

# Sector: Tourism

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## Foreword

The Budget Framework Paper FY 2020/20 for the Tourism Sector is being prepared in pursuance of the Sector NDP III goal of increasing annual tourism receipts to US\$ 2.7 billion in 2025 from US\$ 1.6 billion in 2018 and create 500,000 direct jobs along the tourism value chain over the same period.

In order to achieve the above goal and results the following strategies will be pursued:

1. Aggressive marketing of Uganda
2. Diversifying tourism product range
3. Improving tourism and hospitality skills along the tourism value chain
4. Strengthening conservation of natural and cultural heritage
5. Strengthen tourism management and regulation

The Ministry and the Sector Agencies will continue to collaborate and work with other government MDAs, the private sector and all other stakeholders to fast-track the implementation of interventions that promote tourism, wildlife and cultural heritage conservation for socio-economic development and transformation of the country.

The growth of the Tourism Sector is critically dependent on adequate level of funding. This has been a major constraint for the performance of the sector and there is a compelling need to increase the budget allocation to the sector in order to implement the critical unfunded interventions presented in this Sector Budget Framework Paper.

Consequently, to achieve the targets and contribute to socio-economic development and transformation of the country, the following are very critical

1. Increased funding to the Sector for the identified critical funding gap of Shs 118.3 Billion for FY 2020/2021
2. The identified complementary sectors to prioritize identified critical tourism infrastructure and facilities to support tourism growth.

For God and my Country

Prof. Ephraim Kamuntu (MP)  
Minister

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<b>Abbreviations and Acronyms</b>	
GDP	Gross Domestic Product
UWEC	Uganda Wildlife Conservation Education Centre
MDAs	Ministries, Departments and Agencies
NP	National Park
CITES	Convention on International Trade in Endangered Species of wild fauna and flora
KM	Kilometers
MTWA	Ministry of Tourism, Wildlife and Antiquities
UHTTI	Uganda Hotel and Tourism Training Institute
UWRTI	Uganda Wildlife Research and Training Institute
BOQs	Bills of Quantity
TSWR	Toro-Semliki Wildlife Reserves
MFPA	Murchison Falls Protection Area
PACU	Problem Animal Control Units
Ha	hectares
MFNP	Murchison Falls National Park
LMNP	Lake Mburo National Park
SNP	Semliki National Park
RMNP	Rwenzori Mountains National Park
KNP	Kibale National Park
BINP	Bwindi Impenetrable National Park
UWA	Uganda Wildlife Authority
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	United Nations World Tourism Organization
EAC	East African Community
TDAs	Tourism Development Areas
UWEC	Uganda Wildlife Conservation Education Centre
PPP	Public-Private Partnerships
NDP	National Development Plan
MRTIDP	Mt. Rwenzori Tourism Infrastructure Development Project
MoFPED	Ministry of Finance, Planning and Economic Development
M&E	Monitoring and Evaluation

## Sector: Tourism

### 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)

	2018/19 Outturn	2019/20		2020/21 Proposed Budget	MTEF Budget Projections				
		Approved Budget	Spent by End Sep		2021/22	2022/23	2023/24	2024/25	
<b>Recurrent</b>									
Wage	3.773	3.941	0.852	3.941	3.941	3.941	3.941	3.941	
Non Wage	21.535	176.994	52.648	176.994	212.393	254.872	305.846	367.015	
<b>Devt.</b>									
GoU	6.024	12.796	1.322	12.796	12.796	12.796	12.796	12.796	
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>GoU Total</b>	<b>31.332</b>	<b>193.731</b>	<b>54.822</b>	<b>193.731</b>	<b>229.130</b>	<b>271.609</b>	<b>322.583</b>	<b>383.752</b>	
<b>Total GoU+Ext Fin (MTEF)</b>	<b>31.332</b>	<b>193.731</b>	<b>54.822</b>	<b>193.731</b>	<b>229.130</b>	<b>271.609</b>	<b>322.583</b>	<b>383.752</b>	
<b>A.I.A Total</b>	83.780	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
<b>Grand Total</b>	<b>115.112</b>	<b>193.731</b>	<b>54.822</b>	<b>193.731</b>	<b>229.130</b>	<b>271.609</b>	<b>322.583</b>	<b>383.752</b>	

#### (ii) Sector Contributions to the National Development Plan

Tourism is a primary growth sector for Uganda's economy, important for wealth creation, provision of jobs and contribution to foreign exchange earnings. In NDP II, Government's tourism investments emphasizes aggressive marketing, diversification of products and development of tourism supporting infrastructure and services. The Tourism sector prioritized the implementation of strategies to achieve targets set under the five NDP II 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 2018/19, The total contribution to GDP including wider effects from investment, the supply chain and induced income impacts, was UGX 8,364.6bn in 2018 (7.7% of GDP), up from UGX 6,888.5bn in 2017. In terms of contribution to employment in the economy, Tourism generated 667,600 jobs in 2018 (6.7% of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). Tourism continued to be the leading foreign exchange earner to the Ugandan economy by generating USD 1,600 million compared to USD 1,450 million in 2017/18.

Tourism has high transformative power to Uganda's economy if fully harnessed. For example 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. 8 percent annual growth in leisure and conference tourists would generate an additional USD 220 million in receipts per annum.

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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;

- i. To enhance regulation, coordination and management of the tourism sector
- ii. To develop and diversify the tourism products and services;
- iii. To develop tourism infrastructure and facilities;
- iv. To promote and market the destination in national, regional and international markets;
- v. To develop human resource and institutional capacity for the tourism sector;
- vi. To promote community involvement and enterprise development in the tourism economy;
- vii. Promote Sustainable Development of Uganda's Wildlife resources and Cultural Heritage;
- viii. Promote safety and security of tourists and tourism assets; and
- ix. Promote local, regional and global partnerships for tourism development.

### (iv) Sector Investment Plans

Maintain 2,000 kms of roads and tracks in protected areas to keep them navigable for tourists (1bn).

Acquire land for wildlife corridors (1bn).

Mt. Rwenzori Infrastructure development: (Ushs 1.69bn).

Renovation for the National Museum (80%) completed (Ushs 1.26 billion).

Complete phase II of the development of Mugaba cultural heritage site (2 bn).

Procurement of specialize tourism equipment in protected areas (0.4bn).

Source of the Nile infrastructure developed (1.1bn).

Complete payment and acquire the UWA helicopter for rapid response, problem animal control such as animal de-herding and rescue in protected (4bn).

Establishment of a Regional Wildlife Conservation Education Centre in Mbale. The Regional centres are needed to enhance conservation education in schools and communities in regions and to provide rescue and rehabilitate of wildlife species interventions (3bn).

UWEC animal hospital renovated and equipped; the UWEC kids petting zoo constructed and animal exhibits repaired (4.45bn).

### Table S1.2 SECTOR OUTCOMES AND OUTCOME INDICATORS

Sector Outcome : Improved Heritage Conservation and Tourism Growth							
Sector Objectives contributed to by the Sector Outcome							
1. Improved coordination, regulation and management of the tourism sector							
2. Increase and diversify the stock of tourism products							
3. Increase Market share for tourism							
4. Increase the conservation of natural and cultural heritage							
5. Increase the stock of human capital along the tourism value chains and create new jobs							
Sector Outcome Indicators	Q4 Actual	Performance Targets					
	2018/19	2019/20	Base year	Baseline	2020/21	2021/22	2022/23
Contribution of Tourism to GDP	7.7%	9.0%	2017	7.3%	9.9%	10.2%	10.2%
Annual change in tourist arrivals	7.4%	8.2%	2017	6%	8.8%	10%	10%
Tourism export earnings	1,600	1,506	2017	1,543	1,600	1,650	1,700

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### 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					
<b>Programme :</b>	<b>01 Tourism, Wildlife Conservation and Museums</b>				
<b>Programme Objective :</b>	To promote tourism, wildlife and cultural heritage conservation for socio-economic development and transformation of the country				
<b>Responsible Officer:</b>	Director Tourism, Wildlife and Antiquities				
<b>Programme Outcome:</b>	<b>Tourism Development, Natural and Cultural Heritage Conservation</b>				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
<b>1. Improved Heritage Conservation and Tourism Growth</b>					
Programme Performance Indicators	Performance Targets				
	2019/20 Plan	2019/20 Q1 Actual	2020/21 Target	2021/22 Target	2022/23 Target
• Annual change in visitors to National parks	13%	0.6%	14%	14%	14%
• Annual change in visitors to museums and monuments sites	3.2%	4.3%	3.5%	6%	6%
• Annual change in tourist arrivals for leisure and business	10%	10%	10.7%	10.7%	15%
<b>Programme :</b>	<b>49 General Administration, Policy and Planning</b>				
<b>Programme Objective :</b>	To strengthen the Departments and Sector Agencies to implement sector policies, plans and strategies				
<b>Responsible Officer:</b>	Under Secretary , Finance and Administration				
<b>Programme Outcome:</b>	<b>Enhanced Policy Guidance and Strategic Direction</b>				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
<b>1. Improved Heritage Conservation and Tourism Growth</b>					
Programme Performance Indicators	Performance Targets				
	2019/20 Plan	2019/20 Q1 Actual	2020/21 Target	2021/22 Target	2022/23 Target
• Level of compliance of planning and budgeting instruments to NDPII	70%	77%	70%	70%	80%
• Annual External Auditor General rating.	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
Vote 117 :Uganda Tourism Board					
<b>Programme :</b>	<b>02 Tourism Development</b>				
<b>Programme Objective :</b>	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 tourism employment.				

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<b>Responsible Officer:</b>	Ms. Lilly Ajarova (Chief Executive Officer)				
<b>Programme Outcome:</b>	Tourism Promotion				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
<b>1. Improved Heritage Conservation and Tourism Growth</b>					
Programme Performance Indicators	Performance Targets				
	2019/20 Plan	2019/20 Q1 Actual	2020/21 Target	2021/22 Target	2022/23 Target
• Annual Change in arrivals from key source markets	10%	0%	12%	12%	12%
• Proportion of tourist oriented enterprises that are compliant with tourist service standards and guidelines	35%	5%	35%	40%	50%
<b>Programme Outcome:</b>	Efficient and effective UTB				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
<b>1. Improved Heritage Conservation and Tourism Growth</b>					
Programme Performance Indicators	Performance Targets				
	2019/20 Plan	2019/20 Q1 Actual	2020/21 Target	2021/22 Target	2022/23 Target
• Level of compliance of the MPS to gender and equity budgeting	65%	15%	65%	70%	70%
• Level of compliance of planning and budgeting instruments to NDPII	60%	10%	65%	65%	65%

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

Billion Uganda shillings Programme Service	2018/19	2019/20		2020/21	Medium Term Projections			
	Outturn	Approved Budget	Releases by end Q1	Proposed Budget	2021/22	2022/23	2023/24	2024/25
Vote : 022 Ministry of Tourism, Wildlife and Antiquities								
01 Tourism, Wildlife Conservation and Museums	9.189	160.957	51.070	160.957	189.101	225.022	267.328	318.494
49 General Administration, Policy and Planning	5.035	7.607	0.868	7.607	10.231	11.231	13.231	15.231
<b>Total for the Vote</b>	<b>14.224</b>	<b>168.564</b>	<b>51.938</b>	<b>168.564</b>	<b>199.332</b>	<b>236.253</b>	<b>280.558</b>	<b>333.725</b>
Vote : 117 Uganda Tourism Board								
02 Tourism Development	17.107	25.167	2.884	25.167	29.798	35.356	42.025	50.028
<b>Total for the Vote</b>	<b>17.107</b>	<b>25.167</b>	<b>2.884</b>	<b>25.167</b>	<b>29.798</b>	<b>35.356</b>	<b>42.025</b>	<b>50.028</b>
<b>Total for the Sector</b>	<b>31.332</b>	<b>193.731</b>	<b>54.822</b>	<b>193.731</b>	<b>229.130</b>	<b>271.609</b>	<b>322.583</b>	<b>383.752</b>

### S3: Sector Challenges in addressing Gender and equity issues for FY 2020/21

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The main challenges in addressing gender issues in the sector include:

Limited admission of women, youth, persons with disabilities and other vulnerable people to tourism training on management and entrepreneurship skills

Limited admissions and training of persons with disabilities in Hotel and Tourism Training Institutes (HTTI) and private sector Tourism Training institutions

Limited recognition of the role of women, men communities and indigenous groups in biodiversity preservation

Limited adoption of alternative livelihoods by women, men, communities and indigenous groups

Inadequate infrastructure to accommodate persons with disabilities (as workers and tourists)

Lack of data and statistics on the sector (including gender and vulnerability issues disaggregated)

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