

Sector: Tourism

Foreword

The preparation of the Tourism Sector Budget Framework Paper FY 2019/20 and the medium term has followed the guidelines issued by the Ministry of Finance, Planning and Economic Development and the requirements outlined in the Public Finance Management Act, 2015.

This is the first BFP to be prepared since the creation of Tourism as a fully-fledged and standalone sector. As a result of this achievement, sector coordination will be enhanced among sector MDAs namely the Ministry of Tourism Wildlife and Antiquities, Uganda Tourism Board (UTB), Uganda Wildlife Authority (UWA), Uganda Wildlife Conservation Education Centre (UWEC), Uganda Hotel and Tourism Training Institute (UHTTI) and Uganda Wildlife Research and Training Institute (UWRTI). We commit ourselves to improving our performance even further under this new framework of being a Tourism Sector on its own.

Tourism has become increasingly important to Uganda's economy and indeed the Ministry of Finance, Planning and Economic Development in its FY 2019/20 Budget Strategy recognizes it as one of the growth opportunities to be harnessed alongside Agriculture and Minerals.

The Ministry and Agencies continue to undertake interventions aimed at delivering sector mandate of formulating and implementing policies, strategies, plans and programmes that promote tourism, wildlife and cultural heritage conservation for socio-economic development and transformation of the country.

The Budget Framework Paper for the tourism sector has been prepared in pursuance of its vision of 'Sustainable Tourism, Wildlife and Cultural heritage contributing to the transformation of the Ugandan society from a peasant to a modern and prosperous country'. Areas of focus remain aggressive promotion and marketing of Uganda to unlock the country's tourism potential; diversifying tourism product range; improving tourism and hospitality skills along the tourism value chain; improving tourism support infrastructure and strengthening conservation of natural and cultural heritage assets.

RESOURCE ALLOCATION TO THE SECTOR

The Medium Term Expenditure Framework (MTEF) allocations for the FY 2019/20, has generally remained the same as that of FY 2018/19 at Ushs 32.64 billion. Besides the above MTEF allocation, the Sector collects and utilized revenue in form of Appropriation in Aid (AIA) and for FY 2019/20, at total of Ushs 148.8 billion is projected to be collected by Sector MDAs i.e Uganda Wildlife Authority (Ushs 141.39 billion), Uganda Wildlife Conservation Education Centre (Ushs 4.65 billion), Uganda Hotel and Tourism Training Institute (Ushs 2.06 billion), Uganda Wildlife Research and Training Institute (Ushs 0.485 billion), and Museums and Monuments Department (Ushs 0.29 billion).

Summing up the above two categories of funding (ie. GOU + AIA) gives proposed sector budget of Ushs 181.3 billion for the FY 2019/20 i.e GOU Ushs 32.4 billion and AIA Ushs 148.8 billion. The sector is therefore 82 percent reliant on Appropriation in Aid.

SECTOR PERFORMANCE

Uganda's tourism sector is well poised to be the leading growth and development sector in the country. This is in part due to the expansive array of tourist attractions the country is blessed with including ten national parks that boast a cocktail of fascinating wildlife species, various mountains, waterfalls and cultural sites.

Over the past 10 years, the tourist arrivals into Uganda have steadily increased from 850,000 in 2008 to over 1.4 million arrivals in 2017. Africa contributed majority with Rwanda and Kenya sharing 31 percent and 24 percent of the total arrivals respectively. Although the proportion of leisure visitors to total visitor arrivals is still relatively small, it increased from 18 percent in 2016 to 20.1 percent in 2017.

In 2017, Tourism continued to be the leading foreign exchange earner to the Ugandan economy by generating USD 1,453 million compared to USD 1,371 million in 2016.

The direct contribution of Tourism to GDP in 2017 was UGX 2,699.1bn (2.9% of GDP) while the total contribution including wider effects from investment, the supply chain and induced income impacts, was UGX 6,888.5bn in 2017 (7.3% of GDP), up from UGX6, 171.5bn in 2016.

In terms of contribution to employment in the economy, Tourism generated 229,000 jobs directly in 2017 (2.4% of total employment).

This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services).

The total contribution of Tourism to employment (including wider effects from investment, the supply chain and induced income impacts was 605,500 jobs in 2017 (6.3% of total employment).

Tourism has high transformative power to Uganda's economy if fully harnessed. For example, according to the World Bank survey for Uganda in 2013

? Attracting 100,000 additional leisure tourists would add 11 percent to exports and 1.6 percent to GDP;

? Persuading a tourist to spend one additional night in Uganda would add 7 percent to exports and 1.0 percent to GDP.

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? 8 percent annual growth in leisure and conference tourists would generate an additional USD 220 million in receipts per annum. These facts make a compelling case for us to prioritise the funding and implementation of strategies focusing on attracting tourists, make them stay longer and spend more in the country and drive its growth.

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Abbreviations and Acronyms	
PA	Protected Area
MTWA	Ministry of Tourism, Wildlife and Antiquities
AEWA	African–Eurasian Water Bird Agreement
AIA	AIA Appropriation in Aid
ATA	Africa Travel Association
AUTO	Association of Uganda Tour Operators
BBC	British Broadcasting Corporation
BFP	Budget Framework Paper
BINP	Bwindi Impenetrable National Park
BMCT	Bwindi and Mgahinga Conservation Trust
BOQ	Bills of Quantity
CA	Conservation Area
CEDP	Competitiveness and Enterprise Development Project
CEO	Chief Executive Officer
CITES	Convention on International Trade in Endangered Species of Fauna and Flora
CMS	Convention on Migratory Species of Wild Animals
CSOs	Civil Society Organizations
CSWCT	Chimpanzee Sanctuary and Wildlife Conservation Trust
CWM	Certificate in Wildlife and Allied Natural Resource Management
DWM	Diploma in Wildlife and Allied Natural Resource Management
DWT	Diploma in Wildlife Tourism Management
EAC	East African Community
FAM	FAM Familiarization
FAO	Food and Agricultural Organization
FUTI	Federation of Uganda Tourism Initiatives
FY	Financial Year
GAPR	Government Annual Performance Report
GCF	Giraffe Conservation Foundation
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GMP	General Management Plans
GOU	Government of Uganda
HTTI	Hotel and Tourism Training Institute
ICT	Information and Communications Technology
ISO	Internal Security Organization
ITB	International Tourism Bourse
JARD	Joint Annual Review of Decentralization
JTMC	Joint Tourism Marketing Committee
KCCA	Kampala Capital City Authority

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KNP	Kibaale National Park
KVNP	Kidepo Valley National Park
LDPG	Local Development Partners Group
LGs	Local Governments
LMNP	Lake Mburo National Park
MBWR	Matheniko Bokora Wildlife Reserve
MDA	Ministries Departments and Agencies
MDR	Market Destination Representation
MEMD	Ministry of Energy and Mineral Development
MFNP	Murchison Falls National Park
MFCA	Murchison Falls Conservation Area
MGLSD	Ministry of Gender, Labour and Social Development
MGNP	Mgahinga Gorilla National Park
MOES	Ministry of Education and Sports
MICE	Meetings Incentives Conferences and Events/Exhibitions
MoFPED	Ministry of Finance Planning and Economic Development
MoH	Ministry of Health
MoIA	Ministry of Internal Affairs
MoPS	Ministry of Public Service
MOU	Memorandum of Understanding
MoWT	Ministry of Works and Transport
MPS	Ministerial Policy Statement
MRTIDP	Mt. Rwenzori Tourism Infrastructure Development Project
MTEF	Medium Term Expenditure Framework
NCHE	National Council of Higher Education
NDP	National Development Plan
NEMA	National Environment Management Authority
NPA	National Planning Authority
NTP	National Tourism Portal
OPM	Office of the Prime Minister
PAAP	Protected Area Assessment Programme
PAAZAB	Pan African Association of Zoos and Aquaria
PCU	Project Coordination Unit
PES	Payment for Ecosystem Services
PIRT	Presidential Investors Round Table
POATE	Pearl of Africa Tourism Expo
PPDA	PPDA Public Procurement and Disposal Authority
PR	Public Relations
PUWR	Pian Upe Wildlife Reserve
QA	Quality Assurance
QENP	Queen Elizabeth National Park

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RMNP	Rwenzori Mountains National Park
SEA	Strategic environment and social impact analysis
TDA	Tourism Development Areas
TIMS	Tourism Information Management System
TMM	Top Management Meeting
TSDP	Tourism Sector Development Plan
TSAPR	Tourism Sector Annual Performance Report
TSWG	Tourism Sector Working Groups
TSWR	Toro Semuliki Willdife Reserve
TUGATA	The Uganda Association of Travel Agents
UBOS	Uganda Bureau of Statistics
UACII	Uganda Association of Conference and Incentives Industry
UHOA	Uganda Hotel Operators Association
UHTTI	Uganda Hotel and Tourism Training Institute
UIA	Uganda Investment Authority
UMA	Uganda Manufactures Association
UNAA	Uganda North America Association
UNDP	United Nations Development Program
UNEP	United Nations Environmental Program
UNESCO	United Nations Educational Scientific and Cultural Organization
UNRA	Uganda National Roads Authority
UNWTO	United Nations World Tourism Organization
USAGA	Uganda Safari Guide Associations
UTA	Uganda Tourism Association
UTB	Uganda Tourism Board
UWA	Uganda Wildlife Authority
UWCEC	Uganda Wildlife Conservation Education Centre
UWRTI	Uganda Wildlife Research and Training Institute
WCU	Wildlife Clubs of Uganda
WGs	Working Groups
WTM	World Travel Market
WTTC	World Tourism and Travel Council
WWF	World Wildlife Fund
ZIMS	Zoological Information Management System

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S1: Sector Overview

This section provides an overview of Sector Expenditures and sets out the Sector's contribution to the NDP, its policy objectives, and key performance issues.

(i) Snapshot of Sector Performance and Plans*

Table S1.1 Overview of Sector Expenditure (Ushs Billion)

	2017/18 Outturn	2018/19		2019/20 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2020/21	2021/22	2022/23	2023/24
Recurrent								
Wage	0.000	3.941	0.714	3.941	4.138	4.345	4.562	4.790
Non Wage	0.000	22.062	1.976	21.827	25.101	30.121	36.146	43.375
Devt.								
GoU	0.000	6.635	0.899	6.635	7.962	7.962	7.962	7.962
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	0.000	32.638	3.589	32.403	37.201	42.429	48.670	56.127
Total GoU+Ext Fin (MTEF)	0.000	32.638	3.589	32.403	37.201	42.429	48.670	56.127
A.I.A Total	0.000	85.305	19.722	148.882	125.722	132.978	140.692	148.850
Grand Total	0.000	117.943	23.311	181.285	162.923	175.407	189.362	204.977

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(ii) Sector Contributions to the National Development Plan

The National development Plan (NDP) recognizes tourism as a primary growth sector for Uganda's economy, important for wealth creation. According to the NDP II, Government's tourism investments should emphasize aggressive marketing, diversification of products and development of tourism supporting infrastructure and services, including airports and roads to tourism areas. Emphasis is further placed on appropriate skills development; increasing the quantity and quality of accommodation facilities; intensifying the provision of security and protection of tourists and tourist attraction sites; combating poaching and eliminating the problem of wildlife dispersal to ensure maximum exploitation of tourist attractions and amenities; tourism management (Regulation and enforcement, grading and classification of hotels and restaurants) and; conservation of tourism sites and wildlife. The plan also prioritizes the promotion of domestic tourism through cultural, regional cluster initiatives and national events; enhancing women entrepreneurship and employment in cultural and creative industry as well as agro-tourism.

The Tourism sector prioritized the implementation of strategies to achieve targets set under the five NDP II tourism Sector specific objectives namely;

- 1) Increase Market share for tourism
- 2) Increase and diversify the stock of tourism products
- 3) Increase the stock of human capital along the tourism value chains and create new jobs
- 4) Improve coordination, regulation and management of the tourism sector
- 5) Increase conservation of natural and cultural heritage

In 2017, Tourism continued to be the leading foreign exchange earner to the Ugandan economy by generating USD 1,453 million compared to USD 1,371 million in 2016.

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(iii) Medium Term Sector Policy Objectives

The Sector focuses on development and promotion of the tourism, wildlife and heritage resources for enhancement of Uganda as a competitive and preferred tourist destination, with accelerated sector contribution to the national economy".

The Strategic Objectives are;

- a) To enhance regulation, coordination and management of the tourism sector To develop and diversify the tourism products and services;
- b) To develop tourism infrastructure and facilities;
- c) To promote and market the destination in national, regional and international markets;
- d) To develop human resource and institutional capacity for the tourism sector;
- e) To promote community involvement and enterprise development in the tourism economy;
- f) Promote Sustainable Development of Uganda's Wildlife resources and Cultural Heritage;
- g) Promote safety and security of tourists and tourism assets; and
- h) Promote local, regional and global partnerships for tourism development.

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(iv) Sector Investment Plans

For FY2019/20, the sector has allocated 33 percent of the entire budget towards capital investments. Some of the outputs include; UWA-staff accommodation in protected areas- Ushs 5.6 billion).

Road equipment for protected areas (Ushs 13 billion). The equipment plays a big role in excavating water sources for animals in protected areas and ensuring that roads are navigable to enable accessibility by all to various spots in protected areas.

Helicopter (Helicopter to be used for Aerial surveillance of the Protected areas, Animal Counts, Emergency rescue, De-herding problem animal) Ushs 10 billion).

Electric fence and trenches (Ushs 3.5 billion)

Visitor accommodation in Protected areas (Ushs 2.9 billion)

Kibaale Canopy walk (Ushs 3 billion)

Laboratory in Kidepo (0.4 billion)

Land for buffer zones and wildlife corridors (ushs 2.4 billion)

Works on 2nd floor of the pier restaurant at UWEC (Ushs 0.85 billion). The completion of the restaurant is important for financial sustainability of UWEC, improvement of visitor experience/comfort, and creation of more employment opportunities for Ugandans.

Source of the Nile infrastructure developed including 50 solar security lights, a 500 metre marine walk-way, state of the art monument and five (5) Source of the Nile directional and Informational signages. (Ushs 1.09 billion)

Mt. Rwenzori infrastructure development including; Two (2) bridges constructed on River Mubuku near Kalyarupia and River Kinyamiyeye; a new tourism trail established from Karungura to Ntandi. The trails improve accessibility of tourism products and create more economic opportunities for all Ugandans; and Two (2) board walks constructed- at Bukurungu East 1 (200 metres) and Bukurungu West 2 (200 metres). These developments benefit mostly the disabled and the aged, by improving accessibility and experience. (Ushs 1.22 billion)

Renovation for the National Museum (80%) completed including face-lifting, fencing, lighting, roof gutters. The National Museum is important for heritage conservation education among students, and all Ugandans. Retention bills paid for the works on fencing of Mugaba Palace, Nyero rock interpretation center and Kabale Museums. (Ushs 1.26 billion)

Table S1.2 SECTOR OUTCOMES AND OUTCOME INDICATORS

Sector Outcome : Improved Heritage Conservation and Tourism Growth							
Sector Objectives contributed to by the Sector Outcome							
N/A							
Sector Outcome Indicators	Q4 Actual 2017/18	Performance Targets					
		2018/19	Base year	Baseline	2019/20	2020/21	2021/22
Contribution of Tourism to GDP	7.3%	7.8%	2016	6.6%	9.0%	9.9%	10.2%
Annual change in tourist arrivals	6.0%	8%	2016	1.5%	8.2%	8.8%	10%
Tourism export earnings	1,453	1,460	2016	1,312	1,506	1,600	1,650

S2: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATIONS ALIGNED TO THE NDP

Table S2.1: Programme Outcomes and Outcome Indicators Aligned to the NDP

Vote 022 :Ministry of Tourism, Wildlife and Antiquities	
Programme :	01 Tourism, Wildlife Conservation and Museums
Programme Objective :	To promote tourism, wildlife and cultural heritage conservation for socio-economic development and transformation of the country
Responsible Officer:	Mr. James Lutalo-Director Tourism, Wildlife and Antiquities
Programme Outcome:	Tourism Development, Natural and Cultural Heritage Conservation

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Sector Outcomes contributed to by the Programme Outcome

1. Improved Heritage Conservation and Tourism Growth

Programme Performance Indicators	Performance Targets				
	2017/18 Actual	2018/19 Q1 Actual	2019/20 Target	2020/21 Target	2021/22 Target
• Annual change in visitors to National parks		16%	10%	12%	14%
• Annual change in visitors to museums and monuments sites		3.2%	3%	3.5%	6%
• Annual change in tourist arrivals for leisure and business		5%	5%	5.6%	6%

Programme : 49 General Administration, Policy and Planning

Programme Objective : To strengthen the Departments and Sector Agencies to implement sector policies, plans and strategies

Responsible Officer: Margaret A. Ojara (Mrs)-Under Secretary , Finance and Administration

Programme Outcome: Enhanced Policy Guidance and Strategic Direction

Sector Outcomes contributed to by the Programme Outcome

1. Improved Heritage Conservation and Tourism Growth

Programme Performance Indicators	Performance Targets				
	2017/18 Actual	2018/19 Q1 Actual	2019/20 Target	2020/21 Target	2021/22 Target
• Level of compliance of planning and budgeting instruments to NDPII		67%	70%	75%	80%
• Annual External Auditor General rating.		Unqualified	Unqualified	Unqualified	Unqualified

Vote 117 :Uganda Tourism Board

Programme : 02 Tourism Development

Programme Objective :

1. To increase visitor inflows.
2. To increase visitor expenditure.
3. To increase the length of visitor stay.
4. To increase the flow of tourism investment.
5. To increase in tourism employment.

Responsible Officer: Stephen Asiimwe

Programme Outcome: Tourism Promotion

Sector Outcomes contributed to by the Programme Outcome

1. Improved Heritage Conservation and Tourism Growth

Programme Performance Indicators	Performance Targets				
	2017/18 Actual	2018/19 Q1 Actual	2019/20 Target	2020/21 Target	2021/22 Target
• Annual Change in arrivals from key source markets		2%	8%	8%	8%

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• Proportion of tourist oriented enterprises that are compliant with tourist service standards and guidelines		23%	40%	60%	70%
Programme Outcome: Efficient and effective UTB					
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Improved Heritage Conservation and Tourism Growth					
Programme Performance Indicators	Performance Targets				
	2017/18 Actual	2018/19 Q1 Actual	2019/20 Target	2020/21 Target	2021/22 Target
• Level of compliance of the MPS to gender and equity budgeting		50%	60%	70%	75%
• Level of compliance of planning and budgeting instruments to NDPII		50%	70%	75%	80%

Table S2.2: Past Expenditure Outturns and Medium Term Projections by Programme

<i>Billion Uganda shillings</i> Programme Service	2017/18	2018/19		2019/20	Medium Term Projections			
	Outturn	Approved Budget	Releases by end Q1	Proposed Budget	2020/21	2021/22	2022/23	2023/24
Vote : 022 Ministry of Tourism, Wildlife and Antiquities								
01 Tourism, Wildlife Conservation and Museums	0.000	10.012	1.659	9.127	9.643	9.643	9.643	11.619
49 General Administration, Policy and Planning	0.000	5.414	0.986	6.065	7.924	9.649	11.702	12.173
Total for the Vote	0.000	15.426	2.646	15.192	17.566	19.291	21.345	23.792
Vote : 117 Uganda Tourism Board								
02 Tourism Development	0.000	17.212	0.943	17.212	19.635	23.137	27.325	32.335
Total for the Vote	0.000	17.212	0.943	17.212	19.635	23.137	27.325	32.335
Total for the Sector	0.000	32.638	3.589	32.403	37.201	42.429	48.670	56.127

S3: Sector Challenges in addressing Gender and equity issues for FY 2019/20

A limited number of female Ugandans respond to calls for applications to fill vacant positions in Protected Areas. Females do not embrace working as rangers. For example, out of the 484 recently recruited game rangers, only 90 are female. The reluctance of female to join the game ranger force continues to derail efforts by the Sector to ensure equal access to tourism industry employment opportunities by all.

The understanding of Gender and Equity issues and planning is still limited among planners and decision makers. The sector leadership continues to emphasize the advancement of gender equity in planning, budgeting and implementation.

The sector will continue to work closely with the Social Development Sector to address the above challenges.