



INNOVATIONS FOR SUCCESSFUL SOCIETIES

Reforming the Uganda Revenue Authority

In the early 2000s, the Uganda Revenue Authority (URA) faced a crisis. Even after adopting a modernized legal framework that made the agency semiautonomous—able to operate much as a business would, though still accountable to a public board—the institution remained paralyzed by corruption, outdated technologies and procedures, and a toxic organizational culture. This month's two-part case traces the steps taken to set the URA on a better path.

Righting the Ship: Uganda Overhauls its Tax Agency, 2004-2014

In 2004, to begin righting the ship, the URA's board appointed 43-year-old Allen Kagina, who had served the agency for more than a decade, as the new commissioner general. Kagina engineered a radical overhaul that required all 2,000 URA staff members to reapply for new positions under a revamped organizational structure. A new modernization office reformed tax procedures, upgraded the URA's technology, improved anticorruption measures, strengthened the tax investigation and prosecution function, and enhanced staff capacity. At the same time, the URA began to streamline its customs procedures and improve cooperation with partner countries in the East African Community.

Bolstering Revenue, Building Fairness: Uganda Extends its Tax Reach, 2014-2018

After a decade of reforms to boost tax collection, in 2014 the Uganda Revenue Authority (URA) faced up to one of its biggest remaining challenges. Large numbers of Ugandans paid nothing because they were unregistered or because inadequate compliance monitoring enabled them to underpay. The holes in the system undermined public trust and bedeviled the URA's efforts to meet the government-mandated target to raise tax revenue to 16% of gross domestic product. The URA joined other government agencies to bring millions of unregistered citizens into the tax net. At the same time, it set up operations to go after wealthy and politically connected individuals who avoided paying their full tax load, and it created a separate unit to press government departments that failed to remit to the URA the taxes they collected. The program achieved strong gains on all three fronts and thereby helped increase the country's tax-to-GDP ratio to 14.2% in the 2017-18 fiscal year from 11.3% in 2013-14. The program also made significant progress toward a fairer distribution of the tax burden for Ugandans across all economic levels.



Uganda Shilling notes. Photo from the Daily Monitor.

IBM Center for the Business of Government Publishes Responding to Global Health Crises

IBM Center for the Business of Government publishes a new version of ISS "*All Hands on Deck: The US Response to West Africa's Ebola Crisis, 2014-2015.*" This reformatted, slightly revised version supports training at the Partnership for Public Service and other organizations.

[Join the ISS Network](#)

Innovations for Successful Societies

+1 609-258-5258 | iss@princeton.edu | successfulsocieties.princeton.edu

 **PRINCETON UNIVERSITY**