



**PUBLIC PROCUREMENT AND
DISPOSAL OF PUBLIC ASSETS
AUTHORITY (PPDA)**

**REPORT OF THE THIRD PROCUREMENT
SECTOR REVIEW MEETING HELD ON
26TH MARCH, 2004
AT SPEKE RESORT MUNYONYO**

JUNE 2004

TABLE OF CONTENTS

TABLE OF CONTENTS	2
ACKNOWLEDGEMENT	3
ACRONYMS AND ABBREVIATIONS	4
1.1 OPENING REMARKS	5
<i>Mr. Edgar Agaba, Ag. Executive Director, PPDA</i>	5
1.2 LOCAL GOVERNMENT PRACTICES: MAIN ISSUES AND THE WAY FORWARD	7
<i>Ms. Grace Adong Choda, Principal Research Officer, Ministry of Local Government</i>	7
1.3 CORRUPTION IN PUBLIC PROCUREMENT: THE CASE OF LOCAL GOVERNMENTS	14
<i>Mr. Silver Kangaho, Director, Operations, Inspectorate of Government</i>	14
1.4 CAPACITY BUILDING PROJECT	20
<i>Mr. Milton Tumutegyereize, Director, Training and Capacity Building, PPDA</i>	20
1.5 COMPLIANCE AND REVIEW MECHANISMS IN PUBLIC PROCUREMENT	29
<i>Mr. Julius Mulera, Director, Procurement Audit, Inspection and Investigations, PPDA</i>	29
1.6 BENCHMARKS AND EVALUATION OF THE PROCUREMENT SYSTEM	35
<i>Mr. Harman Idema, First Secretary, The Royal Netherlands Embassy</i>	35
1.7 ETHICS AND INTEGRITY ISSUES IN PUBLIC PROCUREMENT	41
<i>Mr. Ashaba-Ahebwa, Director, Directorate of Ethics and Integrity</i>	41
ANNEXES	46
ANNEX A: Programme for the Procurement Sector Review	47
ANNEX B: Register of Participants and Contact Details	48
ANNEX C: Summary of Recommendations	52

ACKNOWLEDGEMENT

The Public Procurement and Disposal of Public Assets Authority wishes to thank all those who participated in the third Public Procurement Sector Review meeting. Individual attendance and input contributed immeasurably to the high level of the exchanges between participants and the recommendations put forward.

I must acknowledge the role of those individuals who played an important part in ensuring that the review meeting was a success. These include:

Chairpersons of the Review Meeting:

Eng. Godfrey Zaribwende and Eng. Samson Bagonza.

Presenter from the Donor Community:

Mr. Harman Idema, First Secretary, The Royal Netherlands Embassy.

Presenter from Procuring and Disposing Entities:

Ms. Grace Adong Choda, Principal Research Officer, Ministry of Local Government.

Presenters from Oversight Agencies:

- (a) Mr. Silver Kangaho, Director, Operations, Inspectorate of Government.
- (b) Mr. Ashaba-Ahebwa, Director, Directorate of Ethics and Integrity.

Presenters from PPDA:

- (a) Mr. Milton Tumutegyeize, Director, Training and Capacity Building, PPDA.
- (b) Mr. Julius Mulera, Director, Procurement Audit, Inspection and Investigations, PPDA.

I wish to thank all the participants for their contributions throughout the meeting.

Edgar Agaba
Ag. Executive Director, PPDA

ACRONYMS AND ABBREVIATIONS

AO	Accounting Officer
CAO	Chief Administrative Officer
CID	Criminal Investigations Department
CPAR	Country Procurement Assessment Review
CTB	Central Tender Board
DLGTB	District Local Government Tender Board
DSC	District Service Commission
IG	Inspectorate of Government
IGG	Inspector General of Government
LGA	Local Government Act, 1997
LGDP II	Local Government Development Programme
LGFAR	Local Government Financial and Accounting Regulations 1998
LGFIAS	Local Government Financial Information and Analysis System
LGs	Local Governments
LOGICs	Local Government Information Communication system
M&E	Monitoring & Evaluation
MoLG	Ministry of Local Government
NGOs	Non-Governmental Organizations
OAG	Office of the Auditor General
OECD	Organization for Economic Co-operation and Development
PCM	Project Cycle Management
PDE	Procuring and Disposing Entity
PPDA	Public Procurement and Disposal of Public Assets Authority
SBDs	Standard Bidding Documents
SWOT	Strength, Weakness, Opportunities, Threats
TI	Transparency International
TOT	Training of Trainers
UNABCEC	Uganda National Association of Building, Civil Engineering and Contractors
UNDP	United Nations Development Programme
WB	World Bank

1.1 OPENING REMARKS

Mr. Edgar Agaba, Ag. Executive Director, PPDA

Development Partners,

Board Members,

Stakeholders,

Distinguished guests,

Ladies and Gentlemen.

My humble duty today is once again to brief you on the progress of implementation of the reforms.

Since my brief to you during the 2nd review meeting in May 2003, the Public Procurement and Disposal of Public Assets Authority (PPDA) has progressed with the implementation of the reforms.

- **Strengthening the Public Procurement and Disposal of Public Assets Authority**

The Authority has now recruited 47 staff to carry out its mandate. The last batch of middle level managers has received their letters of appointment.

- **Compliance Assessment in Central Government**

The Authority is to undertake a comprehensive compliance assessment study in all Central Government entities. The study will involve the creation of procurement units, setting up of contracts committee, production of monthly reports to the PPDA, handling of complaints and general understanding and implementation of the Public Procurement and Disposal of Public Assets Act. A detailed presentation of compliance and review mechanisms will be presented in this meeting.

- **Training and Capacity Building**

The Authority has developed a national capacity building strategy. The strategy will be presented to this meeting. The strategy is based on long, medium and short-term objectives. The UNDP in partnership with the Government of Uganda is undertaking a capacity building programme

- **Auditing, Inspection and Investigation**

The Authority has a fully-fledged department for conducting Auditing, Inspection and Investigations to handle complaints, review decisions and investigate cases of malpractice. With the assistance of DANIDA, the Authority is to receive technical assistance in form of human resource and training of PPDA officers.

- **Private Sector**

The authority will continue encouraging private sector participation in the implementation of the law. The Authority is now fully fledged and should address the concerns of bidders through capacity building and review mechanism.

- **Periodical reviews**

The Authority shall continue to periodically review the progress and the implementation of the law. The World Bank is currently undertaking the Country Procurement Assessment Review 2004. The CPAR is to identify several areas that need strengthening and recommend to the Government of Uganda the way forward. The CPAR National stakeholder's workshop is scheduled for 20th April 2004.

- **Monitoring, evaluation and Benchmarking the progress**

The Authority with the assistance of the World Bank/OECD has developed a monitoring and evaluation system. This meeting will address the issue of the appropriate monitoring and evaluation methodology as developed through international best practices.

- **Local Government**

The Authority in partnership with the Ministry of Local Government has initiated steps to reform the procurement and disposal system at the local government level. The Local Government sector is here and will present the current position and trends.

- **Development Partners**

I would like to take this opportune moment to thank the Government of Uganda, the development partners, the private sector, and all our stakeholders who have continued to support the implementation of the reforms. Thank you.

Please visit: www.ppda.go.ug

1.2 LOCAL GOVERNMENT PRACTICES: MAIN ISSUES AND THE WAY FORWARD

Ms. Grace Adong Choda, Principal Research Officer, Ministry of Local Government

BACKGROUND

Since 1993, Government has pursued a decentralized system of government, under which political, administrative and financial powers were transferred from the Central government to Local Governments and administrative units. Uganda's decentralized policy is outlined in Chapter 11 of the 1995 constitution and is amplified and operationalised by the Local Governments Act 1997. The reform is generally intended to make local governments effective centers of self-government that are able to deliver services to the people efficiently and effectively.

Under the financial powers, Local Councils are mandated to procure goods, services and works for their local governments.

PROCUREMENT

Procurement is acquisition by purchase, rental, lease, hire purchase, licence, tenancy or any other contractual means of any type of works, services or supplies or any combination. (Procurement and Disposal of Public Assets Act 2003).

THE LEGAL FRAMEWORK

- The Local Governments Act 1997 Sections 92 – 95 as amended by Section 33 – 35 of the Local Governments (Amendments) Act 2001, provide for the set up and functions of the Local Government's Tender Boards and specify their functions in the provision and regulation of procurement services.
- The Local government Financial and Accounting Regulations 1998, (LGFAR 1998), Part IX regulation 73 to 86, provide for contracts entered into by the council, general purchasing principles, financial limits for award of contracts, list of approved supplies and contractors tender board proceedings. Limits relating to orders, Quotations, Tenders Technical Evaluation Committee, Local Purchase orders, contract registers, contract certificates etc.
- The Local Government (Tender) Regulations. These are regulations, which are issued under section 176 of the Local Government Act, and are meant to complement the Local Government Act and the LGFAR.
- Financial Management Training manuals under LGDP II.
- Public Procurement and disposal of Public Assets Act 2003.
- Standard Bidding documents for civil works below U.shs.5 million.

- Standard Bidding documents for civil works below U.Shs.100 million.
- World Bank guidelines.
- Procurement regulations and conditions of line ministries relating to use of the funds.

LOCAL GOVERNMENT PRACTICES

- As already mentioned, Local Governments derive their procurement powers for various works and services from the LGA 1997 and Amendments 2001, LGFAR 1998 etc.
- Under these laws, each District Local government has set up, a District Local Government Tender Board (DLGTB), to award contracts and Tenders. Under the amendments 2001, Urban Councils may appoint their Urban Tender Boards provided they meet her costs. These include Municipal and Town councils.
- These Tender Boards appointed by councils are supported by a Secretary appointed by the District Service Commission (DSC) and should be at the rank of Assistant Chief Administrative Officer or above. The Technical officers of the districts or urban councils serve as part of the procurement units.

PROCUREMENT FUNCTIONS

- Currently, the procurement functions in Local governments include:
 - Preparation of procurement plans;
 - Determination of procurement procedures;
 - Invitation of bids;
 - Evaluation of bids;
 - Award of contracts.
- The procurement in Local Governments is carried out by Local Governments Tender Boards on behalf of the Councils.

Beneficiaries of Local Government Procurement

- Local governments;
- Community;
- Suppliers/Contractors;

- Central government;
- Donors;
- Non Government Organizations.

Procurement Cycle in Local Governments

The following steps are followed in the procurement process in Local governments: -

- Bid preparation;
- Determining the Tendering process;
- Preparation of Tendering documents;
- Invitation of bids;
- Opening of bids;
- Evaluation of bids;
- Award of contracts;
- Negotiation of contract;
- Signing of the Contract;
- Implementation and supervision;
- Complaints and dispute settlement.

STAKEHOLDERS IN PROCUREMENT

- District Council;
- District Executive;
- Secretary Tender Board;
- The Chief Executive;
- Tender Board;
- Heads of Departments;
- Donors and NGOs;

- Central government;
- Community.

All district Local Governments and Municipal Councils have established the Local Government Tender Boards following the laid down procedures in terms of composition and qualifications.

Challenges/Issues

- There is inadequate capacity by technical evaluation committees in some Local governments; including certification of work done.
- Sometimes, removal of the Local Government tender board members is not in line with the law.
- Sometimes, there have been some pockets of favoritism and corruption in the awarding of Tenders/Contracts.
- Some Local governments have not publicized the bid evaluation results.
- Work overload on officers assigned procurement work causing delay in the procurement process.
- Gaps in technical skills and know how on contract management in most LGs have been identified through inspections.
- Inspections by MoLG have not been very frequent because of the need to cover all 56 districts and Lower Local Governments.
- Commitment control system is sometimes ignored by some LGs.

The Way Forward

- To ensure there is continued capacity building in the area of procurement, the Local governments procurement officers as well as the secretaries to the Tender Boards and other procurement staff will receive further training in procurement.
- As part of the efforts to harmonize procurement practices at the Central Government, Ministry of Local Government has initiated plans to establish procurement units at each Higher Local Governments i.e. the 56 districts and 13 Municipalities.
- Each of the heads of the procurement units and their assistants, the District/Municipal Engineers, the Director of health services for the higher Local governments will be assisted to under take a basic procurement course.

- Consequently, these four staff will form the core of key procurement staff and will be assisted to attend issues based and specialized procurement training twice a year as a follow up.
- The four key procurement staff in the Higher Local Government will also be equipped with presentation materials and skills for use in sensitizing the members of their Tender Boards and evaluation committees on an ongoing basis. This training will be provided under component 1 of LGDP II.
- The LGA 1997 is under review by the Ministry and sections on procurement are likely to be affected to bring them in line with the PPDA Act 2003.
- A consultancy has been awarded to provide new procurement and disposal Regulations for Local Governments. It is expected that the regulations should be ready by June this year.
- The Ministry has put in place LOGICs and LOGFIAS – which are computerized systems for storage and retrieval of information.
- A resource centre has been established at MoLG and once LOGICs and LOGFIAS has been rolled out to all LGs then MoLG will become a one-stop centre where information from districts and LGs can be retrieved and communications with LGs will be eased.
- Several modules have been developed from training LG officials and there is a module on procurement management. This is a tool, which shall be used by all trainers at the LG levels.

Proposals from all stakeholders are welcome by the Ministry in a bid to streamline the procurement processes at LGs.

Linkages between the Local Governments Financial Information and Analysis System (LGFIAS) and Local Governments Information Communication System (LoGICs).

Introduction

The Local Government Financial Information and Analysis System (LGFIAS) is a database system designed to capture detailed data on Local Government Councils revenues and expenditure. The system has in-built capabilities to analyze financial information to several levels of summary and detail in relation to individual Local Governments and Groups of Local governments so as to facilitate planning and decision-making by the Local governments, Ministry of Local government and other stakeholders.

The Local Government Information Communication system (LoGICS) on the other hand is a Monitoring and Evaluation system that captures aggregated data on health facilities, schools, prisons, water points, veterinary services, roads, community

services, production among others. The LoGICs also captures aggregated financial information on Revenues and Expenditure.

Note: LGFIAS captures detailed revenue and expenditure data whereas the LoGICs capture aggregated data on the same.

The Local Governments Information Communication System (LoGICs)

This has been developed with a view to address the lack of coordinated monitoring and evaluation in LGs by different Government Sector Ministries and other institutions under decentralization type of governance.

LoGICS has been designed with capacities to monitor and evaluate GLs performance in three areas namely:

- Service Delivery.
- Project Cycle Management (PCM).
- Compliance Inspection.

The LoGICS has a module on financial monitoring using codes from the old charts of accounts with aggregated revenue and expenditure data.

Local Governments Financial Information and Analysis System (LGFIAS)

LGFIAS is able to track all expenditures (estimates and actual) and revenues (estimates and actual) across all levels of Local governments and periodic financial reports at biannual and annually.

LGFIAS has been designed mindful of the old Charts of Accounts and the newly introduced Charts of Accounts codes. Detailed Local governments financial analysis reports can be generated using the old charts of accounts or the new charts of accounts.

Functionalities between LGFIAS and the LoGICS on financial data.

1. Directorates

The LoGICS captures expenditures at the level of Directorates e.g Education and Sports, Finance & Planning, Production & Marketing, Community Services, etc. The LGFIAS on the other hand captures expenditures at all levels including Sub Directorates

LoGICS	LGFIAS
2- Finance & Planning	2 – Finance & Planning 21 – Finance 22 – Planning
3- Production & Marketing	3 – Production & Marketing

	31 – Agriculture 32 – Veterinary 33 – Entomology 34 - Forestry
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2. Expenditure

LoGICS	LGFIAS
211100 – Wages and Salaries	211100 – Wages and Salaries 211101 – general Staff Salaries 211102 – Allowances
222000 – Communication	222000 – Communications 222001 – telecommunications 222002 – Postage and Courier

3. Revenue

LoGICS	LGFIAS
111100 – Payable by Individuals	111100 – Payable by Individuals 111101–tax on employment earning (PAYE) 111102 – Income Tax 111102 – Graduated Tax

4. Chart of Accounts

The LGFIAS is designed with both the old and new chart of accounts codes. LoGICS utilize the old codes.

Summary

The LGFIAS captures detailed Revenue and Expenditure data and has the ability to summarize data by Directorates, Sub-Directorates, Group Expenditure Codes and Group Revenue Codes.

Therefore an interface to link the LGFIAS and LoGICS is being explored. This will ensure that financial data is collected in detail and entered into the LGFIAS. The LoGICS will then pick its M&E aggregated data from the LGFIAS.

1.3 CORRUPTION IN PUBLIC PROCUREMENT: THE CASE OF LOCAL GOVERNMENTS

Mr. Silver Kangaho, Director, Operations, Inspectorate of Government

1.0 BACKGROUND:

- 1.1 Public Procurement in Uganda is one area, which has been riddled with a lot of corruption, and as such, the Inspectorate of Government has had to carry out very many investigations in this area. This situation is most likely because of the difficulty in proving corruption cases and the fact that most of the public expenditures in Uganda now go to this area. In addition, it is only recently that a law, specifically covering procurement and criminalizing some actions, was enacted. Whether it is the Central government, Local government or Parastatals – Most funds are now spent on procurements. Procurement now covers virtually everything from construction, to Consultancy, recruitment of personnel, and collection of revenue to even cleaning offices.
- 1.2 As most of you are well aware, the Inspectorate of Government was established in 1986 with the mandate of fighting corruption, abuse of office/authority and promotion of the rule of law and good governance generally in public office. The office was to contribute to the creation of a conducive environment for Sustainable Democracy and Development in Uganda. The first legislation governing the office was the Inspector General of Government Statute No.2 of 1988, which had been made in 1987. Thereafter, the office was made a constitutional Office in the 1995 constitution and Parliament has since harmonized/operationalised the Constitutional provisions on it in the Inspectorate of Government Act, 2002. Parliament has also operationalised the provisions of the constitution (particularly Article 234) for the Inspectorate of Government to enforce the Leadership Code and enacted the Leadership Code Act 2002.

2.0 Mandate of the Inspectorate of Government:

- 2.1 This is as provided for in the constitution and the enabling laws referred to above and includes the following: -
- a. To promote and foster strict adherence to the rule of law and principles of natural justice in administration.
 - b. To eliminate and foster the elimination of corruption, abuse of office, authority and of public office.
 - c. To promote fair, efficient and good governance in public officers.

- d. Subject to the provisions of the constitution, to supervise the enforcement of the leadership Code of conduct.
- e. To investigate any act, omission, advice, decision or recommendation by a public officer or any other authority to which this Article applied, taken, made given or done in exercise of administrative functions; and
- f. To stimulate public awareness about the values of constitutionalism in general and the activities of its office in particular, through any media and other means it considers appropriate.

In accordance with the above mandate, the Inspectorate of government has been handling corruption matters in regard to Public Procurement in Uganda including in Local Governments. It is from this experience that this paper is basing on to discuss the "corruption in Public Procurement: the case of Local governments".

2.0 In order to put the discussion in the proper context, there is need to define some of the key works/terms in the topic i.e.

- (i) **Corruption:** This is an encompassing term, which covers a lot depending on the circumstances in a given society. In Uganda, Parliament has given it a standing formal definition under Section 2 of the IG Act 2002 as follow: -

"Corruption" Means the abuse of public office for private gain and includes but is not limited to embezzlement, bribery, nepotism, influence peddling, theft of public funds or assets, fraud, forgery, causing financial or property loss and false accounting in public affairs.

- (ii) The Parliament of Uganda has also defined some of these terms in the PPDA Act 2003 under Section 3 as follows:

Procurement: means acquisition by purchase, rental lease, hire purchase, licence, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination.

Procurement Process: means the successive stages in the procurement cycle including planning, choice of procedure, measures to solicit offers from bidders, examination and evaluation of those offers, award of contract, and contract management.

Public funds: means monetary resources appropriated to procuring and disposing entities through budgetary processes, including the consolidated Fund, grants and credits put at the disposal of the procuring and disposing entities by foreign donors; and revenue generated by the procuring and disposing entities.

3.0 As you will note from our mandate above in handling/investigating what is wrong (corruption) and what is right, we are guided by the Standards set by the State in form of laws, Regulations, Rules, Instructions, etc for public procurement these have basically been in form of the following:

- (i) The Public finance (Tender Board) Regulations of 1977. This is the law that established the Central Tender Board whereby all the main public procurements were handled centrally by this CTB.
- (ii) The Public Finance (Procurement) Regulations 2000 issued under Statutory Instrument No.64 of 2000. Under this law, the Reformed Central Tender Board was established and procurements were decentralized through the established of procurement entities and their procurement committees.
- (iii) The Local Government Act, 1997 and financial and Accounting Regulations (1998) made under the Act, which provided for handling of procurements in the decentralized Local Governments including the establishment of local governments Tender Boards.
- (iv) The Public Procurement and Disposal of Public Assets Act, 2003 that has just come into force.
- (v) Guidelines and rules on procurement that have been issued out from time to time.
- (vi) Donor financing agreements and the provisions therein on how procurements arising out of the finances donated/loaned have to be handled.

4.0 Experiences with regard to corruption in Local Governments' Procurements:

Like in all Procurement processes in Uganda, our experience is that corruption in Procurements in Local Governments in most cases is not directly committed and seen rather, it is hidden and only manifests itself in the questionable actions of the players in this field. These include those responsible for nominating/appointing the Tender Board members: the technical staff who work with the Tender Boards; the Administrative staff who execute the contracts; and the other people who in one way or another wield influence over the tenders.

The following illustrations should elucidate this point:

1. Appointment of people to handle the procurements:

We have over time noted that in Local Governments in particular, when it comes to the appointment of members of the area Tender Boards (Under Section 92 & 95 of the LGA 1997) the politicians/councilors

have been appointing their friends, relatives, campaign managers or other types of their cronies, whether as a favor/reward or as a strategic plan to use them to further their selfish interests. Invariably, this is done in total disregard of the requirements, which are clearly set in the Law – (the LGA 1997 and the amendment thereto). As you will have noted from the definition of corruption, nepotism is a form of corruption and handling the appointments in this manner alone constitutes corruption on the part of the politicians who do this.

It should be noted that even when already properly appointed, these Tender members are not necessarily immune from the influence of the politicians as it should be. As you may be aware, one Local government, in the recent past illegally removed members of their area Tender Board and attempted to replace them. It was only our intervention and the intervention of other concerned authorities that saved the situation. This means that in many cases Tender Board members work under the fear of the politicians, which makes them easily exploitable by the same politicians.

2. Cases of appointment of unqualified members:

- (a) Iganga District Tender Board where we found that some of the members did not have the set minimum qualifications. As a result the Tender Board was dissolved and a new one appointed.
- (b) Rukungiri Town Council Tender Board where we found that some members also did not have the set minimum qualifications. They were replaced by qualified ones.
- (c) Itendero/Kabwohe Town Council Tender Board where we found that three of the members were at the same time serving public officers contrary to the provisions of the law. The three were removed.

(iii) **Cases where the Tender Boards themselves acted irregularly or improperly**

- (a) Rukungiri Town Council Tender Board where we found that the members had usurped the role of the Technical Evaluation Committee, had ignored the Technical Evaluation Report and proceeded to evaluate the proposals while handling the tender for management of the Bus/Taxi Part. The members gave purely subjective and irrational scores and based on these scores to award that tender. As already pointed out above, since most of the members were unqualified, the whole Board was simply dissolved.

- (b) Itendero/Kabwohe Town Council Tender Board where we found that the Board had ignored the Technical Evaluation Report and awarded tenders for management of Markets and Taxi/Bus Parks to firms which did not meet the set requirements.
 - (c) Mubende District Tender Board where we found that members had disregarded the serious weaknesses of a bidder for the tender to supply mild coolers (who had met only six of the seventeen set requirements) and awarded the tender to this incompetent firm. Obviously, the result was shoddy work.
 - (d) Kapchorwa District Tender Board where we found that a tender had been awarded to an unqualified firm belonging to the paternal uncle to the Ag. CAO. The award was nullified.
 - (e) Bugiri District Tender Board where we found that some tenders were awarded to councilors and civil servants in the district including the District Chairman. The shoddy work, which resulted, was to be rectified and the officials involved warned.
 - (f) Apach District Tender Board where we found that members had handled a tender in such a biased manner that only one bidder who was favored could win. The award was terminated.
 - (g) Luwero District Tender Board where the members established that the Secretary to the Tender Board had on his own awarded six tenders for construction of school premises but only warned him and proceeded to ratify the tender awards.
- (IV) Cases where other players handled tenders either in disregard of the Tender Board decisions or without involving the Tender Board at all.
- (a) The case of the CAO of Yumbe District where we found that:
 - He awarded a tender worth Shs.60 million without any reference to the Tender Board at the time when the Board was scheduled to handle the tender in a week's time.
 - He signed a very poorly drawn contract whose terms were detrimental to the interest of the District.
 - He raised the contract price above what was quoted by the contractor.
 - (b) The case of the CAO, Luwero District where we found that on several occasions, he:

- Ignored the tender awards by the District Tender Board and instead signed contracts with firms, which never participated in the tender processes.
 - Refused to allow firms, which had won tenders, even signed contracts to execute the contracts, instead gave the work to other firms who proceeded to do the work, and got paid.
- (c) The case of Secretary for Masaka Municipal Tender Board whom we found to have dubiously altered the minutes of the Board and awarded the tender to a firm which never won it.

Invariably, the reasons behind these wrong actions by the various players in these Local governments' procurements are corruption in one form or another. The politicians may be pursuing their own selfish interests, the Tender Board members and or the other staff involved may be acting under the influence of direct bribery or promised kick-backs, or the actions may be because of ignorance of the players most of whom are unqualified but put in place through corruption.

In conclusion, Public Procurement in Local government is still riddled with different forms of irregularities, which in most cases are manifestations of corruption. However, this does not mean that there is nothing good in the Local Governments' procurement processes. In fact, from the past experiences there are clear indications that this field has been undergoing positive changes over the time. Indeed, in most Local governments, procurements are being handled in accordance with the set rules and regulations i.e. Tender Boards are in place, Evaluation committees do their work, and tenders are properly awarded. It would therefore appear that with improvement in the appointment system for the Tender Board members; improvement in the regime of procurement regulations which are preferably tailored to the types of procurements handled here; with improvement in legislation particularly to provide for sanctions for the errant; and with intensified training / sensitization coupled with intensified monitoring and enforcement, procurement in Local government will surely play the positive role expected for the betterment of the lives of our people. Certainly all is not lost – more efforts should be exerted by all the stakeholders to ensure success in this field, which is central to the development of our country.

1.4 CAPACITY BUILDING PROJECT

Mr. Milton Tumutegyereize, Director, Training and Capacity Building, PPDA

Capacity Building Strategy:

- Chapter 1: Introduction.
- Chapter 2: Situation Analysis.
- Chapter 3: Objectives And Priorities.
- Chapter 4: Policy Framework.

SITUATION ANALYSIS

- ◆ Human Resource Development Issues.
- ◆ Achievements.
- ◆ Challenges.
- ◆ SWOT Analysis.

N.B: Details of each of the above relate to the obtaining situation and what has been done so far since the beginning of the reforms

Purpose of Capacity Building

- ◆ To build sustainable capacity in procurement and ensure continuous improvement and development as part of economic development of the country.
- ◆ This would ensure establishment of a viable institutional framework for procurement operations.

Rationale for the Capacity Building Strategy

- ◆ The need to focus more on capacity building, as training primarily secures a certain knowledge and skills mix for the individual person, while capacity building focuses on the process of increasing the ability of all the persons, institutions and organizations to carry out their tasks and responsibilities in a professional way.
- ◆ Until recently there had been no deliberate efforts by Government to train its staff in procurement.

Objectives of the strategy

Short-Term Objectives

- ◆ To sensitize all staff in central and local governments involved in the procurement process, to be familiar with the new legal framework;

- ◆ Introducing the providers to the new framework and how they are supposed to act under the framework;
- ◆ Conduct specialized training courses (modular training) in areas of relevance, for professionals in the Entities;
- ◆ Build procurement capacity internally in the PPDA and PDEs, through change of processes.

Medium-Term Objectives

- ◆ Build capacity of the local training institutions;
- ◆ Develop a certification/examination system, including an accreditation scheme, which is internationally accepted;
- ◆ Develop a quality assurance system to ensure the quality and level of the training institutions;
- ◆ Build a mass of knowledge among the procurement professionals for them to develop their skills and improve their career in public procurement;
- ◆ Initiate cooperation between PPDA, national and international training institutions, in regard to procurement training.

Long-Term Objectives

- ◆ Improve the procurement processes in the central and local government entities.
- ◆ Reduce the level of unethical behaviour in regard to public procurement.
- ◆ Build capacity at the training institutions to ensure a satisfactory and sustainable level of training courses at all levels in the country.
- ◆ Improve private sector and civil society participation in public procurement issues.

Main Activities

Short-Term Activities

- ◆ One-day training courses for each PDE.
- ◆ Special training courses for selected staff members.
- ◆ Conduct half-day workshops for providers.
- ◆ Induction training for the new PPDA and PDE staff.

- ◆ Set up the programme together with donors to initiate the type of cooperation resulting in twinning programmes.
- ◆ Quality assurance for, and evaluation of, the local government training.

Medium term Activities

- ◆ Development and conduct of Training-of-Trainers programmes.
- ◆ Development of modules to be used in the training.
- ◆ Conduct training and offer line support to PDEs, providers and the civil society.
- ◆ Development of Terms of Reference for the certification/examination system.
- ◆ Selection of the institutions to take part in the certification/examination system.
- ◆ Selection of the training courses to be subjected to the quality system.

Long Term Activities

- ◆ Carrying out spend and flow analyses for each entity.
- ◆ Conduct both modular and line support to staff of PPDA, PDEs and the civil society.
- ◆ At every occasion to put focus on the subject of ethical behavior.
- ◆ Monitor and Evaluate the training conducted by the local training institutions.
- ◆ Set up a documentation center.

Policy Framework

Definition and scope of Capacity Building

Capacity Building is defined as the process of strengthening the abilities or capabilities of individuals, institutions and organizations to make effective and efficient use of resources for sustainable development. This will be done by investing in the target groups.

Capacity building mandate of the PPDA

The Public Procurement and Disposal of Public Assets Act, 2003, Sections 6 (e) and 7 (m), places the mandate for procurement capacity building in the hands of the Authority. This responsibility is to be managed by the department of Training and

Capacity Building, on behalf of the Authority, with the technical support from the UNDP funded Capacity Building Project, for the first two years.

Targets for capacity building

Individual Procurement Staff

The aim is to develop an institutional framework that will, over time, be able to create and sustain a more professional cadre of procurement staff. It will focus on:

- ◆ Transfer of knowledge, experience, skills and values.
- ◆ Increasing capacities of individuals to deliver.
- ◆ Changing attitudes/behaviour.
- ◆ Career development opportunities.
- ◆ Accreditation system for procurement staff.
- ◆ Continuous professional development.

Institutional structures

The strategy will aim at the Improvement of the legal and administrative framework that governs procurement as well as the structures that have been created to manage the procurement function in the PDEs.

Procuring and Disposing Entities

- ◆ The organizational structure.
- ◆ Appropriate staffing profile both for procurement staff and other functions that are necessary for and support the procurement activity.
- ◆ How organizations handle the procurement cycle.
- ◆ How the procurement personnel function and procurement operations are budgeted.
- ◆ IT infrastructure and the required skills.
- ◆ How the HR function treats the procurement function.
- ◆ Improvement of work process via tooling and re-tooling.
- ◆ The establishment of management and incentive systems.

National Institutions and Policies

- ◆ Sound framework for procurement at the national level supported by appropriate policies, clear assignment of accountabilities, checks and balances, transparency, etc.
- ◆ PPDA to have adequate capacity.
- ◆ Place of PPDA in government, acting independently and free from political interference.
- ◆ Ministries of Public Service and Education and sports viz-a-vis the national procurement policy.

Other Stakeholders

- ◆ The business community i.e. capacity of local providers to compete nationally and internationally.
- ◆ The civil society i.e. making them fully aware of the existing law, Regulations, policies and procedures and what rights they have.

Capacity Building Techniques

- ◆ Ensuring that the needs of all stakeholders are addressed in an integrated manner.
- ◆ Prioritizing which components of the system need to be improved first, a sequence for how to address the rest and a realistic schedule for accomplishing this.
- ◆ Ensuring that change is managed properly.
- ◆ Ensuring that implementation takes place at the appropriate time, progress is carefully managed, monitored and reported so that all stakeholders are made aware of whatever is happening and any problems are rectified immediately they are identified.

Key Components of Capacity Building

- ◆ Training – both short and long term and including TOT.
- ◆ Capacity Building Needs Assessment.
- ◆ Development of Local Training Institutions.
- ◆ Development and refinement of training modules/materials and user guides.

- ◆ Providing quality assurance to Local Governments and post primary procurement capacity building initiatives.
- ◆ Provision of line support to the PDEs.
- ◆ Development of databases and a certification system.
- ◆ Setting up and management of a documentation Centre.
- ◆ Development of the professional procurement curriculum.
- ◆ Retooling.

Training Policy of PPDA

Training will:

- ◆ Be based on both supply and demand driven and in a planned manner.
- ◆ Meet agreed individual, institutional and organizational performance needs.
- ◆ Focus more on job performance rather than qualifications.
- ◆ Focus on practice, performance and competence rather than theory.
- ◆ Be provided to teams of people to achieve a critical mass that can support the application of learning at the work place.
- ◆ Be monitored and evaluated.

Professionalisation of procurement

- ◆ Targeting Training institutions providing long-term training including universities and professional bodies.
- ◆ Coordinating, with the international community, to set up and enhance cooperation in twinning programs that can ensure sustainable teaching of procurement at different levels of certificate, diploma, degree and professional, for tertiary institutions.
- ◆ Transfer of knowledge in training skills on relevant procurement competencies in line with International qualification standards.
- ◆ Development of curriculum for training courses in procurement.

Professional Development Committee

The object of this committee is to create an influential, sustainable forum whereby the professional, academic, practical and ethical aspects of procurement can be recognized, addressed and promoted, in the interests of the public and private sectors, thus impacting positively on the international reputation of Uganda.

Developing the Private Sector

- ◆ The private sector is one of the major stakeholders in public procurement.
- ◆ The PPDA will undertake a survey of private sector needs with regard to the new procurement system prior to planning appropriate interventions.
- ◆ The PPDA will pay serious attention to the capacity building of local providers to ensure they can compete both nationally and internationally.
- ◆ Periodic awareness campaigns will be conducted to make sure providers know the law, regulations and policies in effect, rights and obligations under them, including how complaints and disputes are handled.

Collaboration with the private sector

This will be in the following areas:

- ◆ Capacity Building Needs Assessment.
- ◆ Identification of persons to benefit from capacity building.
- ◆ Preparation of the user guides.
- ◆ Conducting training and offering line support.

Monitoring and Evaluation

Monitoring and Evaluation is an integral part of the strategy, which will help track changes from the baseline conditions to the desired outcome and tell to what extent the strategy objectives are being achieved. Evaluation will be done at pre-determined intervals.

The key ingredients of the M&E mechanism are:

- ◆ Documentation of the M&E findings clearly indicating the lessons learnt.
- ◆ Communication of the M&E findings to stakeholders for their information and action.

- ◆ Implementation and follow up of the recommendations arising out of the M&E findings.

Management of the Capacity Building Strategy

The Capacity Building Steering Committee

This will be a policy-making organ in the management of the capacity building strategy

Functions of the committee will be:

- ◆ Planning and coordinating activities.
- ◆ Reviewing the strategy.
- ◆ Identifying funding.
- ◆ Monitoring and evaluating the implementation process.

The Strategy Implementation Plan

The Strategy plan will be implemented through the use of:

- ◆ Pre-qualified Training and Capacity Building Providers.
- ◆ The Public Procurement and Disposal of Public Assets Authority.
- ◆ Technical assistance, as and when required.

Funding of the Strategy

The Capacity Building Strategy will be financed from two principal sources:

- ◆ Government of Uganda.
- ◆ Development Partners.

Conclusion

- ◆ The Strategy sets out the direction that the Authority will take to fulfill its mandate of building sustainable capacity in procurement and ensure continuous improvement and development as part of economic development of the country.
- ◆ This document is not static and it will continuously be reviewed and refined to make it more amenable to new issues and the realization of the Authority's mission.

- ◆ Capacity building is a continuous process. Efforts to build capacity in the PPDA and all PDEs, train and educate the public and private sectors, will continue to be the major focus of this strategy.

1.5 COMPLIANCE AND REVIEW MECHANISMS IN PUBLIC PROCUREMENT

Mr. Julius Mulera, Director, Procurement Audit, Inspection and Investigations, PPDA

Historical background

Reforms in public procurement

- ◆ Enactment of Public Procurement and Disposal of Public Assets–Act 2003, Regulations and guidelines.
- ◆ Establishment of the PPDA, an autonomous regulatory body.
- ◆ Decentralization of Public procurement.
- ◆ Designation of Procuring and Disposing entities including Central Government Ministries, Local Governments and Statutory bodies.

Procurement reforms

- ◆ To promote economy and efficiency in procurement.
- ◆ To ensure public procurement is conducted in a fair, transparent and non-discriminatory manner.
- ◆ To contribute towards the creation of a sound business climate in Uganda.

Principles of Public Procurement

- ◆ Non-discrimination.
- ◆ Transparency.
- ◆ Accountability.
- ◆ Competition.
- ◆ Confidentiality.
- ◆ Economy and Efficiency.
- ◆ Right to Appeal.

Key Compliance Issues

Procuring and Disposing Entity

- ◆ an Accounting Officer – who has the overall responsibility for the execution of the procurement and disposal process in the PDEs.
- ◆ a Contracts Committee.
- ◆ an Evaluation Committee.
- ◆ a Procurement and Disposal unit staffed at an appropriate level.
- ◆ a User Department.
- ◆ (a negotiation team).

Legal requirements

It is important to note that public procurement is rules bound. In case of deviation from the set rules permission must be sought from PPDA.

The Act:

- ◆ Came into Force on 21 February 2003.
- ◆ 99 sections – 5 Schedules.
- ◆ Covers both Central and Local Governments.

Applies to:

- ◆ All public finances.
- ◆ All Resources such as: Counterpart transfers and co-financing.
- ◆ Non-governmental entities, which benefits from public funds.

The Regulations:

- ◆ Explains the intentions behind the Act.
- ◆ 351 Regulations + 10 Schedules (Forms etc).

The law specifically requires the entities to ensure the following;

- ◆ Accounting officer.
- ◆ Contracts Committee.

- ◆ Procurement and Disposal Unit.
- ◆ Evaluation Committee.
- ◆ User Department.

The intention hereof is to ensure transparency and avoid conflict of interest.

Procurement and Disposal Planning (Section 58):

The procuring and disposing entity is required to plan its procurement and disposal in a rational manner and in particular shall:

- ◆ Avoid emergency procurement and disposal.
- ◆ Aggregate its requirements so as to obtain value for money and reduce procurement costs.
- ◆ Use framework contracts where appropriate.
- ◆ Avoid splitting of procurements.

Compliance Assessment

Objectives of the Authority, (sec.6):

Two of the of the objectives of the Authority are:

- ◆ Setting standards for the public procurement and disposal systems in Uganda.
- ◆ Monitoring compliance of PDE's.

Functions of the Authority, (sec.7):

- ◆ Monitor and report on the performance of the public procurement systems in Uganda and advise on desirable changes.
- ◆ Prepare and update and issue authorised versions of standardised bidding documents and forms.
- ◆ Ensure that any deviations from the use of SBD's is effected only after prior, written approval by the Authority.
- ◆ Issue guidelines.
- ◆ Conduct periodic inspections.

Record keeping (Sec. 41 and 56)

- ◆ The PDEs have a duty to keep records for a period of seven years from the date of award of a contract or disposal. Records are necessary for inspection by the Authority.
- ◆ Use standard forms issued by the Authority to capture details of all the disposal and procurement process unless authorized otherwise.

Records:

- ◆ Procurements Records
 - maintained by the Procurement and Disposal Unit.
- ◆ Contract Management Records
 - maintained by User Department.
- ◆ Negotiable documents and other financial instruments deposited in a secure place

Reporting Requirements (Reg. 41)

PDEs are supposed to report to the PPDA monthly, by 15th of the following month using:

- ◆ Form 200 –reports on all procurements.
- ◆ Form 201 – reports on disposals.
- ◆ Form 202- monthly report on micro procurements.

Compliance check-list:

- ◆ Procurement & Disposal Unit?
- ◆ Contracts Committee?
- ◆ Relevant forms?
- ◆ SBD's?
- ◆ Procurement Office?
- ◆ Procurement files?
- ◆ Reference numbers?

- ◆ Procurement plans/Master plan?
- ◆ Micro –procurements- record?
- ◆ Monthly reports?
- ◆ Delegation – in writing?
- ◆ A copy of the Act/Regulations?
- ◆ Providers' list?
- ◆ Methods vs thresholds?
- ◆ Notice board?

Compliance measures

- ◆ Suspension of providers Section 94 Regulation 351.
- ◆ Replacement of the head of the Procurement Unit.
- ◆ Disciplining of the Accounting Officer.
- ◆ Transfer of all Procurement to a third party provider Section 95 (3).
- ◆ The law also creates offences and penalties. For failure to answer summons, produce books, influence peddling e.tc. Section 95 (1).

Administrative Review

- ◆ The law establishes a clear complaints mechanism aimed at ensuring quick and easy resolution of complaints arising from any breach of the Act, Regulations, guidelines, bidding documents and best practices.
- ◆ Complaints are referred to the Accounting officer or the Authority as provided for in the Act and regulations. Section VII of the Act Regulation 346 and Regulation 347.
- ◆ The Law sets time limits within which to address the complaints. Regulation 344.
- ◆ Complaint by bidder must first be submitted in writing to the AO within 15 working days.
- ◆ Decision by AO to be made within 15 days.
- ◆ AO may suspend the procurement.

- ◆ A bidder may appeal to the Authority if:
 - The AO fails to take a decision within 15 days.
 - The bidder is dissatisfied with the decision (*within 10 days*).

- ◆ Action by the Authority.

- ◆ Notify the respective PDE.

- ◆ Suspend the procurement indefinitely.

- ◆ Notify all interested bidders.

- ◆ May cancel the whole or part of the process.

- ◆ Issue decision within 21 working days.

- ◆ The Authority conducts regular compliance assessment of the PDEs to ensure full and correct application of the law and offer line support where necessary. (*The Authority will soon carry out a compliance assessment of all PDEs.*)

1.6 BENCHMARKS AND EVALUATION OF THE PROCUREMENT SYSTEM

Mr. Harman Idema, First Secretary, The Royal Netherlands Embassy.

1. Introduction

- Need to increase effectiveness of the reviews (and more effectiveness in monitoring the reforms).
- Existing instrument: Performance Monitoring System for procurement (WB-design).
- Institutional set up.
- Progress in benchmarks guide us in identifying priority actions/undertakings.
- Proposal for undertakings for the next review.

2. A performance monitoring system for the procurement sector in Uganda

Objectives of performance monitoring system

- To indicate the standard of a country's existing public procurement system against an agreed baseline of benchmarks.
- To provide a method to measure actual progress and achievements over time.
- To create an organization for the joint and agreed assessment of progress in the procurement reforms.
- To help set priorities for reform actions in the area of public procurement and to monitor progress against the objectives set.
- To provide supporters of reform with clear arguments for change, to focus political attention and mobilize commitment.

Pillars

1. Legislative and regulatory framework.
2. Institutional framework and capacity.
3. Procurement practice.
4. Integrity, compliance and audit.

Indicators

Pillar 1 Legislative and regulatory framework

- Standard of the Public Procurement Law
 Benchmarks a.o.:
 - ✓ Scope and application.
 - ✓ Advertising rules and time limits.
 - ✓ Complaint review procedures.
 - ✓ Submission receipt and opening of tenders.

- Supporting Regulations
 Benchmarks a.o.:
 - ✓ Scope of regulations.
 - ✓ Regulations on evaluation of tenders and award of contracts.
 - ✓ User guides for procurement entities.
 - ✓ General conditions for contract.

Pillar 2 Institutional framework and capacity

- Procurement Authority
 Benchmarks a.o.:
 - ✓ Status and legal basis for establishment of PPDA.
 - ✓ Coverage of PPDA.
 - ✓ Organization and staffing of PPDA.
 - ✓ Organizational clarity of PPDA.
 - ✓ Competence of PPDA staff.

- Procurement entities (central, local to be included)
 Benchmarks a.o.:
 - ✓ Number of positions created.
 - ✓ Number of positions adequately staffed.

- ✓ Availability of 'hardware' to fulfill the tasks.
- ✓ Organizational clarity of the procurement secretariats.
- ✓ Contracts Committees created in line with the law.
- Institutional Development Capacity
Benchmarks a.o.:
 - ✓ National training and information systems.
 - ✓ Use of international technical and quality standards.
 - ✓ Technical and institutional development.
 - ✓ Level of procurement competence (number of courses e.t.c.

Pillar 3 Procurement Practice

- Procurement Operations and Practice
Benchmarks a.o.:
 - ✓ Availability and implementation of procurement plans.
 - ✓ Contracts awarded without bids.
 - ✓ Contracts awarded without bid evaluations based on predetermined evaluation criteria.
 - ✓ Number of staff disciplined or sanctioned in connection with procurement.
 - ✓ Time required for processing national competitive tender.
 - ✓ Costs of 4WD vehicle, stationery

Pillar 4 Integrity of the procurement system: compliance and audit

- Control and Audit
Benchmarks a.o.:
 - ✓ Volume and number of procurements covered by audits.
 - ✓ % of 'clean' audits.
 - ✓ Follow up on audits.
 - ✓ Linkages procurement audits and financial audits OAG.

- Compliance Review System.
Benchmarks a.o.:
 - ✓ Availability of complaint review system.
 - ✓ Degree of compliance with international standards.
 - ✓ Complaint Data: appealed contracts, successfully appealed contracts, complaints filed with PPDA, IGG or CID, nature of complaints, corrective measures e.t.c.
- Ethics in Procurement
Benchmarks a.o.:
 - ✓ Legal basis for dealing with procurement fraud.
 - ✓ Special measures by government to prevent, detect, investigate and sanction procurement fraud.
 - ✓ Active stand private sector.
 - ✓ TI-index.

Remarks

- Some benchmarks may stay, some may go over time.
- Some benchmarks are 'hard' (easy to measure).
- Balance: enough coverage vs overload of benchmarks.
- Derive priority actions (undertakings) from benchmarks to steer processes.
- Who 'owns' the model and who measures (for whom)?
- What's missing: private sector/market performance!

3. The institutional set up for performance monitoring of the procurement sector in Uganda

Policy Framework

1. Country Procurement Assessment Report (2004).
2. Four-year implementation Plan.

PPDA

1. Annual Business Plan and Annual Report.
2. Annual Budget and Annual accounts/audit report.
3. Strategic Plans for divisions (audit and Investigations, Training and Capacity Building, Legal and Compliance).

Reviews

1. Two reviews per year.
2. Review of progress based on undertakings/benchmarks based on the PMS.
3. Benchmarks linked to PRSC and implementation plan.
4. At the end of review agreed undertakings/adapted benchmarks for next review.
5. Satisfactory outcome review basis for releases (bilateral donors).
6. Reports (on benchmarks and financial) prepared twice a year in preparation of review.

Reports

1. Reports/Plans for all activities of reform, both on-budget and off-budget.
2. As far as possible, one reporting mechanism for both on- and off-budget funding (donors and government harmonize reporting).

Proposal for the undertakings for next review (October 2004)

Local Government:

- In put on the draft Local Government (Procurement and Disposal) Regulations.

Capacity Building:

- Implementation plan of the Capacity Building Strategy.
- First progress report on implementation of capacity building strategy.
- Inclusion of providers on the Professional Development Committee.
- PPDA staff trained in all the 7 modules of public procurement.

Compliance and Review Mechanisms:

- Auditing strategy.
- Complaints data gathered for the period April-September 2004.
- 20% of 8 central government entities covered by audits.

Reporting:

- PPDA Annual Report 2003/04.
- 4 Year implementation plan based on CPAR 2004 approved.
- PPDA Business Plan 2004/05.
- Performance monitoring model implemented; results first (baseline) assessment to be discussed at review plus targets for next review agreed upon.
- Aide-Memoire agreed upon among stakeholders.

1.7 ETHICS AND INTEGRITY ISSUES IN PUBLIC PROCUREMENT

Mr. Ashaba-Ahebwa, Director, Directorate of Ethics and Integrity

Introduction

Purpose of ethics in Public Procurement

To ensure that decisions made are neither tainted nor appear to be tainted by conflict of interest.

Context

All public officials hold positions in public trust and are expected to show loyalty to the Constitution, other relevant laws and specific ethical standards set.

Background

- ◆ Corruption is global, with a rising problem of falling ethical standards among the public officers.
- ◆ Both elected and appointed public officials are engaging in unethical and inappropriate acts incompatible with what is expected of them.

Result: Systemic corruption and abuse of public trust.

What corruption is:

- ◆ Use of public power for private gain.
- ◆ A breach of public trust.
- ◆ A shift from to serving the people so serving personal interests.

Types of Corruption

- ◆ Petty corruption.
- ◆ Grand corruption.

Forms

- ◆ Embezzlement.
- ◆ Air supply.
- ◆ Nepotism.

- ◆ Over invoicing.
- ◆ Bribery.

Causes of Corruption

- ◆ Political Instability.
- ◆ Shortages and monopoly.
- ◆ Weak administrative controls.
- ◆ Complex and cumbersome bureaucracy.
- ◆ Personal greed/ambition.
- ◆ Peer/Family pressure.

Effects of Corruption

- ◆ Impairs political and economic development.
- ◆ Undermines the legitimacy of the process.
- ◆ Leads to economic waste and inefficiency.
- ◆ Generates administrative inefficiency and ineffectiveness.
- ◆ Generates patronage and nepotism.
- ◆ Recruitment of inept and incompetent individuals.
- ◆ Leads to frustration of professionally competent and the honest officer.
- ◆ Subverts trust.

Costs of Corruption

- ◆ Privatization costs.
- ◆ Corruption has political costs also.
- ◆ Costs to the financial sector.
- ◆ Costs on revenue generation.
- ◆ Utility costs.

- ◆ Costs due to lack of information.
- ◆ Costs on the administration of justice.

Main reasons for corruption

- ◆ Monopoly of power.
- ◆ A lot of discretion.
- ◆ Weak or absent mechanisms for control and accountability.

Result: Corruption *equals* power *plus* opportunity *minus* accountability.

Usual Responses to corruption

- ◆ Limit the power of public officials through decentralization.
- ◆ Control official discretion using more stringent rules and regulations.
- ◆ Institute more oversight agencies e.g. PPDA.
- ◆ Institute good governance.

Good Governance

The exercise of political administration and managerial authority and order, which is legitimate, accountable, transparent, democratic, efficient and equitable in allocating and using resources to promote human welfare and positive change of society.

Good governance also includes being liable to be called upon to account for one's actions or failure to act.

Why Good Governance

To prevent conflicts of interest and abuse of public power.

Features of Good Governance

- ◆ Open communication about public plans, strategies and how public resources are being used.
- ◆ Listening to others and respecting their views.
- ◆ Team work and team decision making.
- ◆ Transparency on public policy, functions and activities.

- ◆ Having a code of values, i.e. generally accepted set of principles of life and service, which promote common goods of all in public life.

Principles of Good Governance

- ◆ Public office holders must act with honesty and uphold the highest ethical standards.
- ◆ They must act with public confidence and trust.
- ◆ They must have integrity, objectivity and impartiality when making policy/decisions.
- ◆ Public office holders have an obligation to perform their official duties openly. They must also arrange their private affairs in a manner that will allow public checking.
- ◆ Public office holders, in fulfilling their official duties and responsibilities, shall make decisions in the public interest. Each case they decide on must be treated on its own merit.
- ◆ Public office holders shall arrange their private affairs in a manner that will prevent conflict with the public affairs. When such a conflict between public and their personal interest arises the matter shall be resolved in favor of the public interest.

Principles for Public Life

- ◆ Selflessness.
- ◆ Objectivity.
- ◆ Accountability.
- ◆ Openness.
- ◆ Honesty.
- ◆ Clean leadership.
- ◆ Ethical values.
- ◆ Importance of ethical values.
- ◆ Integrity.

Why people lack integrity

- ◆ Poor up bringing, coupled with lack of moral fibre and moral values in society.
- ◆ Greed and culture of get-rich quick.
- ◆ Poor remuneration of public servants.
- ◆ Weak law enforcement system.
- ◆ Poverty.

ANNEXES

ANNEX A: Programme for the Procurement Sector Review

TIME	ACTIVITY	BY
8:30 – 9:00 a.m.	Registration	PPDA Staff
9:00 – 9:20 a.m.	Opening Remarks	Mr. Edgar Agaba, Ag. Executive Director, PPDA
9:20 – 9:40 a.m.	Local Government Practices: Main Issues and the Way Forward	Ms. Grace Adong Choda, Principal Research Officer, Ministry of Local Government
9:40 – 10:00 a.m.	Corruption in Public Procurement: The Case of Local Governments	Mr. Silver Kangaho Director, Operations, IGG's Office
10:00 – 10:40 a.m.	Discussions	Chairperson: Eng. Godfrey Zaribwende
10:40 – 11:00 a.m.	COFFEE/TEA BREAK	
11:00 – 11:20 a.m.	Capacity Building Project	Mr. Milton Tumutegyereize, Director, Training and Capacity Building, PPDA
11:20 – 12:00 noon	Discussions	
12:00 – 12:20 p.m.	Compliance and Review Mechanisms in Public Procurement	Mr. Julius Mulera, Director, Procurement Audit, Inspection and Investigations, PPDA
12:20 – 1:00 p.m.	Discussions	Chairperson: Eng. Samson Bagonza
1:00 – 2:00 p.m.	LUNCH	
2:00 – 2:20 p.m.	Benchmarks and Evaluation of the Procurement System	Mr. Harman Idema, First Secretary, The Royal Netherlands Embassy
2:20 – 3:00 p.m.	Discussions	
3:00 – 3:30 p.m.	COFFEE/TEA BREAK	
3:30 – 3:50 p.m.	Ethics and Integrity Issues in Public Procurement	Mr. Ashaba-Ahebwa Director, Directorate of Ethics and Integrity
3:50 – 4:30 p.m.	Discussions	
4:30 – 5:00 p.m.	Closing Remarks: Major findings, Recommendations and Way Forward	Chairperson:
6:00 – 8:00 p.m.	Cocktail	

ANNEX B: Register of Participants and Contact Details

NO	NAME	NAME OF ORGANIZATION	DESIGNATION	TELEPHONE CONTACT/EMAIL
1.	Mr. James Kahoza	PPDA	Chairman, Board of Directors	
2.	Mr. Anthony Okwenye	PPDA	Board Member	234772
3.	Mr. Joseph Mukasa	PPDA	Board Member	077451685
4.	Mr. J.B.O. Wabwire	PPDA	Board Member	077 569908
5.	Mr. Y.B.K. Mpagi	PPDA	Board Member	077840333
6.	Ms. Sarah Lubega	PPDA	Board Member	077664492
7.	Mr. Harman Idema	Netherlands	Head of Finance	077 611776
8.	Mr. Rogati Kayani	World Bank	Lead Procurement Specialist	077 799809
9.	Mr. Don Rukare	Embassy of Ireland	Governance/Legal Advisor	077 744500
10.	Mr. Oluk Charles	Ministry of Tourism Trade And Industry	Procurement Officer	077429046
11.	Mr. Ahabwe S. B	Ministry of Agriculture, Animal Industry and Fisheries	Principal Procurement Officer	077388383
12.	Ms. F. P. Akello	National Agricultural Advisory Services	PSO	077461547
13.	Mr. J. B. Odongo	Ministry of Foreign Affairs	Procurement Officer	077454929
14.	Ms. Grace Choda	Ministry of Local Government	Principal Research Officer	077691478
15.	Eng. G.B. Zaribwende	UNABCEC	Chairman	077755011
16.	Mr. Alex Kakooza	Ministry of Defence	Principal Assistant Secretary/L	356593
17.	Mr. Lukwago Daniel	Uganda Debt Network	Policy Officer	dlukwago@udn.or.ug
18.	Mr. John M. Agaba	Ministry of Education and Sports	AC/GSE	077869780
19.	Mr. Balaam Nabuyaka	Ministry of Gender, Labour & Social Development	Senior Procurement Officer	077516400
20.	Mr. John Genda Walala	Uganda Revenue Authority	Ag. Commissioner, Finance	077935884
21.	Mr. Sebastian Ochieng	Urban Authorities Association Uganda	Secretary General	077448858
22.	Mrs. Adah K. Muwanga	Ministry of Public Service	Commissioner/HRD	077419959

23.	Eng. Samson Bagonza	Ministry of Works, Housing and Communications	Engineer-in Chief /Chairman Contracts Committee	077483712
24.	Mr. Deo Aeloi	Ministry of Works, Housing and Communications	Principal Procurement Officer	071861319
25.	Arch. James Esau Okema	Associated Procurement Consultants Ltd	Managing Director	077416306 okema@mbw.co.ug
26.	Ms. Caroline Healey	Crown Agents	Managing Director	077755706 Caroline.Healey@Crownagentsug.Com
27.	Mr. Kyaligonza Isaac	Ministry of Energy and Mineral Development	Head/Procurement & Disposal Unit	077653356
28.	Mr. Navine Karim	International Law Institute	Director	041347523 navine@ili.or.ug
29.	Mr. Mukasa Joseph	Louis Berger Group	Managing Director	077504856
30.	Mr. Mukwaya Bernard	Uganda National Bureau of Standards	Procurement Officer	071405396
31.	Mr. James Kiyonga	International Procurement Consultants	Lead Consultant	077565815
32.	Ms. Gertrude R Gamwera	Uganda Local Authorities Association	Legal Officer	041347575
33.	Mr. D. Kabateraine	Ministry of Finance, Planning & Economic Development	Principal Finance Officer	077418541
34.	Mr. Lapyem Alfred	Ministry of Public Service	Senior Procurement Officer	077695919
35.	Mr. Kiyingi David	Ministry of Education and Sports	Principal Procurement Officer	dkiyingi@education.go.ug
36.	Mr. Robert Mwesigwa	American Procurement Company Inc.	Managing Director	077200096
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39.	Ms. Harriet Karusigarira	UNDP	Programme Assistant	077 436347

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41.	Mr. Abraham Nkata	National Water and Sewerage Corporation	Manager Procurement	077 396032
42.	Ms. Lydia Babinaga	Crown Agents	Procurement Manager	077 200766
43.	Mr. Fred Luzinda Mukasa	Uganda Coffee Development Authority	Board Secretary	077 722684
44.	Ms. Jennifer Bitalabehe	Centre For Procurement Management	Executive Director	077 221177
45.	Mr. Robert Rwanga	Ministry of Works, Housing and Communications	Secretary, Contracts Committee	077 457605
46.	Mr. Ashaba Aheebwa	Directorate of Ethics	Ag. Secretary	041 257382
47.	Mr. Edgar Agaba	PPDA	Ag. Executive Director	230316
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63.	Ms. Agaba Charity	PPDA	Training Coordinator	077408599
64.	Ms. Tracy Mirembe	PPDA	Intern	077354986
65.	Mrs. Deborah K. Bamwesigye	PPDA	Assistant Administrative Officer	077657692

ANNEX C: Summary of Recommendations

LOCAL GOVERNMENT

- Promulgate the Local Government Procurement and Disposal Regulations
- Capacity building in the Local Governments
- Professionalise procurement in the Local Government
- Amendment of the Local Government Act

CAPACITY BUILDING

- Implementation plan of the Capacity Building Strategy
- Inclusion of providers on the Professional Development Committee
- Inclusion of other professions in the procurement cadre
- Increased private sector participation
- Central training of procurement officers
- To develop preference and reservation schemes in CPAR

COMPLIANCE AND REVIEW MECHANISMS

- Enforcement of Confidentiality
- Ensure independence of the various institutions in PDEs
- Compliance assessment of the local governments
- Auditing strategy

BENCHMARKS AND EVALUATION

- Local Government Procurement and Disposal Regulations distributed to Local Governments
- Trained PPDA Staff
- Procurement Audits
- PPDA Annual Report (2003/04)
- Report on Complaints

ETHICS IN PROCUREMENT

- Increased pay