



ISER
Facilitating Social Justice

INITIATIVE FOR SOCIAL AND ECONOMIC RIGHTS

CORPORATE INCOME TAX STRUCTURE AND THE REALIZATION OF HUMAN RIGHTS IN UGANDA



Companies
Businesses
Individuals

2022

ABSTRACT

Taxation is a critical tool that States can utilize to comply with and realize their human rights obligations. Indeed, revenue and expenditure form the two complementary and intertwined core aspects of fiscal policy whose function is critical to realizing human rights. Therefore, raising revenue through the taxation of corporations is an integral aspect of the state's duty to fulfill human rights. The tripartite elements of quality, accessibility and availability of goods and services needed for the realization of human rights, such as the rights to an adequate standard of living, health, education and social security, all hinge on the resources that the State is able to collect. Thus, low levels of revenue collection resulting from excessive exemptions, tax evasion and avoidance by corporate entities and non-rationalized incentives may constitute a major obstacle to the capacity of the State to finance public services and social programs which in turn has a disproportionate impact on the poorest and vulnerable segments of the population. This brief therefore seeks to examine the corporate income tax (CIT) structure, practices and the realization of human rights in Uganda.

1.0 INTRODUCTION

“Corporate Income Tax Structure and the Realization of Human Rights” presupposes the existence of a correlation between the taxation of corporate entities by the State and the enjoyment of fundamental human rights by individuals; a relationship that is being explored under this brief.

Taxation has also traditionally been understood as a fundamentally “economic” or “development-related” undertaking by which policy makers generate revenue for socio-economic development¹. Therefore, fiscal policy makers are primarily concerned with the “economic” aspects of taxation, notably the maximization of tax revenue, as opposed to the non-economic aspects like human rights.² This view however is far from the truth since taxation is undoubtedly linked to human rights – inherent rights that humans enjoy by virtue of their human dignity.³

Corporate income tax or corporate tax is the tax that is charged⁴ on the profits of a company (also known as corporate or corporation), with a company being understood to mean a body of persons that is corporate or unincorporate, whether created or recognized under the laws in Uganda or not, including a unit trust, but expressly excludes any other trust or a partnership⁵. This tax obligation is imposed on the corporation annually.⁶ A company or corporation is an artificial person⁷ and as such is a separate entity that is distinct from the individuals that constitute it and as a result, any taxes imposed on it are separate from the taxes that are imposed on the individuals in that corporation.⁸

A corporate income tax structure is therefore the arrangements in place with which the state imposes unto a corporation the obligation to pay taxes which obligations this brief presents to have a bearing on the realization of fundamental human rights.

1 Network, Tax Justice. "Taxation and Human Rights, Editorial." *Quarterly Newsletter of the Tax Justice Network Africa* 2.4 (2011).

2 Network, Tax Justice. "Taxation and Human Rights, Editorial." *Quarterly Newsletter of the Tax Justice Network Africa* 2.4 (2011).

3 Inter – Parliamentary Union, and the United Nations Office of the High Commissioner for Human Rights, “Human Rights: Handbook for Parliamentarians No. 26” (2016)

4 Halsbury’s Laws of England, Income Taxation (Volume 23 (1) (Reissue) Paras – 950. Introduction, Taxation of income, profit and company distribution.

5 Section 2 (n) of the Income Tax Act cap 340.

6 Halsbury’s Laws of England and the Income Tax Act cap 340 (as amended).

7 Section 2 (yy) of the Income Tax Act cap 340 defines a person to mean an individual, partnership, a trust and a company among others.

8 Supra note 6 (Halsbury’s Laws of England)

1.1 Taxation and the realization of Economic and Social Rights (ESRs)

Tax revenues form the bedrock of domestic resource mobilization which is critical in enabling the State to facilitate the execution of its legal obligations to protect, respect and fulfil human rights - ranging from the right to health, education, social security, among other rights. Indeed, the ideal way of funding government expenditure is by generating income through taxes.⁹

Taxation, according to the LIMA Declaration,¹⁰ is the “most important, the most reliable and the most sustainable instrument to resource human rights” in a way that is “sufficient, equitable and accountable.”¹¹ Related to this discussion is that taxation is in place to facilitate the fulfillment of the obligations of the State in promoting human rights as this is the “*raison d’être*.”¹² According to the United Nations Office of the High Commissioner for Human Rights (UN OHCHR), the collection, imposition and allocation of taxes is essential to the realization of the rights to development, and that the expenditures of the government that are funded through taxation are essential in guaranteeing the access to basic services and fundamental human rights for all especially the poor and disadvantaged groups¹³.

Distribution of resources and fiscal policies therefore play an essential role in the realization of human rights. In order to analyze a state’s fiscal compliance with its human rights obligations, it is fundamental to look at the resource generation, resource allocation and the actual spending of states.¹⁴

9 African Development Bank, African Economic Outlook (2014)

10 LIMA Declaration on Tax Justice and Human Rights, paragraph 2. The LIMA Declaration was signed by 162 organizations to find a way to improve on the administration of taxes and human rights issues following a meeting that was held in Lima, Peru in 2015 as was convened by the Center for Economic and Social Rights.

11 LIMA Declaration on Tax Justice and Human Rights

12 LIMA Declaration on Tax Justice and Human Rights

13 United Nations Human Rights Office of the High Commissioner, “The Right to Development and Taxation”. Available at https://www.ohchr.org/Documents/Issues/RtD/InfoNote_Taxation.pdf.

14 Ambros, J. (2018). *Taxation as a human rights issue: taxation and the Committee on Economic, Social and Cultural Rights* (Doctoral dissertation).

1.1.1 Tax and non-tax revenue

Many studies have been focused on the allocation side of resources and the question of whether desired outcomes like progressive realization of rights have been achieved.¹⁵ However, in recent years, more attention has been drawn to resource generation. Precisely, how much and how resources are mobilized have equally become as important questions as how resources are allocated and spent. This fact is a reflection of the acknowledgment of the central role of the State in the promotion and realization of human rights. It also flows from the cognizance that inadequacy in resource generation will restrict the amount available for allocation towards realization of human rights and can therefore hinder the progressive realization of economic and social rights (ESRs).

Literally, all rights cost money and require public resources to support them.¹⁶ Therefore, in order to generate sufficient resources, various avenues besides taxation are available for the generation of public revenue. For instance, public revenue may be generated through import and export trade tariffs, royalty fees, exploitation of natural resources, debt and deficit financing and development aid, among others.¹⁷ However, tax revenue is arguably the most important, reliable and the sustainable instrument to finance human rights in sufficient, equitable and accountable ways. It is in owe to this fact that taxation occupies a unique position more than any other source of public revenue, because it embodies the civic contract between the people and the government.¹⁸ In the context of companies dealing in the extractives for instance, this social contract can be seen under the Constitution which vests the property and control of all minerals in the government on behalf of the people.¹⁹

¹⁵ Supra.

¹⁶ S. Holmes and C. R. Sunstein, *The Cost of Rights: Why Liberty Depends on Taxes* (1999)

¹⁷ Olivier De Schutter, *Public Budget Analysis for the Realization of Economic, Social and Cultural Rights: Conceptual Framework and Practical Implementation* (10 July 2017), p 22.

¹⁸ De Schutter, Olivier. "TAXING FOR THE REALIZATION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS." *Tax, Inequality, and Human Rights*. Oxford University Press, 2017. 59-80. See also; Report of the Special Rapporteur on extreme poverty and human rights, Magdalena Sepulveda Carmona, presented at the 26th session of the Human Rights Council (22 May 2014) UN Doc A/HRC/26/28, para 36

¹⁹ Article 244(1) See also; Objective XIII NODPSD

1.1.2 Redistributive nature of taxation

The fact that taxation, in many respects is a human rights issue becomes clear when three characteristics are considered.²⁰ First, the progressive realization and fulfilment of ESRs largely depends on the extent to which resources that are made available are channeled; second, tax policies have a redistributive function with the potential to redress systemic social, economic and gender inequalities; third, the state's legitimacy to levy taxes derives from a civic contract which rests on the fulfilment of the rights of the citizenry and which is strengthened by the implementation of a good governance concept through participation, transparency and accountability.²¹

Thus, taxation affects which resources stay in private versus public hands, which activities are encouraged or discouraged, how much is available to the state, and who pays for and receives the public goods and services the state provides.²² Human rights, in turn, inform not only how tax policy should be made, but what policies are permissible, when, and why, setting parameters for the revenue- raising objectives and distributive effects of taxation, as well as the processes by which tax laws are adopted and implemented.²³

1.1.3 State Obligation regarding taxation and human rights

From a human rights perspective, international human rights instruments recognize the centrality of resources in the realization of rights. The International Covenant on Economic, Social and Cultural Rights (ICESCR) enjoins State parties to "take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of [their] available resources, with a view of achieving, progressively, the full realization of the rights recognized in the Covenant by all appropriate means"²⁴

20 Ambros, J. (2018). *Taxation as a human rights issue: taxation and the Committee on Economic, Social and Cultural Rights* (Doctoral dissertation).

21 Report of the Special Rapporteur on extreme poverty and human rights, Magdalena Sepulveda Carmona, presented at the 26th session of the Human Rights Council (22 May 2014) UN Doc A/HRC/26/28, para. 36

22 Alston, Philip, and Nikki Reisch, eds. *Tax, inequality, and human rights*. Oxford University Press, 2019.

23 Alston, Philip, and Nikki Reisch, eds. *Tax, inequality, and human rights*. Oxford University Press, 2019

24 Article 2, *International Covenant on Economic, Social and Cultural Rights (ICESCR)*, 1966, Ratified on 21st April, 1987

General Comment No.24 on State Obligations under the International Covenant on Economic, Social and Cultural Rights in the context of business activities emphasizes that the obligation to respect economic, social and cultural rights is violated when States parties prioritize the interests of business entities over Covenant rights without adequate justification, or when they pursue policies that negatively affect such rights²⁵ and that discharging such [State] duties may require the mobilization of resources by the State, including by enforcing progressive taxation schemes.²⁶ More so, a State's obligation to fulfill spans extraterritorially²⁷ - enjoining States parties to encourage business actors whose conduct they are in a position to influence to ensure that they do not undermine the realization of Covenant rights by resorting to practices such as tax evasion or tax avoidance strategies.

It therefore follows that how States mobilize resources and how they define their spending priorities becomes a human rights issue.²⁸

Taxation allows the state to mobilize resources in order to invest in health, education, housing, social protection, electricity and water provision, or transport infrastructure, all of which are indispensable in the enjoyment of the rights stipulated under the Covenant.²⁹

1.2 The Corporate Income Tax Structure in Uganda

The imposition of a tax obligation is grounded constitutionally under Article 152 (1) of the 1995 Constitution of the Republic of Uganda which posits that no tax shall be imposed except under the authority of an Act of Parliament. The Income Tax Act Cap 340 is consequently the primary legislation providing for income tax thus;

²⁵ Para 12

²⁶ Para 23, State's obligation to fulfil

²⁷ Para 37 on a State's Extraterritorial obligation to fulfil

²⁸ De Schutter, Olivier. "TAXING FOR THE REALIZATION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS." *Tax, Inequality, and Human Rights*. Oxford University Press, 2017. 59-80

²⁹ De Schutter, Olivier. "TAXING FOR THE REALIZATION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS." *Tax, Inequality, and Human Rights*. Oxford University Press, 2017. 59-80

³⁰ Section 4(1) Income Tax Act Cap 340

‘Subject to, and in accordance with this Act, a tax to be known as income tax shall be charged for each year of income and is imposed on every person who has chargeable income for the year of income’ [and] every taxpayer shall furnish a return of income for each year of income not later than six months after the end of that year.³¹

Generally, companies are not excluded from the obligation to pay income tax.³² Section 7³³ of the ITA imposes an income tax rate of 30% on all companies – save for mining companies and those businesses - being resident - whose gross turnover for a year of income is less than one hundred and fifty million shillings.³⁴ Failure to meet tax obligations can lead to penalties as prescribed under the Tax Procedures Code Act 2014.³⁵

The corporate income structure is therefore a very important source of revenue for governments around the world owing to how much is contributed by corporations through tax revenues or the potential for what can be raised. However, the above imposition is only dependent on the income bracket of the company or entity as discussed above.

1.3 The avenues through which corporations reduce their tax liability

Among the ways economic growth is realized is the contribution made through the payment of taxes by corporate entities. At the same time, while businesses make an impactful contribution to the growth of economies, they also have the potential to “adversely and irreparably affect substantially the enjoyment of (human) rights” by the individuals in those economies³⁶ due to the failure to fulfill their obligations.

³¹ Ibid Section 92A (1)

³² Ibid Section 74 (1); A company is liable to tax separately from its shareholders.

³³ See particularly Part II of the Third Schedule to the Income Tax Act.

³⁴ Section 4 (5) Income Tax Act Cap 340

³⁵ See Sections 48, 50, 54, 58; Generally, Part XIV and XV of the Act

³⁶ Olivier De Schutter and Zdzisław Kedzia, “General Comment on State Obligations Under the International Covenant on Economic, Social and Cultural Rights in the Context of Business Activities” draft comment following the 16th session that 20 – 24, February 2017.

Businesses have occasioned adverse effects to the economies that they exploit through the deprivation of the State of tax revenues owing to the tax incentives and or exemptions afforded by the State to many of these businesses. Other modes of minimizing their tax obligations or avoiding the same altogether is the employment of tax avoidance and evasion techniques³⁷ usually proposed by advisory agencies and lawyers.

The collection of taxes and allocation of resources is essential to the realization of the right to development and requires efficient and equitable State action. In Uganda today, many businesses are privatized and their contribution is evident in the growth that the country realizes today. However, the same cannot be said of the consequent losses that happen as a result of the companies adopting tax planning strategies in order to minimize or entirely avoid tax obligations on their part.

1.3.1 Tax Planning

The obligations to pay taxes are usually met by opposition from persons or corporations who do not want to pay the taxes or who find it a burden to fulfill their tax obligations. As a result, the imposition of corporate income tax motivates businesses to “structure and conduct their business in ways (that are) designed to avoid taxes”³⁸ which in effect reduces their tax obligations and those of the individual shareholders or the companies evade the obligation to pay tax altogether.

Corporations engage in extensive tax planning activities by utilizing all means possible such as those exposed by the International Consortium of Investigative Journalists (ICIJ) in their leaks in the Pandora Papers or the Paradise Papers.³⁹ The ICIJ exposed the methods of tax evasion and avoidance by corporations and individuals to include among others, the use of offshore companies to move money, the use of tax havens or “pushing the envelope” to hope that authorities will not have the resources to confront their tax minimization strategies or hope that the

37 Paul Cook and Yuichiro Uchida, “Privatization and Economic Growth in Developing Countries”, Center on Regulation and Competition, Working Paper Series, Paper No. 7, October 2001. Available at <https://assets.publishing.service.gov.uk/media/57a08d6140f0b64974001816/CRCwp7.pdf>.

38 James R. Hines Jr., (2001) “Corporation Taxation” University of Michigan Business School.

39 Pandora Papers: Your guide to 9 years of finance leaks, See at <https://www.bbc.com/news/business-41877932>

governments will accept “mobile capital”⁴⁰ in their countries in turn for a less tax.⁴¹

a) Tax Avoidance

Companies also usually avoid paying taxes by choosing to use tools such as debt as opposed to equity finance by investing in assets because these can be rapidly depreciated for the purposes of taxes or to receive tax credits⁴² in return. They also usually choose not to pay out dividends or other distributions to investors since the companies believe, as is the letter of the law, that payouts will draw an obligation to pay taxes.⁴³ The Income Tax Cap 340 makes an effort to prevent tax avoidance by adopting the principle of arms – length; however, under declaration continues putting to question the effectiveness of tax enforcement in Uganda or the extent to which corporations will engage in tax planning techniques.

b) Tax Evasion

Tax evasion is the illegal non-payment or under-payment of taxes, usually by deliberately making a false declaration or no declaration to tax authorities- such as by declaring less income, profits or gains than the amounts actually earned or by overstating deductions.⁴⁴ The most common form of tax evasion in Uganda involves an individual or corporation misrepresenting their income to the Uganda Revenue Authority. Collecting income taxes is even harder than collecting other taxes, such as trade taxes, because income tax collection requires a much more elaborate system of monitoring, enforcement, and compliance.⁴⁵ Much harder to ascertain is the scale of income tax evasion in countries like Uganda due to the lack of data.⁴⁶

40 The term mobile capital refers to the ease with which capital moves from one country to another. Tejvan Pettinger, “Capital Mobility and Immobility”, Available at <https://www.economicshelp.org/blog/4946/economics/capital-immobility/>. Accessed on 24th November 2021.

41 The Economist, “How to People and Companies Avoid Paying Taxes”, Available at <https://www.economist.com/the-economist-explains/2021/10/04/how-do-people-and-companies-avoid-paying-taxes>. Accessed on the 24th November 2021.

42 James R. Hines Jr., (2001) “Corporation Taxation” University of Michigan Business School.

43 James R. Hines Jr., (2001) “Corporation Taxation” University of Michigan Business School.

44 <https://www.transparency.org/en/corruptionary/tax-evasion>

45 Besley, T. and Persson, T. (2014), “Why do developing countries tax so little?” The Journal of Economic Perspectives 28(4): 99-120

46 Income Tax Evasion in Uganda, Economic Policy Research Centre (EPRC) Research Series No. 149 https://media.africportal.org/documents/Income_Tax_Evasion_in_Uganda.pdf at pg. 6

1.3.2 Tax incentives

The rationale for tax incentives is primarily for the attraction of foreign direct investment (FDI).⁴⁷

However, studies have showed that such tax incentives are leading to very large revenue losses and are not needed to attract FDI.⁴⁸

In order to attract FDI, some countries have taken to compete for investment and investors by offering unfavorable incentives in what the Tax Justice Network – Africa and ActionAid International describe as “A Race to the Bottom”⁴⁹ with countries in East Africa engaging in tax competition to lower their rates for corporations and investment. This is yet in light of demonstrations that have been made time and again that the level of taxes paid by corporations plays only a minor role in the decisions of investors concerning the location of their investment.⁵⁰

By definition, tax incentives connote the “provision in the tax code or other codes that offer a preferential tax treatment to certain activities over time.”⁵¹ Uganda’s provision of tax incentives is part of the tax competition among the members of the East African Community (EAC).⁵² They are also defined to mean deviations that are derived from national or regional tax codes intended to attract investors by reducing the cost of doing business⁵³, which are afforded through corporate income tax through the issuance of exemptions, holidays, income deductions, rate deductions

47 Clark, W. S. (2001). *Corporate tax incentives for foreign direct investment*. OECD; see also Tax competition in East Africa: A race to the bottom? Available at https://uganda.actionaid.org/sites/uganda/files/uganda_report1.pdf

48 Curtis, M., et al. (2012). “Tax competition in East Africa: A race to the bottom.” *Tax incentives and revenue losses in Uganda, Tax Justice Network-Africa and ActionAid International*.

49 Tax Justice Network – Africa & ActionAid International, “Tax Competition in East Africa: A Race to the Bottom? Tax Incentives and Revenue Losses in Uganda”, April 2012.

50 See O. De Schutter, J. F. Swinnen, and J. Wouters, ‘Introduction: Foreign Direct Investment and Human Development’, in O. De Schutter et al. (eds.), *Foreign Direct Investment and Human Development: The Law and Economics of International Investment Agreements* (2012), See also World Bank, Results of Investor Motivation Survey Conducted in the EAC (East African Community), presentation made to the Tax Compact in Lusaka, Zambia (2013), cited in OECD, *Development Co- Operation Report 2014: Mobilising Resources for Sustainable Development* (2014), at 151 (according to which “[a] large majority of investors covered by investor motivation surveys of the World Bank’s Investment Climate Advisory claim that in the majority of cases (for instance over 90% in Rwanda, Tanzania and Uganda) they would have invested even if incentives were not provided”)

51 See Mayende, Stephen. "The effects of tax incentives on firm performance: Evidence from Uganda." *J. Pol. & L.* 6 (2013): 95.

52 Curtis, M., et al. (2012). “Tax competition in East Africa: A race to the bottom.” *Tax incentives and revenue losses in Uganda, Tax Justice Network-Africa and ActionAid International*.

53 Nada Eissa, Priya Manwaring et. al, “What is the Fiscal Cost of Tax Incentives in Uganda?”, January 2021. F-20217-UGA-1, International Growth Centre.

and accelerated depreciation and the reduced or zero import taxes imposed on sectors or firms that engage in select or special economic zones like on earth moving machinery (bulldozers, excavators and angle dozers).⁵⁴

On the African continent, countries like Ghana, Malawi, Mauritius and Morocco, as an incentive, offer reduced tax rates, while countries like Uganda, South Africa and Egypt do not.⁵⁵ However, what is common among all the countries in Africa and Asia and the Pacific under survey by the United Nations was that all the countries offered tax holidays and tax exemption. The international practice is therefore to award tax incentives in form of among others, tax holidays and exemptions, reduced tax rate, investment allowance and tax credits and duty and VAT exemption or reduction⁵⁶ even though all the incentives are not uniformly offered or offered by all the countries.

In Uganda, tax competition has taken the latter form, mainly through the offering of tax holidays for certain types of investment, such as in extractives.⁵⁷ Estimating the revenue loss from tax incentives in Uganda is difficult due to secrecy and lack of government transparency in this area.⁵⁸ However, in a study by World Bank in 2018, it was revealed that in a bid to attract investment, Uganda has the most generous taxation system in East Africa⁵⁹ with a tax to GDP ratio of 11.8 as of 2018 compared to Kenya and Rwanda with higher ratios of 17.4% and 17.1% respectively.

54 Uganda's Income Tax Act for instance offers tax exemption on the income of a person derived from the exportation of finished consumer and capital goods for a period of ten years upon application to the Commissioner. More so, mining and petroleum operators are granted indefinite special income tax deductions and exemptions that include; carry forward losses, 100% depreciation rate for depreciable assets acquired for mining exploration, deduction for contribution made by a licence to a rehabilitation fund in accordance with an approved rehabilitation plan, deductions for recovery of costs, for work programs, exemption of income tax on amounts withdrawn from a rehabilitation fund to meet expenditure incurred under an approved rehabilitation plan, 10% withholding tax on payments made to subcontractors as a final tax as opposed to 15%, and deduction of social infrastructure costs incurred in accordance with the mining lease. There is also an indefinite zero rating for all exportation.

55 United Nations, "Tax Incentives and Foreign Direct Investment: A Global Survey", United Nations Conference on Trade and Development, ASIT Advisory Studies no. 16. UNCTAD/ITE/IPC/Misc.3, New York and Geneva, 2000.

56 United Nations, "Tax Incentives and Foreign Direct Investment: A Global Survey", United Nations Conference on Trade and Development, ASIT Advisory Studies no. 16. UNCTAD/ITE/IPC/Misc.3, New York and Geneva, 2000.pg. 69.

57 Roy Culpeper & Aniket Bhushan 'Why Enhance Domestic Resource Mobilization in Africa?' (2010) 9 *Trade Negotiation Insights* 1-5; Michael Keen and Mario Mansour (2009), *Revenue Mobilization in Sub Saharan Africa: Challenges from Globalization* IMF Working Paper WP/09/157 at p. 22

58 Curtis, M., et al. (2012). "Tax competition in East Africa: A race to the bottom." *Tax incentives and revenue losses in Uganda, Tax Justice Network-Africa and ActionAid International*.

59 World Bank (2018). Financing Growth and Development: Options for Raising More Domestic Revenues. <http://documents1.worldbank.org/curated/en/425631526323380885/pdf/126184-WP-PUBLIC-FinalReportUgandaEconomicUpdate.pdf>

The corporations in the extractives industry have also enjoyed various incentives - for instance, the 2018 Auditor General's report noted that in the FY2017/18, the government could have lost revenue of up to USD3.39m in royalties from the undeclared gold exports and imports by African Gold Refinery under the pretext of tax waiver by the minister. In the FY ended June 2020⁶⁰, the Auditor General noted the lack of a clear policy guideline for issuance, management and monitoring of the different tax benefits and incentives issued by Government to different beneficiaries and that the absence of a clear mechanism and framework exposes the scheme to mismanagement and abuse. In an agreement with a Palm Oils Refinery company, where the Government of Uganda was required to pay Value Added Tax on the products purchased under the project for a period of 11 years, the State lost UGX 194,321,358,561; written off by the Minister following the Government's failure to meet its contractual obligations.⁶¹

Generally, the numerous discretionary tax incentives offered to businesses and individuals in Uganda have been highlighted as reasons for low domestic revenue mobilization.⁶²

For instance, approximately UGX. 1,420.29 billion was lost due to tax exemptions in 2017/18.⁶³

These attendant losses therefore call for careful scrutiny of tax incentives in Uganda. The wasteful and arbitrary incentives undermine the State's ability to mobilize maximum available resources for the fulfilment of Uganda citizen's economic social and cultural rights. The overall resource scarcity, and the consequences of lost revenues for the State's ability to combat poverty and fulfill its human rights obligations may be severe.⁶⁴ The Maastricht Guidelines on violations of economic social and cultural rights clarifies that a State is in violation of the Covenant if it fails to allocate the maximum of its available resources to realizing human rights.⁶⁵

60 Report of the Auditor General to Parliament for the Financial Year ended 30th June 2020 <http://www.oag.go.ug/wp-content/uploads/2021/03/Consolidated-Audit-Report-Final-31st-Dec-2020-web.pdf> at p. 19

61 Ibid, page 20

62 See: Tax Justice Alliance Uganda, (2017). Available at: <https://www.globaltaxjustice.org/sites/default/files/CIVIL%20SOCIETY%20POSITION%20ON%20TAX%20HOLIDAYS%20IN%20UGANDA.pdf>

63 According to SEATINI policy Brief on harmful Tax Incentives and Exemptions, Available at: <https://seatiniuganda.org/download/policy-brief-on-the-cost-of-harmful-tax-incentives-and-exemptions-in-uganda/>

64 Alston, P., & Reisch, N. (Eds.). (2019). *Tax, inequality, and human rights*. Oxford University Press.

65 Westendorp, I. (Ed.). (1998). *Maastricht Guidelines on Violations of Economic, Social and Cultural Rights: Proceedings of the Workshop of Experts Organised by the International Commission of Jurists (Geneva, Switzerland), the Urban Morgan Institute on Human Rights (Cincinnati, USA) and the Maastricht Centre for Human Rights of Maastricht University 22-26 January 1997*. SIM.

The signatories to the LIMA Declaration argue that the use of socially – useless tax incentives and relief for businesses and the wealthy have the effect of shifting the tax burden to those that are less able to pay, which they state is inconsistent with the human rights principles of non – discrimination and equality,⁶⁶ practices that continue to deprive individuals of their enjoyment of fundamental rights and freedoms. The signatories also argue that the international tax system that has trickled down to many economies such as the developing worlds like Uganda in place today is outdated as it was introduced when the economy of the world was different as it is being used today to privilege the interests of corporate entities, multinationals and global financial interests⁶⁷ to the detriment of the poor or un-affording individuals who bear the brunt of an unjust tax system. State’s own tax policies and practices today continue to deprive the state of the resources that would be needed to promote fundamental human rights.

1.3.3 Illicit Financial Flows (IFFs)

Illicit financial flows (IFFs) are illegal movements of money or capital from one country to another. The Global Financial Integrity (GFI) classifies this movement as an illicit flow when funds are illegally earned, transferred, and/or utilized across an international border.⁶⁸ However, IFFs can be illegal or illicit – illegal in that they are criminal earnings and/or movements of money including money laundering proceeds of crime or abuse of power; illicit, in the sense of earnings that are not strictly illegal but are wrongful as they can involve market/regulatory abuse or tax abuse such as individual and corporate tax abuse or conflicts of interest.⁶⁹ It is reported that about 65% of IFFs happen through legal but illicit commercial activities; 30% happen through criminal activities and 5% through corruption.⁷⁰ The concept is often underlined by company practices such as trade misinvoicing,⁷¹ or

⁶⁶ LIMA Declaration on Tax Justice and Human Rights, paragraph 2. The LIMA Declaration was signed by 162 organisations to find a way to improve on the administration of taxes and human rights issues following a meeting that was held in Lima, Peru in 2015 as was convened by the Center for Economic and Social Rights, Paragraph 6.

⁶⁷ LIMA Declaration on Tax Justice and Human Rights

⁶⁸ <https://gfintegrity.org/issue/illicit-financial-flows/>

⁶⁹ The HLP Report: A Simplification of the AU/UNECA High Level Panel Report on Illicit Financial Flows from Africa at <https://financialtransparency.org/wp-content/uploads/2020/07/HLP-Report-A6-Final-Spreads-1.pdf> pg. 23

⁷⁰ Ibid

⁷¹ Trade misinvoicing is a method for moving money illicitly across borders which involves the deliberate falsification of the value, volume, and/or type of commodity in an international commercial transaction of goods or services by at least one party to the transaction. See at <https://gfintegrity.org/issue/trade-misinvoicing/>

transfer pricing⁷² measures where they can hide the actual price of their goods and services in turn for a reduced or waived tax obligation.

The extent to which corporate income tax revenue is lost due to tax leakages fostered by IFFs mechanisms cannot be undermined. In 2015, the performance of Uganda's corporate income tax revenue as a percentage of GDP was considerably low in comparison to its peers in the region – posting 1.06% as opposed to Burundi (2.40%), Kenya (3.68%), Rwanda (1.12%) and Tanzania (2.01%). Noteworthy is the fact that these differences abound yet all countries have the same corporate income tax rate of 30%.⁷³ Further still, in 2019, corporate income tax contributed only 7% to the share of tax revenues in Uganda - below the posited African and Asia-Pacific averages of 19% and 20% respectively.⁷⁴

The 2021 State of Tax Justice Report estimates that Uganda made a total annual tax loss of **USD 382.8m** ↓ USD 365.4m of which was lost due to corporate tax abuse, and USD 17.4m in offshore wealth - a loss capable of ensuring that 22.3 million Ugandans are fully vaccinated.⁷⁵

More so, the report, in assessing Uganda's vulnerability to IFFs, identified the country's most vulnerable channel to be exports (trade outward); having a vulnerability score of 64 and the trading partners cited most responsible for the vulnerability being Kenya (27.2%), United Arab Emirates (25.1%) and Rwanda (8.6%).⁷⁶

72 Transfer pricing is a technique used by multinational corporations to shift profits out of the countries where they operate and into tax havens that involves a multinational selling itself goods and services an artificially high price. See at <https://taxjustice.net/faq/what-is-transfer-pricing/>

73 International Monetary Fund. African Dept.; Issues in International Taxation <https://www.elibrary.imf.org/view/journals/002/2017/207/article-A005-en.xml> at pg 59

74 Revenue Statistics in Africa : Key findings for Uganda at <https://www.oecd.org/ctp/tax-policy/revenue-statistics-africa-uganda.pdf>

75 The State of Tax Justice, 2021; See https://taxjustice.net/wp-content/uploads/2021/11/State_of_Tax_Justice_Report_2021_ENGLISH.pdf at pg 23

76 Ibid at pg 59

1.4 The cost of losing tax revenue

The consequences of tax planning activities by corporations are usually born by low developing countries like Uganda, and as Bernadette O’Hare, Kyle McNabb et al opine, **“tax abuse is an expensive business”**⁷⁷ owing to the effects that it draws to the economies.

As a result of tax incentives, avoidance, evasion and other similar techniques, powerful corporations continue to exploit the global tax system and consequently, the gap between the poor and the rich grows every other time the techniques are applied with the effect that the wealth of those at the top increases, while those at the bottom is falling⁷⁸ to the point that since 2015, the richest 1% have more wealth than the rest of the world combined.⁷⁹

The Tax Justice Network in a 2020 report⁸⁰, provided findings that avoiding and evading of taxes deprives governments across the globe of about USD. 427 billion every year, which money would have been spent on provision of clean water, sanitation, education and health care services.

Nada Eissa, Priya Manwaring et al report⁸¹ that between the financial years 2014/15 to 2017/18, Uganda lost a combined UGX. 2,411 billion (about USD. 652 million) due to tax incentives that the government gave to corporations and individuals. Out of that number, one third of the figure was from Corporate Income Tax incentives while two thirds were as a result of the tax incentives in the Uganda’s customs system. In the financial year 2017/2018, the figure stood at UGX. 888 billion, which was about 3% of the country’s total budget in that financial year⁸².

77 Bernadette O’Hare, Kyle McNabb et al, “How Global Tax Dodging Costs Lives: New Research Shows A Direct Link to Increased Death Rates”, Available at <https://theconversation.com/how-global-tax-dodging-costs-lives-new-research-shows-a-direct-link-to-increased-death-rates-152275>. Accessed on the 26th November 2021.

78 Oxfam International, “Inequality and Poverty: the Hidden Costs of Tax Dodging”, Available at <https://www.oxfam.org/inequality-and-poverty-hidden-costs-tax-dodging>. Accessed on the 26th day of November 2021.

79 Oxfam International, “Inequality and Poverty: the Hidden Costs of Tax Dodging”, Available at <https://www.oxfam.org/inequality-and-poverty-hidden-costs-tax-dodging>. Accessed on the 26th day of November 2021.

80 The Tax Justice Network, “The State of Tax Justice 2020: Tax Justice in the Time of COVID – 19”, November 2020.

81 Nada Eissa, Priya Manwaring et. al, “What is the Fiscal Cost of Tax Incentives in Uganda?”, January 2021. F-20217-UGA-1, International Growth Centre.

82 Nada Eissa, Priya Manwaring et. al, “What is the Fiscal Cost of Tax Incentives in Uganda?”, January 2021. F-20217-UGA-1, International Growth Centre.

In a 2019 report,⁸³ the Auditor General reported that the ministry was supposed to pay to URA tax incentives amounting to over UGX. 368 billion on behalf of selected tax payers, with a penalty of over UGX. 69 billion resulting from delayed payments, which in the opinion of the Auditor General was “wasteful”. The Auditor General further reported that as a consequence of tax incentives, the Uganda Revenue Authority wrote off tax arrears pursuant to the power that the URA has in light of Section 40 (A). 2 of the Tax Procedures Code (Amendment) Act, 2019.

The net effect of losing tax revenue is scarcity of resources that would have otherwise been allocated to fund public services such as health, education and social protection.

Uganda, for instance, currently has 218 Intensive Care Units (ICUs) – far below what is needed. It is worrying to note that the country at the moment only has 1 public ICU bed for every 188,000 Ugandans.⁸⁴ Worse still, the FY 2022/23 Budget Framework Paper indicates a funding gap of UGX 3.2 Bn for maintenance of the few available ones. Such monies can be salvaged to meet critical budget funding gaps if tax revenue mobilization is optimized.

Funding shortfalls can also be seen in social protection measures; for example, the Social Assistance Grants for Empowerment (SAGE) program. In as much as the National Development Plan III envisaged to extend benefits to 977,000 older persons in 2022/23, the same isn’t reflected in the year’s Budget Framework Paper – with less than half (358,420) being planned for. Such shortfalls – and more – are examples of inadequate resource mobilization for crucial public services; and yet astronomical amounts of money are lost when companies do not pay a fair share of taxes due them.

83 Auditor General Uganda, “Report of the Auditor General to Parliament for the Financial Year Ended 30th June 2019”, December 2019.

84 <https://allafrica.com/stories/202107130117.html>

1.5 Conclusion and Recommendations

1.5.1 Conclusion

Whereas all rights, especially social and economic rights, generally require significant budgetary outlays, critical attention must be given to resource mobilization, overall tax policy and specifically research to periodically and continuously review the existent tax policies and their implications on the economies. Tax policy is not only important for ensuring sufficient resources, but it also plays a fundamental role in redressing inequalities and in shaping accountability of government.

The grant of tax incentives should follow transparent and equitable processes since incentives, when extravagantly and arbitrarily awarded, often prove costly to the country especially in terms of revenue foregone which could be used for realization of human rights. In the same vein, when companies engage in corporate tax abuse practices to evade taxes, the much needed revenue to adequately resource social services is lost. The need to employ interventions that encourage or strengthen tax compliance therefore becomes urgent.

Conclusively, while the potential linkages between taxation and human rights are manifold, it can be observed that tax affects the realization of human rights, through its role in resource mobilization, redistribution, regulation, and accountability. When designed and implemented well, taxes can reinforce the ability of the State to finance services, realize human rights and observe its obligations under human rights law.

1.5.2 Recommendations

The collection of tax revenue is fundamental in the overall scheme of public services financing. The sufficiency of resources depends on the ability of a state to generate resources effectively so as to equitably fund human rights. Therefore, development of tax policy must be anchored in the principles of human rights so as to ensure that fiscal policies comply with the state's human rights obligations under international law and do not undermine legitimate avenues for resource mobilization necessary for the realization of and respect for human rights.

In doing so, the following recommendations are suggested;

- Government should conduct a cost benefit analysis and fiscal research of all tax incentives and exemptions that are accorded to corporations in order to ascertain whether or not they have achieved their intended purpose. This research can also be carried out with the help of Civil Society Organizations (CSOs) and other partners to the government. This will ensure effective and efficient use of tax incentives.
- Parliament, with the assistance of the Auditor General, needs to conduct routine cost benefit and opportunity-cost analyses of all tax exemption, incentives and holidays that have so far been awarded to corporations in Uganda to justify their continued existence.
- Review the investment regime in Uganda in respect to corporations so as to ensure that no wasteful incentives are granted to the detriment of resource mobilization.
- Government should set in motion transparent procedures, processes and criteria for granting tax incentives to investors, especially to corporations to ensure that the awards are not irregular or unjustified. In line with transparency, the government should also publish periodically the beneficiaries of tax exemptions for all to see and widely scrutinize. This will reduce secrecy and promote accountability and transparency.
- The Government should strengthen its tax enforcement mechanisms to ensure that practices of tax evasion as well as IFFs are curbed. This also necessitates adequate staffing of the enforcement arm of the Uganda Revenue Authority.
- The Government should incentivize the population to pay their fair share of taxes by taking deliberate and progressive steps to adequately fund public services like health, water and education. A key reason why people do not pay taxes is that they do not see any corresponding significant improvements in public services that directly affect their lives.⁸⁵

85 <https://blogs.lse.ac.uk/africaatlse/2012/09/24/reducing-tax-avoidance-must-be-a-key-priority-for-the-uganda-government/>

- As the 2015 High Level Panel Report on Illicit Financial Flows from Africa found, ending IFFs is largely a political issue. The Government should enhance coordination efforts with other countries to curb IFFs – starting with trading partners such as Kenya, United Arab Emirates and Rwanda that have made Uganda most vulnerable to IFFs.
- Tax administration is perceived as one of the sectors most vulnerable to corruption.⁸⁶ This is largely due to the complexity of tax laws as well as high discretionary powers given to tax officials. To curb this vice, tax laws should be simplified as much as possible to eliminate room for such exploitation. Equally, e-taxation initiatives should be promoted to reduce physical interaction between tax payer and collector. More so, penalties, as prescribed under
- Section 63 of the Tax Procedures Code Act 2014 should be strictly enforced against tax officers found engaging in practices that deprive the State of tax revenue due.
- Equally, the Government should strengthen punitive action on corporate entities that engage in tax evasive practices such as under declaration of income. Sections 50 and 58 of the Tax Procedures Code Act, 2014 make it an offence to make false or misleading statements to a tax officer and impose penalties, fines, or imprisonment for making such statements. If enforced, these sanctions can serve to make tax evasion not only costly, but also highly risky.
- The Government should revise its tax policies to ensure that they are progressive in design – ensuring that high earning tax payers are paying a fair share of taxes. This will go a long way in fostering the redistributive role of taxation and ultimately reduce inequalities in Uganda.
- One of the drivers of corporate tax planning is complex tax laws. The Government should therefore periodically review its tax law, identify gaps that facilitate tax evasion and avoidance and plug them. Having an easy to follow tax regime makes tax administration more efficient.

⁸⁶ Transparency International; Tax Administration and Corruption Topic Guide at https://knowledgehub.transparency.org/assets/uploads/kproducts/Tax_administration_topic_guide.pdf pg 2

References

1. Abuja Declaration on HIV/AIDS, Tuberculosis and Other Related Infectious Diseases, African Summit on HIV/AIDS, Tuberculosis and Other Related Infectious Diseases, Abuja, Nigeria. 24 – 27 April 2001, OAU/SPS/ABUJA/3.
2. African Development Bank, African Economic Outlook (2014)
3. Alston, Philip, and Nikki Reisch, eds. *Tax, inequality, and human rights*. Oxford University Press, 2019
4. Ambros, J. (2018). *Taxation as a human rights issue: taxation and the Committee on Economic, Social and Cultural Rights* (Doctoral dissertation).
5. Auditor General Uganda, “Report of the Auditor General to Parliament for the Financial Year Ended 30th June 2019”, December 2019.
6. Bernadette O’Hare, Kyle McNabb et al, “How Global Tax Dodging Costs Lives: New Research Shows A Direct Link to Increased Death Rates”, Available at <https://theconversation.com/how-global-tax-dodging-costs-lives-new-research-shows-a-direct-link-to-increased-death-rates-152275>. Accessed on the 26th November 2021.
7. Bryan A. Garner, “The Black’s Law Dictionary” (2004), 8th Edition, pg. 4769 – 4570, Thomson Reuters.
8. CEHURD and Ors v AG, Constitutional petition 16, 2011
9. Center for Economic and Social Rights, “Corporate Taxation Key to Protecting Human Rights in the Global Economy”. Available at <https://www.cesr.org/corporate-taxation-key-protecting-human-rights-global-economy>. Accessed on the 24th November 2021.
10. Clark, W. S. (2001). *Corporate tax incentives for foreign direct investment*. OECD;
11. Corporate Income Tax is imposed under Section 7 and Part II of the Third Schedule to the Income Tax Act cap 340 as amended for a year of income.
12. Curtis, M., et al. (2012). “Tax competition in East Africa: A race to the bottom.” *Tax incentives and revenue losses in Uganda, Tax Justice Network-Africa and ActionAid International*.
13. De Schutter, Olivier. "TAXING FOR THE REALIZATION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS." *Tax, Inequality, and Human Rights*. Oxford University Press, 2017. 59-80. See also; Report of the Special Rapporteur on extreme poverty and human rights, Magdalena Sepulveda Carmona, presented at the 26th session of the Human Rights Council (22 May 2014) UN Doc A/HRC/26/28, para 36

14. De Schutter, Olivier. "TAXING FOR THE REALIZATION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS." *Tax, Inequality, and Human Rights*. Oxford University Press, 2017. 59-80
15. George E. Lent, "Corporation Income Tax Structure in Developing Countries (Structure de l'impôt sur le revenu des sociétés dans les pays en développement) (La estructura del impuesto de sociedades en los países en desarrollo)", Staff Papers (International Monetary Fund), Vol. 24, No. 3 (Nov., 1977), pp. 722 – 755, Palgrave Macmillan Journals.
16. Halsbury's Laws of England, Income Taxation (Volume 23 (1) (Reissue) Paras – 950. Introduction, Taxation of income, profit and company distribution.
17. Inter – Parliamentary Union, and the United Nations Office of the High Commissioner for Human Rights, "Human Rights: Handbook for Parliamentarians No. 26" (2016)
18. *International Covenant on Economic, Social and Cultural Rights (ICESCR)*, 1966, Ratified on 21st April, 1987
19. ISER (2018) Are We Failing to Progressively Realize the Right to Health in Uganda? An Analysis of Health Sector Budget Trends.
20. James R. Hines Jr., (2001) "Corporation Taxation" University of Michigan Business School.
21. James R. Hines Jr., (2001) "Corporation Taxation" University of Michigan Business School.
22. LIMA Declaration on Tax Justice and Human Rights, paragraph 2.
23. Mayende, Stephen. "The effects of tax incentives on firm performance: Evidence from Uganda." *J. Pol. & L.* 6 (2013): 95.
24. Michael Keen and Mario Mansour (2009), *Revenue Mobilization in Sub Saharan Africa: Challenges from Globalization* IMF Working Paper WP/09/157 at p. 12
25. Musonda Kabinga in the paper "Principles of Taxation", Paper 5 of the Introduction to the Project "Tax Justice and Poverty", 2016 who relies on the definitions of the Organization for Economic Cooperation and Development (OECD) and the Tax Justice Network Africa (TJNA)
26. Nada Eissa, Priya Manwaring et. al, "What is the Fiscal Cost of Tax Incentives in Uganda?", January 2021. F-20217-UGA-1, International Growth Centre.
27. Nada Eissa, Priya Manwaring et. al, "What is the Fiscal Cost of Tax Incentives in Uganda?", January 2021. F-20217-UGA-1, International Growth Centre.
28. Nada Eissa, Priya Manwaring et. al, "What is the Fiscal Cost of Tax Incentives in Uganda?", January 2021. F-20217-UGA-1, International Growth Centre.
29. Network, Tax Justice. "Taxation and Human Rights, Editorial." *Quarterly Newsletter of the Tax Justice Network Africa* 2.4 (2011).

30. O. De Schutter et al. (eds.), *Foreign Direct Investment and Human Development: The Law and Economics of International Investment Agreements* (2012).
31. O. De Schutter, J. F. Swinnen, and J. Wouters, ‘Introduction: Foreign Direct Investment and Human Development’,
32. Olivier De Schutter and Zdzislaw Kedzia, “General Comment on State Obligations Under the International Covenant on Economic, Social and Cultural Rights in the Context of Business Activities” draft comment following the 16th session that 20 – 24, February 2017.
33. Olivier De Schutter, *Public Budget Analysis for the Realization of Economic, Social and Cultural Rights: Conceptual Framework and Practical Implementation* (10 July 2017), p 22.
34. Oxfam International, “Inequality and Poverty: the Hidden Costs of Tax Dodging”, Available at <https://www.oxfam.org/inequality-and-poverty-hidden-costs-tax-dodging>. Accessed on the 26th day of November 2021.
35. Paul Cook and Yuichiro Uchida, “Privatization and Economic Growth in Developing Countries”, Center on Regulation and Competition, Working Paper Series, Paper No. 7, October 2001. Available at <https://assets.publishing.service.gov.uk/media/57a08d6140f0b64974001816/CRCwp7.pdf>. Accessed on the 24th November 2021.
36. Peter Mullins (2010), *International Tax Issues for the Resources Sector* in Daniel, Keen and McPherson (2010), *The Taxation of Petroleum and Minerals: Principles, Problems and Practice* Routledge, pp. 378 – 402 at p. 379; Osmundsen, Petter (2001), ‘*Optimal Petroleum Taxation Subject to Mobility and Information Constraints*,’ working paper 55/01, Foundation for Research in Economic and Business Administration. Accessed at <https://www.osti.gov/etdeweb/servlets/purl/20208216> pp. 3-4;
37. Report of the Special Rapporteur on extreme poverty and human rights, Magdalena Sepulveda Carmona, presented at the 26th session of the Human Rights Council (22 May 2014) UN Doc A/HRC/26/28, para. 36
38. Roy Culpeper & Aniket Bhushan ‘Why Enhance Domestic Resource Mobilization in Africa?’ (2010) 9 *Trade Negotiation Insights* 1-5; Michael Keen and Mario Mansour (2009), *Revenue Mobilization in Sub Saharan Africa: Challenges from Globalization* IMF Working Paper WP/09/157 at p. 22
39. S. Holmes and C. R. Sunstein, *The Cost of Rights: Why Liberty Depends on Taxes* (1999)
40. S. Holmes and C. Sunstein, *The Cost of Rights: Why Liberty Depends on Taxes* (1999).

41. SEATINI policy Brief on harmful Tax Incentives and Exemptions, Available at: <https://seatiniuganda.org/download/policy-brief-on-the-cost-of-harmful-tax-incentives-and-exemptions-in-uganda/>
42. Siu, Erika, et al. "Unitary taxation in the extractive industry sector." (2015).
43. Tax Justice Alliance Uganda, (2017). Available at: <https://www.globaltaxjustice.org/sites/default/files/CIVIL%20SOCIETY%20POSITION%20ON%20TAX%20HOLIDAYS%20IN%20UGANDA.pdf>
44. Tax Justice Network – Africa & ActionAid International, “Tax Competition in East Africa: A Race to the Bottom? Tax Incentives and Revenue Losses in Uganda”, April 2012.
45. Tejvan Pettinger, “Capital Mobility and Immobility”, Available at <https://www.economicshelp.org/blog/4946/economics/capital-immobility/>. Accessed on 24th November 2021.
46. The Constitution of the Republic of Uganda, 1995.
47. The Economist, “How to People and Companies Avoid Paying Taxes”, Available at <https://www.economist.com/the-economist-explains/2021/10/04/how-do-people-and-companies-avoid-paying-taxes>. Accessed on the 24th November 2021.
48. The Income Tax Act cap 340.
49. The Tax Justice Network, “The State of Tax Justice 2020: Tax Justice in the Time of COVID – 19”, November 2020.
50. United Nations Human Rights Office of the High Commissioner, “The Right to Development and Taxation”. Available at https://www.ohchr.org/Documents/Issues/RtD/InfoNote_Taxation.pdf. Accessed on the 24th November 2021.
51. United Nations, “Tax Incentives and Foreign Direct Investment: A Global Survey”, United Nations Conference on Trade and Development, ASIT Advisory Studies no. 16. UNCTAD/ITE/IPC/Misc.3, New York and Geneva, 2000.
52. Westendorp, I. (Ed.). (1998). *Maastricht Guidelines on Violations of Economic, Social and Cultural Rights: Proceedings of the Workshop of Experts Organised by the International Commission of Jurists (Geneva, Switzerland), the Urban Morgan Institute on Human Rights (Cincinnati, USA) and the Maastricht Centre for Human Rights of Maastricht University 22-26 January 1997*. SIM.
53. World Bank (2018). Financing Growth and Development: Options for Raising More Domestic Revenues. <http://documents1.worldbank.org/curated/en/425631526323380885/pdf/126184-WP-PUBLIC-FinalReportUgandaEconomicUpdate.pdf>

54. World Bank, Results of Investor Motivation Survey Conducted in the EAC (East African Community), presentation made to the Tax Compact in Lusaka, Zambia (2013), cited in OECD, Development Co- Operation Report 2014: Mobilising Resources for Sustainable Development (2014), at 151 (according to which “[a] large majority of investors covered by investor motivation surveys of the World Bank’s Investment Climate Advisory claim that in the majority of cases (for instance over 90% in Rwanda, Tanzania and Uganda) they would have invested even if incentives were not provided”)
55. Zikusooka CM, Kyomuhang R, et al. Is health care financing in Uganda equitable? African Health Sciences, 2009



Initiative for Social and Economic Rights (ISER)

Plot 60 Valley Drive, Ministers' Village, Ntinda

P.O Box 73646, Kampala - Uganda

Email: info@iser-uganda.org Tel: +256 414 581 041

Website: www.iser-uganda.org

 [@ISERUganda](https://twitter.com/ISERUganda)



[ISERUganda](https://www.facebook.com/ISERUganda)



[ISERUganda](https://www.youtube.com/ISERUganda)