



Public Procurement and Disposal of Public Assets Authority

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PPDA/4002

Our Ref:.....

Your Ref:.....

16th January 2015

To all Accounting Officers

**RE: GUIDANCE ON PROCURMENTS UNDER DONOR-FUNDED PROJECTS
(PROJECTS FUNDED BY DEVELOPMENT PARTNERS). CIRCULAR
NG.1/2015**

Reference is made to the above subject matter.

The Authority has received a number of requests from Entities with regard to guidance on which Procurement rules are applicable in cases of donor-funded projects. For the purpose of providing guidance to Procuring and Disposing Entities on the procurement procedures to be used in donor-funded projects, the Authority hereby issues this circular.

1. Section 2(1)(b) of the PPDA Act, 2003 provides that the Act shall apply to all public procurement and disposal activities and in particular shall apply to resources in the form of counterpart transfers or co-financing or any finances of a similar nature within the context of development co-operation agreements for the implementation of national programmes.
2. However, under section 4(1) PPDA Act, 2003 where the PPDA Act, conflicts with an obligation of the Republic of Uganda arising out of an agreement with one or more states, or with an international organization, the provisions of the agreement shall prevail over the Act.
3. Under Section 4A(1) of the PPDA Act, 2003 where a bilateral loan or negotiated grant contains a condition that the provider shall originate from the country of the donor, procurement of the provider shall be in accordance with the PPDA Act. The Procuring and Disposing Entity shall use the standard documents or forms issued by the Authority.

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except where it obtains the consent of the Authority to use documents or forms other than those provided by the Authority.

4. Where there is a conflict between the PPDA Act, 2003, Regulations made under the Act or Guidelines issued by the Authority and a condition imposed by the donor of the funds, under bi-lateral tied loans, the conditions of the donor shall prevail with respect to the procurement that uses the funds.
5. Any preference in favour of national and resident providers arising out of an agreement with one or more states or an international organization, shall clearly be stated in the bidding documents issued by the respective Procuring and Disposing Entity.
6. Such preference in favour of national and resident providers of the country of the donor should clearly be stated in the agreement with one or more states.
7. Complaints review (Administrative Review) shall be handled in accordance with the PPDA Act.
8. For avoidance of doubt, all Entities are by law required to obtain Solicitor General's approval of contracts above the threshold of UGX 200,000,000 prior to signing of the contract. This is emphasized in Regulation 7(1) (f) of the PPDA (Contracts) Regulations, 2014.



Milton Tumutegyereize

For: EXECUTIVE DIRECTOR

- c.c: ✓ Permanent Secretary/Secretary to Treasury Ministry of Finance, Planning and Economic Development
- c.c: Solicitor General, Ministry of Justice and Constitutional Affairs
- c.c: Auditor General
- c.c: Inspector General of Government
- c.c: Chairpersons Contracts Committees
- c.c: Heads of Procurement and Disposal Units