



INTEGRATED LAKE MANAGEMENT PROJECT

FINAL DRAFT Lake George Fisheries Revenue Baseline

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ACRONYMS

DFID	Department For International Development
DFO	District Fisheries Officer
DFR	Department of Fisheries Resources
DRC	Democratic Republic of Congo
ILM	Integrated Lake Management
LC	Local Council
LDU	Local Defence Unit
LG	Local Government
LSC	Landing Site Committee
MAAIF	Ministry of Agriculture Animal industry and Fisheries
MRAG	Marine Resources Assessment Group
PMA	Plan for the Modernization of Agriculture
QEPA	Queen Elizabeth Protected Area
RFO	Regional Fisheries Officer
UPDF	Uganda Peoples Defence Force
URA	Uganda Revenue Authority
UWA	Uganda Wildlife Authority

1 INTRODUCTION

One of the key objectives of Integrated Lake Management (ILM) is to increase revenues collected from the Lake George fishery to Local Government, particularly districts. Revenue collection from Lake George is currently conducted by a number of authorities at various levels, both formally and informally and is not standard across the 3 districts. It is collected through various mechanisms, including licences, taxation, direct collection of market and landing fees and the tendering of the collection of these fees. This report serves as the baseline study of the amount of revenue being collected from the Lake George fishery, and the mechanisms in place. It draws on the ILM analysis of Lake George revenue generation (Brown and Kagubaare, 2001), where detailed discussions of the findings and recommendations for improvement are made.

1.1 Report Structure

Section 2 describes the revenue collection systems that are currently in place, and the amount of direct investment reported to have been made in the fishery by Local Government. The revenue totals collected by district and sub-county are then presented in Section 3. An outline of the revenue collection systems in place at the parish levels and below is given in the fourth Section, with the amounts of revenue being collected for social causes. The systems that are *not* in place are described in Section 5. The systems described here tend not to be in place either because there are no legal provisions, provisions are unclear or unsuitable, or they are simply not implemented. Section 6 closes by drawing conclusions.

2 GOVERNMENT REVENUE COLLECTION SYSTEMS

In this Section the government revenue investment levels in the Lake George fishery and the collection systems in place are briefly detailed, including the different types of canoes. Of the systems described here, only income tax, specific licences and export licences generate revenue to the Treasury. Revenue to local councils (LCs) is mainly generated from graduated tax, market dues, and trade and production licences, with these values presented in Section 3.

2.1 Investment Levels

The survey showed that, other than law enforcement, Mahyoro is the only sub-county to have directly invested revenue back into the fishery (400,000/-), having constructed a concrete fish slab at Mahyoro landing site for fish to be auctioned from. Another is planned for Kayinja landing site with PMA funds.

2.2 Description of Licences, Taxes and Fees

2.2.1 Canoe Licences

The types of canoe licences on Lake George are listed here with a brief description. Johnson (2001) and Brown and Kagubaare (2001) describe the differences in legality, security of tenure, and history in more detail. The total number of canoes operating on Lake George is not accurately known, but estimates are given in the Fisheries Baseline Report.

2.2.1.1 Licensed Canoes

The Fish and Crocodile Act specifies a maximum of 145 licensed vessels on Lake George and 44 on the length of Kazinga Channel. Licensed canoe owners pay an annual canoe licence of USh12,000/-, which is collected together with the canoe owners' income tax (40,000/- per annum) by the Regional Fisheries Officer (RFO), often with the assistance of the sub-county Chief. The canoe licence is considered part of local revenue, so is handed to the sub-county and distributed according to the Local Government Act, while the income tax goes to the Uganda Revenue Authority (URA).

2.2.1.2 Experimental Canoes

In 1997 the State Minister for Ministry of Agriculture Animal industry and Fisheries (MAAIF) issued 20 "experimental licences" to each landing site. These canoes are not legally licensed and remain a grey area, not paying a canoe licence fee or income tax charges. There is no timeframe for the "experiment" and no provision for the transfer of these boats to others.

2.2.1.3 Veteran Canoes

Approximately 32 individuals have been assigned "V" numbers, in parishes Kahendero, Hamukungu, Mahyoro and Kayinja They are entitled to fish on Lake George for an unspecified length of time, with no provision for transfer of these numbers. Veterans do not pay the boat licensing fee or income tax. The canoes were granted by the Department of Fisheries Resources (DFR) in early 2000 to provide a way for veterans to re-adjust to life as civilians.

In Kahendero there are 4-5 "K" numbers present. These appear to be a combination of boats transferred from lake Kabaleka (a small lake north of Lake George) and canoe licences issued to veterans from World War II, Kaunawo (Luganda for veteran) canoes. The transferred canoes pay the annual licence fee and income tax, while the veterans do not.

2.2.1.4 Unlicensed Canoes

Also known as “number U's” or “numberless canoes”, these canoes pay no licence fee or income tax. Present at all landing sites, other than Katunguru B, these canoes do not have government recognised fishing rights, making this class of canoe owners the most vulnerable in terms of security of access to the fishery.

2.2.1.5 Transferred Canoes

While most of the canoe licences on Lake George are those originally issued, some are transfers from Lake Edward. Transferred canoes pay the licence fee to the area of origin, with canoes transferred between districts and sub-counties, although Kasese district does not allow transfers to leave its district.

2.2.2 Fishmonger Licences

Fishmongers are required to buy an annual licence for the area in which they operate. The way in which they are administered varies between districts, both in terms of their geographical coverage and their prices (Table 2.1). Each districts issues a licence to trade throughout the district. These are purchased at the sub-county or district in Bushenyi and Kamwenge, but only at the district in Kasese. Kasese district also issues licences to work within one sub-county, is purchased at the respective sub-county. Kamwenge and Bushenyi district staff stated that they do not issue a sub-county level licence because trade is nearly always across sub-county borders. In Kasese district however, fishmongers were known to trade within only one sub-county.

Those trading fish across districts should purchase an annual “specific licence” from the Commissioner for Fisheries. Discussion is currently underway to delegate this task to RFO. It is not clear whether such licences are issued to traders on Lake George, with the RFO stating that they are not present while some District Fisheries Officers (DFOs) believing that some operate from Kayinja, exporting *Protopterus* to the Democratic Republic of Congo (DRC). In these cases it was felt that the specific licensing on Lake George is not well administered, as licences are often issued to companies of fishermen or fishmongers, and subsequently used by several individuals. For those exporting fish, they should purchase an export licence from MAAIF. However, despite known exports of fish to DRC, no export licences are believed to be issued for fishmongers operating on Lake George. Indeed, exports to DRC are particularly difficult to regulate and was stated as a problem both due to loss of revenue and because this market favours particularly small fish.

Table 2.1. Types and costs of fishmonger licences.

Region	Type of Licence	Cost ¹ Per Annum	Revenue Allocation
Kasese	District trading	10,000	Local Government
	Sub-county trading	5,000	
Bushenyi	District trading	5,000	
Kamwenge	District trading	15,000	
Cross district	Specific licence	20,000	Central Government
International	Export	?	

2.2.3 Trading Licences

Traders and shop owners must hold a trading licence, and hotels/lodges hold an “eating house” licence. Again, the costs of these licences differ between districts, and are generally not well regulated or priced with respect to the amount income of the licence holder. The prices of these licences across the districts is given in Table 2.2.

¹ All monetary figures used throughout the report are in Uganda Shillings, unless otherwise specified.

Table 2.2 Price of annual trading and eating house licences in the three districts

District	Trading licence	Eating House licence
Kasese	5,000, 10,000 or 15,000, depending in income	5,000, or 10,000 depending on size
Bushenyi	5,000/-	5,000/-
Kamwenge	15,000/-	7,000/-

2.2.4 Graduated Tax

Every male over the age of 18 years, and those women over the age of 18 who are actively involved in a successful business, pays graduated tax annually to the sub-county Chief, often via the parish Chief. The amount of graduated tax to be paid is determined by the individual's income generating potential and is loosely based on a locally determined tax estimate sheet, varying from Ush12,000/- to Ush80,000/-². It is important to note that while licensed canoe owners pay graduated tax, those owners of experimental, veteran, and unlicensed canoes do not usually pay the correct amount as the assessment does not take into account these illegal assets.

2.2.5 Income Tax

Income tax is paid annually to the URA, usually on the basis of an individual's income. As mentioned, licensed canoe owners pay income tax of USh40,000/-, which is collected by the RFO with the annual canoe licence. This collection is usually conducted from Mid April to June, synchronized with the Local Government budget cycles. For the last two years however, insecurity and complaints of overcharging have disrupted this timing.

While most people are charged income tax according to their income, fishermen tend not to keep financial records and so cannot be accurately assessed. However, in periods of insecurity and poor catches, the RFO has revised down the income tax (see Table 3.8). Further to this, the fishermen in Kasenyi have recently appealed successfully to the URA to pay 20,000/- income tax instead of 40,000/-, and there are plans by the RFO to have this change made for all licensed canoe owners.

2.2.6 Revenue Collection Centres

Fees are charged at landing sites, markets and taxi parks, with the management of these revenue collection systems usually being individually tendered by the district tender board. In Kasenyi, for example, there are four tenders in place: one for landing fees, one for the market at the landing site, one for the taxi park, and another for the market for salt. The administration of these fees differs across the three districts, as does the value of these fees. The types of revenue collection systems tendered by each district, and the district set fees are detailed in Table 2.3. The *actual* fee that is charged is also included as the tender holder will often revise the fee charged in light of catch levels or value of produce being sold, with the district set fee being the maximum allowed.

While the revenue from the tenders for these revenue collection systems should be distributed amongst the LCs according to the Local Government Act, the landing fee tenders in Katunguru were an exception to this. Introduced in January 2001, the tenders for the landing fees in this sub-county were administered, and the revenue held at, the sub-county.

2.2.6.1 Landing fees

Landing fees are paid by the canoe owner at the point of landing. At all landing sites they are paid per landing, except at Katunguru K. where they are paid per day. They have been present in Kasese for approximately 4 years, and in Bushenyi since January 2001.

² The limits of graduated tax were changed to Ush3,000/- to Ush100,000/- on 1st July 2001, which will become effective from the January 2002 tax collection period.

Kamwenge do not charge landing fees, and do not intend to introduce them, as the Local Government consider it an unnecessary tax on fishermen, who already pay a licence.

Table 2.3 Fee collection systems in each district.

Fee Type	Location	Actual Fee	District Set Fee ³
Canoe landing fee	Kasese		• 400/- per canoe landing
	• Kahendero	• 300/- or 1 tilapia per landing	
	• Hamukungu	• 400/- per canoe landing	
	• Kasenyi	• 400/- per canoe landing	
	• Katunguru K	• 400/- per canoe landing	
	Bushenyi		• 200/- per canoe landing
	• Katunguru B	• 200/- per canoe landing	
	• Kashaka	• 200/- per canoe landing	
	Kamwenge	• none present	• None present
Market fee	Kasese		• Charge for fish is not known. Possibly left to tender holder
	• Kahendero	• none for fish	
	• Hamukungu	• none for fish	
	• Kasenyi	• Fish 200/-	
	• Katunguru K	• ?	
	• Muhokya	• ?	
	• Kasenyi salt	• 1000/- per sack (?)	• 200/- per sack
	Bushenyi		• Fish: 200 – 1000/-, depending on qty, charged at tender holders discretion.
	• Katunguru B	• 500/- per basket	
	• Kashaka	• 1,000 – 1,500/- per basket	
	Kamwenge		• Fish: 300-5000/-, depending on qty, charged at tender holders discretion.
Mahyoro	• 1,000 – 1,500/- per basket		
Kayinja	• 1,000 – 1,500/- per basket		
Taxi park fee	• Hamukungu	• 500/- per day	• 500/- per route per day
	• Kasenyi	• 1,000/- per route/day	
	• Katunguru K	• 1,000/- per route/day	

2.2.6.2 Market Fees

Traders selling produce at markets pay market fees. The rates are set by district and are related to the type and value of the produce being sold, with Table 2.4 showing the district set fees for fish. Fishmongers appear to always pay a fee, both when *buying* fish at the landing site from the boat owner, and when selling at another market. The point of sale at the landing site is considered to be part of the larger market of the parish, therefore a fishmonger will not generally purchase fish from a boat owner and re-sell to consumers within the same parish.

At Kasenyi there is a market exclusively for the salt harvested from the saltpan. Salt market fees are paid by the buyer of the extracted salt at a reported rate of 1,000/- per sack, with a sack selling for approximately 3,500/-.

2.2.6.3 Taxi park fees

Taxi park fees are paid by the taxi driver, usually per trip per day, at the point of departure. In the case of town council taxi parks e.g. Kasese, a fee is paid both at arrival and departure.

³ These fees are the official fees set by District. A number of Sub-county staff quoted different figures, and charging systems e.g. whether per canoe landing or per day, highlighting a lack of understanding amongst Government staff of the systems in place.

2.2.7 Tender Application Fee

An additional source of income from the tender systems is the application fee paid by all individuals bidding for tenders. Following announcement of forthcoming tenders, applicants must send their application to the district tender board, with a non-refundable application fee, which depends on the Grade of the market, as decided by district tender board (Table 2.4). There appears to be no standard mechanism for calculating the application fee, as there are no markets with a fee lower than 20,000/- in Kasese, while those in Bushenyi and Kamwenge are 10,000/-.

Table 2.4 Grade, application fee and period for each revenue collection centre.

Market	Tender period	Grade	Application Fee
Muhokya market	6 months	Grade A	50,000/-
Kasese landing site markets	6 months	Grade C	20,000/-
Kasese landing fees and taxi parks	6 months	Standard fee	30,000/-
Bushenyi landing site markets	6 months	Grade 2	10,000/-
Bushenyi landing fees	3 months	Currently no application fee. Administered by Katunguru sub-county	
Kamwenge landing site markets	3 months	-	10,000/-

3 REVENUE TOTALS COLLECTED BY DISTRICT AND SUB-COUNTY

In this Section total revenue collected by local government from the tenders, graduated tax, income tax and licensing in each riparian parish are presented. The values shown are the totals, before distribution to the various LCs. Any gaps and discrepancies in the data are explained. Detailed discussion of the problems they highlight can be found in Brown and Kagubaare (2001) with recommendations on areas of potential improvement.

3.1 Kasese

Kasese district includes Muhokya sub-county, which contains Kahendero parish and Muhokya market, and Lake Katwe sub-county, which encompass Hamukungu, Kasenyi and Katunguru K.

3.1.1 Muhokya Sub-County

Table 3.1 shows that, as with all the sub-counties, the single most important source of income is from graduated tax, while the market tenders also generate significant income. When the sub-county accountant originally compiled this data, each source was totalled by year. When he re-compiled to show the tender values from each 6-month period, the licensing and graduated tax values tallied, but some of the tender values did not. While the figures shown here are believed to be valid, the relatively high value for the Kahendero market tender in 2000/2001 January-June makes it questionable.

Table 3.1 Revenue totals for Muhokya sub-county, 1998-2001.

	1998/99		1999/00		2000/01		Total	Annual Average
	Jan-June	July-Dec	Jan-June	July-Dec	Jan-June	July-Dec		
Canoe license	276,000		276,000		276,000		828,000	276,000
Landing fees	360,000	500,000	470,000	400,000	420,000	500,000	2,650,000	883,333
Kahendero Market fees	600,000	500,000	500,000	500,000	1,100,000	460,000	3,660,000	1,220,000
Muhokya Market fees	900,000	1,000,000	800,000	800,000	800,000	800,000	5,100,000	1,700,000
Fishmonger license	150,000		150,000		150,000		450,000	150,000
Graduated tax	2,975,000		2,975,000		3,000,000		8,950,000	2,983,333
Total	7,261,000		6,871,000		7,506,000		21,638,000	7,212,667

3.1.2 Lake Katwe Sub-County

Tables 3.2, 3.3, 3.4, and 3.5 detail the revenue totals from each source for Hamukungu, Kasenyi and Katunguru K. and Lake Katwe sub-county as a whole. Licensing revenue from before 1999/00 is not detailed however as it was not available. The sub-accountant of Lake Katwe was able to provide information on both the revenue expected, based on the agreed tender price at the time of being awarded, and the revenue actually collected in each 6 month tender period, providing an insight to the level of defaulting in tender payments. Table 3.6 shows the total amounts of revenue expected from each tender and the losses over the three and half year period of data coverage. No trend emerges of particular tenders being a consistent source of lost revenue, but the proportions are significant in some tenders. Two of the taxi park tenders only yielded approximately 50% of revenue, and overall 15% of revenue (2,323,000/-) was not collected. Further details of the specific period and tenders in which revenue was not successfully collected are presented in Annex 1, illustrating that in the period covered, 1997/98 to 2000/01, 25 out of 70 payments were less than the quoted values.

Table 3.2 Revenue totals for Hamukungu parish, 1997-2001.

	1997/98		1998/99		1999/00		2000/01	3 Year Total	Annual Average
	Period 1	Period 2	Period 1	Period 2	Period 1	Period 2	Period 1		
Canoe licence	-	-	-	-	-	408,000	300,000	708,000	354,000
Landing fees	600,000	600,000	700,000	700,000	270,000	282,500	362,500	3,152,500	1,050,833
Market fees	300,000	300,000	300,000	300,000	90,000	82,500	120,000	1,372,500	457,500
Taxi Park fees	50,000	50,000	80,000	50,000	40,000	37,500	40,000	307,500	102,500
Fishmonger licence		50,000		30,000		30,000	20,000	110,000	36,667
Graduated tax		1,846,000		2,964,000		2,185,000	548,000	6,995,000	2,331,667
Total		3,796,000		5,124,000		3,425,500	1,390,500	12,645,500	4,333,167

Table 3.3 Revenue totals for Kasenyi parish, 1997-2001.

	1997/98		1998/99		1999/00		2000/01	3 Year Total	Annual Average
	Period 1	Period 2	Period 1	Period 2	Period 1	Period 2	Period 1		
Canoe licence	-	-	-	-	-	220,000	204,000	424,000	212,000
Landing fees	400,000	400,000	650,000	620,000	140,000	80,000	300,000	2,290,000	763,333
Market fees	230,000	115,000	160,000	250,000	155,000	200,000	200,000	1,110,000	370,000
Salt Market	50,000	30,000	30,000	35,000	-	200,000	70,000	345,000	115,000
Taxi Park fees	20,000	20,000	20,000	20,000	30,000	-	150,000	110,000	36,667
Fishmonger licence		120,000		80,000		90,000	68,000	290,000	96,667
Graduated tax		1,746,000		2,864,000		1,685,000	348,000	6,295,000	2,098,333
Total		3,131,000		4,729,000		2,800,000	1,340,000	10,864,000	3,692,000

Table 3.4 Revenue totals for Katunguru K. parish, 1997-2001.

	1997/98		1998/99		1999/00		2000/01	3 Year Total	Annual Average
	Period 1	Period 2	Period 1	Period 2	Period 1	Period 2	Period 1		
Canoe licence	-	-	-	-	-	156,000	132,000	288,000	144,000
Landing fees	100,000	160,000	180,000	200,000	150,000	135,000	200,000	925,000	308,333
Market fees	250,000	300,000	180,000	190,000	160,000	130,000	250,000	1,210,000	403,333
Taxi Park fees	20,000	42,500	30,000	30,000	142,000	150,000	250,000	414,500	138,167
Fishmonger licence		40,000		40,000		60,000	30,000	140,000	46,667
Graduated tax		1,648,000		3,865,000		2,386,000	186,000	7,899,000	2,633,000
Total		2,560,500		4,715,000		3,469,000	1,048,000	10,876,500	3,673,500

Table 3.5 Revenue totals for Lake Katwe sub-county, 1997-2001.

	1997/98	1998/99	1999/00	2000/01	Total	Annual Average
Canoe licence	?	?	784,000	636,000	1,420,000	710,000
Landing fees	2,260,000	3,050,000	1,057,500	862,500	7,230,000	1,807,500
Market fees	1,495,000	1,380,000	817,500	570,000	4,262,500	1,065,625
Salt market	80,000	65,000	200,000	70,000	415,000	103,750
Taxi Park fees	202,500	230,000	399,500	440,000	1,272,000	318,000
Fishmonger licence	210,000	150,000	180,000	118,000	658,000	164,500
Graduated tax	5,240,000	9,693,000	6,256,000	1,082,000	22,271,000	5,567,750
Total	9,487,500	14,568,000	9,694,500	3,778,500	37,528,500	9,382,125

Table 3.6. Amounts and proportions of revenue lost from Lake Katwe parish tenders, 1997-2001.

Hamukungu	Total Collected	Total Expected	Revenue lost	Percentage of Revenue Lost
Landing fees	3,515,000	3,937,500	422,500	11
Market fees	1,492,500	1,582,500	90,000	6
Taxi Park fees	347,500	367,500	20,000	5
Total	5,355,000	5,887,500	532,500	9
Kasenyi	Total Collected	Total Expected	Revenue lost	Percentage of Revenue Lost
Landing fees	2,590,000	2,770,000	180,000	6
Market fees	1,310,000	1,360,000	50,000	4
Salt market	415,000	635,000	220,000	35
Taxi Park fees	260,000	560,000	300,000	54
Total	4,575,000	5,325,000	750,000	14
Katunguru K.	Total Collected	Total Expected	Revenue lost	Percentage of Revenue Lost
Landing fees	1,125,000	1,400,000	275,000	20
Market fees	1,460,000	1,640,000	180,000	11
Taxi Park fees	664,500	1,250,000	585,500	47
Total	3,249,500	4,290,000	1,040,500	24
TOTAL	13,179,500	15,502,500	2,323,000	15

Lake Katwe also noted that no revenue is generated from QEPA or UWA, although 500,000/- is gained from Mweya for the bar, lodge and hotel. A mechanism for sharing a percentage of gate fees with the fishing villages is soon to become operational however (see UWA, 2000).

3.2 Bushenyi

3.2.1 Katunguru Sub-County

Katunguru sub-county supplied a detailed breakdown of revenue sources, including monthly revenue from tenders and failed graduated tax payments. Table 3.7, 3.8 and 3.9 detail the revenue totals from each source for Katunguru B. and Kashaka parish and the sub-county as a whole. At the time of data collection, canoe licence fees and graduated tax had not been collected for the 2000/01 financial year, and as the tender holder pays monthly to the sub-county, the values shown for these are not the totals for this financial year, but the totals collected to date (see Table 3.10 and Table 3.11). The sub-county reported the sand quarry present in Katunguru B. parish does not generate revenue for Local Government. They stated that there are no fees charged for access or sale of sand to traders, even though the presence of traders with pick-ups suggests significant revenue is being generated. However, other reports suggest that the LC I chairman charges access fees to the sand quarry.

Table 3.7 Revenue totals for Katunguru B parish, 1999-2001.

	1999/00	2000/01	Total
Canoe licence (24)	156,000	not yet collected	156,000
Landing fees	0	230,000	230,000
Market fees	1,049,950	1,080,000	2,129,950
Graduated tax	1,802,000	not yet collected	1,802,000
Total	3,007,950	1,310,000	4,317,950

Table 3.8 Revenue totals for Kashaka parish, 1999-2001.

	1999/00	2000/01	Total
Canoe licence (29)	3,480,000	not yet collected	348,000
Landing fees	0	326,400	326,400
Market fees	3,354,500	2,882,000	6,236,500
Graduated tax	2,323,000	not yet collected	2,323,000
Total	6,025,500	3,208,400	9,233,900

Table 3.9 Revenue totals for Katunguru sub-county, 1999-2001.

	1999/00	2000/01	Total
Canoe licence	504,000	not yet collected	504,000
Landing fees	0	556,400	556,400
Market fees	4,404,450	3,962,000	8,366,450
Graduated tax	4,125,000	not yet collected	4,125,000
Total	9,033,450	4,518,400	13,551,850

The collection of landing fees began in January 2001 and is tendered for a 3-month period, with the tender holder paying the sub-county on a monthly basis (Table 3.10). The tendering of the market at the landing site has been established for much longer and also has monthly payments from the tenderer to the sub-county (Table 3.11). The fluctuating values between months for both tenders illustrate how monthly payments, as oppose to paying in advance, can cause problems with defaulters, and one assumes for financial planning. There is even a trend of tender holders failing to pay when in the last month of the tender period, as seen in March for Kashaka landing fees, and in the last months of the tender period for the Kashaka market. The differences in payment are often justified by the tender holder on the basis of inadequate profits. While this may be the case in a given month, payments are not increased during other months and this defeats the object of having a tender agreement specifying payment each month. Revenue accruing to local government was also lower when collected directly by the parish Chief than when tendered. This is demonstrated by the markets during July 1999 in Kashaka and July-December 1999 in Katunguru, and Katunguru landing fees during April 2001.

Table 3.10 Monthly revenue from landing fee tenders in Kashaka and Katunguru.

Month	Kashaka	Katunguru
January-01	80,000	80,000
February-01	100,000	60,000
March-01	46,400	60,000
April-01	100,000	30,000
Total	326,400	230,000

Table 3.11 Monthly revenue from market tenders in Kashaka and Katunguru.

Month	Kashaka	Katunguru	Total
July-99	234,500	88,000	1 st tender period
August-99	380,000	100,000	
September-99	380,000	80,000	
October-99	380,000	77,000	
November-99	380,000	101,350	
December-99	380,000	63,600	
January-00	210,000	90,000	2 nd tender period
February-00	210,000	90,000	
March-00	210,000	90,000	
April-00	210,000	90,000	
May-00	210,000	90,000	
June-00	170,000	90,000	
Total 1999/00 FY	3,354,500	1,049,950	4,404,450
July-00	373,000	100,000	1 st tender period
August-00	373,000	100,000	
September-00	373,000	100,000	
October-00	373,000	100,000	
November-00	373,000	100,000	
December-00	300,000	100,000	
January-01	87,000	120,000	2 nd tender period
February-01	320,000	120,000	
March-01	150,000	120,000	
April-01	160,000	120,000	
Total 2000/01 FY to date	2,882,000	1,080,000	3,962,000
Grand Total	6,236,500	2,129,950	8,366,450

Table 3.12 illustrates the problem of graduated tax evasion, with at least 103 people failing to pay, and so representing a loss of approximately 2,060,000/-⁴. The income tax paid by licensed canoe owners (Table 3.13) is also an area requiring attention, as income tax should be 40,000/- but has been quoted as 20,000/-. This may have been due to a revision by the RFO during a period of insecurity or low returns for canoe owners (see Section 2.2.6).

Table 3.12 Graduated Tax payments from Kashaka and Katunguru, 2000.

	No Tax payers assessed	No tax payers paid	Amount Paid
Kashaka	194	118	2,323,000
Katunguru	126	99	1,802,000
Total	320	217	4,125,000

Table 3.13 Income tax payments from Kashaka and Katunguru licensed canoe owners, 2000.

	Number of licensed canoes	Income tax fee	Total Tax received
Kashaka	29	20,000	580,000
Katunguru	24	20,000	480,000
Total	53		1,060,000

⁴ This is a rough figure, calculated on the basis of each person paying an average of 20,000/- each, a value calculated from the numbers paying and the revenue received in Table 3.9.

3.3 Kamwenge

3.3.1 Mahyoro Sub-County

Mahyoro sub-county, containing Mahyoro and Kayinja parish, failed to supply data for graduated tax, and to break down other revenue totals by tender period and parish. The values in Table 3.14 are therefore aggregated for both parishes. No data was available for years before the 1998/99 financial year. It was noted, however, that the market tender value between 1st October – 31st December 1999 was 280,000 in Mahyoro and 570,000/- in Kayinja.

Table 3.14 Revenue totals for Mahyoro sub-county, 1999-2001.

	1998/99	1999/00	2000/01	Total	Annual Average
Canoe licence	444,000	444,000	Not yet collected	888,000	444,000
Market fees	680,000	6,760,000	7,690,000	15,130,000	5,043,333
Fishmonger licence	285,000	270,000	100,000	655,000	218,333
Total	1,409,000	7,474,000	7,790,000	16,673,000	5,557,667

3.4 Lakewide Totals

For purposes of comparison of sources of revenue generation from Lake George, the average annual revenue totals collected by source in each sub-county are detailed in Table 3.15. Revenue generation can be compared by sub-county, district and by source. The average lakewide revenue total is approximately 31,500,000/-. If salt market and taxi park fees are excluded, the revenue generated from fishery related activities is approximately 31,000,000/-.

Such an estimation is rather crude however, in that the landing site markets also include other products such as food and livestock. Although these other sources of revenue for the tender holders are not directly generated from the lake, they are typically as a result of products being sold to fishermen and their families. Especially in the QEPA, these villages, and hence markets, are almost entirely dependent on the lake for income. An attempt was made to estimate the proportions of income that fish accounts for in these tenders, but was not possible due to difficulties in meeting the tender holders and the sensitivity of the information.

Table 3.15 Lakewide, district and sub-county average annual revenue totals collected from each source.

	Kasese District		Bushenyi district	Kamwenge district	TOTALS	Percentage
	Muhokya	Lake Katwe	Katunguru	Mahyoro		
Canoe licence	276,000	710,000	504,000	444,000	1,934,000	6
Landing fees	883,333	1,807,500	556,400	-	3,247,233	10
Market fees	2,920,000	1,065,625	4,183,225	5,043,333	13,212,183	42
Salt Market fees	-	103,750	-	-	103,750	0
Taxi Park fees	-	318,000	-	-	318,000	1
Fishmonger licence	150,000	164,500	0	218,333	532,833	2
Graduated tax	2,983,333	5,567,750	4,125,000	?	12,676,083	40
Sub-county Total	7,212,667	9,382,125	9,368,625	5,557,667	31,521,084	100
District total	16,594,792		9,368,625	5,557,667	31,521,084	100

Market fees and graduated tax generate the most revenue at around 40% of the total each. Although they generate significant amounts of revenue, these two sources also suffer from failed revenue collection, therefore could be increased even more if the reasons for this were addressed. Landing fees and canoe and fishmonger licensing are comparatively very small sources of revenue. It should be noted that eating house and some trading licences are not included in these figures.

4 LANDING SITE REVENUE COLLECTION

A number of fees and charges exist at all of the landing sites, generating revenue for a number of causes. These fees are mainly in the form of deductions of fish at the point of landing, but are also imposed on other traders. While the Local Government Act enables LC I to impose taxes at their discretion using by-laws (Section 40 (4)), it appears that this procedure is not followed. Rather, fees are usually set by the landing site committee, sometimes in conjunction with the LC I and/or II. These decisions are not usually documented, and nowhere were they found to be passed up to the sub-county, as the LG Act requires. The forms and processes of these collection systems are therefore unclear and different at each of the parishes. Table 4.1 presents the information collected from interviews with a number of individuals from the landing sites, including ILM community facilitators and landing site committee, LC I and II Chairmen. They are therefore considered to be reasonably accurate, although time constraints during collection meant that figures for Kahendero and Katunguru K are not as reliable as those for the other parishes. Further details of the arrangements at each parish are set out in Brown and Kagubaare (2001).

Table 4.1 Landing site revenue collection systems⁵.

Fee type	Kahendero	Hamukungu	Kasenyi	Kat K	Kat B	Kashaka	Kayinja	Mahyoro
Landing site committee	1 fish	1 fish	5 fish	1 fish & 1 fish for chairman	1 fish	2 fish & 1 fish for c/m	1 fish	3 fish
Fish guard	1 fish	1 fish (?)	1 fish	1 fish	1 fish	1 fish	-	1 fish shared with LSC optional.
Baria group	1 fish	-	Sporadic. None at present	1 fish	1 fish	1 fish	-	-
Security	1 fish UPDF & LDU	1 fish (not UPDF)	1 fish collected & managed by Security Committee; distributed evenly twice a week to UPDF, police, reserve force & UWA rangers. Traders & shops also give 200/- per week	-	1 fish LDU, police & UWA. Collected for each every 3 days	1 fish UPDF 1 fish LDU	-	1 fish every Friday for UPDF
Sports	1 fish	-	-	-	-	1 fish (sports & education)	1 fish	-
Dispensary	1 fish	100/- managed by LC II	1 fish to LC Finance Dept, also used for administration	-	-	1 fish to LC I & II for dispensary & school.	1 fish to LC I & II for school	-
Primary school	-	1 fish	1 fish to school mngnt com	1 fish	1 fish	-	-	-
Other	-	1 fish secondary school 1 fish university Students	-	1 fish between LC I & II for running costs.	-	-	-	-
Alternative fee	300/-	200/-	200/-	?	300/-	?	?	?
Total	6 fish (1,800/-)	6 fish (1,300/-)	9 fish (1,800/-)	6 fish	5 fish (1,500/-)	8 fish	3 fish	4 fish + 1 a week
Decision maker	LC I, inviting "everybody"	LSC, inviting "everybody"	LCs, specified in by-laws. LSC decided on 5 fish contribution to the LSC.	LSC, following LC I recommendations, which can be rejected as it has all rights to fishing.	LSC	LSC	LSC	LSC

⁵ The fish deducted is usually a tilapia, but may be other species if none are present, otherwise an equivalent fee is charged according to the number of fish required for each cause – see Alternative fee

5 SYSTEMS NOT IN PLACE

5.1 Boat Builders Licences

Boat builders on Lake George are not licensed or regulated. There was confusion among districts and sub-counties about whether boat builder licences exist, and if so whether they should be licensed. While Mahyoro and Muhokya are estimated to have one and two boat builders respectively, the general consensus was that licensing them would be difficult because they have a record of tax evasion. The RFO is currently introducing a scheme to control boat builders to reduce the construction of unlicensed canoes, although it is not yet decided if this will include any licensing or fee charging. There is also no consultation with Local Government on this idea either.

5.2 Fish Trading and Processing Licences

As mentioned in Section 2.2.2, it is believed that neither specific nor export licences are issued to fishmongers on Lake George. This is despite there being known exporters of fish to the Democratic Republic of Congo (DRC).

There are also reports that the Commissioner for Fisheries issues processing licences on Lake Kyoga, costing 20,000/- per annum. The situation on these licences is not clear, and if they do exist they are not used on Lake George, or at least no local government staff or the DFO are not aware of its existence.

5.3 Trap Fishermen and Anglers

Although there is a provision for trap fishing licences in the Fish and Crocodile Act, none are held on Lake George (Johnson, 2001). There is also currently no licence for angling which, although illegal inside the park, is practised legally in Kayinja and Mahyoro.

5.4 Illegal Landing Sites

In addition to the eight legal landing sites on Lake George, there are at least three illegal landing sites, where fish are landed and sold and sometimes processed. Kidubuli is located close to Kahendero, and Nyakera and Kanyabakyere are within an hour's walk of Mahyoro. There is currently no formal collection of revenue at these three landing sites as they are not legally recognised.

5.5 Queen Elizabeth Protected Area

Lake Katwe also noted that no revenue is generated from QEPA or UWA, although 500,000/- is gained from Mweya for the bar, lodge and hotel. A mechanism for sharing a percentage of gate fees with the fishing villages is soon to come on line however (see UWA, 2000).

6 CONCLUSIONS

The resources of Lake George generate revenue for central government, riparian Local Governments, and various social and private services of the fishing communities. Government revenue is in the form of licence fees and various market fees and canoe landing fees. The fees and licence types vary considerable between the three districts. In addition to this, there are often discrepancies in the fees set by the districts, and the actual levies charged. Furthermore, informal revenue collection systems, parallel to those of Local Government, exist at all the landing sites, usually in the form of fish collections.

Taking the 1999/00 financial year as an example, the annual revenue total accruing to the Local Governments from Lake George is nearly 31,000,000/-. This is mainly accounted for by graduated tax and market fees. Additional revenue is also generated to the treasury from income tax. However, there is currently little or no investment by central and riparian Local Governments of Lake George in the fishery. This can be partly accounted for by the fact that the resources of Lake George are not fully valued, as the revenue generated from these resources is not explicit within the record keeping systems. As revenue is also collected by different levels of government and communities, revenue becomes dispersed and so the lake resources are further undervalued.

There are a number of revenue collection systems that are not present, whether because legal provisions are unclear or unsuitable, or they are simply not implemented. The issue of lack of clarity on revenue collection appears to be a central problem. Due to members of Local Government being unsure of the systems in place, they are often not implemented properly. At the same time, individuals are often unaware of what fees they should legally be paying. Improved information in terms of Local Government records would also help to improve financial management, especially for holding defaulters accountable. This is a key area in which ILM will be assisting Local Government, in helping develop the record keeping and monitoring systems.

ANNEX 1. REVENUE TOTALS AND AREAS OF FAILED REVENUE COLLECTION FOR PARISHES HAMUKUNGU, KASENYI AND KATUNGURU K., 1997-2001.

	1997/98				1998/99				1999/00				2000/01		TOTALS		
	Period 1		Period 2		Period 1		Period 2		Period 1		Period 2		Period 1		Collected	Expected	Lost
Hamukungu	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Collected	Expected	Lost
Canoe licence	-	-	-	-	-	-	-	-	-	-	-	408,000		300,000	708,000	-	-
Landing fees	600,000	600,000	600,000	600,000	700,000	700,000	700,000	70,000	455,000	270,000	-	282,500	600,000	362,500	3,515,000	3,937,500	422,500
Market fees	300,000	300,000	300,000	300,000	300,000	300,000	300,000	30,000	150,000	90,000	-	82,500	150,000	120,000	1,492,500	1,582,500	90,000
Taxi Park fees	50,000	50,000	50,000	50,000	80,000	80,000	50,000	5,000	50,000	40,000	-	37,500	50,000	40,000	347,500	367,500	20,000
Fishmonger licence				50,000				3,000				30,000		20,000	130,000	-	-
Graduated tax				1,846,000				296,400				2,185,000		548,000	7,543,000	-	-
Total				3,796,000				512,400				3,425,500		1390,500	13,736,000	5,887,500	532,500
Kasenyi	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Collected	Expected	Lost
Canoe licence	-	-	-	-	-	-	-	-	-	-		220,000		204,000	424,000	-	-
Landing fees	400,000	400,000	400,000	400,000	650,000	650,000	620,000	620,000	200,000	140,000	200,000	80,000	300,000	300,000	2,590,000	2,770,000	180,000
Market fees	230,000	230,000	115,000	115,000	160,000	160,000	250,000	250,000	155,000	155,000	200,000	200,000	250,000	200,000	1,310,000	1,360,000	50,000
Salt market	50,000	50,000	30,000	30,000	30,000	30,000	35,000	35,000	-	-	420,000	200,000	-	70,000	415,000	635,000	220,000
Taxi Park fees	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	30,000	30,000	-	-	450,000	150,000	260,000	560,000	300,000
Fishmonger licence				120,000				80,000				90,000		68,000	358,000	-	-
Graduated tax				1,746,000				2,864,000				1,685,000		348,000	6,643,000	-	-
Total				3,131,000				4,729,000				2,800,000		1,340,000	12,000,000	2,555,000	570,000
Katunguru K.	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Quoted	Actual	Collected	Expected	Lost
Canoe licence	-	-	-	-	-	-	-	-	-	-	-	156,000		132,000	288,000	-	-
Landing fees	200,000	100,000	200,000	160,000	200,000	180,000	200,000	200,000	200,000	150,000	200,000	135,000	200,000	200,000	1,125,000	1,400,000	275,000
Market fees	250,000	250,000	300,000	300,000	250,000	180,000	260,000	190,000	180,000	160,000	150,000	130,000	250,000	250,000	1,460,000	1,640,000	180,000
Taxi Park fees	150,000	20,000	150,000	42,500	150,000	30,000	150,000	30,000	200,000	142,000	200,000	150,000	250,000	250,000	664,500	1,250,000	585,500
Fishmonger licence				40,000				40,000				60,000		30,000	170,000	-	-
Graduated tax				1,648,000				3,865,000				2,386,000		186,000	8,085,000	-	-
Total				2,560,500				4,715,000				3,469,000		1,048,000	11,792,500	4,290,000	1,040,500

REFERENCES

- Brown, J. and Kagubaare E. (2001) *Study of Fishery Related Revenue Generation and Collection Systems on Lake George Number X*
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