence contested	Recommendation contested	Reason for contestation
		“	User charges	To avoid multiplicity of licences and fees, user charges i.e. garbage fees and toilet fees for services provided by local government should be incorporated into trading licence fees.	User charges should not be incorporated into trading licence. Local Governments provide different types of services; to incorporate fees for each such service into a trading licence would hike trading licence fees and negatively affect businesses; KCCA said some of the fees e.g. garbage and toilet be incorporated into rent, not licence fee.
	Total (20)				

Source: Otete, PSF/CEDP/CONS/15-16/00078, Final Report, pp. 8-11

From the above tabulation of contested licences/reforms, the research team did not examine whether or not the contestation was later withdrawn after 2017 and reforms undertaken. A critical assessment of the reforms undertaken since 2017 reveals that most of these “contested reforms” have not been undertaken, and the affected licences remain in force. These obtain in the Electricity Regulatory Authority; Department of Private Schools and Institutions, Ministry of Education and Sports; Ministry of Local Government; Ministry of Gender, Labour and Social Development; and Directorate of Citizenship and Immigration Control. Contesting MDAs opine that implementing the proposed reforms can inconvenience or delay business, complicate regulation and controls in unique sectors where delays are justified on account of the need for sufficient time to conduct the necessary due diligence on applicants before issuing the licences; and absence of overlaps contrary to the BLRC observations.[40]

3.0 Standard Cost Model (SCM) Estimation of Compliance Costs

3.1 Current Business Licensing System Vs Revenues

The SCM calculations in this study are based on the 2017 Jonkheer survey since this was a short-term (10-day) desk-review assignment. The SCM summation, based on the 2017 data and integrating post-2017 reforms, is basically an update of this reform-review process. This SCM estimations provide input to the reform design in three ways. First, the study underlines the particularly burdensome laws, regulations, administrative requirements, or parts thereof, since 2012, leaving pre-2012 reforms. The study also accommodates post-2012 reforms not envisaged in the BLRC report. Second, this diagnostic tool highlights possible measures for reducing administrative burdens occasioned by licences that are provided for in legislations. Third, this desk-based SCM plays a monitoring function/role by keeping track of the reductions in administrative burdens since 2017. Quantitative reform targets can, for instance, be made, since the 2017 Jonkheer study revealed an overall 8% increase in compliance costs following reforms undertaken during 2012-2017.

In this effort, “regular follow-up measurements of changes in administrative costs throughout the reform period help create leverage for the implementing agencies to implement reforms.”[41] Thus, an update of the 2017 study need not be based on new raw data; basing on new reforms since 2017 the study reveals progress in undertaking reforms and the compliance cost implications of these changes.

This study is not a calculation of the administrative cost for every single licence since 2017, since it is not based on fieldwork empirical assessments, but targets a few selected key licences in order to undertake small measurements that can be used to estimate broader costs. This provides economies of scale of combining the existing

[40] Otete, PSF/CEDP/CONS/15-16/00078 - Final Report, pp. 8-11

[41] World Bank, 2010. *Here is Your Money: Using the Standard Cost Model to Measure Regulatory Compliance Costs in Developing Countries.* Washington D.C.: World Bank Investment Climate Advisory Services, p. 5

inventory and the SCM work here. This focus on “a few central data points” avoids new-data questions, such as number of licences issued per year per MDA; official fees and legal basis for the licences; and firm-level costs and burdens incurred to comply with the multiple licensing obligations.[42] The result should be an informed decision about the compliance costs incurred and the recommendations made about further reforms and compensatory considerations for MDAs undertaking reforms.

[42] Ibid, p. 8

Table 6: Compliance Cost of Outstanding Licences

SECTOR	Outstanding Licences (Reforms not undertaken)	Compliance Cost (+/-)
1. Agriculture, Animal Industries and Fisheries	I. Animal Breeding: Licence to import or export animal breeds II. Animal Breeding: Registration of animal genetic resources and related activities III. Hides & Skins: Buyer's licence IV. Hides & Skins: Export buyer's licence V. Hides & Skins: Veterinary health certificate.	???
2. Education, Sports and skills Development	I. Pre-primary education, primary education and post primary: Provisional permit to operate new school II. Tertiary and university education: Permit for the Letter of Interim Authority	
3. Energy, mining, oil and gas	Power generation subsector: I. Generation licence II. Transmission licence III. Distribution licence IV. Sale licence V. Export licence VI. Import licence VII. Certificate of exemption VIII. Generation levy	
4. Financial services (see: Financial Institutions Amendment Act 2016 & Regulations)	I. Licence to transact financial institutions business II. Licence to transact financial institutions business, Post Office Savings Bank III. Licence to transact financial institutions business, Merchant Bank	

SECTOR	Outstanding Licences (Reforms not undertaken)	Compliance Cost (+/-)
	IV. Licence to transact financial institutions business, Mortgage Bank V. Licence to transact financial institutions business, credit institution VI. Licence to transact financial institutions business, acceptance house VII. Licence to transact financial institutions business, discount house VIII. Licence to transact financial institutions business, finance house IX. Microfinance deposit taking institutions licence X. Approval of stock exchange XI. Brokers/dealers licence XII. Broker/Dealer's Representative Licence and Investment Representative Licence XIII. Investment advisors licence XIV. Investment Company with Variable Capital Licence XV. Unit Trust Scheme Licence XVI. Authorised Corporate Director Licence XVII. Manager, Unit Trust Scheme Licence XVIII. Trustee licence XIX. Licence to establish and maintain a Securities Central Depository XX. Insurance licence XXI. Reinsurance licence XXII. Health insurance licence XXIII. Amalgamation licence XXIV. Transfer licence XXV. Insurance broker licence XXVI. Reinsurance Broker licence XXVII. Risk manager licence XXVIII. Loss assessor licence	

SECTOR	Outstanding Licences (Reforms not undertaken)	Compliance Cost (+/-)
	XXIX. Insurance surveyor licence XXX. Claims settling agent licence	
8. Labour Relations and Employment	Labour and Employment Sector: I. Work Permit Class D **II.** Accreditation	
9. Manufacturing, Industry and Cooperatives	I. Bar licence II. Night club liquor licence III. Wholesale liquor licence IV. Travelling wholesale liquor licence V. Entertainment licence VI. Ship and Train licence VII. Auction liquor licence VIII. Special liquor licence IX. Club liquor licence X. Extension licence XI. Travellers bar licence XII. Temporary liquor licence XIII. Temporary extension liquor licence XIV. Temporary transfer liquor licence XV. liquor licence XVI. Refined spirits licence XVII. Temporary disposal licence XVIII. Native liquor shop licence XIX. Native liquor brewing licence XX. Casual brewing native liquor licence XXI. Temporary native liquor licence	

SECTOR	Outstanding Licences (Reforms not undertaken)	Compliance Cost (+/-)
13. Water, Forestry, Environment and Sanitation	Water: I. Drilling permit II. Construction Permit III. Groundwater Permit IV. Easement certificate V. Hydraulic Construction Permit VI. Surface water permit VII. Wastewater discharge permit VIII. Dredging licence IX. Security for dredging X. Steam vessel licence XI. Effluent Discharge Permit	
15. Local Government	I. Property rates II. Advertising fees III. User charges IV. Enguli licence V. Jaggery licence	

Sources: BLRC Reports, Vol 1&2, 2012; Jonkheer, 2017; Authors' Calculatio

The above table lays emphasis on the compliance cost implications of complying with outstanding licences, using data calculations of 2017 since the current study was not able to conduct fieldwork and survey to generate empirical data on the basis of which SCM calculations could be made. It shows that overall, the compliance cost of outstanding licenses is …...

This implies that: (i) since the 2017 calculations had revealed an 8% compliance cost increase, the outstanding licences imply continuities with previous cost on the business sector. (ii) Some licences have been restructured and/or streamlined, but this does not necessarily imply their elimination and compliance cost associated with them - instead, some streamlining rules create new licences and/or rename and restructure the licences. (iii) Most new reforms (legislations and new institutional structures) are accompanied by new licences and fees. When both new licences and fees are factored in, it becomes clear that post-2012 reforms have been helpful in reducing the administrative burdens and delays of doing business without significantly reducing the monetary cost of complying with the new business-licencing reforms.

4.0 Remaining/Outstanding Licences which should be abolished, whose fee structure needs review, or streamlining

4.1 Licences Recommended for Abolition/Elimination

Most licences recommended for elimination in 2012 were either outdated, duplicative of other licences, or prohibitive of business. The research team opines that such licences should be eliminated. There are some licenses which were retained (not recommended for reform by the BLRC in 2012) but have high compliance cost, as already indicated in this report. Some of the new licences (and administrative requirements and fees), post-2012, do not contribute to easing doing business and ought to be eliminated as well.

In order to facilitate ease of doing business, most sectoral licences and administrative requirements would be integrated into a single cost burden. For instance, an import/export licence when accompanied by other monetary-cost clearances that have additional administrative cost makes doing business burdensome and costly. An investor who has complied with the provisions of the National Environment Act, 2019, should not be required to pay different licences under the National Environment (Waste Management) Regulations 2020, the Petroleum (Waste Management) Regulations 2019, the Water (Waste Discharge) Regulations and environmental standards, and the National Environment (Standards for Discharge of Effluent into Water or Land) Regulations, 2020. Therefore, intra-sectoral and cross-sectoral coordination and integration/harmonisation of licensing requirements would be important for easing doing business.

4.2 Licences Recommended for Review/Streamlining

In order to achieve intra- and inter-sectoral coordination and harmonisation in licensing processes, related licences should be integrated and issued from one-stop centres. For instance, it should be prudent to merge all licences related to microfinance institutions. Investors who need to construct structures on land are required to abide by several rules scattered in different sectors. For instance, the requirements a company needs to meet under the Building Control Act, 2013, the Building Control Regulations, 2020, the National Building (Standards for Mechanical Installations in Buildings) Code, 2019, and Physical Planning (amendment) Act, 2020, can be merged (and specific details specified in the licence documents) and/or provided in a one-stop centre.

Accordingly, we consider that licences in the tourism sector need review/streamlining to make them easily receivable, less costly, and integrated in few centres (such as the Tourism licensing office). Similar arrangements should be made for insurance-related licence, finance-sector services, and transport and communication licences.

4.3 Licences Recommended for Reclassification and/or Amalgamation

Most licences related to alcoholic drinks should be reclassified, amalgamated - and categorised into Imported vs Locally-Produced alcoholic drinks. Thus, licences should be issued for either: (i) production, and/or (ii) importation of alcoholic drinks and liquors.

Businesses that have investment clearance and business-operating licences (e.g hotels with bars) should not, for instance, be required to acquire alcohol-selling licence or beverage-selling licences. Licenced importers of alcoholic liquors, or manufacturers of locally-produced alcoholic liquors (beers, spirits, etc) should suffice, and then service providers and products sellers (bars, hotels, etc) be spared alcohol-related licences.

Table 7: Agency-Level Revenue Implications of Reforms

Reform SECTOR	Outstanding Licences (& other Requirements) to Abolish	Oustanding Licences & Approvals to Restructure	Agency-*Level Revenue Implications*
1. Agriculture, Animal Industry and Fisheries	1) The Approval of Authorised Landing Site, since the Registration of Beach Management Unit serves the purpose of regulating fish landing sites.	1) Export licence - should cover all agricultural exports 2) International Coffee Organization Certificate 3) Processor licences (Hullers 1,2,3,4) 4) Quality Certificate 5) Declaration of tobacco growing area 6) Registration of tobacco grower 7) Consent to export tobacco (should be part of export licence) 8) Buyers' Licence (Hides & Skins): licence be streamlined, localised and issued by the veterinary officer who inspects the premises of buyers. 9) Export Buyer's licence (Hides & Skins): Align provisions in the law with the Leather Development Policy	Minimal revenue losses to sector when licences are amalgamated or restructured
2. Tourism and Wildlife	a) The Tour facility Licence b) The Hotel Licence	a. Travel Agents, Tour Operators and Tour guides' licence: b. Tourism Development levy	Revenue losses when two licences are abolished

Reform SECTOR	Outstanding Licences (& other Requirements) to Abolish	Oustanding Licences & Approvals to Restructure	A*gency-**Level Revenue Implications***
		c. The activities regulated by the Professional hunters' licence as opposed to the Professional trappers' licence	
3. Trade, Commerce and Cooperatives	1) Declaration of Compliance - this should be enforced technically by UNBS's inspection function 2) Statement in lieu of prospectus 3) The Investment Licence - since this serves the same role as business-specific licence 4) Certificate of Remittance 5) Certificate of Incentives - should be cost-free 6) Certificate of approval to externalise funds (this should be cost-free)	a. Reservation of name b. Registration of the Memorandum and Articles of Association c. Certificate of Incorporation d. Statement of nominal Capital	Marginal revenue losses
4. Energy, mining, Oil and gas sector		1. Bulk Storage Licence be amalgamated with the Container Licence and the Underground Tank Licence 2. The Container Licence be amalgamated with the	Marginal revenue losses, with corresponding remedies in new licences (in the petroleum legislations, 2013-2016).

Reform SECTOR	Outstanding Licences (& other Requirements) to Abolish	Oustanding Licences & Approvals to Restructure	A*gency-**Level Revenue Implications***
		Underground Licence and the Bulk Storage Licence. 3. The Electricity Act be amended to streamline the licensing process in order to achieve the application timeline efficiencies. The 30-day period for publishing the intention to apply in the Gazette as well as the 30-day period for confirmation of a complete application seems unnecessarily long. Furthermore, the 180-day period for processing the application should be reviewed with the intention of making a significant reduction in the time allocated to this stage of processing as well. 4. The certificate of exemption be streamlined to include permit application fees and the permit duration 5. Sale licence (electricity) 6. Generation levy (electricity)	

Reform SECTOR	Outstanding Licences (& other Requirements) to Abolish	Oustanding Licences & Approvals to Restructure	A*gency-**Level Revenue Implications***
5. Manufacturing (Processors, Small scale Industries, Arts & Crafts) Sector	Abolish several and/or merge into one or few licences (Liquor and alcoholic drinks): 1) Bar licence 2) Night club liquor licence 3) Wholesale liquor licence 4) Travelling wholesale liquor licence 5) Entertainment licence 6) Ship and Train licence 7) Auction liquor licence 8) Special liquor licence 9) Club liquor licence 10) Extension 11) licence 12) Travellers bar licence 13) Temporary liquor licence 14) Temporary extension liquor licence 15) Temporary transfer liquor licence 16) Spirituous liquor licence 17) Refined spirits licence 18) Temporary disposal licence 19) Native liquor shop licence 20) Native liquor brewing licence	Streamline and merge into one or few licences (Liquor and alcoholic drinks): 23) Bar licence 24) Night club liquor licence 25) Wholesale liquor licence 26) Travelling wholesale liquor licence 27) Entertainment licence 28) Ship and Train licence 29) Auction liquor licence 30) Special liquor licence 31) Club liquor licence 32) Extension 33) licence 34) Travellers bar licence 35) Temporary liquor licence 36) Temporary extension liquor licence 37) Temporary transfer liquor licence 38) Spirituous liquor licence 39) Refined spirits licence 40) Temporary disposal licence 41) Native liquor shop licence 42) Native liquor brewing licence 43) Casual brewing native liquor licence 44) Temporary native liquor licence	Establish a Task Force to drive the process of formulating a Policy and law to regulate liquor and *enguli* production, sales, consumption and use at all levels throughout the country. Formulate an Industrial Development Licensing Policy and Law to regulate the whole value-addition sub-sector and process Revenue losses when licences are abolished or merged into one or few

Reform SECTOR	Outstanding Licences (& other Requirements) to Abolish	Oustanding Licences & Approvals to Restructure	Agency-***Level Revenue Implications***
	21) Casual brewing native liquor licence 22) Temporary native liquor licence		
6. Financial services sector		Streamline (by amending Financial Institutions Act, 2004 and Licensing Regulations): (a) the application timelines by reducing the application evaluation period of six months. (b) To make a clear distinction between licence activities and licence classes. (c) To ensure harmony with technical terminologies along international lines	
7. Health sector		1. Review the Medical and Dental Practitioners Act to address the issue of temporary registration for medical practitioners	
8. Water Environment and sanitation		1. Dredging licence 2. Security for dredging ● Repeal the Rivers Act Cap 357	
9. Employment, Labour and industrial relations	1. Work Permit Class D 2. Accreditation		Minimal revenue losses
10. Local government sector	1. Property rates		Revenue losses to LGs

Reform SECTOR	**Outstanding Licences (& other Requirements) to Abolish**	**Oustanding Licences & Approvals to Restructure**	A*gency-**Level Revenue Implications***
	2. Advertising fees 3. Alcohol/enguli-related licences		

5.0 MDA-Level Revenue Implications of Licence Elimination, Streamlining, Reclassification and Amalgamation

Given the relative implications for compliance cost implications across sectors, some sectors may have experienced revenue losses as a result of abolishing some licenses. Agriculture, Animal Husbandry and Fisheries (- UGX 488 million); Lands, Housing, and Urban Development (- UGX 197 million); Education, Sports, and Human-Capital Development (- UGX 1,1338 million); and Local Government (- UGX 44, 261 million) achieved relatively higher *business* licensing compliance cost reductions since 2012. Other sectors experienced compliance cost increases, with Trade, Commerce & Cooperatives (+48.97 billion); Water, Sanitation & Environment (+UGX 26.4 billion); and Transport & Logistics (+UGX 11.2 billion), showing the highest overall compliance costs increases (at least by 2017).[43]

The sectors which experienced relatively higher compliance cost reductions also have fewer bills and regulations completed since 2017. This indicates relatively higher reductions until 2022 due to abolition, streamlining, and restructuring in business licenses. [(Exceptions may be made for the Lands, Housing, and Urban Development sector: the Building Control Act of 2013 has been sensationalized by the National Building (Building Standards) Code, 2019; the Building Control Regulations, No. 3 of 2020; and the Building Control (Standards for Mechanical Installations in Buildings) Code, SI No. 60 of 2020. These Regulations have introduced new compliance costs, building and occupation permits and various fees under SI No. 3, Sec. 38. There have been introduced, for instance in SI No. 3, “fees in consideration of the scrutiny of plans, permits and inspection” for the different kinds of buildings).

Accordingly, while some of these reforms have strengthened the regulatory environment for doing business, and clarified grounds for enhanced state control over the private sector, the sectors which have experienced higher compliance cost reductions may need to be financially compensated with corresponding amounts (in sectoral revenues lost). These compensations can take the forms of: (i) increased budget allocations to these sectors (e.g. in the case of Ministry of Local Government); (ii) grants of various kinds; and (iii) recoverable allocations covering specific periods (say 5 - 10 years from FY 2023/2024). In this arrangement, therefore, each sector - say Agriculture, Animal Husbandry and Fisheries; Lands, Housing, and Urban Development; Education, Sports, and Human-Capital Development; Local Government; and Employment, Labour and Industrial Relations (experienced compliance cost reduction of -UGX278 million) - can calculate the actual revenue losses accruing from compliance cost reductions. This is submitted to the Ministry of Finance, Planning and Economic Development (MoFPED) as part of the sectoral budget. The additional funding requests are accompanied with specific requests for

[43] Jonkheer, p. 17-18

additional budget allocations justified on grounds of these revenue losses per year for a certain period (say the remaining NDP III planning-and-implementation period).

Alternatively, the multi-sectoral approach employed in the operationalisation of the Parish Development Model (PDM), as an implementation modality for NDP III, implies that almost all sectors have received additional funding under the PDM funding modalities. This implies that the sectoral funding and operational landscape has changed since the start of implementation of the PDM in 2021/2022.

In this arrangement, compensatory revenue allocations may not be necessitated or justified on grounds of revenue losses incurred during implementation of these licensing reforms. The changed approach to development and resource distribution – from sector-specific to the now-multisectoral, whole-of-government approach[44] – has altered the country's resource allocation and distribution modalities because resources are allocated less to sectors but more to community/Parish/Ward-level development programs. Post-siloism implies that revenue losses occasioned by implementation of business licensing reforms, as well as revenue gains arising from new licences, are felt and experienced state-wide. They affect the whole-of-government approach and need not be tagged to specific sectors.

5.1 Reducing Compliance Costs, Enhancing Voluntary Compliance and Improving Business Environment.

In order to reduce licensing compliance costs to businesses; establish an electronic registry as a business licenses repository; and adopt an RIA approach to business licensing, Uganda implemented legal and administrative reforms proposed in 2012. The process has led to significant changes in the business licensing regime.

There has been reduction in compliance costs due to administrative and capacity changes concurrent with increased compliance costs doe to legislative introduction of new licenses (in such domains as the oil and gas sector).

How does Uganda reduce compliance cost while also enhancing voluntary compliance with these reforms? Apart from information sharing and sensitization to the private sector, the following tabulated proposals are worth considering:

[44] Republic of Uganda, 2021. *Implementation Guidleines for Parish Development Model*. Kampala: Ministry of Local Government.

Table 8: Reducing Compliance Cost and Enhancing Voluntary Compliance

SECTOR	Reducing Reform Compliance Costs	Enhancing Voluntary Compliance
1. Agriculture, Animal Industries and Fisheries	1. One-stop centre for all businesses in URSB/URA offices 2. Issue only sector-specific licences from specific sub-sectors. 3. Eliminate multiple licences and other approval requirements	1. Continuous compliance education, information dissemination, and sanction reporting 2. Support to local investors 3. Encouragement of networking, collaborations, and benchmarking
2. Education and skills Development	1. One-stop centre for all businesses in the sector at URSB/URA offices 2. Eliminate multiple licences and other approval requirements 3. Approval licences from the relevant MDA sub-sectors.	1. Continuous compliance education, information dissemination, and sanction reporting 2. Quality assurance and capacity support
3. Energy, mining, oil and gas	1. One-stop centre for all businesses in the sector, housed in URSB/URA office 2. Issue a few licences, NEMA approvals, from the relevant MDA or NEMA. 3. Eliminate multiple licences and other approval requirements	1. Continuous compliance education, information dissemination, and sanction reporting 2. Strengthen regulatory capacity of PAU, NEMA, UWA, NFA, EOC & LGs 3. Encourage PPPs, Local Content, and support SMEs
4. Financial services	1. One-stop centre for all businesses in the sector, at URSB/URA office 2. Issue a few licences from the relevant sub-sector MDA. 3. Remove Bank of Uganda from certification, licensing and approval processes, and retain it	1. Support and encourage indigenous investments in finance sector 2. Continuous compliance education, information dissemination, and sanction reporting

SECTOR	Reducing Reform Compliance Costs	Enhancing Voluntary Compliance
	only at quality assurance, supervision, and control. 4. Eliminate multiple licences and other approval requirements	3. Strengthen regulatory capacity of BoU, IRA, CMA, UMRA
5. Health	1. One-stop centre for all businesses in the sector, in URSB/URA office 2. Issue a few sector-specific licences or approvals from relevant sub-sector MDAs' offices or online. 3. Eliminate multiple licences and other approval requirements	1. Support and encourage indigenous investments in finance sector 2. Continuous compliance education, information dissemination, and sanction reporting 3. Strengthen regulatory capacity of sectoral regulators
6. Lands, Housing Urban Development, and Physical Planning	1. One-stop centre for all businesses in the sector, at URA/URSB/UIA offices 2. Retain a few licences and approvals from the relevant MDAs and LGs. 3. Complete computerisation of land registry and land verification process 4. Save for government lands, allow private landowners to sell or lease lands in accordance with the law 5. enhance/strengthen land-related civic education 6. Eliminate multiple licences and other approval requirements	1. Support and encourage indigenous investments 2. Continuous compliance education, information dissemination, and sanction reporting 3. Strengthen regulatory capacity of sectoral regulators and LGs
7. Information, Communication Technologies and Media	1. One-stop centre for all businesses in the sector, at URSB and/or URA offices. 2. Reserve an electronic submission and payment system with NITA, UCC, where necessary.	1. Support and encourage indigenous investments 2. Continuous compliance education, information dissemination, and sanction

SECTOR	Reducing Reform Compliance Costs	Enhancing Voluntary Compliance
	3. Eliminate multiple licences and other approval requirements	reporting 3. Strengthen regulatory capacity of sectoral regulators
8. Labour Relations and Employment	1. One-stop centre for all businesses in the sector, at URA/URSB offices 2. Online licensing and/or approvals from MDA where necessary. 3. Sanction (positive and negative) compliance with especially labour exportation rules 4. Eliminate multiple licences and other approval requirements	1. Continuous compliance education, information dissemination, and sanction reporting 2. Strengthen regulatory capacity of sectoral regulators 3. Strengthen labour-exportation and domestic local relations regulations
9. Manufacturing and Industry	1. One-stop centre for all businesses licensing requirements in the sector, combining UIA, URA and URSB. 2. Online submissions and payments for approvals, licences, inspections, with relevant MDA (e.g. UNBS, NDA, NWSC, etc). 3. Eliminate multiple licences and other approval requirements	1. Continuous compliance education, information dissemination, and sanction reporting 2. Strengthen regulatory capacity of regulatory bodies & LGs 3. Encourage PPPs, Local Content, support SMEs
10. Tourism, Hotels and Wildlife	1. One-stop centre for all businesses in the sector, then few licences from the relevant MDA or LG. 2. Eliminate multiple licences and other approval requirements	1. Continuous compliance education, information dissemination, and sanction reporting 2. Strengthen regulatory capacity of NEMA, UWA, NFA, EOC & LGs 3. Encourage PPPs, Local Content, and support SMEs 4. Streamline, strengthen, and

SECTOR	Reducing Reform Compliance Costs	Enhancing Voluntary Compliance
		institutionalise incentives regime for local investors and FID
11. Trade (Import and Export) and Co-operatives	1. One-stop centre for all businesses in the sector, then few licences from the relevant MDA. 2. Eliminate multiple licences and other approval requirements	Same as above
12. Transport and Logistics	1. One-stop centre for all businesses in the sector, then few licences from the relevant MDA or UNRA. 2. Eliminate multiple licences and other approval requirements	Same as above
13. Water, Forestry, Environment and Sanitation	1. One-stop centre for all businesses in the sector, then few licences from the relevant MDA.	Same as above
14. Professional Services	1. One-stop centre for all professional business services (at URSB/URA offices), after satisfying professional-body certification, registration, and approval. 2. Eliminate multiple licences and other approval requirements	1. Strengthen regulatory capacity of professional bodies & LGs 2. Encourage PPPs, Local Content, and support SMEs 3. Continuous compliance education, information dissemination, and sanction reporting 4. Strengthen positive Sanctions for compliance
15. Local Government	1. One-stop centre for all businesses in the different sectors (at URA and URSB offices), then LG-specific licences.	1. Enhanced resources allocation, capacity building, and support to LGs structures 2. Altar LG personnel rules to encourage

SECTOR	Reducing Reform Compliance Costs	Enhancing Voluntary Compliance
	2. Eliminate multiple licences and other approval requirements	recruitments outside district and other LG jurisdictions 3. Strengthen LG monitoring, inspection, and compliance enforcement functions
16. Others	1. Businesses which satisfy professional-body certification, registration, and approval should get ready for operation 2. One-stop centre for all businesses in the different sectors (at URA and URSB offices) 3. Eliminate multiple licences and other approval requirements	1. Enhanced civic education about business licensing, other administrative requirements, and incentives regime 2. Identification, capacitation and support to indigenous investors 3. Establish business/investment incubation centres in every district, targeting and educating women and youth entrepreneurs on business licensing and regulatory environment

5.2 Proposed Fiscal Compensation to MDAs and LGs

These proposals are intended to enable MDAs and LGs to continue their operations as usual without unnecessarily burdening the private sector.

Table 9: Proposed Fiscal Compensations for Reform-Affected MDAs & LGs

MDA Fiscal Compensation	Justifications	Operational Implications
1. Agriculture, Animal Industry and Fisheries **(UGX 500 million/annum)**	Slightly above the UGX 488 million compliance cost reduction (as of 2017)	Stabilisation of sectoral revenue base to avoid revenue shortfalls occasioned by reform-induced revenue losses

MDA Fiscal Compensation	Justifications	Operational Implications
2. Lands, Housing, and Urban Development **(UGX 200 million/annum)**	Slightly above the UGX 197 million compliance cost reduction (as of 2017)	Stabilisation of sectoral revenue base to offset revenue shortfalls occasioned by reform-induced revenue losses
3. Education, Skilling and Sports **(UGX 1.5 billion/annum)**	Slightly above the UGX 1,338 million in compliance cost reduction due to reforms (as of 2017)	Stabilisation of sectoral revenue base to avoid revenue shortfalls occasioned by reform-induced revenue losses
4. Local Governments **(UGX 45 billion/annum)**	Slightly above the UGX 44,241million in compliance cost reduction due to reforms (as of 2017)	Stabilisation of sectoral revenue base to remedy revenue shortfalls occasioned by reform-induced revenue losses
5. Tourism, Wildlife and Antiquities **(UGX 500 million/annum)**	Slightly above the UGX 488 million in compliance cost reduction (as of 2017)	Stabilisation of sectoral revenue base to cater for revenue shortfalls occasioned by reform-induced revenue losses
6. Employment, Labour and Industrial Relations (**UGX 300 million/annum**)	Slightly above the UGX 278 million in compliance cost reduction as of 2017	Stabilisation of sectoral revenue base to offset revenue shortfalls occasioned by reform-induced revenue losses

Sources: Desk Research Findings

6.0 Conclusions & Recommendations

6.1 Conclusions

The post-2012 business-licensing reform process has had mixed results. On the one hand, it has led to compliance cost reductions (reduced administrative cost/burden) upon businesses, in sectors like Agriculture, Animal Industry and Fisheries; Lands, Housing, and Urban Development; Education, Skilling/Human-Capital Development and Sports; Local Governments; and Tourism, Wildlife, and Attractions. On the other hand, it has led to compliance cost increases in sectors like Trade, Commerce and Cooperatives; Water, Sanitation and Environment; Transport and Logistics; Energy, Mining, and Petroleum; Financial Services; Health and Nutrition; and Information, Communication and Technology and Media. Compliance cost reductions resulted from abolition and streamlining of licences, enhanced information sharing, and administrative reforms (that made actual compliance easy and cheaper). Compliance cost increases resulted, mainly, from introduction of new licences and regulatory requirements in sectors where new legislations and administrative requirements were developed or existing ones amended.

This desk research was unable to establish the extent to which compliance cost reductions translate into revenue losses to the respective MDAs. It was also unable to establish to what degree compliance cost increases (especially those that may have little to do with new licences and approval certifications) translate into increased revenues for MDAs and LGs. Compliance cost increases or decreases ought to be understood holistically. Not all compliance cost increases translate in increased revenues to MDAs and LGs - for instance the NINs and National Identity Cards, now legalised in the Registration of Persons Act 2015 and structurally operationalized by NIRA, imply additional Information Obligations (IOs) and their corresponding Data Requirements (DRs) and Activities, as per the SCM.

While some of these costs to businesses translate into revenues to the government (e.g. payments for identity cards), there are non-state-revenue compliance cost increases that affect businesses. Similarly, not all reform-induced compliance cost reductions translate in reduction in revenues to MDAs and LGs. Compliance cost reductions may result from private-sector innovations and maturity; reduced administrative and procedural/process burdens due to capacity building, automation, and information sharing; decentralisation; improvements in the ICT infrastructure; and business experience. Some of the compliance cost increases occasioned by post-2017 reforms may now be offset by higher ICT usages among businesses, infrastructure improvements, and one-stop centres (such as the World-Bank-funded Business Facilitation Centre, UBFC, in Kololo).

New sectoral developments have resulted in compliance cost increases. For instance, following the 2008 National Oil and Gas Policy accompanying legislations during 2013-2016 changed the sector's governance landscape. The business licencing reforms in the oil and gas sector translated in an annual compliance cost increase of UGX 5,760 million (as of 2017) following the 2016 Petroleum (Exploration, Development and Production) Regulations alone, and other increases of between UGX 2.3 million and UGX 110 million annually for the other six Regulations. This compliance cost increase may not necessarily overburden petroleum-related business actors. No evidence reveals that sectoral stakeholders consider such increases as burdensome and could hamper actual compliance with these rules. The Mining and Minerals Act (2022) is yet to be operationalised with new Regulations, but it consolidates, reforms, and integrates the laws relating to mineral resources in the country, establishes the Uganda National Mining Company, thereby providing for new licensing regime and administrative controls in the sub-sector.

This study concludes that the post-2012 reform process has not reduced overall compliance cost for business licensing. Instead, it has led to an overhaul of the legislative and institutional landscape while reforming old laws, introducing new legislations, and creating new institutional structures. The positive implications of administrative reforms (some still ongoing, such as construction of the UBFC) provide a positive outlook for business licensing and ease of doing business. The new development modality, specifically multi-sectoral operationalisation of the PDM, may call for caution in demanding sectoral compensations (resource re-allocations) for revenue losses occasioned by implementation of business licensing reforms. This question requires in-depth policy-level discussion. The accompanying recommendations, therefore, focus more on completing the outstanding reforms than questioning the overall emphasis on regulatory controls and revenue generation that have animated the reform process.

6.2 Recommendations

After a decade of reforms, Uganda sought reduce the high administrative costs, which have been one of the major barriers to the growth of SMEs, and to transform the economy into a competitive investment destination. Administrative costs, mainly born of business licenses (790 in 2012), have been altered in different ways following the recommendations of the BLRC of 2012 and the August 2013 Cabinet Directive. But the reform process remains incomplete. Some reforms were contested. Others were rejected. Others have witnesses protracted engagements. The completion of outstanding reforms is critical for assessing progress made with the reforms, evaluating the extent to which these cross-cutting reforms met their intended goals and objectives, and informing policy decisions about recourse allocation and post-reform efforts intended to make Uganda a more competitive business environment. Accordingly, this study makes the following recommendations on completion of outstanding reforms:

1. ***Cabinet Directive on Reform Completion***: Cabinet should issue a directive requiring that all MDAs with outstanding reforms complete these reforms by end of FY 2023/2024

2. ***MDA should Prioritise outstanding Reforms***: while MDAs have more business than just implementing the 2012 reforms, those what still face incomplete, outstanding, and/or ongoing reforms should prioritise the completion of the reforms within their jurisdictional domains.

3. ***MDA make Standpoints on Reforms***: for reforms that have been rejected or contested, the rejecting and contesting MDAs should communicate to Cabinet, Parliament, and the PSDU/MoFPED explaining that the expected reforms will not be undertaken and justifying why such is the case. This will close the chapter about reforms and help other stakeholders to plan for post-reform governance.

4. ***Parliament expedite legislative processes***: for legislative reforms that are outstanding in Parliament, the Office of the Speaker of Parliament and Clerk to Parliament should task and facilitate responsible parliamentary committees to prioritise these reforms and dedicate time and effort toward their completion within the 2023/2024 Financial Year.

5. ***PSDU/MoFPED reporting on reform progress***: The Private Sector Development Unit in the finance ministry should provide update to the BLRC, updating on the reform process, specifically the identified reforms that are outstanding. The BLRC should, accordingly, be advised to engage MDAs that still have outstanding reform directly in order to speed up the reform process.

6. ***SCM Investigation***: The PSDU/MoFPED and BLRC should provide identify and facilitate a research team to conduct a Standard Cost Model investigation of the compliance cost implications of business licensing reforms. Since the 2017 Konkheer Report, many new reforms have been undertaken post-2016. An estimated more than 120 legislations have been passed between 2016 and 2022, which have direct bearing on doing business. The compliance cost implications of these changes require empirical investigation – beyond this desk research.

7. ***Reform Evaluation Process***: The PSDU/MoFPED and BLRC should seek Cabinet approval and resourcing to undertake a final evaluation of business licensing reforms during the fourth quarter of FY 2023/2024. The evaluation exercise should seek to investigate the extent to which the goals and objectives of the reform process were met, and make proposals about post-reform improvement of Doing Business in Uganda.

8. ***Compensate few Sectors:*** following the implementation of reforms, the sectors of Agriculture, Animal Industry and Fisheries**;** Lands, Housing, and Urban Development; Education, Skilling and Sports; Local Governments**;** Tourism, Wildlife and Antiquities**;** and Employment, Labour and Industrial Relations, witnessed reductions in revenues. These MDAs should receive compensatory resource allocations starting with FY 2023/2024 in order to reduce constraints to their everyday operations – even though the country now operates under the whole-of-government Parish Development Model (PDM).

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