



Request for research proposals

# Analysis on firms and taxation using micro data from Uganda

United Nations University World Institute for Development Economics (UNU-WIDER), in collaboration with Uganda Revenue Authority (URA), is requesting research proposals on firms and taxation. Proposals are requested for original research taking advantage of the URA firm panel, that will improve the understanding of the impacts of taxation on firms in the Global South. Proposals from individuals (or groups of individuals) as well as non-profit organizations are welcome. Submission deadline: 27 June 2022, 23:59 UTC+3.

## Background

Firms play a crucial role for development through investment, employment, and the formalization of the economy. Thus, especially in the developing world, there is a need for a deeper understanding of the impacts of taxation on firms. Moreover, research and tax analysis using administrative data can help in designing better tax policies and administrative measures as well as to identify loopholes in the tax systems. Yet, micro-level research especially from the Global South is limited and a large amount of tax data remains underutilized.

This Request for Research Proposals is part of the UNU-WIDER project [Building up efficient and fair tax systems – lessons based on administrative tax data](#). The project aims to provide knowledge for better policy-making and inclusive development using administrative data. As part of this project, URA and UNU-WIDER have constructed the URA firm panel from administrative corporate income tax (CIT) returns and firm registration data for the financial years 2013/14–2019/20. The URA firm panel covers the full population of CIT-paying firms in Uganda, and it contains over 300 variables which allow the researcher to study, for example, firms' balance sheets, debt structure, capital investments and tax liabilities. The data is described in more detail in [McNabb et al. 2022](#).

URA and UNU-WIDER invite research proposals from qualified researchers to conduct economic research with the URA firm panel. The specific objectives of this request for research proposals are:

1. To obtain policy-relevant research findings on the impact of tax incentives and non-tax incentives on investment, value-added, job creation, capital/labour intensity and growth.
2. To obtain policy-relevant research findings on the determinants of productivity, investment,

employment, profitability and output by different firms with different characteristics (including size, sector, ownership, degree of competition faced, age, past behaviour, and skills makeup).

3. To obtain economic analyses that could improve policy-makers' insights on issues pertinent to base erosion and profit-shifting.
4. To obtain economic analysis to give insight on the impact of corporate tax policies on tax revenue.

## Offer

Researchers with successful proposals will gain access to otherwise restricted firm-level data based on corporate income tax filing located at the Uganda Revenue Authority. This URA firm panel is described in detail in [McNabb et al. 2022](#).

Researchers with successful proposals can access the anonymized data in the secure research lab located in URA, Kampala, Uganda, premises. For data security, the researchers cannot access the internet when using the research lab computers. Research lab assistants will provide help in extracting research outputs, such as figures and summary tables of the results, and guide in the use of the research lab.

Proposals from individuals (or groups of individuals), as well as non-profit organizations, are welcome. Applications from female and developing country researchers are particularly encouraged. Proposals may address one or more of the research questions.

Individual researchers will be issued UNU Consultant Contracts (CTC), while non-profit organizations will be issued Institutional Contractual Agreements (ICA). A member of UNU-WIDER research staff will assess the adequate completion of the contract. A total research honorarium between USD 4,000– USD 10,000 will be paid upon delivery of a working paper and a one-page summary of the main research findings. The honorarium will be dependent on the qualifications of the lead researcher and assessment of the proposal. In case of co-authorship the honorarium will be divided among the contributors. The honorarium is expected to cover all expenses (such as data collection, research assistance, and travel costs to secure research lab) associated with the conduct of the proposed research. It is not required to submit a budget.

Researchers should be aware that this request will give preference to proposals that utilize this inventory of data in order to deepen government and researchers' understanding of firms' response to taxation — including tax incentives regimes, tax compliance behaviour of firms, and the revenue productivity of Uganda's tax system.

## Expectations for researchers

All authors of successful proposals are expected to:

1. Write a working paper of sufficient quality to merit publication in the WIDER Working Paper series.
2. Write a 1–2-page non-technical summary of the working paper that will adequately communicate the policy-relevant findings to decision-makers and senior management of URA and other relevant government entities.
3. Sign agreements and abide by all restrictions imposed by URA and other government agencies with respect to the disclosure of confidential firm and individual information.
4. One author of each successful proposal is expected to attend a work-in-progress workshop which will be organized in hybrid format. Kampala-based researchers may join in person whereas those needing to travel should join online. The aim of the workshop is to present and discuss preliminary results as well as track progress.

5. Participation in the final dissemination seminar in 2023 is considered separately.
6. Be flexible in their research approach.

## Dates (Eastern European Time – EET)

19 May 2022	Launch of request for research proposals
20 June 2022	Final opportunity for questions on the request for research proposals.
27 June 2022	Proposal submission deadline
22 July 2022	Target date for informing on funding decisions
29 July 2022	Target date for researchers to be granted initial access to data
31 August 2022	Target date for the completion of necessary administrative procedures
15 November 2022	Target date for the submission of first drafts of paper with preliminary results
January/February 2023	Target date for work-in-progress workshop
30 April 2023	Target date for submission of near-final draft papers and a 1–2-page non-technical summary of key findings
August 2023	Target date for final dissemination seminar

## Evaluation process and criteria

Each proposal will be reviewed for scientific merit and feasibility. The proposals will be selected by the evaluation team, consisting of UNU-WIDER and URA research staff. Proposals will be selected on the basis of three criteria: (i) relevance to the research project, (ii) strength of empirical and policy contributions, (iii) strength of the research team, and (iv) feasibility of the proposal and ability to deliver within the timeframe. Based on this assessment, a pool of suitable proposals will be determined. From this pool, accepted proposals will be drawn considering additional criteria such as diversity of topics addressed, clarity of writing, and geographic diversity. Only the final decision on whether the proposal is accepted or not will be communicated to applying researchers. Applicants must not expect feedback on their proposals.

## For successful proposals:

1. Researchers or their institutions (non-profit) will sign a consultant contract or institutional contractual agreement with UNU-WIDER that follows the UNU conditions of service for Consultant Contracts (CTC) or Institutional Contractual Agreements (ICA).
2. Researchers/institutions will transfer the copyright of research produced under the contract to UNU-WIDER. An important purpose of this copyright transfer is to allow UNU-WIDER to effectively negotiate with book publishers and editors of journals in order to seek the most desirable possible publication outlet for a collection of papers. If no (further) publication is to be expected by UNU-WIDER, the copyright can also be returned to the author(s). Any material published externally thereafter resulting from this body of work should carry due acknowledgement of UNU-WIDER as the original commissioning institute.

## Proposal submission details

1. The proposal should be no more than five pages of A4 paper in length, excluding cover page and references. Please use 12-point font, 1.5 line spacing, and standard margins. The proposal should clearly state the research objectives, study design and methods, data sources, and policy relevance. The cover page should contain the complete contact information of the researcher(s), and a 150–200-word proposal abstract summarizing the research question, main methods, data, and expected contribution to the policy debate.
2. Submission of proposals is made electronically by using the online form on the Request for Research Proposal announcement page. There are three forms to select from: one for individuals, another for groups of individuals, and a third for non-profit organizations. Details (such as an address, gender, nationality, date of birth) of all researchers involved are required to be entered into the form, and the cover page, the proposal, and brief CVs (five pages or less) of the researcher(s) uploaded. It is recommended to familiarize yourself with the form in advance.
3. Submission of a budget is not required for the proposal.
4. Any questions on the proposal process should be sent to [researchproposal6@wider.unu.edu](mailto:researchproposal6@wider.unu.edu) by 20 June 2022. Selected queries and responses will be published on the Request for Research Proposals announcement page on a rolling basis.