



**THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC
ASSETS AUTHORITY**

THE FOURTH PROCUREMENT INTEGRITY SURVEY

JULY 2020

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ABBREVIATIONS AND ACRONYMS

ACCU	Anti-Corruption Coalition Uganda
BUBU	Buy Uganda Build Uganda
CCs	Contracts Committees
CG	Central Government
CSBAG	Civil Society Budget Advocacy Group
CSOs	Civil Society Organisations
DLGs	District Local Governments
DPP	Directorate of Public Prosecutions
ECs	Evaluation Committees
ED	Executive Director
GoU	Government of Uganda
ICT	Information and Communication Technology
IGG	Inspector General of Government
KII	Key Informant Interview
LPOs	Local Purchase Orders
LGs	Local Governments
MCs	Municipal Councils
MDAs	Ministries, Departments and Agencies
MOFPED	Ministry of Finance Planning and Economic Development
NDP	National Development Plan
NGOs	Non-Governmental Organisations
NPA	National Planning Authority
NPIS	National Procurement Integrity Survey
OECD	Organisation for Economic Co-operation and Development
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
PPDAAT	Public Procurement and Disposal of Public Assets Authority Appeals Tribunal
RFQ	Request for quotation
SMEs	Small and Medium Enterprises
TI	Transparency International
TOR	Terms of Reference
URA	Uganda Revenue Authority

DEFINITION OF CONCEPTS

Concept	Definition
Accounting Officer	The “in-charge” of a procuring and disposing entity, Local Government or a statutory body.
Award	A decision to determine the successful bidder consistent with the provisions under the Local Governments Act, 1997 and PPDA Act, 2003.
Bid	An offer to provide or to acquire works, services or supplies or any combination thereof, and shall include prequalification where applicable.
Citizens	The public/recipients of a service, good or work.
Contract	An agreement between a procuring and disposing entity and a provider in pursuance of a bid award decision of a Contracts Committee or any other appropriate authority.
Contracts committee	A team of individuals appointed by the authorised officer to oversee the procurement and disposal of assets on behalf of the procuring agency.
Corruption	The Inspectorate of Government Act, 2002 defines corruption as “abuse of public office for private gain and includes but is not limited to embezzlement, extortion, favouritism, bribery, nepotism, influence peddling, theft of public funds or assets, fraud, forgery, causing financial or property loss, fraud and false accounting in public affairs”.
Disposal	Divestiture of public assets, including intellectual and proprietary rights and goodwill, and any other rights of a procuring and disposing entity by any means, including the sale, rental, lease, franchise, auction, or any combination however classified other than those regulated by the Public Enterprise Reform and Divestiture Statute, 1993.
Domestic firm	Firms whose ownership is resident in Uganda.
Foreign firm	Firms whose ownership is resident outside Uganda.
Goods	Goods, raw materials, products, equipment or objects of any kind and description in solid, liquid or gaseous form, or in the form of electricity, or intellectual and proprietary rights as well as works or services incidental to the provision of those supplies where the value of the works or services does not exceed the value of the goods.

Concept	Definition
Guidelines	Directives issued by the Authority under section 97 of the PPDA Act.
List of providers	Provider registered by the Authority in accordance with the PPDA Act, 2003.
PPDA	The Public Procurement and Disposal of Public Assets Authority (PPDA) is a regulatory body in the public procurement and disposal sector in Uganda under PPDA Act No. 1 of 2003.
PPDAAT	The Public Procurement and Disposal of Public Assets Authority Appeals Tribunal (PPDAAT) is a dispute resolution body meant to handle cases that have escalated from administrative review.
Pre-Qualification	A screening process designed to ensure that invitations to bid are confined to capable providers.
Procurement	Acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination.
Procurement And Disposal Unit	A division in each procuring and disposing entity responsible for the execution of the procurement and disposal function.
Procurement Process	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.
Procuring and Disposing Entity	A statutory body, department of the central government, local government and any other body or unit established and mandated by the government to carry out public functions.
Provider	A natural person or an incorporated body including a consultant, contractor or supplier licensed by a competent authority to undertake business activities.
Public Funds	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 revenues generated by the procuring and disposing entities.
Services	The object of procurement or disposal other than works and supplies, and includes professional, non- professional and commercial types of services as well as supplies and works which are incidental to, but not exceeding the value of those services.

Concept	Definition
Specifications	Description of an object of procurement or disposal in accordance with national and international standards adopted and approved by the Authority, after consultation with the National Bureau of Standards, or other appropriate trade associations and professions, the use of which shall be mandatory in all bidding documents.
Stakeholders	Groups that formed the sample selection of the study.
Standards	Standards defined and codified by internationally recognised providers' associations and professional bodies in the respective fields and includes best practices.
Suppliers	Firms who bid and deliver a service, good or work.
Tender	Bid
User Department	Any department, division, branch or section of the procuring and disposing entity, including any project unit working under the authority of the procuring and disposing entity, which initiates procurement and disposal requirements and is the user of the requirements.
Works	Any work associated with the construction, reconstruction, demolition, repair, or renovation of a building or structure, on the surface or underground, on and underwater, and includes the preparation, excavation, erection, assembly, installation, testing and commissioning of any plant, equipment or materials, decoration and finishing, turnkey projects, build own and operate projects, build operate and transfer projects or any arrangement of this nature, or any other form of private and public partnerships or joint development activities, all or any of which may include management, maintenance, testing, commissioning and training; as well as supplies or services incidental to those works where the value of the incidental supplies or services does not exceed the value of the works.

EXECUTIVE SUMMARY

1. Background

Public procurement accounts for a significant proportion of the demand for goods and services and is increasingly considered as an attractive instrument for developing Uganda. However, public procurement is vulnerable to corruption. In this regard, the 2014 amendment of the 2003 Public Procurement and Disposal of Public Assets Authority (PPDA) Act aims at deepening PPDA's mandate by promoting the principle of the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposal standards and practices, amongst others. As part of its regular activities, PPDA seeks stakeholder perception on several issues including progress made in improving the procurement process in the country.

2. Objectives

The Government is seeking ways of mobilising financial resources to improve the delivery of public services as articulated in the National Development Plan so as to achieve the Vision 2040 and the Sustainable Development Goals (SDGs). While reforms to unlock resources by fighting corruption in the public procurement process are overlooked, it is important to provide insights on the on-going reforms and initiatives. In this context, a Fourth National Procurement Integrity Survey was conducted with the following objectives, (i). Whether stakeholders are aware of the reforms and initiatives, (ii). The extent to which procurement reforms and PPDA initiatives are being implemented, (iii). Whether the monitoring process is participatory, (iv). The influence of corruption on the public procurement process and (v). The extent to which there is competition in public procurement.

3. Methodology

The analysis is based on triangulation of information from desk reviews of past National Procurement Integrity Survey (NPIS) reports, PPDA annual reports, key informant interviews (KIIs) with key stakeholders and a descriptive analysis of the NPIS 2020 survey of Ministries, Departments and Agencies (MDAs), Local Governments (LGs), suppliers and citizens.

4. Results

Perception index on the existence of corruption in public procurement

The overall perception index about the existence of corruption in public procurement was 76.1 percent in this survey (4th integrity survey), up from 71.8 percent in the previous survey (3rd integrity survey). A rise in pessimism among MDAs, LGs and stakeholders drove the worsening of the perception across the two surveys.

Vulnerable points in the procurement cycle

Integrity risks occur in every stage of the procurement process, from the needs assessment over the bidding phase to the contract execution and payment phases. This calls for a holistic and integrated approach for risk mitigation and corruption prevention. Focusing integrity measures solely on one step in the process may increase risks in other stages. Similarly, addressing only one type of risk may give leeway to integrity violations through other mechanisms. While there are many risks at every stage of the procurement cycle, most of the MDAs and LGs (54 percent) and suppliers (43 percent) responded that the procurement cycle is most vulnerable at the evaluation stages.

Competition between small and big, and foreign and domestic firms in public procurement

The purpose of adopting a fair and equitable procurement practice is to retain trust among both clients and suppliers. This ensures that the rules and guidelines are followed to find the best supplier, which also ensures value for money. Ensuring a level playing field for potential suppliers to gain access to government contracts remains a major hurdle especially when it comes to the Small and Medium Enterprises (SMEs) competing with large firms, and foreign firms competing with domestic companies.

There was consensus among MDAs, LGs and suppliers, about 93 percent by each group, that big firms have an advantage over other firms. Therefore, the results suggest that big firms are more likely to have an advantage in public procurement compared to the small/medium firms. The survey also intended to establish whether the ground for participating in public procurement is levelled for both local and foreign firms. Results suggest that 47 percent of MDAs and LGs were of the view that the ground is somewhat levelled, 19 percent highly levelled and 34 percent not levelled.

Awareness of reforms and initiatives

Respondents were asked whether they were aware of the 2014 amendment of the 2003 PPDA Act. The results show that 99 percent of the MDAs and LGs respondents are aware of the reforms and initiatives. A significant percentage of suppliers, about 61 percent, were aware of the reforms

and initiatives. This information suggests that MDAs and LGs are more aware of the reforms and initiatives than suppliers.

The lack of awareness by some suppliers may explain why respondents made proposals for legal reforms of elements that are already provided for in the PPDA Act. For example, some suppliers proposed that Accounting Officers (AOs) should be empowered to appoint an advisory committee or delegate their authority to subordinates to manage procurement. However, a reference to the Act revealed that the law already permits the AO to delegate the Procurement or disposal function of the Procuring and Disposing Entity (PDE) to a sub-division of that entity, another PDE or third party Procurement Agency. There was also a proposal for a clear definition of what constitutes local content. Yet, the parameters and thresholds are well defined in the Act.

Effectiveness of reforms and initiatives

In the fight against corruption, it is important to evaluate the experiences and processes to determine whether the reforms and initiatives put in place are enhancing transparency and accountability and whether they are supported by most stakeholders. In this case, the survey sought to establish the extent to which the Act was perceived to be effectively enhancing the business environment, improving the behaviour of public officials, improving the procurement process and facilitating service delivery. The results suggest:

- i) More than 40 percent of MDAs, LGs and suppliers felt that the reforms have moderately **improved the business environment**. This suggests that there is scope for improvement of accountability and transparency in the public procurement systems to catalyse private sector development, by opening access to business opportunities, improving the business and investment environment, enhancing competition and promoting economic growth;
- ii) More than 50 percent of MDAs and LGs felt that public officials have become less corrupt owing to the reforms. This suggests that the reforms have **enhanced value for money** and accountability for public resources. However, more than 50 percent of suppliers believe that the corrupt behaviour of public officials has not changed, which requires deepening of reforms;
- iii) Less than 35 percent of suppliers perceive that the reforms have improved competitiveness and accountability. Nevertheless, close to 49 percent of suppliers perceive that the reforms have enhanced transparency;
- iv) More than 70 percent of MDAs and LGs perceive that the reforms have **improved**

service delivery. However, a significantly large proportion of suppliers (40 percent) perceive that service delivery has remained the same, despite reforms; and in regard to initiatives:

- v) Close to 35 percent of MDAs and LGs were of the opinion that the initiatives **promoted local content sourcing** and the principle of BUBU highly. Concerning suppliers, close to 50 percent were of the opinion that PPDA's initiatives were moderately in favour of local content and BUBU policies;
- vi) Nearly 69 percent of suppliers are of the opinion that PPDA's initiatives have **promoted competition** moderately. This speaks to the need to address vulnerabilities to anti-competitive and corrupt practices to minimise the resultant harm; and
- vii) More than 73 percent of MDAs and LGs and suppliers are of the opinion that the initiatives have moderately improved the image of PPDA, which suggests that there is a need for **more engagement between PPDA and other stakeholders.**

Challenges of procurement reforms

The complete and successful implementation of reforms is not straightforward and it is fraught with challenges. In this case, the survey sought to understand the main challenges to achieving the objectives of the procurement sector:

- i) The **absence of negotiations between PDEs and bidders** prohibit bidders from explaining specifications and elongates the lead-time, hence making the entire process unnecessarily costly;
- ii) **Contract committees (CCs) help in strengthening internal capacity** by preventing outsourcing of capacity, which is normally internally available. However, this policy presents a challenge of conflict of interest;
- iii) There is **scope for sensitisation on the ethical code of conduct and strictures**, such as penalties for not disclosing a conflict of interest as a form of deterrence;
- iv) There is redundant capacity of **force account** equipment in some LGs

5. Conclusion

Several significant initiatives, interventions and reforms have taken place in the public procurement arena. The most significant reform is the 2014 amendment of the 2003 PPDA Act. This report follows-up on the broad activities geared towards deepening procurement principles of fairness, competition, transparency and non-discrimination.

This report concludes that the overall perception index about the existence of corruption in public procurement has worsened. The survey also reveals that MDAs and LGs are more knowledgeable about PPDA's reforms and initiatives than suppliers. The broad results suggest that the reforms are effective. However, there are still many challenges in the implementation of procurement reforms.

6. Policy Recommendations

These recommendations are in response to key findings and emerging issues. The presentation apportions centres of responsibility starting with PPDA, then MDAs, LGs, MOFPED and ends with the general government.

- i. A further review of the 2003 PPDA Act is required to remove the redundancy and overlaps which exist in the current legal framework;
- ii. Public procurement should be scaled up from manual to e-procurement (electronic system);
- iii. PPDA should engage suppliers and citizens through training courses and capacity building initiatives. Capacity building should focus on strengthening the knowledge base of local firms and enterprises on public procurement processes;
- iv. PPDA should invest in awareness campaigns, to sensitize the masses about its mandate and increase its visibility
- v. Implement stringent measure to punish errant suppliers to promote transparency and fair play. One or a combination of fines, suspension, repay/refund and jail sentence would act as a deterrent;
- vi. LGs need to audit and supervise the disposal of small assets to curtail flouting of rules;
- vii. LGs should implement the Force Account mechanism better by building capacity to fully utilize the mechanism;
- viii. The IGG, DPP and Police should be empowered to conduct proper investigations before prosecution. This will enable the quick and logical conclusion of cases. This calls for improved resourcing of the above constitutional office; and
- ix. There is a need to deepen reforms that enhance the ability of domestic and small firms to compete.

1. INTRODUCTION

1.1 Background

Public procurement accounts for more than 50 percent of Uganda's national budget (PPDA, 2016). It is increasingly considered as an attractive instrument for developing Uganda. Accordingly, the Public Procurement and Disposal of Public Assets Authority's (PPDA) strategic role is 'pivotal to public trust in Government and is a barometer for the quality of public administration, making it a priority target for strengthening in Government. Public procurement is the process through which governments buy goods, services and works. It is at the core of delivering public services. Sound public procurement systems are likely to reduce costs, ensure quality and produce timely results. Failure to have such systems in place is likely to promote poor practices (such as corruptive tendencies) leading to delays, missed service delivery and a waste of public money.

World over, public procurement is highly vulnerable to corruption, which is driven by the size of public procurement and asymmetry of information amongst competing suppliers (Ferwerda *et al.* 2017). Additionally, incentives exist for suppliers to bribe government officials to either disadvantage their competitors or to make extraordinary profits (*ibid*). The latter situations would lead to the taxpayers receiving a lower value for money. In Uganda, the corruption perception index increased to 71.8 percent in 2015 from 69.8 percent in 2009 (PPDA 2016). The same study, also reported that nearly six out of ten bidders had ever gratified public officials to influence the winning of tenders. In addition, bid receipts/opening, evaluation of bids and contract award persist to be perceived as the stages most susceptible to corruption and therefore require more oversight to limit such opportunities. Corruption at the evaluation stage leads to numerous complaints that further delay service delivery while corruption in contract management leads to unjustified cost variations, shoddy work, and failure to supply.¹

Nevertheless, countries can do more to prevent mismanagement, fraud and corruption in public procurement. Some countries, especially under the Organisation for Economic Co-operation

1. Statement by the Ag. Executive Director, PPDA at the launch of the anti-corruption week in Uganda – 28th November 2017.
<https://www.ppda.go.ug/anti-corruption/>

and Development (OECD) membership, have demonstrated their commitment to enhance integrity in the entire public procurement cycle (OECD 2009). The OECD takes a holistic view by addressing various risks to integrity, from needs assessment, through the award stage, contract management and up to the final payment. Procedures that enhance transparency, good management, prevention of misconduct, accountability and control contribute to preventing the wastage of public resources and corrupt practices. Efforts to enhance good governance and integrity in public procurement are fully part of the efficient and effective management of public resources. Given that public procurement is a crucial tool for efficiency in public resource management, public authorities must obey the principle of good governance and ensure transparency, accountability and integrity in the procurement process.

In Uganda, there have been several efforts to combat corruption in public procurement with varied success. These efforts include the establishment of anti-corruption agencies, strengthening of the government prosecutorial capacity, policing capabilities and citizen awareness. Below is a snapshot of the most significant reforms and initiatives in the procurement process:

Formation of the Public Procurement and Disposal of Public Assets Authority (PPDA): The authority regulates public procurement. Broadly, the PPDA's mandate is to (a) Deepen the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposal standards and practices; (b) Harmonise procurement and disposal policies, systems and practices; (c) Set standards for public procurement; (d) Monitor compliance of procurement and disposing entities; and (e) Build procurement and disposal capacity.

In fulfilling this mandate and in collaboration with other stakeholders, the PPDA has conducted three (3) national public procurement surveys to measure perceptions of corruption in public procurement. As part of the post-survey activities, several initiatives, interventions and reforms took place in the public procurement arena.

The 2014 Amendment of the 2003 PPDA Act: The broad objectives were to strengthen the earlier mentioned mandate of PPDA through precise reform activities. Specifically, the 2014 amendment defined the roles of the accounting officer in procurement and explicitly gave preferential treatment to local content in public procurement. In addition, the reform introduced new methods of disposal

such as donations and defined the parameters for non-disposal of strategic assets such as land, building and shares. The reform also restricted negotiation between the Procurement and Disposal Entity (PDE) and the bidder and defined the eligibility criteria to serve as a member of the Contracts Committee (CCs). The reform also imposes a penalty on errant suppliers, establishes the PPDAAT for dispute resolution and introduces a framework for a force account mechanism.

PPDA efforts to reach out to various stakeholders through initiatives: These initiatives are aimed at easing the flow of information between the agency(s) and other parties. A majority of these initiatives mainly aim to train and uplift the capacity of the various stakeholders on public procurement. Examples of these initiatives are: reservation and preference schemes; capacity building for SMEs; training courses for SMEs in public procurement; training of stakeholders to comply with the law; mechanisms to measure and report on procurement performance by the Local and Central Government Entities, among others and encouraging LGs to procure goods and services through local sourcing at the district level.

1.2 Objectives

The Government is seeking ways to mobilise financial resources to improve the delivery of public services as articulated in the National Development Plan so as to achieve the Vision 2040 and the Sustainable Development Goals (SDGs). However, reforms to unlock resources by fighting corruption in the public procurement process are overlooked. Nevertheless, it is important to provide insights into the on-going reforms. Thus, in recognition of PPDA's reforms and initiatives, a Fourth National Procurement Integrity Survey was conducted between January and March 2020 with the following objectives to:

- i) Establish the extent to which stakeholders are aware of the 2014 amendment of the 2003 PPDA Act and initiatives. Particularly, knowledge about the intent of the reforms and factors that could facilitate this knowledge is important in advancing the reform objective of enhancing transparency, competition and accountability in public procurement. In addition, knowledge about the PPDA's initiatives to scale up the adoption of services such as training, which are aimed at uplifting the capacity of the various stakeholders in the conduct of public procurement;

- ii) Determine the extent of the implementation of the procurement reforms and the PPDA initiatives. Here the focus is to measure the effectiveness of reforms and initiatives and the challenges faced in their implementation;
- iii) Establish whether the monitoring process is participatory and that all stakeholders gain a clear understanding of the overarching mandate of PPDA. This is especially important given that the public procurement is complex and that it requires a multi-sectoral approach to ensure integrity in the system;
- iv) Determine the influence of corruption on the public procurement process. Here the emphasis is to identify the vulnerable points in the procurement process and the perception of the effect of corruption on service delivery; and
- v) Establish the extent to which there is a level playing field for potential suppliers to gain access to government contracts. Specifically, the interest is in the extent to which Small and Medium Enterprises (SMEs) compete with large firms, and the domestic firms compete with foreign firms.

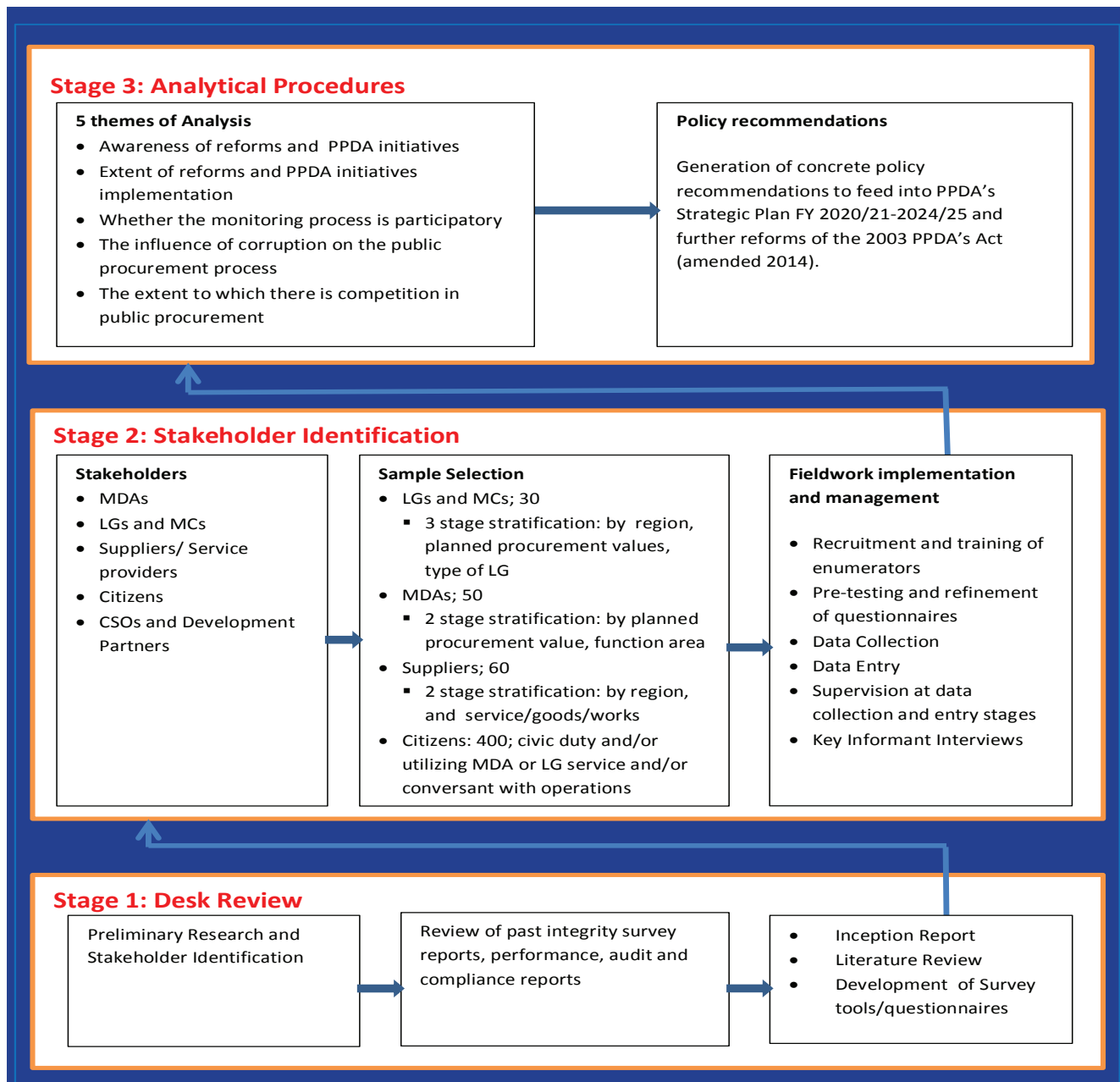
1.3 Structure of the Report

The rest of the report is structured as follows: Chapter 2 presents the methodology. Chapter 3 identifies the results. Chapter 4 provides the conclusions of the survey and suggests several policy recommendations.

2. METHODOLOGY

The Chapter presents the methodology employed to achieve the objectives of the study. The diagrammatic presentation of the methodology is shown in Figure 1. Each stage is discussed in details in the subsequent sections.

Figure 1: Mapping of the methodology for the 4th National Procurement Integrity Survey



2.1 Desk Reviews

Several documents were reviewed. These include performance reports, previous National Procurement Integrity Survey (NPIS) reports, PPDA annual reports and audit and compliance reports. The purpose of the desk reviews was to examine the legislative texts in place to support the reforms, discern the institutional framework and management capacity, understand procurement operations and market practices, establish existing integrity and transparency issues in the procurement system and map the stakeholders involved in the procurement process. In addition, the review informed the refinement of the 2015 NPIS questionnaire for the 2020 NPIS.

2.2 Stakeholder Identification

The stakeholders were identified through desk reviews and validated by the PPDA. Two broad categories of stakeholders were identified. The first group comprised of key specialised government agencies, Civil Society Organisations (CSOs), media and development partners. Five key informants interviews (KIIs) were conducted with this group. The development partners were represented by the World Bank; government agencies were represented by the National Planning Authority (NPA); CSOs were represented by the Civil Society Budget Advocacy Group (CSBAG) and the Anti-Corruption Coalition Uganda (ACCU); and the media were represented by Next Media Uganda.

The second group of stakeholders comprised of the procurement and disposal entities at Central (Ministries, Department and Agencies (MDAs)) and Local Governments (LGs) (District Local Governments (DLGs) and Municipalities (MCs)), citizens and the suppliers (private sector firms). In other words, this category included institutions (MDAs and LGs); and individuals (citizens and suppliers). The details of the sample selection for this broad category of stakeholders is presented in subsection 2.2.1.

2.2.1 Sample selection

a) *Local government respondents*

The LGs are the frontline of service delivery and this is where a substantial amount of procurement takes place. As per the Term of Reference (TOR), 30 LGs were selected from

the 134 districts and 21 municipal councils following a three-stage stratification.² First, the country was stratified based on the four statistical regions – Central, Eastern, Northern and Western. Second, LGs within each region were ranked based on the value of the planned procurements in FY2018/19 and clustered into percentiles as follows:

- i) *High*: with procurement values greater than the 50th percentile;
- ii) *Moderate*: with procurement values greater than the 25th percentile but less than the 50th percentile; and
- iii) *Low*: with procurement values below the 25th percentile.

Lastly, stratification was by type that is DLGs and MCs within each of the percentile clusters. Worth noting is that DLGs have high value planned procurements relative to the MCs. Also, for some LGs in the Northern and Eastern regions that did not have the required number of MCs to select from, the regional DLGs were selected. Table 1 presents a summary of the sampled LGs with 21 DLGs and nine MCs. In addition, 11 entities are clustered in high, nine in moderate and 10 in low percentiles.

Table 1: Selected Local Government Entities by percentile

	High	Moderate	Low
Central region			
Local government (6)	Kayunga, Mubende	Nakasongola, Lwengo	Buvuma, Kyotera
Municipality (3)	Entebbe	Mukono	Mubende
Eastern region			
Local government (4)	Iganga, Bududa	Bugweri	Butebo
Municipality (3)	Jinja	Kamuli	Busia
Northern region			
Local government (6)	Oyam, Omoro, Kitgum	Dokolo, Otuke	Alebtong
Municipality (1)	-	-	Apac
Western region			
Local government (5)	Kiruhura, Ntugamo	Kabale	Rukungiri, Isingiro
Municipality (2)	-	Sheema	Ibanda

2. Kampala was not selected because of its special administrative status. Conceptually, Kampala is not a DLGs.

b) Central government respondents

The central government plays the execution and oversight mandate in the procurement process. Consistent with the TORs, 50 central government procurement entities –Ministries, Departments and Agencies (MDAs) - were sampled from the 320 institutions. First, these entities were ranked in descending order based on the value of planned procurement for FY 2018/19. Second, the entities were further clustered into three value components:

- i) *High*: with procurement values greater than the 50th percentile;
- ii) *Moderate*: with procurement values greater than the 25th percentile but less than the 50th percentile; and
- iii) *Low*: with procurement values below the 25th percentile.

Third, within each percentile cluster, the entities were classified by functional area – social, economic and political. In total, 50 entities were selected as summarised in Table 2. These include 25 entities from the high cluster, 10 from the moderate cluster and 15 from the low cluster. Functionally, 26 entities from the social, 16 from the economic and eight from the political area.

Table 2: List of sampled central government entities by percentile and functional area

High	Moderate	Low
<i>Economic (10)</i>	<i>Economic (3)</i>	<i>Economic (3)</i>
<ul style="list-style-type: none">▪ Civil Aviation Authority▪ Uganda Coffee Development Authority▪ Ministry of Trade, Industry and Cooperatives▪ Financial Management Programme III▪ Uganda National Bureau of Standards▪ National Forestry Authority▪ Uganda Tourist Board▪ Electricity Regulatory Authority▪ National Animal Genetic Resource Centre and Databank▪ National Population Council Secretariat.	<ul style="list-style-type: none">▪ Financial Intelligence Authority▪ Cotton Development Organisation▪ Dairy Development Authority	<ul style="list-style-type: none">▪ Insurance Regulatory Authority▪ Private Sector Foundation Uganda▪ Uganda Development Bank Limited

High	Moderate	Low
Political (3)	Political (5)	Political (0)
<ul style="list-style-type: none"> ▪ Directorate of Citizenship and Immigration Control ▪ Ministry of Local Government ▪ Ministry of Information and Communications Technology 	<ul style="list-style-type: none"> ▪ Uganda Broadcasting Corporation ▪ Amnesty Commission ▪ Courts of Judicature ▪ Directorate for Ethics and Integrity ▪ Ministry of East African Community Affairs 	
Social (12)	Social (2)	Social (12)
<ul style="list-style-type: none"> ▪ Uganda Business and Technical Examinations Board ▪ Ministry of Water and Environment ▪ National Medical Stores ▪ Ministry of Education and Sports ▪ Ministry of Health ▪ Makerere University ▪ Uganda Blood Transfusion Services ▪ Jinja School of Nursing and Midwifery ▪ Mbale Regional Referral Hospital ▪ Mbarara Regional Referral Hospital ▪ Management Training and Advisory Centre ▪ Equal Opportunities Commission 	<ul style="list-style-type: none"> ▪ Uganda Retirement Benefits Regulatory Authority ▪ Mbarara University of Science & Technology 	<ul style="list-style-type: none"> ▪ Health Service Commission ▪ Gulu Regional Referral Hospital ▪ Kabale Regional Referral Hospital ▪ Moroto Regional Referral Hospital ▪ Jinja Regional Referral Hospital ▪ Fort Portal Regional Referral Hospital ▪ Mubende Regional Referral Hospital ▪ Higher Education Students' Financing Board ▪ Hoima Regional Referral Hospital ▪ Uganda Trypanosomiasis Control Council ▪ Uganda Aids Commission ▪ Uganda National Cultural Centre

c) *Citizenry respondents*

Citizens are the direct and indirect intended beneficiaries of public procurement. Therefore, they provided their views about the quality and quantity of services received. The respondents were purposively selected depending on their relationship with the selected entities in (a) and (b) above. The selection criteria for a citizen was a combination of the following: (i) receiving services from any of these entities; (ii) conversant with the operations of any of these entities; and/or (iii) knowledge of his/her civic duty and responsibility. Five (5) citizens were selected from the sampled entity – making a sample of 400 (250 from Central Governments (CGs) and 150 from LGs). Table A1 presents a summary of selected characteristics of the sampled citizens.

d) Suppliers respondents

Here the focus was on the suppliers that were involved in a form of business with the government institutions (hospitals, schools, army barracks, prisons, etc.). The survey interviewed firm owners, manager or employees in the firms. The list of providers obtained from the PPDA website formed the sample frame. The suppliers were selected from Kampala, DLGs and municipalities presented in Table A 2 in the appendix. Though Kampala is not a DLG, most firms in Uganda are located in Kampala. This provided the rationale for the inclusion of Kampala suppliers in the sample. The suppliers were clustered into three categories – goods, services and works. Equally important is that some LGs, especially the newly created ones, procure supplies from outside their borders. However, for this study, only suppliers resident in the sampled districts were sampled. Overall, we selected 60 firms. However, we sampled a total of 181 whereby 121 firms were a replacement for non- response and attrition. During the survey, we experienced a high rate of attrition which is consistent with several past studies including Buyinza (2011), which show that firms in Uganda have a high mortality rate. The list of the 181 suppliers is provided on Table A2 in the appendix.

For Kampala, we randomly selected 19 suppliers in the goods cluster, 20 in the services and 11 in works. As for the DLGs, only 14 out of the 30 jurisdictions in Table 1 had supplier representation. Furthermore, for the districts that did not have a sufficient number of suppliers to be selected, the entire cohort who appeared in the sample was picked. Ultimately, we picked 5 suppliers from the services cluster, 3 from the goods and 2 from works.

2.2.2 Survey instruments

Different structured and open ended questionnaires were designed to capture information from the second broad category of stakeholders – CGs and LGs, suppliers and citizenry. This process involved the refinement of the past survey instruments with some modifications to capture the changing dynamics (these can be made available upon request). For the first broad category stakeholders – specialised government agencies, CSOs, media and development partners -, a KII probing guide was developed.

Table A3 summarises the thematic areas captured for different categories of stakeholders. The survey respondents for the supplier category included the firm owners, managers or employees; for MDAs and LGs – we included the head of the procurement units, procurement officers,

chief administrative officers (CAOs) or deputy CAOs; and individual citizens. The specialised stakeholders include NPA, World Bank, CSBAG, ACCU and Next Media. However, all the thematic areas did not apply to all the respondents. The thematic areas include:

- a) Awareness of PPDA Act 2003 (Amended 2014) for all respondents;
- b) Perception of corruption for MDA and LGs, suppliers and citizenry;
- c) Procurement reforms for suppliers, MDAs and LGs and all first category stakeholders;
- d) Financial management and procurement for only suppliers;
- e) PPDA initiatives for only MDAs and LGs and suppliers;
- f) Firm competitiveness for only MDAs and LGs, and first broad category stakeholders;
and
- g) Public engagement for MDAs and LGs and first category stakeholders.

2.2.3 Fieldwork implementation and management

Review of tools: The EPRC project staff critically reviewed the previous data collection tools used in the 3rd NPIS in the first phase of data collection and together with PPDA agreed upon final list of indicators, and developed modified tools for data collection.

Recruitment of Enumerators: We recruited 10 persons from the pool of experienced EPRC enumerators and data entrants - graduates - to undertake the survey. From the recruited enumerators, team leaders were chosen based on their research experience and leadership capabilities.

Training of Enumerators and pre-testing: EPRC conducted a three-day training for the enumerators and data entrants on the purpose and objectives of the survey. In particular, a substantial amount of time was spent orienting the enumerators about the data collection tools. At the end of the three day training, pre-testing of survey instruments was conducted to ascertain the feasibility of the tools.

Actual fieldwork: The field enumerators were given a full list of all MDAs, DLGs and suppliers for the respective districts. The enumerators were divided into 2 teams of 5 persons headed by a team leader and supervised by an EPRC project team member. A checklist was handed

to the team leader and the EPRC supervisor to ensure that the basic rules for completing the questionnaires were followed in every surveyed facility.

2.2.4 Validation mechanisms

Validation meetings were held to agree on the tools and to ensure timely delivery of the expected outputs as well as ensuring the quality of outputs. This involved the research team reporting to (a) the technical committee set up by PPDA; (b) focal persons on monthly basis; (c) PPDA's Senior Management Team; (d) PPDA's Board Committee on Research, Planning and Administration; and (e) the internal EPRC quality assurance committee.

2.3 Analytical Procedure

The analysis is based on the NPIS 2020 survey data. A descriptive analysis was done using the Stata package. The results are not weighted.

Description of the key variable used in the analysis: Variables, on Table A 3, were chosen in light of the ultimate goal of the assignment, which is to formulate a capacity development plan to improve PPDA's capacity to perform its mandate. In this context, variables on: a). Awareness and engagement indicate knowledge about reforms, initiatives and policy engagement between PPDA and stakeholders; b). Perception of corruption variables measure the insight on the extent of corruption; c). Financial management variables measure the extent gratification of public officers takes place; and lastly d). Variables on competition indicate the extent of fairness in allocating tenders between foreign and domestic firms, and large and small firms. The results are provided in tables and colour coded graphs. Graphs with shades of blue represent the opinion of MDAs and LGs, while those with shades of orange represent views from suppliers. Finally, those with shades of green represent views from the citizens. It should also be noted that results that do not add up 100 percent should be regarded as a multiple response.

Construction of the corruption perception index: The construction of an overall perception index on the existence of corruption in public procurement adopted the methodology provided in PPDA (2016). This involves aggregating the respective perceptions by the different categories of respondents (see table A 4 for details). Following the same methodology was critical for comparability with the previous NPIS.

3. RESULTS

The Chapter discusses the key findings based on the 2020 NPIS. It is divided into five sections. Section 1 focuses on the awareness of MDAs, LGs and suppliers of the PPDA Act. The findings on the reforms and initiatives instituted by the PPDA in achieving its mandate of regulating and enhancing the capacity of public procurement in Uganda is the subject of Section 2. Section 3 focuses on the roles of stakeholders such as CSOs in monitoring public procurement as well as PPDA's efforts at policy engagement. Section 4 explores how the community understands corruption and how this affects service delivery at the community level. Lastly, Section 5 discusses competition in accessing government contracts, by specifically examining the perception of fairness in the interaction between Small and Medium Enterprises (SMEs) and large firms, on the one hand; and foreign and local firms, on the other hand.

3.1 Awareness of the PPDA reforms and initiatives

Broadly, this section measures the proportion of the MDAs, LGs and suppliers that are aware of the various reforms and initiatives. Specifically, this section examines the constraints to awareness of the reforms and initiatives, clarity of the reforms, the public standing of PPDA owing to reforms and initiatives and concludes by examining the effectiveness of the media in disseminating information on the reforms and initiatives.

3.1.1 Awareness of reforms and initiatives

It is important to establish the commitment to reforms by the technocrats and political leadership at the MDAs and LGs levels. This facilitates the implementation of the reforms to some extent. It is also important to establish whether suppliers and citizens are aware of the reforms because it catalyses agency to demand and monitor the implementation of such reforms. In addressing this issue, respondents were asked whether they were aware of the 2014 amendment of the 2003 PPDA Act (interchangeably referred to as “the Act”). The results are displayed in Table 3.

Overwhelmingly, 99 percent of the MDAs and LGs respondents said that they were aware of the reforms and only 1 percent were not aware. Concerning the suppliers, a significant percentage of about 61 percent were aware and 39 percent were not aware. To interrogate

the differences in awareness, Table 3 compares the level of awareness between MDAs, LGs and suppliers using *t-tests*. The *t-test* being significant suggests that the two groups' level of awareness about the reforms is different. Specifically, the information suggests that MDAs and LGs are more aware of the reforms, read the PPDA Act more, more knowledgeable about the procurement process and are more aware of the complaint system than suppliers.

Table 3: Awareness of the 2014 reform of the 2003 PPDA Act

	MDAs and LGs		Suppliers		t-tests
	Mean (A)	SD	Mean (B)	SD	(A-B)
Awareness of amendments	0.99	0.11	0.61	0.49	0.37*
Reading of the PPDA Act	0.71	0.45	0.11	0.31	0.59***
Knowledge of Proc. Process	1	0	0.98	0.02	0.02**
Awareness of complaint sys.	0.91	0.29	0.47	0.50	0.44*
Accusation of corruption	0.22	0.41	0.10	0.30	0.12*
Accusation Addressed	0.86	0.34	1	0	-0.13
Satisfied with remedy	1	0	1	0	0
Notes: * is significance at 10%, ** is significance 5%, and *** is significance at 1% ; SD=Standard Deviation					

Source: NPIS 2020 data.

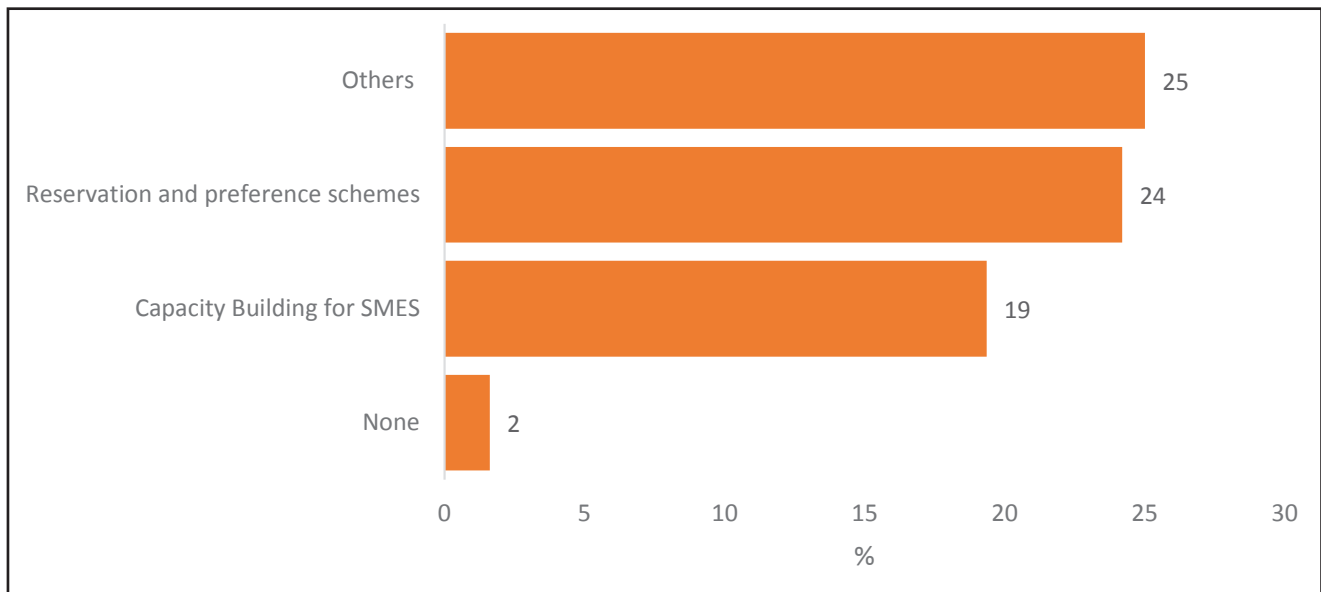
There have been dissemination activities by the PPDA to reach out to suppliers as well, however, the World Bank suggests that more dissemination activities targeting suppliers are still required.

PPDA should invest in awareness campaigns, to sensitize the masses about its mandate and increase its visibility. This is necessary based on the observation that there is scope for PPDA's assertiveness, World Bank Group, Kampala Country (February 2020).

Therefore, the outreach to the general stakeholders should be improved with perhaps more emphasis on the suppliers.

To modernise the public procurement systems, the PPDA has implemented several initiatives mainly targeting suppliers. Figure 2 shows the awareness of the different initiatives by suppliers. Overall, less than half of the suppliers were aware of the PPDA initiatives. Notably, the extent of awareness varies across different initiatives. The most popular initiative was local sourcing (24 percent), followed by training and capacity building for SMEs (each at 19 percent).

Figure 2: Awareness of procurement initiatives by suppliers, (%)



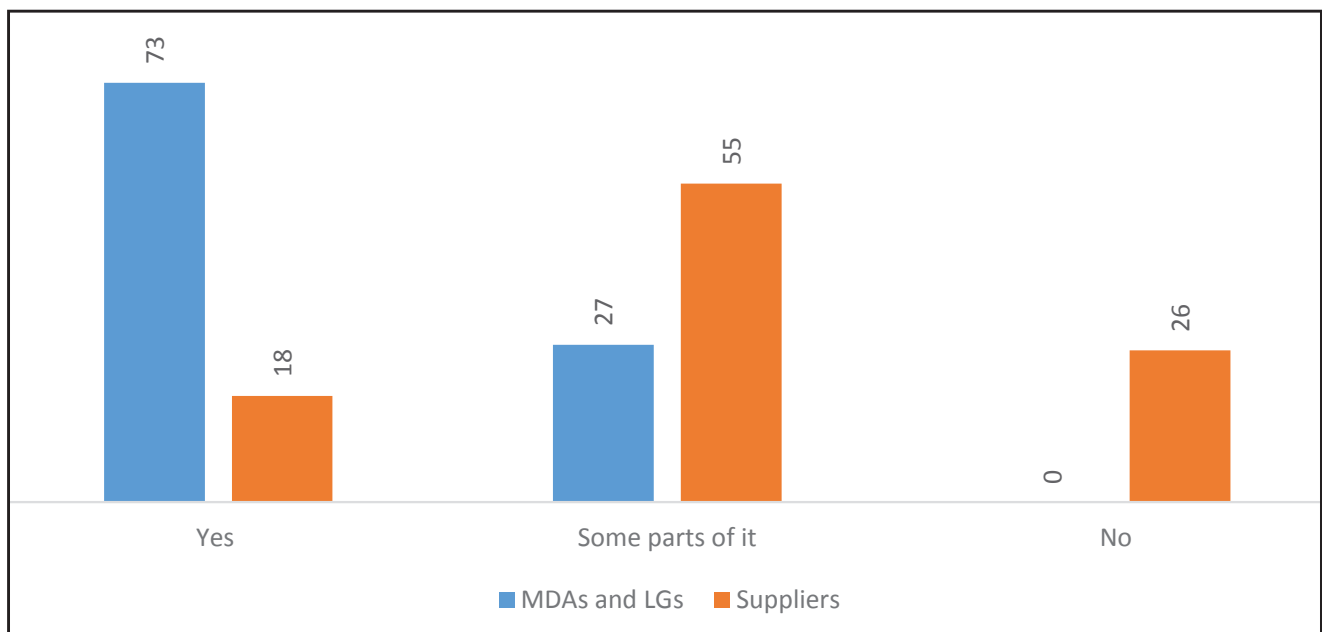
Source: NPIS 2020 data.

3.1.2 Factors influencing awareness of the reforms

It is prudent to further investigate the factors that may be influencing the awareness of stakeholders. Usually, constraints may be driven by social, political, and economic considerations. Here the focus is on the share of the respondents who were not aware of the PPDA Act deduced from Table 3 - one percent of MDAs and LGs; and 39 percent of the suppliers. However, some of these respondents (61 percent) did not respond to this question. Those that responded, the majority cite lack of sensitisation (28 percent), followed by limited access to media, lack of knowledge and the poor perception of the government (5 percent). Other factors include lack of access to technology (4 percent) and illiteracy (3 percent).

Furthermore, the study explored why the respondents that were aware of the PPDA reforms (see Table 3) were interested in the reforms. Interest was measured by having read the PPDA reforms. The results are presented in Figure 3. Despite their awareness of the reforms, about 26 percent of the suppliers displayed a lack of interest in the reforms. As expected, interest in the reforms was significantly higher among the institutional stakeholders (MDAs and LGs) relative to that of the suppliers. It seems from the results that suppliers were more interested in some parts of the amendment. This could have been largely driven by their functionality area and less of being a gap in terms of knowledge of the reforms.

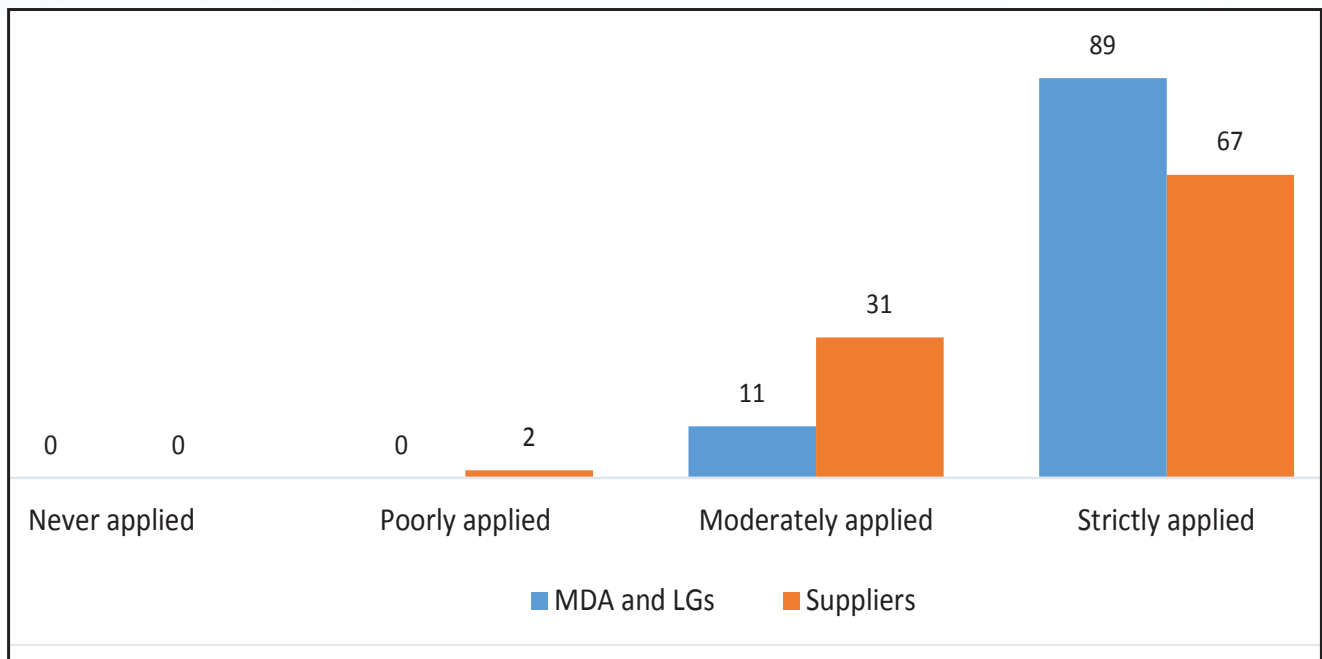
Figure 3: Respondents interest in the PPDA Act (Amended 2014), (%)



Source: NPIS 2020 data.

The respondents were asked to indicate the extent to which their organisations comply with the procurement procedures as provided in the PPDA Act 2003 (Amended 2014). Figure 4 reveals that there are efforts to adhere to the procurement procedures. Specifically, most of the respondents strictly applied these procedures – 89 percent of the MDA and LGs, and 67 percent of the suppliers.

Figure 4: Compliance with procurement procedures, (%)

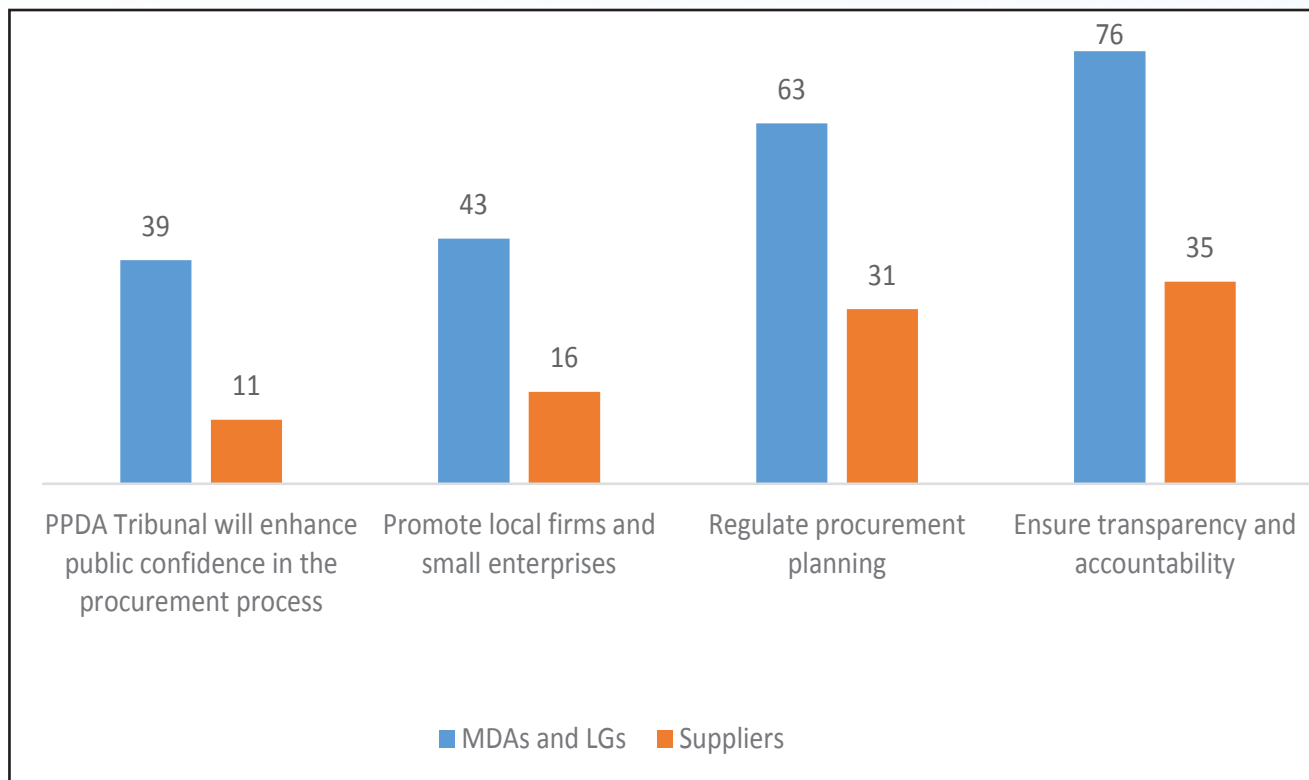


Source: NPIS 2020 data.

3.1.3 Clarity of the objectives of the reforms and initiatives

It is important that most stakeholders understand the key elements of the reforms. This understanding helps to drive results aimed at achieving the objective of reducing corruption in public procurement and clarifies the role and responsibility of each stakeholder in achieving that objective, timelines and all other expectations. In this context, the amendment of the PPDA Act 2003 in 2014 aimed to achieve several objectives, as illustrated in Figure 5. Although MDAs and LGs seem to have higher responses for the different measures against corruption compared to suppliers, the trend is similar. For both MDAs, LGs and suppliers, ensuring transparency and accountability is the main objective, followed by regulating procurement planning, promoting local firms and small enterprises and finally, the PPDAAT enhancing public confidence in the procurement process. Therefore, transparency and accountability and regulation of procurement planning are the main issues among MDAs and LGs and suppliers.

Figure 5: How reforms strengthen the fight against corruption in public procurement, (%)



Source: NPIS 2020 data.

3.1.4 Status of PPDA owing to reforms and initiatives

As earlier mentioned, the PPDA is mandated to regulate all public procurement. However, there is a general view that its roles and mandate are constrained by the environment that the agency is operating in. To illustrate this, some flagship projects in the Third National Development Plan (NDP 3) are being implemented without PPDA's regulation. Although, PPDA's participation in the NDP is limited by the PPDA Act.³

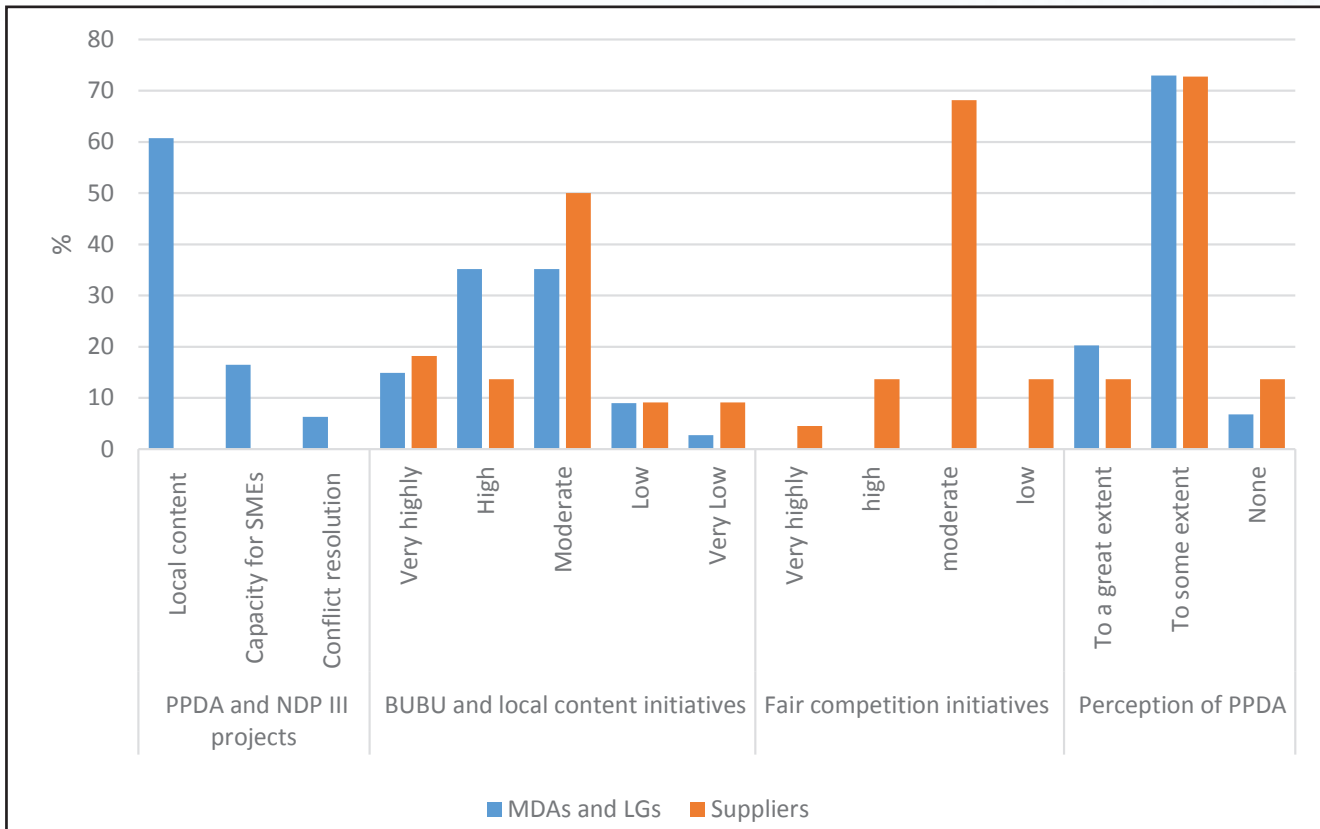
3. The PPDA Act states that 'if there is a condition of a bi-lateral loan or negotiated grant that the provider should originate from the country of the donor; procurement of such a provider shall be in accordance with the Act'. In addition, 'if there is a conflict between the Act, Regulations or any directions of the Authority and a condition imposed by the donor of funds, the condition shall prevail.

Thus, understanding the balance among competing drivers of change is key in interpreting both contemporary and future administrative reforms required to position the PPDA to effectively contribute to Uganda's development process. Consequently, this survey sought to learn the effects of the 2014 amendment of the 2003 PPDA Act on positioning the PPDA as the organisation with the mandate to regulate all public procurement in Uganda. First, the survey examined the effect of reforms in positioning and promoting the relevance of PPDA concerning the procurement of goods, works and supplies for NDP 3's flagship projects. Figure 6 shows that 60 percent of the MDAs and LGs respondents perceive that reforms that address local content and the Buy Uganda Build Uganda (BUBU) policy support the PPDA in positioning itself to serve as the regulator of procurement on NDP flagship projects.

Meanwhile, close to 23 percent of the MDAs and LGs believe that the reservation and preference schemes will position PPDA as a regulatory body on procurement of the NDP flagship projects. Granted that the principle of BUBU and local content provision help position the PPDA as the procurement regulator, the survey also sought to understand the extent to which PPDA initiatives foster the principles of BUBU and local content requirement in public procurement. The survey ranked the responses on a scale that ranges from *very highly* to *very lowly*. Figure 6 suggests that MDAs and LGs respondents are split between the perceptions that PPDA initiatives highly (35 percent) and moderately (35 percent) support the principles of BUBU and local content requirement in public procurement. However, more than 59 percent of suppliers think that the initiatives have a moderate effect on local content.

The survey also discovered that 69 percent of the suppliers believe that the PPDA initiatives have had a moderate effect on fostering fair competition in public procurement in Uganda. Only suppliers answered this question as shown in the third column of Figure 6. Nevertheless, MDAs, LGs and suppliers agree that the initiatives have fostered PPDA image moderately.

Figure 6: Effect of reforms on the positioning of the PPDA, (%)



Source: NPIS 2020 data.

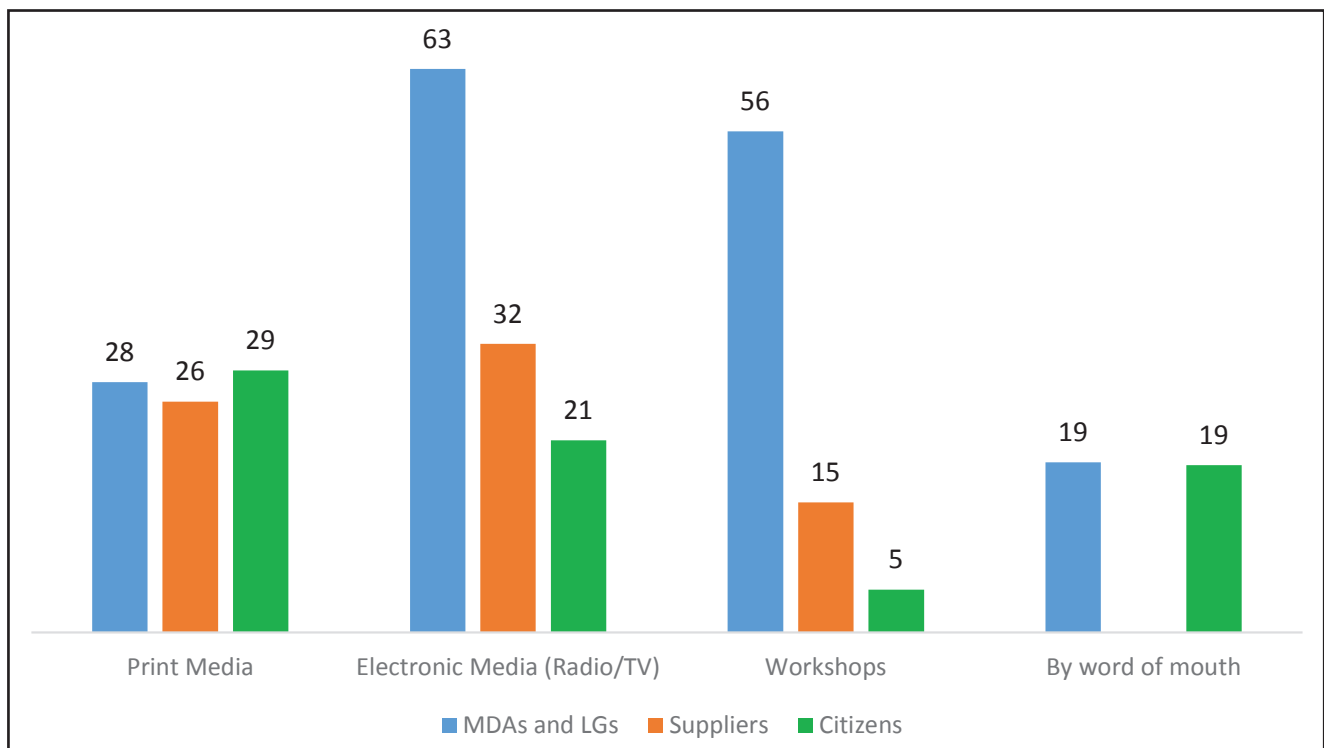
3.1.5 Media engagement

The role of the media is critical in curbing corruption in public procurement. It not only raises public awareness about corruption, its causes, consequences and possible remedies but also investigates and reports incidences of corruption. Figure 7 shows the different communication channels used to access information on the 2014 Amended Act. The channels varied by type of respondent, implying that these variations have to be factored in awareness and/or sensitisation programming. The most popular method of disseminating information about the amendment to MDAs and LGs was electronic media followed by workshops. In contrast, the most popular method for the citizens was the print media followed by electronic media; and for suppliers, it was electronic media followed by print media. The role of the electronic media is re-echoed by Next Media as:

In a bid to combat corruption, NBS television has been hosting talk shows and symposia on corruption. Most recently, NBS was at the forefront of exposing the drug procurement cartel. This goes a long way to demonstrate the media's commitment to working with PPDA and other stakeholders in combating corruption in public procurement, Next Media (NBS Television) (March 2020).

Although a combination of the three media can be used to reach the stakeholders, electronic media should be targeted for reaching suppliers who are less likely to read (refer to Table 3) and internalise the reforms compared to MDAs, LGs and citizens. Workshops should target MDAs and LGs, while the print media can be used to circulate information widely to citizens.

Figure 7: Medium for accessing the PPDA Act 2003 (Amended 2014) information, (%)



Source: NPIS 2020 data.

3.2 Implementation of Procurement Reforms and PPDA Initiatives

The section provides the perception of the respondents on the extent of the implementation of the procurement reforms and initiatives. This was assessed in terms of adequacy and effect on stakeholders. Perceptions on the effect of modernisation of public procurement systems through initiatives and challenges to procurement reforms were also analysed.

3.2.1 Implementation of reforms

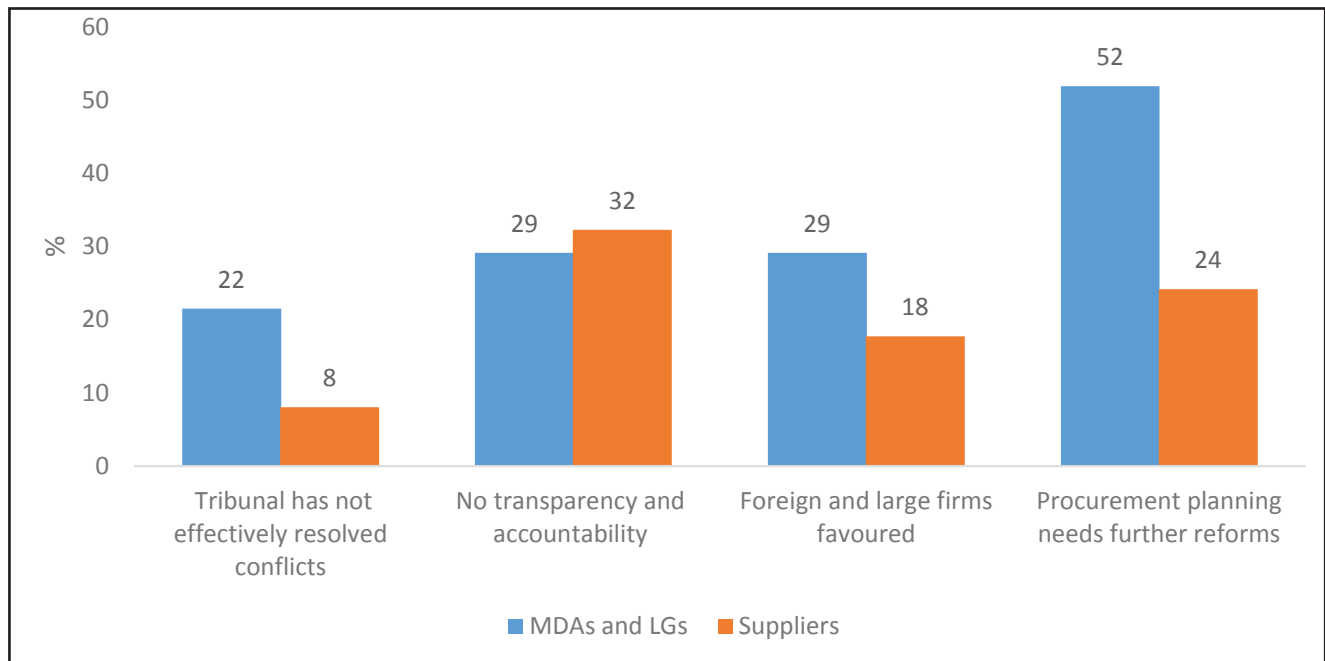
Here, the focus is on whether the framework for implementing reforms is fit for the purpose. The sub-section examines whether the reforms are well defined, implementable and deliver on the broad agenda set up by the amendments.

The respondents were requested to provide their views on whether procurement: (a) planning requires further reforms; (b) plans cater for local enterprises; and (c) process demonstrates transparency and accountability. Moreover, the respondents gave their views on the effectiveness of the PPDA Appeals Tribunal (PPDAAT). The results are presented in Figure 8. The respondents suggested that there is a need for further reforms in procurement planning – the share was higher among the MDAs and LGs (52 percent) compared to that of the suppliers (24 percent). The low share among suppliers could partly be explained by their inability to have read the reforms as discussed earlier.

While the amended Act provides involvement of the local enterprises in the procurement process, there seems to be some degree of preference for foreign and large domestic firms. As expected, the share among the MDAs and LGs is higher (29 percent) compared to 18 percent among the suppliers. This questions the inclusivity of local SMEs as well as the openness of the system. Regardless of the respondent category, about three out of 10 of the respondents think that there is no transparency and accountability in the procurement process. On a positive side, there seems to be some level of recognition that the PPDA tribunal has effectively resolved the procurement and disposal conflicts by the stakeholders. To sum up, these findings suggest that there has been a significant implementation of the public procurement reforms. Regardless of the respondent, only one of the four processes - procurement planning – requires further reforms. In addition, there is a need to consolidate the gains achieved in the other three attributes given that the improvement of the implementation of the public procurement process is not a one-off

activity but a continuous one. To that effect, MDAs and LGs voiced that sensitisation of users (suppliers and citizens) is imperative. Most importantly, the sensitisation of politicians would reduce influence peddling in the procurement process.

Figure 8: Adequacy in implementation of the public procurement process, (%)



Source: NPIS 2020 data.

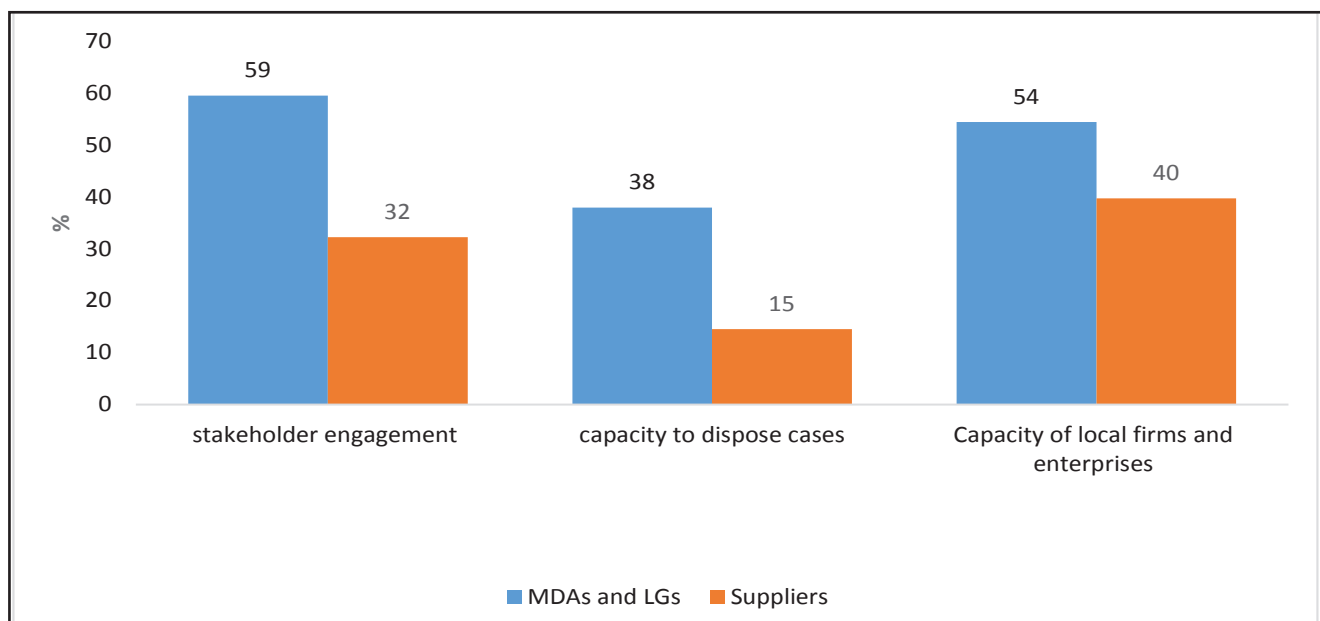
Respondents also shared their views on how the PPDA Act 2003 (Amended 2014) can be strengthened to fight corruption in public procurement. The results are presented in Figure 9. A higher share of the MDAs and LGs cited the need to enhance transparency and accountability through stakeholder engagement e.g. with CSOs and media, followed by capacity building of the local firms and enterprises in public procurement (54 percent) and to enhance the capacity of the Tribunal to dispose cases promptly. In contrast, the most popular proposal among the suppliers was their capacity building in public procurement, followed by enhancing transparency and accountability. Indeed, Box 1 demonstrates the role of CSOs in fighting corruption, which PPDA could leverage. Enhancing the PPDAAT was considered least by both MDAs and suppliers, which suggests that it has significantly increased its effectiveness and efficiency in disposing of cases within the statutory time. The good performance of the PPDAAT was also earlier indicated in Figure 8. Notwithstanding the progress, there is room for improvement.

Box 1: Examples of activities of CSOs in public procurement

- a) *ACCU follows the procurement process keenly especially for big contracts, as well as in-house discussions to ensure value for money.*
- b) *CSBAG has conducted a lot of public procurement monitoring at the LGs and they don't seem to follow the laws appropriately.*
- c) *Both ACCU and CSBAG act as a voice of the citizens and referee to those in the government agencies; advocate for open contracting; and conduct sensitisation activities.*
- d) *Transparency International (TI) and the Governance, Accountability, Participation and Performance Program are also involved in such activities*

Source: ACCU and CSBAG (March 2020)

Figure 9: Perceptions on strengthening the fight against corruption, (%)



Source: NPIS 2020 data.

3.2.2 Effect of reforms and initiatives on corruption

In the fight against corruption, it is important to evaluate the experiences and to determine whether reforms are enhancing transparency and accountability and whether they have the support of most stakeholders. In this case, the survey sought to establish the extent to which

the 2014 amendment of the 2003 PPDA act was perceived to be effectively enhancing the business environment, improving the behaviour of public officials, improving the procurement process and facilitating service delivery.

In addition, it is important to evaluate whether the initiatives put in place support innovation, professionalisation and enhance legal and institutional modernisation. In this context, this survey sought to establish whether the PPDA initiatives such as training enhanced the principles of procurement and the objectives of the PPDA.

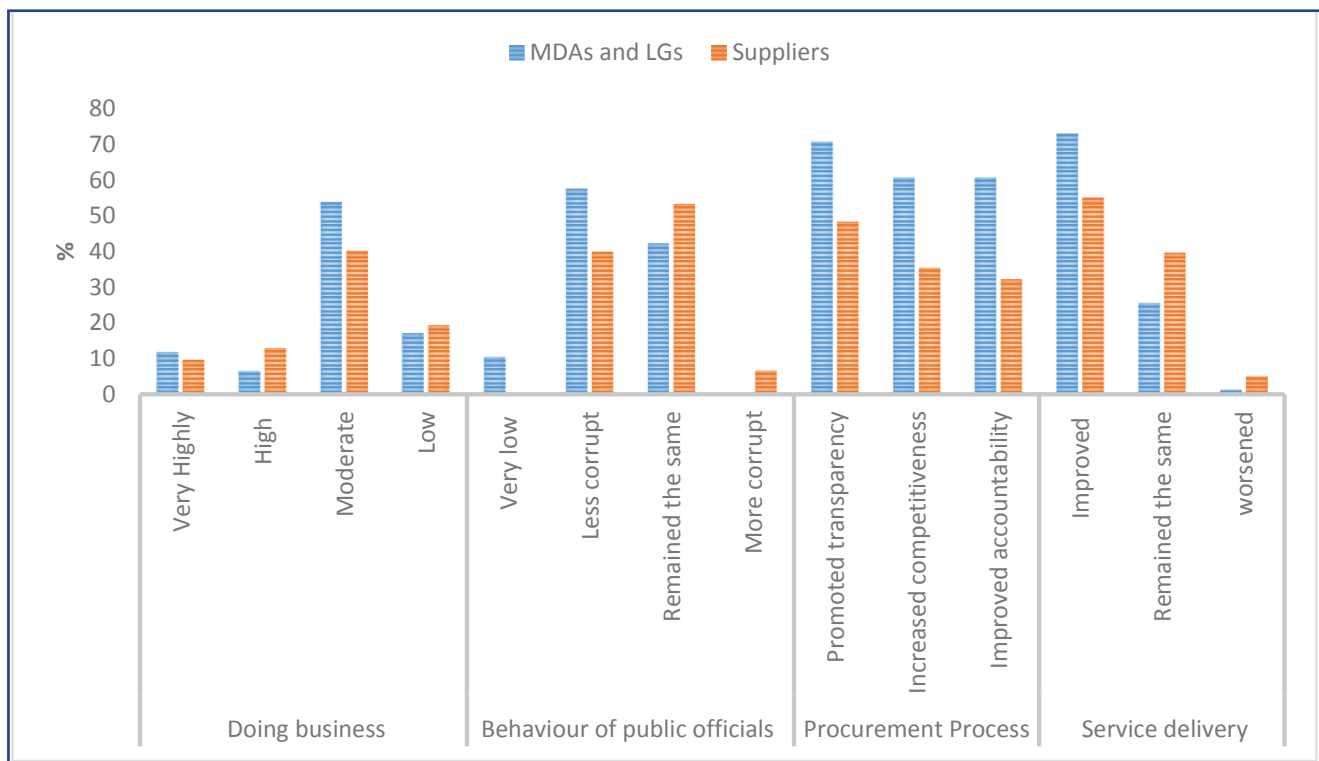
On a five-tier Likert scale ranging from “very highly” to “lowly”, the respective respondents were requested to rank the effect of the reforms on the business environment. According to Figure 10, more than 40 percent of MDAs, LGs and suppliers felt that the reforms have moderately improved the business environment. This suggests that there is scope for improvement of accountability and transparency in the public procurement systems to catalyse private sector development by opening access to business opportunities, improving the business and investment environment, enhancing competition and promoting economic growth.

Regarding the effect of the reforms on the behaviour of public officials, more than 50 percent of MDAs and LGs felt that public officials have become less corrupt owing to the reforms. This suggests that the reforms have enhanced value for money and accountability for public resources. However, more than 50 percent of suppliers think that the corrupt behaviour of public officials has remained the same (Figure 10). This requires deepening of reforms because poor governance of procurement can hinder development goals and outcomes and result in additional cost and waste of public funds.

Concerning the effect of the reforms on the procurement process, more than 60 percent of MDAs and LGs point out that the reforms have promoted transparency, increased competitiveness and improved accountability (Figure 10). However, there is less enthusiasm among suppliers with less than 35 percent of suppliers perceiving that the reforms have improved competitiveness and accountability. Nevertheless, close to 49 percent of suppliers perceive that the reforms have enhanced transparency. Overall, these sentiments point to the need to improve competitiveness and accountability.

The survey also sought to elicit whether the reforms improved service delivery. More than 70 percent of MDAs and LGs perceive that this was the case. However, a significantly large proportion of suppliers (40 percent) perceive that service delivery has remained the same, despite reforms (Figure 10). Less than 10 percent of the MDAs, LGs and suppliers perceive that service delivery has worsened in the face of the reforms. Given that public procurement is central to the delivery of services, results and performance require a multi-faceted approach to reform, which harmonises the legal framework, streamlines and professionalises the procurement system and modernises and harnesses technology for a more effective and responsive procurement system.

Figure 10: Effect of reforms and initiatives on corruption (%)



Source: NPIS 2020 data.

On a scale that ranges from very highly to very low, the survey investigated whether the initiatives promote and incentivise local content sourcing and the participation of domestic enterprises in public projects, especially under the BUBU policy. Figure 11

reveals that 35 percent of MDAs and LGs were of the opinion that the initiatives promoted local content sourcing and the principle of BUBU highly. Another 35 percent perceive that the principle is promoted moderately. Only 15 percent of those institutions were of the opinion that the initiative had a high effect on promotion of local content and BUBU.

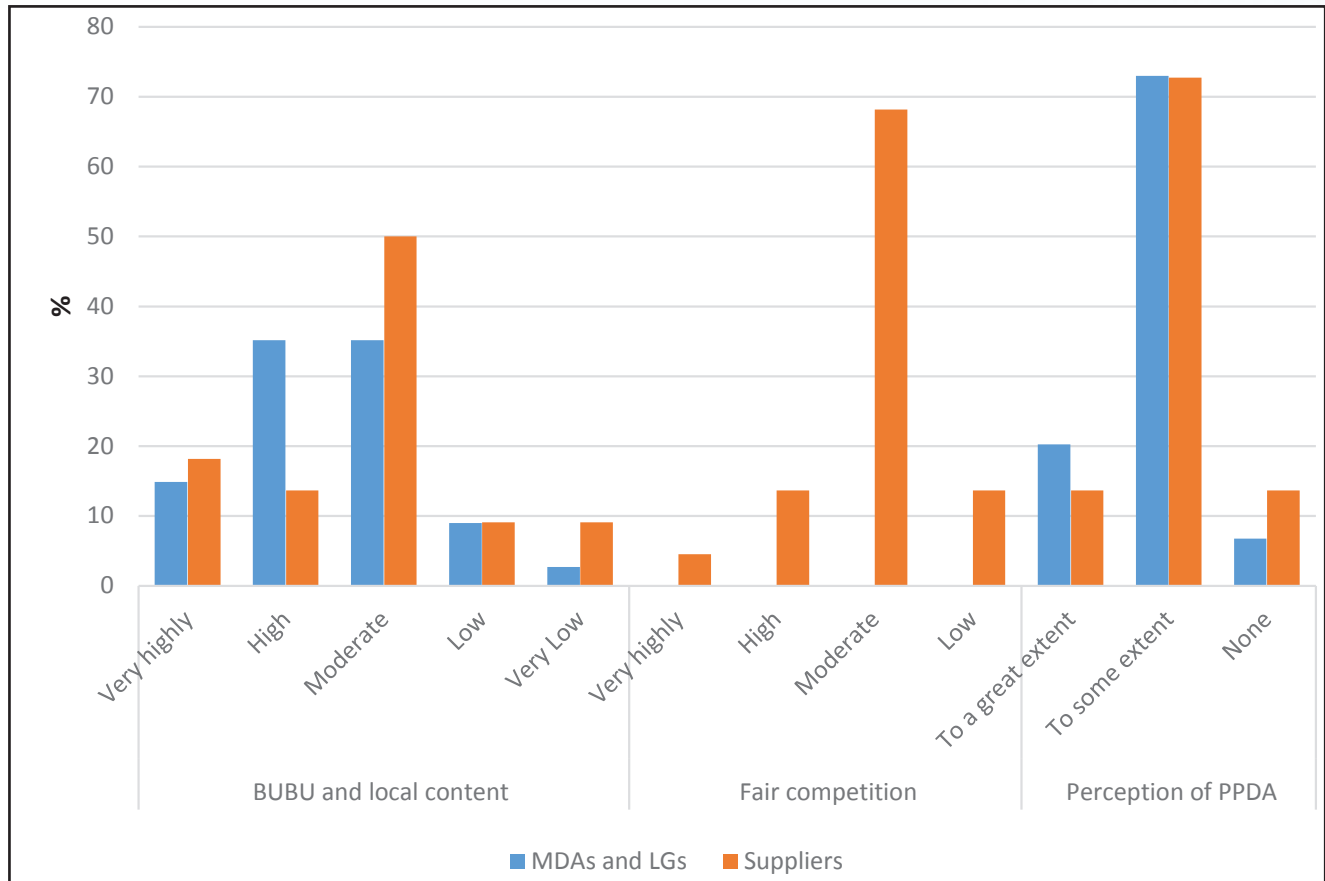
Concerning suppliers, close to 50 percent were of the opinion that PPDA's initiatives were moderately in favour of local content and BUBU policies. Further, more than 15 percent of suppliers were of the opinion that PPDA's initiative supported the local content and BUBU policies very highly or highly. While this initiative has done well in its objective of ensuring local participation, there is still scope to expand market opportunities for local suppliers. This will support employment opportunities, business growth and will also provide exposure by building capacity and raising awareness of local industry capabilities.

Public procurement involves expenditures of large sums of public money and given its magnitude, it can affect the structure and functioning of competition in a market. It is critical, therefore, to protect the integrity of the public procurement process, to maximise the resulting benefits for the country and protect competitive markets. In this regard, the survey sought the opinion of suppliers on how PPDA's initiatives have enhanced competition in public procurement in Uganda. Figure 11 shows that 69 percent of suppliers are of the opinion that PPDA's initiatives have promoted competition moderately.⁴ This speaks to the need to address vulnerabilities to anti-competitive and corrupt practices to minimise the resultant harm.

The survey also sought to investigate how the initiatives have improved the image of PPDA as the regulator of public procurement. Figure 11 demonstrates that 73 percent of MDAs and LGs and suppliers are of the opinion that the initiatives have moderately improved the image of PPDA, which suggests that there is a need for more engagement between PPDA and other stakeholders.

⁴ Only suppliers answered this question.

Figure 11: Effect of modernisation of public procurement systems through initiatives, (%)



Source: NPIS 2020 data.

3.2.3 Challenges to procurement reforms

Reforms are essential in achieving the broad PPDA's mandate and specific objectives. However, the complete and successful implementation of these reforms is not straightforward and is fraught with challenges. In this case, the survey sought to understand the main challenges to achieving the objectives of the procurement sector and the solutions to those challenges.

3.2.3.1 Liability of the accounting officer for actions in the procurement process

The roles and responsibilities of an accounting officer include performing due diligence, appointing a Contracts Committee (CC) and performing interim CC roles in the event of a vacuum of CC. The MDAs, LGs and suppliers felt that this law is unclear, consequently, many

accounting officers (AOs) do not understand it. Meanwhile, suppliers think that the law places a lot of burden on AOs, yet they have other strategic and operational duties to perform. It follows that placing authority wholly on the accounting officer creates a lot of bureaucracy in the procurement process, which brings about delays and other costs to suppliers. This could explain the consensus, among stakeholders, that the powers vested in AOs facilitate corruption tendencies, which is a likely consequence of the absence of systems of checks and balances.

MDAs, LGs and suppliers propose more capacity building and sensitisation for AOs on what is expected in executing their procurement roles. In lessening the burden on accounting officers, it is imperative to introduce a mechanism that requires Procurement and Disposal Units (PDUs) to write a professional opinion to guide accounting officers. Alternatively, the respondents are of the opinion that AOs should be empowered to appoint an advisory committee or delegate their authority to subordinates to manage procurement. Respondents' envision that there would be various levels of accountability without the sole responsibility placed on AOs.

3.2.3.2 Restriction on negotiation between the Procurement and Disposal Entity and the bidder

This reform places limits on negotiations between a PDE and a bidder unless (i) the competitive procurement method is applied and only one bid was received, (ii) the direct procurement method is used and (iii) the procurement is for consultancy services. Negotiations under such circumstances are carried out where the best-evaluated bid or proposal exceeds the budget of the PDE. In this regard, MDAs and LGs were of the opinion that it is difficult to limit the interaction between bidders and PDEs. Therefore, negotiation should be allowed to a limited degree and with clear and context specific parameters, which can be determined by the PDE. Besides, the absence of negotiations prohibits bidders from explaining specifications and elongates the lead-time, thereby making the entire process unnecessarily costly.

However, a reference to the PPDA Act revealed that specifications are a preserve of the user department and the bidders are not part of this process. It also emerged that negotiations would actually elongate the lead-time. This is because, in addition to the normal procurement process, negotiation plans and an ad hoc committee have to be put in place and approved by CC. This again points to a lack of reading of the PPDA Act.

Also, negotiations should not be limited to the scope of work but should extend to the price of the contract. This proposal emanates from the fact that negotiations facilitate value for money and quality control. However, the bidders need to be trained and empowered with negotiation skills and the rules of engagement should be made clear to all parties.

Otherwise, human interaction is limited by the existence of e-procurement infrastructure, which facilitates online bidding. In the absence of an e-procurement system, adequate market assessment should be emphasised to facilitate knowledge about the prevailing market price. It follows that the market survey should be delegated from procurement units to planning units. This would streamline the scope of work relative to available departmental competencies. However, it emerged from the Act that market assessment is a role of the AO, and the User department/Planning units are already executing it, which points to a lack of reading of the PPDA Act by some of the respondents mentioned in Table 3 of section 3.1.1.

On the other hand, suppliers are of the opinion that this reform does not prevent corrupt officers from using other means of communication such as phones and emails. In this regard, it creates room for unfair practices, since the loopholes in the law will allow some suppliers to access information while restricting the law abiding ones. In addition, some PDEs and bidders use internal links, which leak sensitive information related to tenders, such as the price of the tender to their preferred supplier. As such, this rule is redundant because it is practically impossible to monitor the communications and negotiations between PDEs and the bidder.

In the absence of any policy change, suppliers propose that there should be a set of additional rules under this reform to guide suppliers and PDEs. Otherwise, PDEs should employ consultants to act on their behalf when dealing with bidders. Alternatively, bidders could be contacted to work hand in hand with PDUs to quicken the process. For fairness, PDEs should have a common forum where they invite suppliers to make presentations on their pricing and scope of works.

3.2.3.3 Restriction of the Contracts Committee membership

This reform restricts the membership of the Contracts Committee (CC). For instance, heads of the PDU, heads of the finance department and staff of the internal audit department are not eligible to serve on the CC. The reform also stipulates that a duly constituted CC shall serve for only two terms unless this condition is legally waived. Regarding this reform, MDAs and LGs are of the opinion that CCs are important because they prevent outsourcing of capacity, which would normally be available internally. However, this policy presents a challenge of conflict of interest. While the PPDA Act provides that members of the CC shall be appointed with regard to their technical competence and skills and that members should declare their interest before discharging duty, MDAs and LGs observe that more often this is not the case.⁵ These views are consistent with those of the World Bank and NPA as stated below

There is a lack of skills to execute the procurement functions appropriately. For example, in the high spending entities, there are large numbers of technical staff who drive procurement, but don't have the requisite skills. There is a need for clarity among such staff to prevent wastage in planning for their capacity building (World Bank Group, February 2020).

The length and bureaucracy of the process breeds corruption, whereby the bidders contact members on the evaluation committee (NPA, March 2020).

There should also be succession planning and capacity building in the CCs and thus the need to have some junior members of staff sit on the committees. In the same spirit, the term limits should be relaxed on a case-by-case basis to facilitate continuity of exceptional members. Otherwise, the general rule should discourage security of tenure, for it creates room for manipulation of the processes by team members. In this case, changing and rotating CCs membership would address the problem of entrenchment of corruption.

5. PPDA Act 2003 27 (3) suggests that; Members of CC shall be appointed with regard to their technical competence and skills required for the discharge of CC functions PPDA Reg No.7 (14) states that; 2. Where a member of a CC has any pecuniary or other interest that may conflict with the performance of the functions of the member; the member shall disclose the interest at the meeting.

Suppliers also view the CCs as a risk and could be a source of corruption through a conflict of interest. In this regard, suppliers propose that the user department should not be part of the CCs and propose e-Procurement as a solution to address some of the challenges presented by a conflict of interest. Audits and backward checking would also contribute to mitigating the potential impacts of conflict of interest.

3.2.3.4 Promoting local content in public procurement

Application of preference schemes is mandatory where the procurement of goods, works and non-consultancy services are conducted through open domestic and international bidding methods. However, the MDAs and LGs complained that the concept of local content is ambiguous and that there is a need for a clear definition and parameterisation of what constitutes local content. However, a review of the PPDA Act reveals that there are clear parameters and thresholds on the reservation scheme.⁶ Also, the preference scheme clearly defines the margin of preference.⁷ This may also point to a lack of reading of the PPDA Act by some of the respondents as indicated in Table 3 of section 3.1.1. This could additionally point to a lack of implementation of this law by public officers.

MDAs and LGs are also of the opinion that the local content should emphasise competence because, currently, domestic goods, supplies and works are of low quality. This calls for improvement in the procedure by training local firms, through vocational education and other initiatives to improve quality. Moreover, the quality should be graded in categories to create scope and parameters for improvement.

On the other hand, suppliers are of the opinion that the specifications given by the PDEs constrain local suppliers. Consequently, foreign firms benefit more. This perpetuates public preference for foreign products due to the perception of superiority. Going forward, the specifications should be less stringent to accommodate local firms. Nevertheless, there is still a limited capacity to provide local content, especially in skill-intensive sectors such as road construction. This is also exacerbated by other business environment constraints. According to the NPA

⁶ Guideline 1/2018 (This in unclear)

⁷ The margin of preference is 15% in respect of goods and 7% in respect of works or services

Capital is a big challenge and some firms are unable to pre-finance, hence the request for an advance to commence a service/supply delivery. Second, information gaps are also a challenge especially about the Request for Quotations (RFQ) invoices. Lastly the PPDA has not done enough and needs to engage suppliers more. Especially with small firms, which lose out due to minor issues such as failure to address the TORs (NPA, March 2020).

To resolve capacity issues, suppliers propose three solutions. First, the government should set up training centres to equip local firms with skills to enhance their competitiveness in public procurement. Second, contracts open to local firms should be sector specific and gradual. Therefore, the government should ring-fence sectors where local firms have capacity and establish entry into other sectors as local capacity accumulates over time. Third, local firms should collaborate with foreign firms for skills transfer and capacity building. To resolve the business environment issues, the government could consider extending cheap credit and tax incentives.

3.2.3.5 Introduction of new methods of disposal (donations) and non-disposal of strategic assets land, building shares etc. without approval

The reform introduced a new method of disposal, which is the donation of obsolete items where no other form of payment can be obtained for the asset. Moreover, the reform stipulates that there should be non-disposal of strategic assets such as land, buildings, ship, and shares without legal and express consent. MDAs and LGs purport that there is little knowledge about this reform, which calls for sensitisation of stakeholders. In addition, there is a need to build local capacity in the disposal of small assets. For example, there is no need for the involvement of a chief valuer from the Ministry of Works and Transport if a district wants to dispose of a road grader. In this case, PDEs should be allowed to dispose of assets without the involvement of mother ministry(s). It follows that the levels of approval need to be reduced. In such a scenario, audit and supervision have to become stricter. Establishing a committee to objectively authorise the approvals before the political leadership approval would be a step in the right direction.

The suppliers are of the opinion that there are no standards for donations because some beneficiaries get arbitrary donations, which provides an opportunity for corruption, conflict of interest and lack of transparency in the process. Given these constraints, suppliers propose that there should be a technical committee, which determines what is to be donated or disposed off, and such a disposal should follow procedure. In addition, donations should be done publicly and should be valuable to the user. However, the PPDA disposal manual provides guidelines for donation and disposal, which points to a lack of awareness among suppliers and calls for dissemination of such information to suppliers.

Sometimes government officers undervalue assets for a fee or delay the evaluation and disposal of an asset so that the asset loses value. In this case, agencies should be forced to sell old assets, but the sale should be governed by a stringent policy and perhaps an approval process through a committee composed of competent members. It follows that the disposal should be based on the counsel of an internal actor and should consider the receipts and time the asset has served.

3.2.3.6 Restriction of conflict of interest in procurement

A PDE is prohibited from entering into a contract with a member of the CC, the evaluation committee, board members, staff members and AOs. MDAs and LGs would encourage officers to always be open and disclose a conflict of interest, which is lacking as illustrated below:

There are transparency gaps in public procurement. For example, some DLGs' procurement officers have refused to provide documents of past contracts (CSBAG, March 2020).

The capacity to process and manage contracts is lacking, especially in terms of declaring interest, monitoring and evaluating. Therefore the PDEs need more support and training in this regard (World Bank Group, February 2020).

This suggest that there is scope for sensitisation on the ethical code of conduct and strictures such as penalties for not disclosing a conflict of interest as a form of deterrence. This calls for support to monitoring and evaluation and performance of the due diligence function. This can be augmented with a whistle blower policy. In addition, external teams should be established to conduct forensic audits on members of the PDUs.

Suppliers, on the other hand, feel that there is no clear definition of conflict of interest and that could explain why public officials are not declaring it. This can introduce influence peddling in the procurement process. For example, procurement specifications are sometimes prepared to benefit some firms at the expense of others. Therefore, this reform needs to be streamlined to enhance transparency and competition. However, some suppliers emphasised the practicality of this reform and had no problem with companies owned by public officers participating in bids as long as they qualify and no undue advantage is given. Therefore, the focus should be on the capacity to perform the task and not ownership. However, this is illegal as far as the law is concerned and calls for sensitisation of suppliers on the contradictions of such a proposal.

To the extent that public officers are not allowed to participate, suppliers encourage audits and internal checks and balances. Particularly, there is an emphasis on the need to involve the Uganda Registration Service Bureau to establish the ownership of interested companies. This can be combined with a declaration of a conflict of interest. Separately, a roll out of e-procurement would minimise interactions between the bidder and evaluation committee members, which would reduce conflict of interest.

3.2.3.7 Penalty on errant suppliers

A supplier shall remain suspended if she/he breaches the PPDA Act or the Code of Ethics of providers and the supplier is blacklisted from the procurement processes of an international agency of which Uganda is a member. However,

In line with punishing errant suppliers per the 2014 amendments, the World Bank Group also sanctions suppliers that have been blacklisted by the PPDA (World Bank Group, February 2020).

However, blacklisting, in some cases, has not been sufficient; influential errant suppliers such as DOTT Services make it back into the system. Similarly, blacklisting is difficult at the local government; it is viewed as tampering with people's business (ACCU, March 2020)

In addition, the suspension shall be upheld if (i) the Auditor General deems the performance of the suppliers to be unsatisfactory, (ii) the supplier is not in good standing with a professional body for professional misconduct and (iii) the supplier has a criminal record.

Regarding this reform, MDAs and LGs call for the implementation of stringent measures to promote transparency and fair play. One or a combination of fines, suspensions, repay/refund, and a jail sentence would act as a deterrent. These modes of punishment should be quickly dispensed to avoid wastage of resources. However, the issue of how and who offers the legal correction should be made clear and legalised to avoid counter litigation.

In addition, there is a need for capacity building of the audit and contract managers' function and the CC's due diligence function to detect errant suppliers. Capacity building of locals and firms to monitor and implement projects would also help in curbing vices by suppliers. Other measures proposed are a quick roll out of e-procurement and a display of a "shame list" of blacklisted suppliers to act as a deterrent and send a strong message about the intent of the reforms.

Suppliers expressed the sentiment that the current measures are not punitive or deterrent. Oftentimes, cases drag on for long periods thereby creating a constraint to the possibility of recovering losses. Additionally, the procurement entity needs to be punished for engaging errant suppliers without performing due diligence. Several procurement entities have been found to have made unclear specifications and giving suppliers insufficient time to deliver. This issue can be remedied by the use of external evaluators. However, there should be flexibility in

the system. For instance, time and variability in supplies could explain price changes. However, price changes should be evaluated on a case by case basis, for each case is unique.

The other issue is that suppliers are not aware of the procurement process, which drives the errors in compliance. This points to the need for capacity building on delivery of supplies to ensure that procurement process ends amicably.

3.2.3.8 Establishment of PPDA Appeals Tribunal

The PPDA Appeals Tribunal (PPDAAT) shall be established if a bidder is aggrieved by a decision of the PPDA and a bidder alleges that the PPDA has a conflict of interest and, therefore, may not impartially handle their matter. Concerning this regulation, the MDAs and LGs complained about the lack of simplicity in the process. There is a need to expedite the process and empower the PPDAAT to punish the errant suppliers. The time for the resolution of conflicts should be reduced and documented. This also calls for more legal officers to address the complaints more promptly. In addition, legal counsel is needed to represent all the disputing parties to ensure that the rights of all parties are represented. The legal cost can be shared between the disputing parties to encourage a healthy complaint redress system and not one where only one party bears the burden of arbitration.

The PPDAAT is also vulnerable to external interference, especially from politicians, and its membership is susceptible to corruption. Consequently, the public has a deficit of trust with the PPDAAT officials. In this case, the PPDAAT should be apolitical, independent, and empowered to have the powers of a high court. In addition, the procurement officers and representatives of suppliers should be invited to be part of the conflict resolution processes. The membership of the PPDAAT needs to be selected from Ugandans of unquestionable reputation and with qualifications of a high court judge.

Furthermore, there is a limited awareness by suppliers about the existence of PPDAAT, which is consistent with information on Table 3 of section 3.1.1 where only 47 of suppliers are aware of the tribunal and other conflict resolution mechanisms. This calls for sensitisation and training of stakeholders on the role of such a tribunal. It was observed that there is no publication about its works.

3.2.3.9 Force account mechanism

“Force account mechanism” means undertaking the works of a PDE using the personnel and equipment of the PDE or another PDE. In relation to this regulation, the MDAs and LGs are of the opinion that the force account mechanism works best at the LG level because the scale of works therein are relatively small and may not require outsourcing of capacity. Nevertheless, there is a need for additional resources to build capacity and fully utilise the mechanism, especially at the LG level. Additionally, the procurement teams and user departments should be consulted before use of a force account mechanism. The force account mechanism should also be implemented on a case-by-case basis, bearing in mind that not every organisation has the capacity to implement it.

Nevertheless, the process needs to be audited to prevent abuse. Therefore, proper documentation of every project that has gone on forced accounting is imperative. In addition, adequate punitive measures should be put in place for those who abuse the mechanism. It follows that the awareness about the mechanism to the AOs and internal auditors’ needs to be escalated.

The force account mechanism should also create flexibility to hire equipment, consultants and acquire a loan to execute projects for those PDEs and PDUs lacking equipment. Otherwise, the mother ministries need to provide the equipment in the absence of such a provision. Also, proper training, staffing and competitive remuneration are imperative for the process to be efficient.

However, there are MDAs and LGs who felt that the mechanism should be revised and thought through because it is open to abuse as cited by the World Bank Group below. This calls for in-house capacity building to deliver on the force mechanism.

On the policy side, the government has provided equipment that is not being utilised effectively such as graders, therefore, an equipment pool for local governments in close proximity would be a better solution. Additionally, force accounting is pushing out able contractors since PDEs are opting for in house capacities more and more (World Bank Group, February 2020).

Suppliers are of the opinion that while force mechanism reduces costs, the quality of the services provided is questionable, largely because the contractor is also the supervisor. It also reduces the chances of other suppliers providing the services. This is largely because it lacks transparency and competition. Therefore, the thresholds and limits should be set on where it should be applied. Even better, PDUs and PDEs could consider outsourcing an expert to support the internal team.

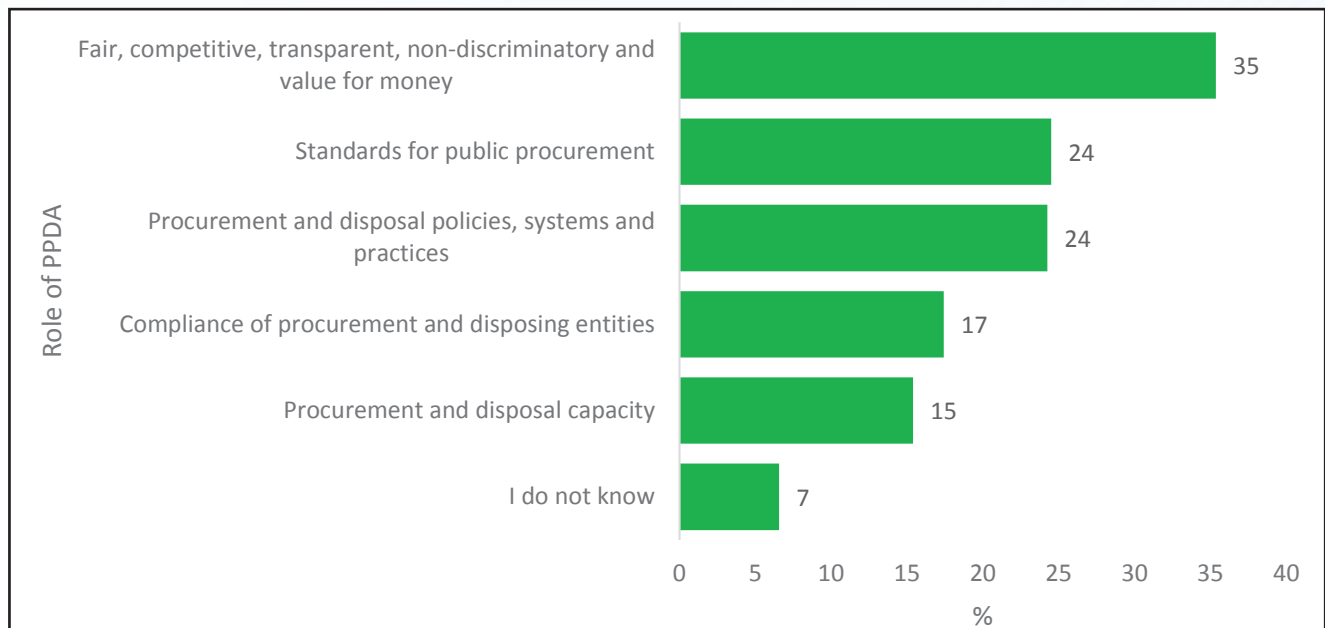
3.3 Roles of Stakeholders in Monitoring Procurement

Procurement is vulnerable to corruption through unfair competition and collusion. Couched in technical language and a complex regulatory framework, public procurement can be opaque to stakeholders who could provide the much-needed check on the powers of corrupt suppliers and authorities. Therefore, it is important that this monitoring process is participatory and that all stakeholders share a clear understanding of the overarching mandate of the PPDA, its objectives, roles and the regulations that guide its operations. This survey sought to establish the PPDA's roles and its performance in delivering on those roles; roles of various stakeholders; the extent to which stakeholders are involved in the monitoring of projects and the channels of communications (complaint resolution) between stakeholders and PPDA.

3.3.1 Role of the PPDA

This sub-section presents citizens' perception of the role of the PPDA. The results are presented in Figure 12. Broadly speaking, awareness of the role of the PPDA among the citizens remains low. This is largely because only 35 percent of the respondents recognised that the PPDA has a role in ensuring fair application, competition, transparency, non-discrimination and the value for money in procurement and disposal. Meanwhile, only 24 percent knew that one of the key roles of the PPDA is to set standards for public procurement. Only 17 percent of the interviewed citizens understood that the PPDA is mandated to monitor the compliance of procurement and disposal entities. Finally, only 15 percent of the interviewed citizens were aware that the PPDA has a role of building the capacity of the procurement and the disposal entities and units.

Figure 12: Citizenry perceptions on the role of PPDA, (%)



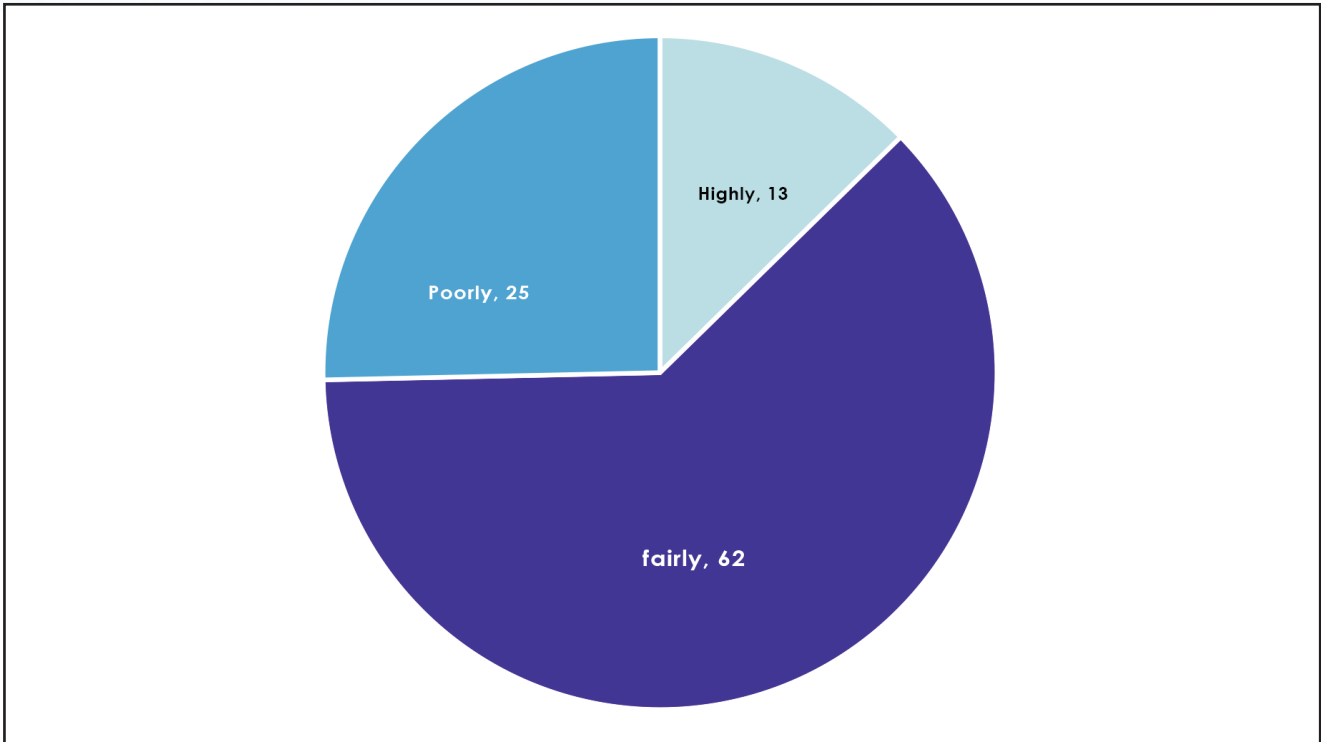
Source: NPIS 2020 data.

3.3.2 Performance of the PPDA in achieving its objectives

Public procurement involves a high risk of corruption due to the great size of financial turnover and the complexity of many procurement processes in which business owners interact with politicians and civil servants. With this background, there is a need to measure whether the PPDA is living up to its mandate. In this regard, the survey asked citizens to rank the extent to which the PPDA was perceived to be effectively performing its role in addressing corruption in the procurement process on a three-tier scale ranging from “highly” to “poorly”. Most citizens ranked PPDA fairly in this area – more than six in every ten citizens.

The citizens who were of the opinion that PPDA has performed fairly advanced the following reasons. First, the existence of PPDA has reduced the levels of corruption. Second, PPDA has set up and enforced the standards to be followed in public procurement. Lastly, the PPDA has built the procurement and disposal capacity. This has promoted the principle of competition, integrity and accountability in public procurement. For example, more often than not, the best bidder is awarded the contract in question. In this regard, PPDA gives the opportunity to every provider including to the SMEs to participate in public procurement.

Figure 13: Citizenry perceptions on the performance of PPDA (%)



Source: NPIS 2020 data.

Moreover, the PPDA has also been able to rate the performance of the PDUs in Uganda. In doing this, the PPDA highlights the companies which have not performed to their expectations. The PPDA is also at the helm of the on-going automation of the procurement system through e-procurement. Furthermore, the PPDA has resolved procurement-related conflicts effectively and initiated litigation against some suppliers and public officers for the mismanagement of public resources.

However, not all contracts are awarded fairly. In some instances, there is favouritism of big suppliers at the expense of small ones (see Figure 9 and 11). Consequently, there is a lot of influence-peddling especially during the disposal of assets. This suggests that there is still a significant lack of integrity in public procurement as demonstrated in Box 2. In addition, there is no value for money in the poorly executed procurements, especially in the road sector. In most cases, such projects inflate the costs and fail to ensure adherence to projects timelines. Therefore, some implementation gaps need to be rectified and more efforts need to be directed towards monitoring of community projects.

Box 2: Areas to address in performance of the PPDA

- a) *There is a lot of document forgery by the suppliers and at times complaints from the PDEs staff whose favoured bidder has lost a bid (World Bank Group, February 2020).*
- b) *Rigidity remains a problem, in that people are not willing to comply with the PPDA laws or reforms (World Bank Group, February 2020).*
- c) *Fairness in contract awarding and issues of gender equity in awarding contracts is still a problem (CSBAG, March 2020).*
- d) *Some LG contracts are being managed by the CG. Resulting in nepotism over inflation of project funds and budget corruption (CSBAG, March 2020).*
- e) *Corruption in the procurement process is perceived as influencing the process, internally and externally, to push a bid in someone's interests. Corruption also manifests in bidders forging documents such as licenses, and tax clearance from the Uganda Revenue Authority (URA). This is very common among small firms. However, tax clearance can be verified with the URA and reported to the PPDA; thereafter, a firm will be penalised (NPA, March 2020).*
- f) *PPDA needs to train the suppliers (capacity building), especially in submitting the required request for quotation (RFQ) documents (majority present invoices minus the Local Purchase Orders and RFQ without contract documents). Also, training in time management in supply and delivery is a necessity to ensure value for money (NPA, March 2020).*

In addition, the PPDA has not sufficiently sensitised the people at the community level on their role. Consequently, community knowledge about the PPDA is limited. There is, therefore, scope for engaging the community, institutions, and citizens by publishing its undertakings so that more people know about the work of the PPDA. In this case, the PPDA needs to regularly organise seminars and training sessions on public procurement.

3.3.3 Roles of various groups in addressing corruption

Here the roles played by the various stakeholders in the procurement process are assessed. Among key stakeholders identified are members of the public, Civil Society Organisations (NGOs and CSOs), Local Government (DLGs, Municipalities, and Sub-counties), Central Government (MDAs) and Anti-Corruption Agencies (. IGG, DPP, Police). The results are presented in Table 4.

Table 4: Citizenry perceptions of the role of various stakeholders in addressing corruption (%)

Stakeholder	Role	%
Members of the Public	a) Monitoring of the procurement process	39.4
	b) Report case of corruption in procurement	62.6
	c) Evaluating projects to ensure value for money	24.5
	d) Demanding accountability	44.2
Civil Society Organisations (NGOs and	a) Monitoring of the procurement process	46.2
	b) Report case of corruption in procurement	36.1
	c) Evaluating projects to ensure value for money	36.4
	d) Demanding accountability	50.3
	e) Policy engagement	42.2
Local Government (Districts, Municipalities, Sub-counties)	a) Monitoring of the procurement process	57.3
	b) Punish those involved in procurement corruption	45.7
	c) Audit projects to ensure value for money	52.3
	d) Ensuring accountability and transparency	57.8
	e) Whistle blowing	34.9
Central Government (Ministries, Agencies, Departments)	a) Monitoring of the procurement process	54.6
	b) Punish those involved in procurement corruption	59.1
	c) Audit projects to ensure value for money	64.1
	d) Ensuring accountability and transparency	59.9
	e) Whistle blowing	27.0
Anti-Corruption Agencies (institutions fighting corruption e.g. IGG, DPP, Police)	a) Monitoring of the procurement process	38.1
	b) Punish those involved in procurement corruption	80.6
	c) Evaluating projects to ensure value for money	36.1
	d) Ensuring accountability and transparency	46.7
	e) Policy engagement	42.2

Source: NPIS 2020 data.

From Table 4, it is the perception of the citizens that the best role that could be played by the members of the public is reporting cases of corruption to the parliament. Citizens also have a right to contract information, which defines the contract specification. Moreover, citizens have a right to make a guided site visit, which enables observation, checking and comparing

of the specified materials and may request for meetings with suppliers or contractors. These activities enable citizens to report to the supervisory organs in case there are anomalies. On the other hand, CSOs should demand accountability by identifying and exposing corruption and the waste plaguing public procurement. CSOs should also support other stakeholders in constructively engaging with sympathetic authorities to find solutions.

Furthermore, it is the citizen's view that the LGs should audit projects to ensure value for money, while ensuring accountability and transparency. The purpose of audits is also to assess the extent to which the PDUs are adhering to the general principle espoused by the 2014 amendment of the 2003 PPDA act, competition among suppliers, fairness, and integrity in public procurement. However, there have been deficiencies in monitoring contracts as illustrated in Box 3.

Box 3: Gaps in monitoring public procurement

- a) *There are cases where contracts are not executed for several months in the local governments (CSBAG, March 2020).*
- b) *There is a widespread failure to monitor contracts, and at times contract funds are shifted from the original project to others (CSBAG, March 2020).*
- c) *The contract value sometimes does not tally with the shoddy work delivered due to collusion. The PPDA has no mechanisms for checking value for money (CSBAG, March 2020).*
- d) *Sensitisation of citizens is necessary for citizens to monitor contracts. The PPDA can partner with CSOs to create a model of transparency (CSBAG, March 2020).*
- e) *The PPDA's engagement with CSOs is low much as ACCU has reached out in the past. Community outreach has also been limited (ACCU, March 2020).*
- f) *PPDA has worked with the African Freedom of Information Centre, to develop a procurement portal. Besides this, their visibility has been lacking (ACCU, March 2020).*
- g) *The first approach to increasing visibility should be deeper engagement with CSOs. Unlike IGG that does a lot of media, talk shows and barazas, PPDA only appears during the Anti-corruption week. Additionally, they need to expand their social media presence as an institution, just like the URA (ACCU, March 2020).*

The MDAs should monitor the procurement process, punish those involved in procurement corruption and audit projects to ensure value for money. Lastly, anti-corruption agencies (IGG, DPP, Police) should punish those involved in the corruption in public procurement.

3.3.4 Involvement of stakeholders in monitoring projects

The GoU has put in place legal measures, frameworks and institutions to fight corruption and ensure that the basic tenets of public procurement are achieved. These measures and institutions are the development of anti-corruption institutions (IGG, DPP, Police, PPDA), approaches (Advertising, Open Bidding) and legal frameworks (The 2014 amendment of the PPDA Act (2003)). The survey asked MDAs, LGs and suppliers to evaluate some of the measures that the government has put in place to monitor projects with the wider goal of combating corruption in public procurement.

3.3.4.1 Public anti-corruption institutions

Anti-corruption agencies (IGG, DPP, Police and PPDA) were established in compliance with the best international practices. However, conviction rates of corruption have remained extremely low, hence undermining the deterrent effect arising from the high risk of detection. In this regard, the survey sought the opinion of MDAs, LGs and suppliers on the effectiveness of anti-corruption institutions in monitoring public procurement. MDAs and LGs are of the opinion that institutions have been successful in reducing corruption by providing guidelines, especially for the PPDA to regulate public procurement. The legal framework governing the PPDA has closed most of the gaps in public procurement. The PPDA has also developed the capacity to investigate and handle disputes arising from public procurement. For instance, the errant suppliers and public officers are penalised proportionately. Examples of penalties are blacklisting errant suppliers from the register and participating in public procurement. Besides, the PPDAAT has improved its efficiency on conclusion of cases as demonstrated in Figure 8 (section 3.2.1), but there is scope for improvement (see section 3.2.3.8). Nevertheless, the improvement in efficiency justifies the need to empower the PPDAAT to do investigations on corruption in procurement.

In addition, the PPDA has been carrying out sensitisations on corruption. There is increased media coverage of issues concerning integrity in public procurement. Other reforms at the PPDA have reduced administrative bureaucracy and enhanced procurement monitoring in the different entities. Consequently, MDAs and LGs are increasingly becoming more efficient and effective in improving the processes with the encouragement of the PPDA. Moreover, the PPDA has also brought fairness and transparency in the procurement process through monitoring and ensuring accountability of resources. This positive rating is consistent to the somewhat positive rating that the PPDA received from MDAs, LGs and suppliers (Figure 11) and citizens (Figure 13).

In contrast, the PPDA has underperformed in some instances. For example, the PPDA has not held many offenders accountable and exerted the necessary punitive measures, which reflect a weakness in the due diligence investigations. This is partly a consequence of not implementing the audit recommendations. This calls for timely implementation of audit recommendations by PPDA.

Similar to the PPDA, the respondents perceived the office of the IGG to have performed quite well. Indeed, it has investigated some cases to a logical conclusion. More importantly, some culprits are serving jail terms and the lost assets have also been recovered. However, there is scope for improvement in terms of investigative independence and capacity of the IGG.

MDAs, LGs and suppliers propose that the IGG should be granted more independence and prosecutorial powers. This policy change will facilitate the fast-tracking of delivering justice on investigated cases. In addition, clear processes on case disposal should be laid out, and a mechanism of how to deal with whistle blowers needs to be developed.

The office of the DPP is perceived to have prosecuted a number of cases related to corruption in procurement. These investigations and prosecutions have enabled the recovery of assets in cases where losses had been made. However, the number of staff in the office of the DPP is not commensurate to the task. Consequently, cases drag on for long periods. The staff members also lack the prerequisite skills such as forensic

investigations. The DPP is also perceived to be investing a lot of resources in small insignificant cases (see Box 4).

Box 4: Institutional lapses in Monitoring Public Procurement

- a) Awareness of the PPDA Act is lacking. One wonders whether the PPDA has the resources to carry out its mandate. How does it maintain independence when it is funded by the CG? Institutional independence comes into question when regulating procurement (ACCU, March 2020).*
- b) Corruption is also characterised by insider trading, for example the procurement fraud related to the Katosi Road, where no asset has been recovered to date. Non-conviction based asset recovery was recommended by ACCU, whereby, if one cannot prove one's ability to acquire the assets in contention, then government should confiscate them and recover the lost funds (ACCU, March 2020).*
- c) The political economy is regarded as the most significant challenge; governance issues abound where some institutions have stronger mandates than others, hence can assert their role over others (World Bank Group, February 2020).*

MDAs, LGs and suppliers propose that the office of the DPP should enable the quick and logical conclusion of cases by conducting proper investigation before prosecution. However, there should be a strict timeline for investigating cases. This calls for improved resourcing for the office of the DPP as well as capacity building.

The police are perceived by MDAs, LGs and suppliers to have enabled the holding of errant suppliers and public officers accountable by carrying out successful investigations. For example, the police brought the medicine procurement cartel cases, amongst others, to light. The publicity in this case has acted as a deterrent to corruption. In addition, there is evidence that there is continued investigation of corruption in a significant number of pending public procurement cases. However, corruption is still perceived to be pervasive in police. For example, many suspects have been released before trial. The police are also perceived to conduct shallow investigations or to delay investigations.

MDAs, LGs and suppliers propose that the police needs more funding, capacity building on

integrity and investigation of procurement related cases, observe timelines for case investigations and constant monitoring to counter corruption in the force. The monitoring can be done through regular audits and reviews by external bodies. Monitoring should also be coupled with the punishment of errant officers. Equally, the public needs to be sensitised on the duties of police.

3.3.4.2 Approaches (Advertising and Open Bidding)

These are courses of action that have been adopted by the government concerning the regulation of public procurement. These policies guide the procurement process from the pre-tendering to the post-tendering phase to ensure that there is integrity, transparency, fairness and accountability in public procurement. In this context, MDAs, LGs and suppliers are of the view that the policies are consistent with the earlier mentioned general principles of public procurement. Policies such as advertising not only enable wide circulation of procurement opportunities, but also attract the best firms, both locally and globally, to supply the required goods and services. Consequently, when the supplied goods and services are of the required specification, the principle of efficiency, quality and value for money is achieved. Therefore, the policies have significantly closed gaps that enable manipulation.

However, MDAs, LGs and suppliers are of the opinion that the compliance checks are limited and that the system could be vulnerable to corruption. For instance, sometimes the procurement specifications are customised for a specific firm so that it may win the bid. In other instances, some suppliers already have information on goods and services required before advertising is done. Alarming, the advertisement can be made when they have already awarded the contract. As such, corruption takes place at the conception/planning stages and may be difficult to detect at a later stage.

Also, the cost implications of some of the policies is beyond the capacity of some PDEs. The cost of using, for example, an international newspaper to advertise is extremely high. More often, advertisements at the local government level are not clear, so it disadvantages those firms that cannot comprehend the notice. Separately, the prescription made by the reform lengthens the procurement cycle - there are 12 steps of the cycle. In addition, the

Solicitor General takes a lot of time to clear the single sourced procurements above UGX 200 million (Uganda Shillings Two Hundred Million only). Therefore, the Solicitor General should give a timeline and deadline for approval of single sourcing bidding.

It was also observed that open competitive bidding demoralises small firms and local content participation. In addition, the policy has not stratified/classified the bidders according to size, ownership and capacity. This disadvantages small firms. In the medium term, the capacity of SMEs to compete should be enhanced.

MDAs, LGs and suppliers see the need for more reforms in the public procurement policy. However, this may require political “*buy-in*” for it to have meaningful impact. It is important to minimise political interference in the procurement process and strengthen professionalism and ethics. In the absence of further reforms, there is scope for public sensitisation of the current reforms to deepen the awareness. Particularly, guidelines for the bidding process should be well explained.

Going forward, the PPDA should be involved in generating a standard specification for large procurements while an external entity should be employed to oversee the selection process. Accommodation should also be made for sensitive procurement. In this regard, restrictions on publicising requirements should apply.

3.3.4.3 Legal framework

The legal framework is a set of laws and the regulatory context that underpins public procurement in Uganda. These procedures and processes are necessary for public procurement. Here the focus is on the 2014 amendment of the PPDA Act (2003) and Anti-Corruption Laws (2008). In this context, MDAs, LGs and suppliers are of the opinion that since the legal framework has guided the procurement process for more than a decade, stakeholders should know their duties and responsibilities. The implementation of the legal framework has significantly reduced corruption and promoted the general principle of procurement. Particularly, the punitive measures provided by the law are effective in acting as a deterrent and the level of compliance with the legal framework from all stakeholders

is also encouraging. This could be attributed to the regular audits and compliance checks. The responsible agencies have also carried out mass education on the legal framework, such as the Leadership Code or Act underpinning public procurement.

Moreover, MDAs, LGs and suppliers are of the opinion that there is a need to harmonise the PPDA law with other laws such as the Local Content Act of 2020, hence eliminating any contradictions. Relatedly, a further review of the law is required to remove redundancies, which are existent in the current legal framework. Indeed, the law was found to have overlaps, which enabled a long bidding process that was not beneficial to stakeholders. The PPDA regulation was also found to be voluminous and hard to follow by stakeholders. A reduction in the volume of the PPDA regulation may be beneficial.

In addition, MDAs, LGs and suppliers propose harmonisation of the various pieces of legislation, which calls for more research from other corruption laws globally. In addition, there is a need for translation of the different pieces of legislation into different languages. Likewise, the legal framework should encourage the formation and the vibrancy of a professional procurement body to which members are answerable.

3.3.5 Complaint resolution mechanism in public procurement

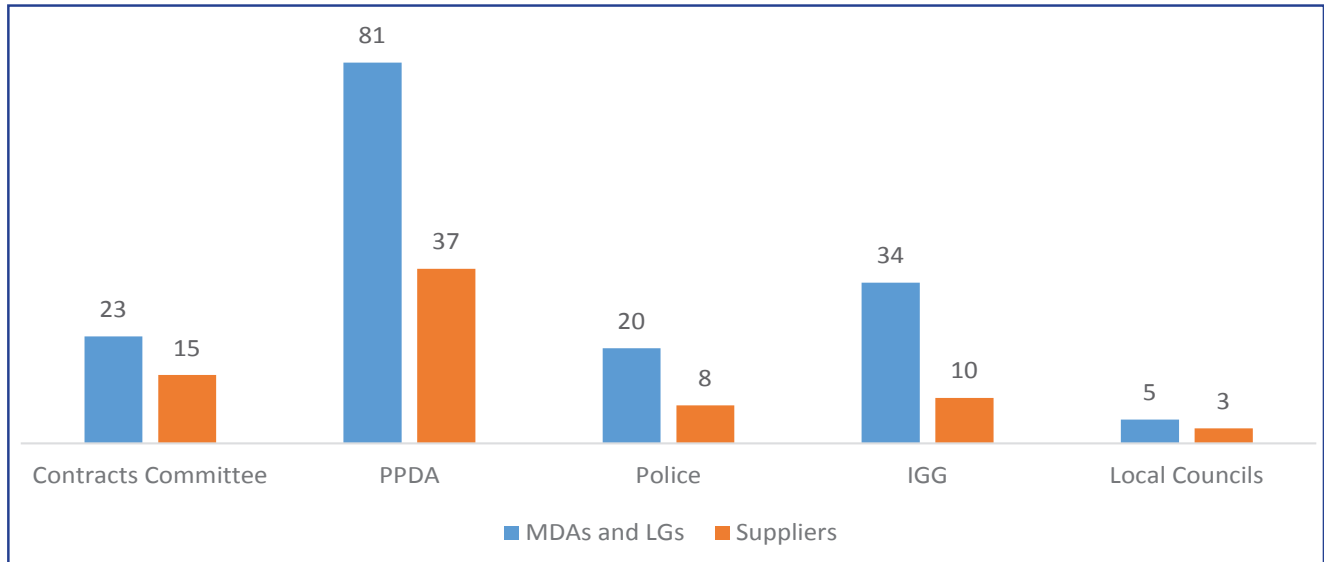
Disputes in public procurement must be resolved legally and efficiently because this minimises the legal challenges and delays in public contracts. While there is a dispute resolution mechanism provided for by the Arbitration and Conciliation Act 2000, majority of suppliers go straight to the PPDAAT without exhausting the remedy provided by the lower arbitration system.⁸ This is consistent with Table 3 (section 3.1.1) which showed that only 47 percent of the suppliers know about the complaint system.

Nevertheless, the GoU has put in place measures to fight corruption in public procurement among which are institutions responsible for handling cases legally. Figure 14 presents results for where the respondents would report complaints. Among the two groups of respondents, MDAs and LGs are more likely to know where to report compared to

⁸ All procurements except for Works above 200m are approved by the Solicitor General

suppliers. MDAs and LGs indicated that the PPDA (81 percent) is the primary place to report to, followed by the IGG (34 percent), contracts committee (29 percent), police (20 percent) and the local council (5 percent). Suppliers follow a similar trend but with less emphasis.

Figure 14: Where complaints in procurement should be reported, (%)



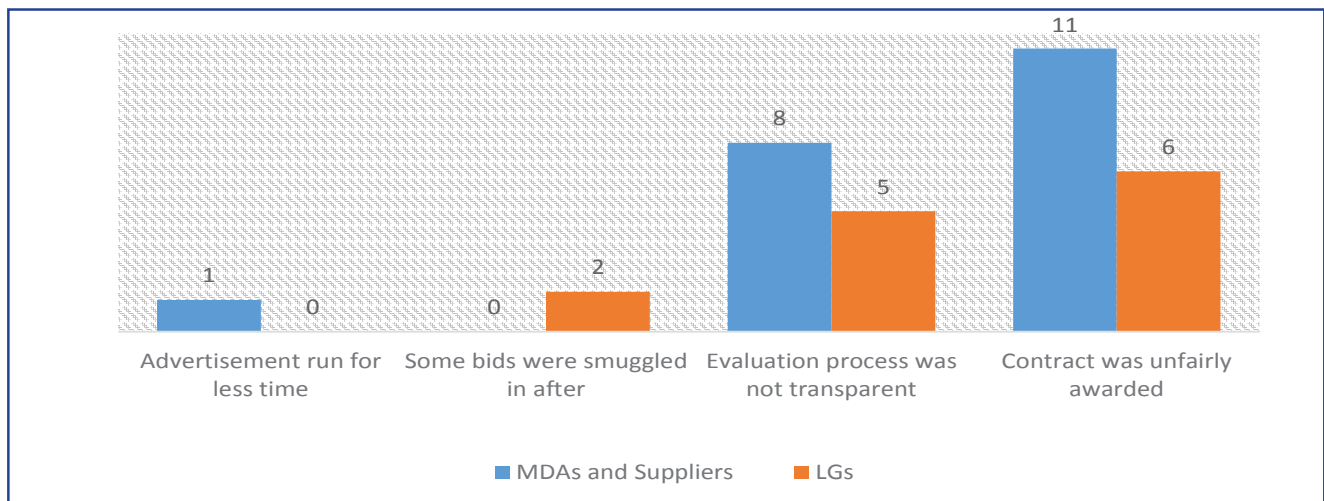
Source: NPIS 2020 data.

According to some respondents, a number of anti-corruption agencies are parallel and their actions are uncoordinated and un-sequenced. In the same vein, these bodies also spend more time fighting for space and recognition than their specific mission of fighting corruption. Additionally, the agencies are underfunded and politicised and, as a result, less effective in the fight against corruption in public procurement. In relation to this, oftentimes, there is no political commitment to fight corruption due to the need to attract external investors who drive the formation of the anti-corruption agencies (Hellbrunn, 2004).

With regard to whether the respective organisations have ever been reported in a case of corruption in procurement since 2015, the proportions are small, where 22 percent of the MDAs and LGs and 10 percent of suppliers agreed. The results suggest that either there has been limited reporting of corruption by the respondents' organisations or corruption has reduced. Regarding the total complaints that were reported, Figure 15 demonstrates very low proportions of 20 percent among

MDAs and 13 percent among suppliers. There is an agreement on the main complaints among the MDAs, LGs and suppliers. Awarding of contracts was the main complaint for both MDAs and LGs and suppliers (11 percent and 6 percent respectively), followed by a lack of transparency in the bid evaluation process (8 percent and 5 percent, respectively), smuggling in of bids and running of the advert for fewer days than it is statutorily required was the other complaint.

Figure 15: What was the complaint? (%)

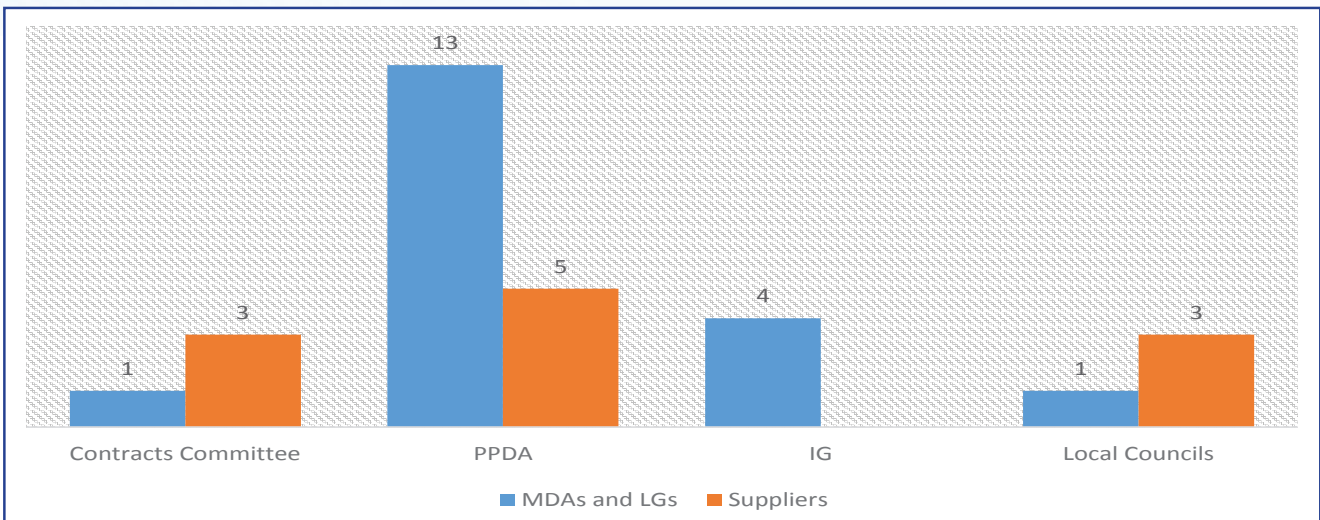


Source: NPIS 2020 data.

The complaints were largely reported to the PPDA (Figure 16), followed by the contracts committees, the local councils and the IGG, although the proportions are extremely low. The fact that both MDAs and LGs and suppliers follow a similar trend regarding the agencies' complaints suggest that there is knowledge on redress, and to a certain extent, the institutions put in place to fight corruption in procurement are working. Concerning other places where MDAs and LGs made complaints, the respondents that they report to the AOs, PPDAAT, print media and IGG.⁹

⁹ Arbitration and Conciliation Act, 2000 Cap 4, Vol.2 Laws of Uganda

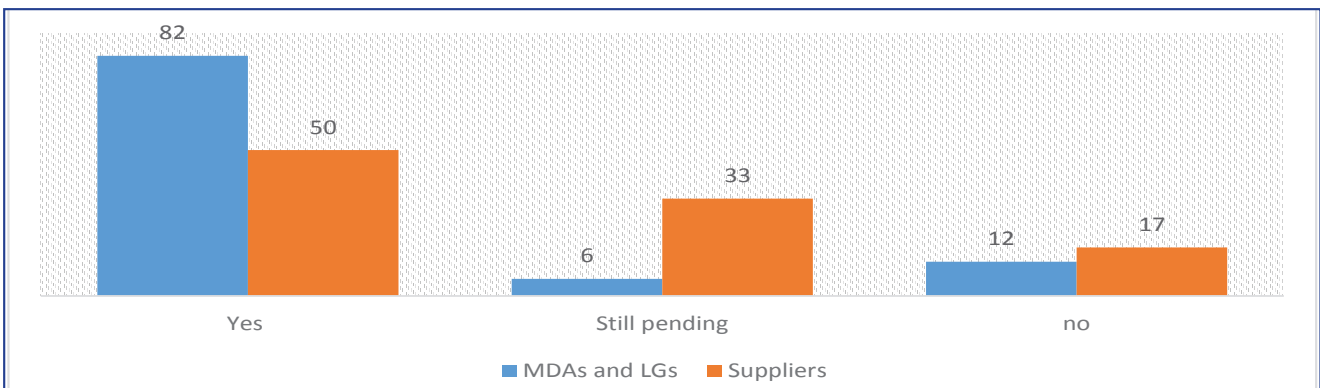
Figure 16: Where was the complaint reported, %?



Source: NPIS 2020 data.

The MDAs, LGs and suppliers largely agree that their complaints were addressed. Whereas 82 percent of the MDAs and LGs were of the view that their complaints were addressed, 50 percent of the suppliers agreed with this sentiment (Figure 17). However, the fact that 33 percent of the complaints according to suppliers were still pending suggests that expediting the process is critical. More importantly, about 12 percent of the MDAs and LGs were of the view that their complaints had not been addressed and this was 17 percent for the suppliers. Nonetheless, there was satisfaction that the addressed complaints were addressed well. Overall, the complaints are being addressed although there is room for improvement.

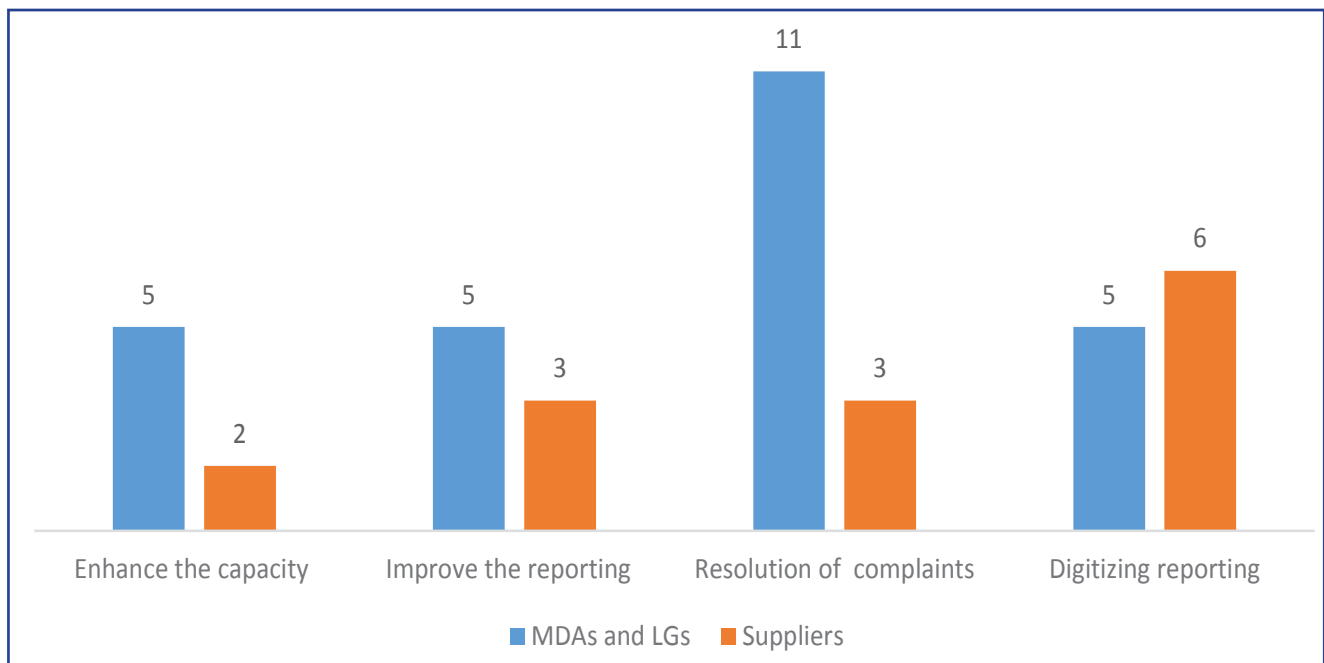
Figure 17: Was the complaint addressed, (%)



Source: NPIS 2020 data.

Proposals were made to improve the systems of making and addressing complaints and the results are presented in Figure 18. It is noted that the responses are extremely low, that is a maximum of 11 percent. The proposals by MDAs and LGs include, in order of preference: creating an efficient resolution of complaints, enhancing the capacity of the institutions, digitising the reporting mechanisms and improving the reporting process. On the hand, the suppliers, prefer digitising the reporting mechanism, followed by an efficient resolution of complaints, improving the reporting processes and finally enhancing the capacity of the institutions. MDAs and LGs also proposed other measures such as sensitising the suppliers on the reporting mechanism through workshops, ensuring that the PPDA is not politicised, eliminating non-bidders from putting up complaints, raising the threshold of what can be reported to minimise the many petty complaints and no requirement of companies to pay before reporting.¹⁰

Figure 18: Can the complaints system be improved? (%)



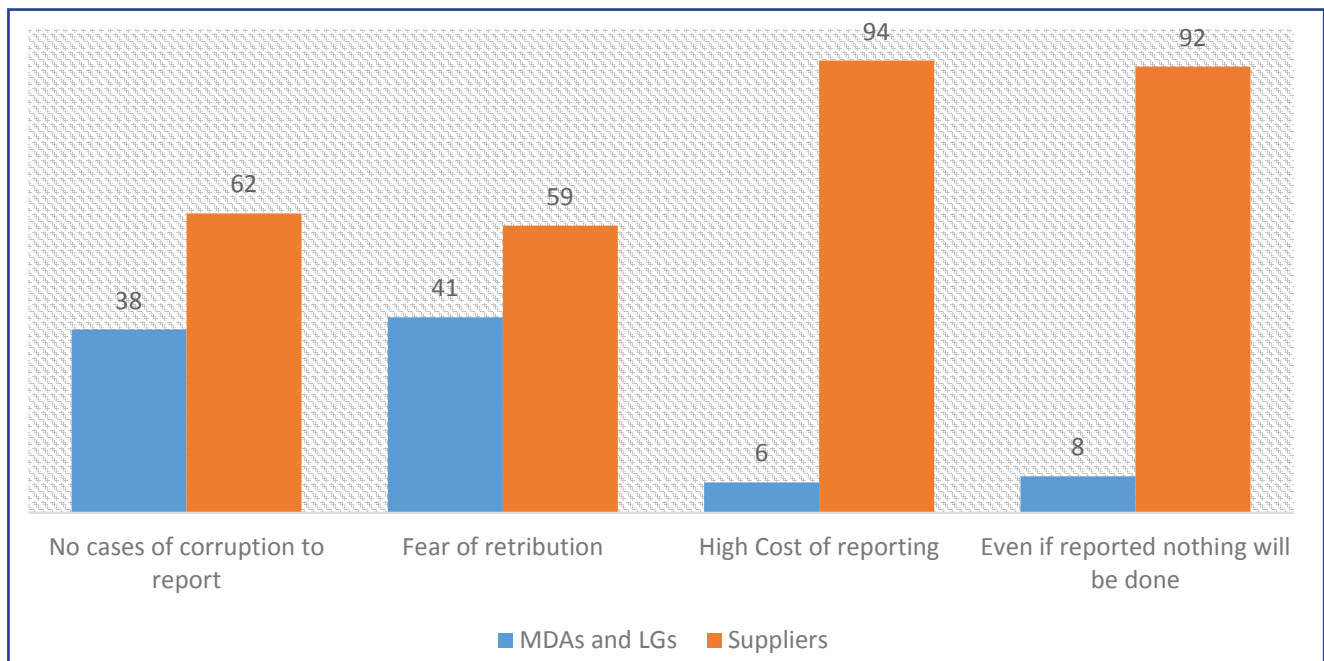
Source: NPIS 2020 data.

It is important for policy to establish why individuals do not report cases of corruption in procurement. This will partly form a basis for designing policies to address the problem. The reasons are presented in Figure 19. The results, first, suggest that the suppliers overwhelmingly

¹⁰ Not reported on Figure 17

responded compared to the MDAs and LGs. Second, there is a great divergence between MDAs and LGs in comparison to suppliers. The suppliers express rather a pessimistic outlook by suggesting that even if corruption is reported, nothing is done about it (92 percent) and only a small proportion (8 percent) of the MDAs and LGs expressed this view. Similarly, the suppliers expressed that the cost of reporting is high (94 percent). The other factor for the suppliers not reporting is the fear of retribution (60 percent). The MDAs and LGs have one significant reason and that was fear of retribution (41 percent) although this was lower than that of suppliers. While there are mechanisms for protecting whistle blowers and witnesses, results suggest these mechanisms are not yet adequate. Perhaps the cost of pursuing reported cases should be considerably reduced to enable complainants to follow up.

Figure 19: Reasons for not reporting cases of corruption in procurement (%)



Source: NPIS 2020 data.

3.4 Influence of Corruption in the Process of Public Procurement and Disposal

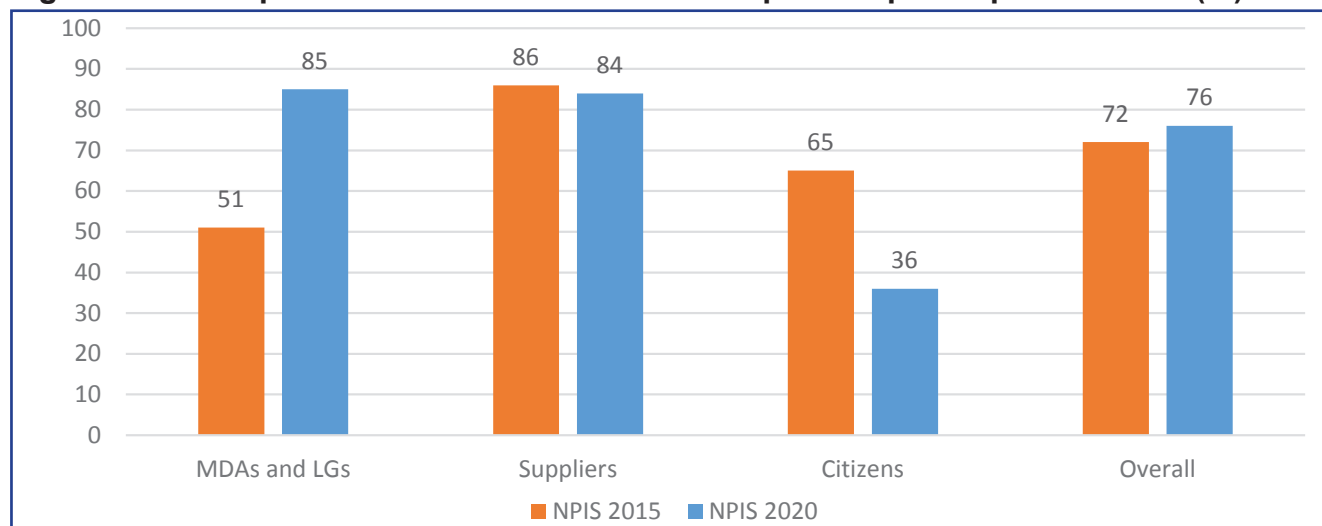
A range of economic, political, social and cultural factors characterise corruption. Corruption facilitates illicit opportunities that distribute resources unfairly among individuals, groups and institutions in both the public and private sector. It is a dynamic relationship. The overall

perception of the corruption index is presented and discussed in this sub-section. Efforts are made to compare the index with that computed based on 2015 NPIS data. Furthermore, the report discerns perceptions of the influence of corruption on the public procurement process. Here various views and forms of corruption, factors that drive corruption, vulnerable points in the procurement cycle, and the extent to which government's contracts are exchanged for corrupt practices are examined. The effect of corruption incidences on the quality of service delivery and punitive action for public officials who engage in corruption is also examined.

3.4.1 Perception index on the existence of corruption in public procurement

This section presents the perceptions of corruption in the public procurement of works, goods and services. This index facilitates the monitoring of the extent of corruption between and within surveys. The perceptions of each category of respondents are examined singly and an aggregate perception index is derived as an average of the different respondent views. Figure 20 shows the overall perception index about the existence of corruption in public procurement. The index increases to 76.1 percent based on NPIS 2020 data from 71.8 percent based on NPIS 2015 data. Figure 20 further presents the values by category of respondents. The rise in pessimism among MDAs and LGs and stakeholders, largely drove the worsening of the perception across the two surveys. Nevertheless, the perception of citizens improved, while that of suppliers remained stable across the two surveys.

Figure 20: Perception index on existence of corruption in public procurement (%)



Source: NPIS 2015 and NPIS 2020 data.

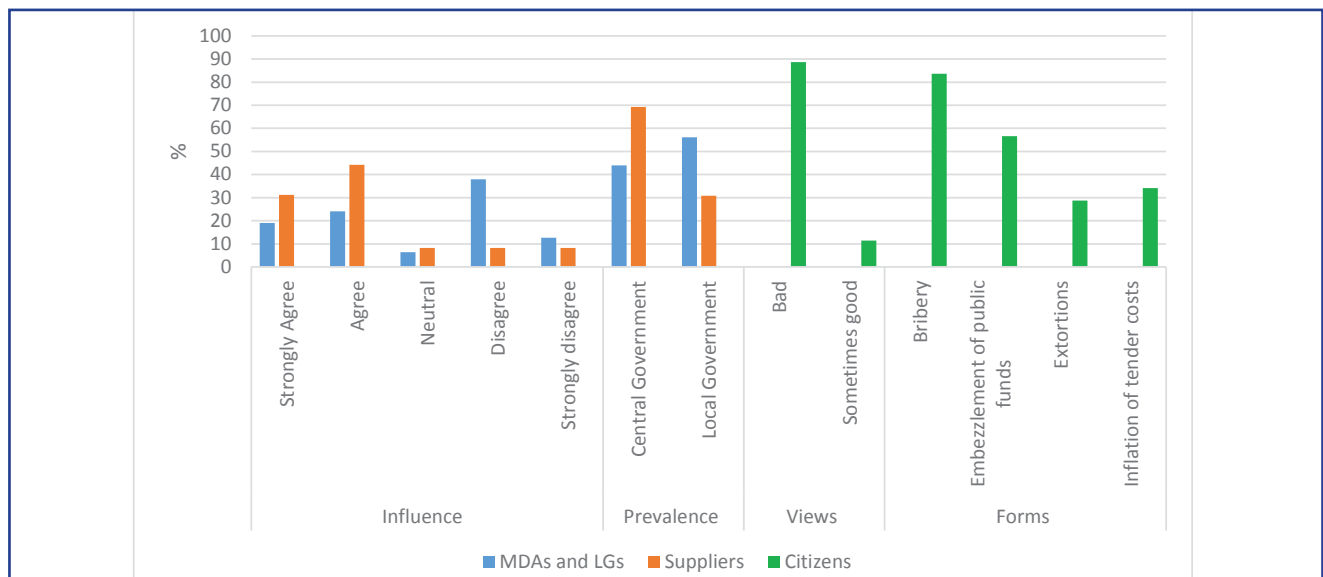
3.4.2 Views and Forms of corruption

Views on corruption can be categorised into two broad categories: a favourable view and an unfavourable view. The views on corruption are driven by political, economic, social, and cultural considerations. Unlike views on corruption, forms of corruption vary but include bribery, extortion, cronyism and nepotism amongst others. This survey sought to investigate views and forms of corruption amongst MDAs and LGs, suppliers and citizens of Uganda.

Figure 21 shows the views of the respondents when asked whether they agreed with the general view that there is corruption in public procurement. Several respondents from MDAs and LGs perceive that public procurement is not riddled with corruption. Specifically, Figure 21 also shows that close to 38 percent MDAs and LGs disagree or disagree strongly (13 percent) with the general perception that indeed there is corruption in public procurement.

On the other hand, close to 44 percent of MDAs and LGs agree or strongly agree that indeed there is corruption in public procurement. However, this is a significant improvement from PPDA (2016) where 75 percent of the MDAs and LGs perceived that public procurement is riddled with corruption. While the majority have a favourable view, there is scope for improvement as the proportion of unfavourable perceptions is quite close to that of favourable.

Figure 21: Views and forms of corruption



Source: NPIS 2020 data.

In addition, Figure 21 shows that the suppliers (75 percent) agreed (44 percent) or strongly agreed (31 percent) with the general perception that there is corruption in public procurement. However, 16 percent of suppliers disagreed (8 percent) or strongly disagreed (8 percent) with the view that there is corruption in public procurement. This points to the need to improve the perception of suppliers by engaging them more closely and deepening the reforms to achieve the intended outcomes of public procurement.

MDAs, LGs and suppliers were also asked to point out where corruption was most prevalent. Despite MDAs and LGs handling the largest share of public procurement, Figure 21 shows that MDAs and LGs perceive that the LGs (56 percent) are relatively more vulnerable to corruption than the Central Government organs (44 percent). To the contrary, Figure 21 also suggests that the suppliers perceive the LGs (31 percent) to be less corrupt than the Central Government organs (69 percent). The statements above demonstrate that perceptions on the epicentre of corruption differ by group, which is consistent with the differing views by stakeholders illustrated in Box 5.

Box 5: Differences in perception of the prevalence of corruption

- a) Corruption is most prevalent at the centre because they tend to cling to projects for the LGs and avoid working closely with the DLGs, resulting in financial loss. They claim that LGs have no capacity. Indeed, about an estimated 70% of the projects are controlled by the centre yet when the CG implements, the project costs tend to be higher (CSBAG, March 2020).*
- b) Collusion between public officers from the centre and those at local government may influence the level of corruption at the LGs, there is a cascading effect (CSBAG, March 2020).*
- c) Corruption in the procurement process varies, at the CG the sums are colossal, but it is more frequent with small sums at the LGs. Nonetheless, corruption is prevalent in both as the intent is the same (ACCU, March 2020).*
- d) Corruption in the procurement process is most prevalent among the LGs because they are many in number (World Bank Group, February 2020).*
- e) The prevalence of corruption is more significant in the centre and the complaints that stem from bids influenced by corruption often delay the process. (NPA, March 2020).*

Citizens were also asked for their view on whether corruption is bad or good and the majority responded that it is bad. This is likely because corruption crowds service delivery and these impacts citizens directly. In interrogating the forms of corruption, citizens were asked to mention any forms of procurement-related corruption that they were aware of during the surveys conducted between 2015 and 2020. The findings on Figure 21 indicate that most people are aware of bribery as a form of corruption (84 percent), which is greater than the proportion (67 percent) registered in the PPDA NPIS for 2015. Embezzlement of public funds came in second in this survey (57 percent), which is greater than the proportion (32 percent) mentioned in the PPDA NPIS for 2015. Inflation of tender costs was mentioned by 34 percent, which is much greater than the 1 percent mentioned in the PPDA NPIS for 2015. Close to 29 percent mentioned extortion, which is greater than the 0.4 percent mentioned in the PPDA NPIS for 2015. Despite the differences in proportions between the 2015 and 2020 surveys, findings of the two surveys reveal that bribery is the most known form of corruption and therefore the most common.

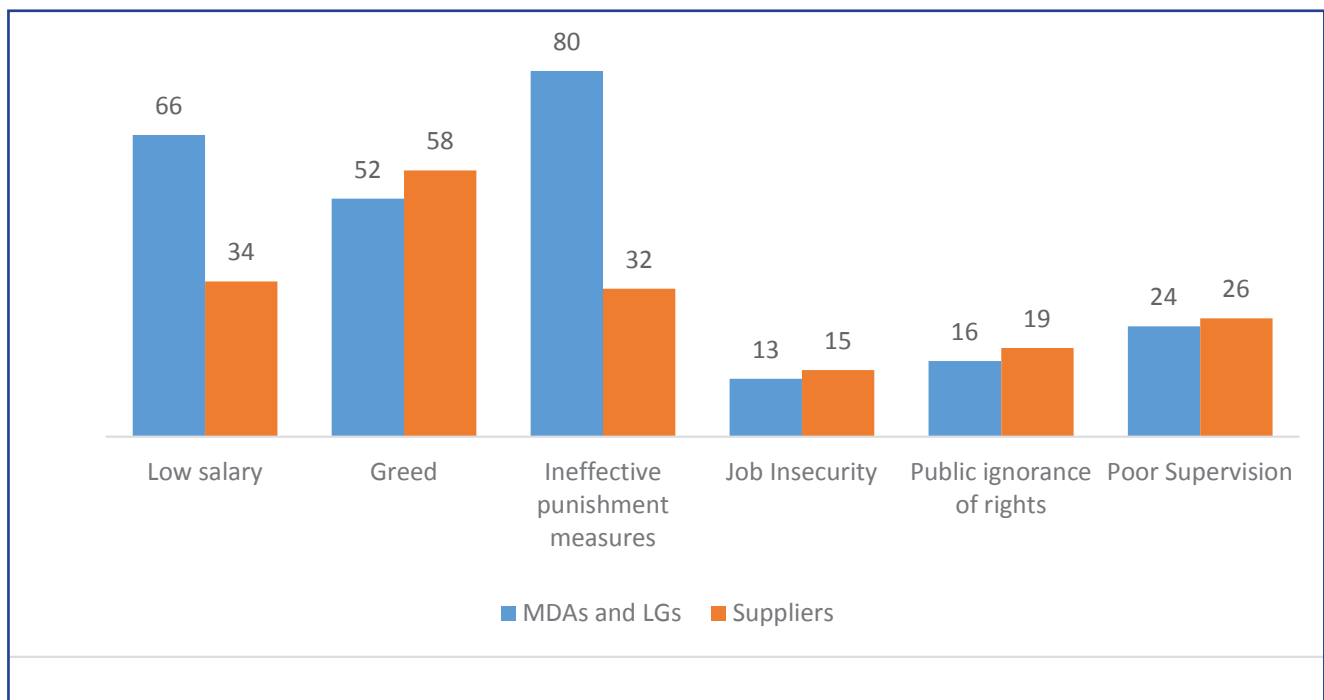
3.4.3 Factors that drive corruption in public procurement

There is probably a variety of independent causes of corruption. Identifying those causes is the first step toward implementing steps to prevent and deter the phenomenon. The survey interrogated the factors that may be driving corruption in public procurement among MDAs, LGs and suppliers. From Figure 22, close to 80 percent of the MDAs and LGs, perceive that corruption is rampant because the punitive measures are lenient. There is a minimal effort within organisations to penalise acts of corruption, which creates an environment conducive for perpetuating corruption. This points to the need for prudent regulations and efficient controls. In addition, slow dispute resolution processes can worsen disputes and the credibility of processes and institutions. Justice requires appealing processes and warranties, but not if it means slowing down the administration of justice.

Low salary (66 percent) and greed (52 percent) were also cited as drivers of corruption among MDAs and LGs. Corruption is prevalent when remunerations are low or when an employee's strategic or organisational skills are not valued. In this case, salaries and wages should be reviewed to be commensurate to qualification and contribution of an employee. Nevertheless, such a review should be done in light of existing resource constraints.

On the other hand, a majority of suppliers, 58 percent, are of the opinion that corruption in public procurement is largely driven by greed. This emanates from a decline of personal ethical sensitivity. This behaviour is also perverse when procurement officers have no sense of service when working in public or private institutions. In addition, low awareness or lack of courage to denounce corrupt behaviour and situations is conducive for corruption. Lastly, cultural environments that condone corruption, such as defending or even admiring crooks help drive corruption in the public procurement.

Figure 22: Factors that drive corruption in public procurement, (%)



Source: NPIS 2020 data.

3.4.4 Vulnerable points in the procurement cycle

Integrity risks occur in every stage of the procurement process from the needs assessment over the bidding phase to the contract execution and payment phases. Figure 23 shows a myriad of integrity risks identified by stakeholders along Uganda's public procurement cycle. It shows that the nature of the integrity risk may differ for each step and the red flags include undue influence, conflict of interest and various types of fraud risk. As integrity risks exist throughout the public procurement process, a holistic and integrated approach for risk mitigation and corruption prevention is needed. Focusing integrity measures solely on one step in the process may increase risks in other stages. Similarly, addressing only one type of risk may give leeway to integrity violations through other mechanisms. For example, administrative compliance measures in the bidding phase do not root out the risk for political interference in the identification of needs. Likewise, asset declarations for procurement officials may not sufficiently protect against bid rigging or petty fraud.

Figure 23: Integrity risks in the procurement process

Pre-tendering phase	Planning and budgeting	<ul style="list-style-type: none"> a. Poor procurement planning b. Procurement is not aligned with the overall investment decision-making process a. Failure to budget realistically or deficiency in the budget
	Development of specifications/ requirements	<ul style="list-style-type: none"> a. Technical specifications are tailored for a specific company b. Selection criteria are not objectively defined and not established in advance c. Requesting unnecessary samples of goods and services d. Buying information on the project specifications.
	Choice of the procurement procedure	<ul style="list-style-type: none"> a. Lack of proper justification for the use of non-competitive procedures c. Abuse of non-competitive procedures based on legal exceptions: contract splitting, abuse of extreme urgency and non-supported modifications.
Tendering	Request for proposal/bid	<ul style="list-style-type: none"> a. Absence of public notices for the invitation to bid b. Evaluation and award criteria are not announced b. Procurement information is not disclosed and is not made public
	Bid submission	<ul style="list-style-type: none"> c. Lack of competition or cases of collusive bidding (cover bidding, bid suppression, bid rotation, market allocation)
	Bid evaluation	<ul style="list-style-type: none"> • Conflict of interest and corruption in the evaluation process through: <ul style="list-style-type: none"> i) Familiarity with bidders over time ii) Personal interests such as gifts or future/additional employment No checks and balances among assessing officers
	Contract award	<ul style="list-style-type: none"> a. Vendors fail to disclose accurate cost or pricing data in their price proposals, resulting in an increased contract price (i.e. invoice mark-ups, channel stuffing) b. Conflict of interest and corruption in the approval process (i.e. no effective separation of financial, contractual and project authorities) iii) Lack of access to records on the procedure
Post-award phase	Contract management/ performance	<ul style="list-style-type: none"> • Abuses of the supplier in performing the contract, in particular in relation to its quality, price and timing: <ul style="list-style-type: none"> i) Substantial change in contract conditions to allow more time and/or higher prices for the bidder ii) Product substitution or sub-standard work or service not meeting contract specifications iii) Theft of new assets before delivery to end-user or before being recorded iv) Deficient supervision from public officials and/or collusion between contractors and supervising officials c. Subcontractors and partners chosen in a non-transparent way or not kept accountable
	Order and payment	<ul style="list-style-type: none"> a. Deficient separation of financial duties and/or lack of supervision of public officials leading to: <ul style="list-style-type: none"> i) False accounting and cost misallocation or cost migration between contracts ii) Late payments of invoices b. False or duplicate invoicing for good and services not supplied and for interim payment in advance entitlement

Source: NPIS 2020 data.

While there are many risks at every stage of the procurement cycle, it is important to understand the stage of the procurement/disposal process that is most vulnerable to corruption (Figure 24). A majority of MDAs and LGs (54 percent) and suppliers (43 percent) responded that the procurement cycle is most vulnerable at the bid review and evaluation stage. This is mainly driven by conflict of interest. The assessing officer could have developed familiarity with bidders over time or may have received gifts or promises of future employment. Moreover, the lack of checks and balances during the bid assessment stage exacerbate tampering at the review and evaluation stage. However, the opinions on the vulnerable points differ by organisation/entity as demonstrated in Box 6.

Box 6: Differences in opinion on the stage most vulnerable to corruption

- a) *Bid rigging- this occurs when bids are opened before time and tampered with through copying or inputting more competitive bid information. Some will under bid to win a contract, and at a later stage ask for more funds to complete the project. Furthermore, at the opening of bids, some documents go missing (ACCU, March 2020).*
- b) *TORs- some companies influence the TORs in their favour- particularly with aspects relating to experience, equipment and financial capacity to reduce their competition (ACCU, March 2020).*
- c) *The actual selection of the bidder is the most corruption prone stage of the procurement cycle. The selection committee restrictions and guidelines are wanting. Guidelines can be squashed to favour a particular firm (ACCU, March 2020).*
- d) *The stage with the most corruption is shortlisting the bidders, this stage is rife with collusion among bidders and insiders, therefore, open bidding is highly recommended (NPA, March 2020).*
- e) *There are red flags at every stage:*
 - i) *Planning: pre-selection of contractors by planners (planning is a collective responsibility between the technical and procurement staff to identify appropriate needs).*
 - ii) *Advertisement: TORs are communicated unofficially and some suppliers are coached to respond to the TORs.*
 - iii) *Bidding: PDEs leak information about project fund to suppliers.*
- f) *Evaluation: corruption from the preceding stages culminates in shoddy work because funds have reduced (due to kickbacks) and limited capacity of the supplier, hence no value for money (CSBAG, March 2020).*

Similarly, there is a divergence in the perception of the second and third most vulnerable point. MDAs and LGs cite contract performance evaluation (19 percent) and advertising (9 percent) as the second and third most vulnerable points. Concerning the abuse of performance management, the supplier underperforms in delivery of the contract, in particular in relation to its quality, pricing and timing. This is characterised by a substantial change in contract conditions to allow more time and/or higher prices for the bidder and the delivery of sub-standard work or services that do not meet contract specifications. Also, there are cases of theft of new assets before delivery to end-users or before being recorded; deficient supervision from public officials and/or collusion between contractors and supervising officials; selection of subcontractors and partners in a non-transparent manner and the lack of accountability by subcontractors and partners. Similarly, during advertising, the evaluators tailor technical specifications to favour a specific company and the selection criteria are not objectively defined or established in advance. In addition, the evaluators may request unnecessary samples of goods and services so that they can disadvantage a bidder and bidders may illegally acquire information on the project specifications. The suppliers are of the opinion that the award of the contract (20 percent) and the review of evaluation of bid (14 percent) are the second and third most vulnerable points.

Figure 24: Integrity risks in the tendering and post-award phase of the procurement (%)

	MDAs and LGs	Suppliers
Tendering Phase	Advertising	9
	Receipt and opening of bid	6
	Evaluation of bid	54
	Review of Evaluation of bid	7
	Award of contract	2
	Signing of contracts	2
Post-award Phase	Contract Monitoring	4
	Contract Performance Evaluation	19
		2

Source: NPIS 2020 data.

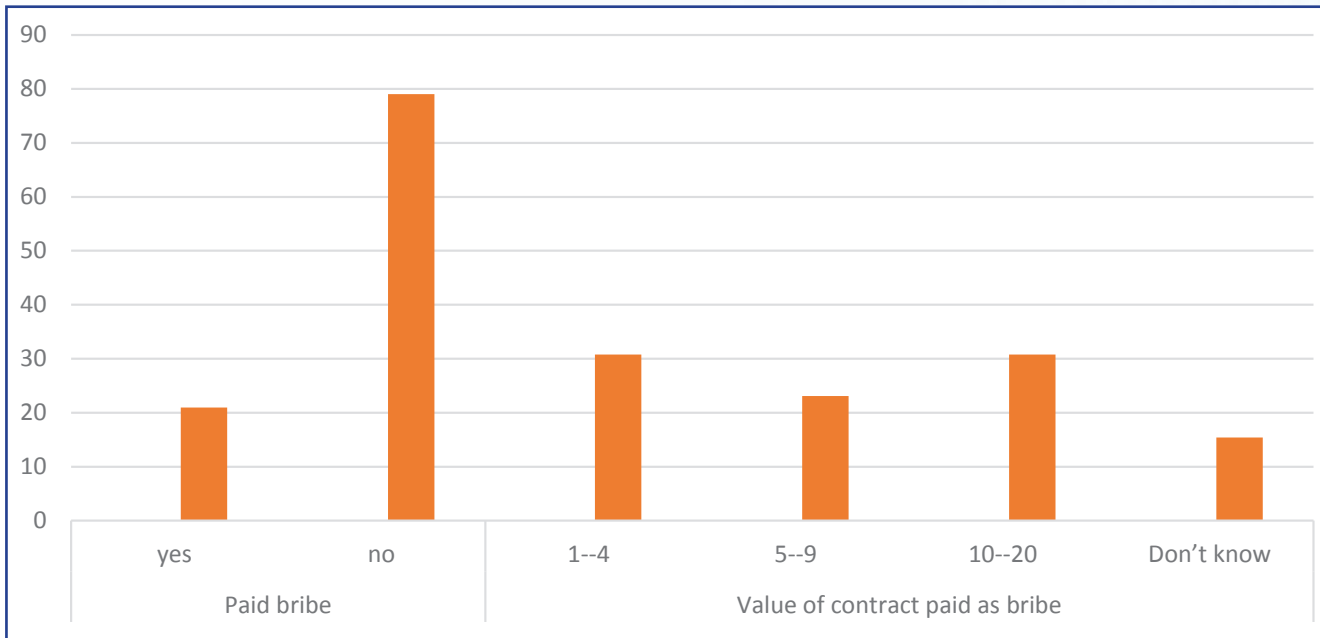
3.4.5 Corruption in exchange for an award in public procurement

This is the case where contracts are secretly awarded to suppliers without oversight or fair competition. Conversely, companies with the means and connections may offer favours to public decision-makers to facilitate the process. From Figure 25, close to 68 percent of the MDAs and LGs are aware that the suppliers are paying a bribe to win public procurement contracts (also see Table 3, section 3.1.1). Meanwhile, 36 percent of the suppliers perceive that you have to pay a bribe to win a public contract. These perceptions can scare off the much-needed investors, erode public trust in the government, increase economic inequalities and fuel conflicts. Other stakeholders expressed these views as:

Connivance between the LG and CG technocrat's results in poor contract management, for example, the Uganda Support to Municipal Infrastructure Development Program whereby a new bus park cracked even before the buses parked there. LG committees divide the tenders amongst themselves. It is reported that at some LGs, one bidder is consecutively awarded contracts for several years and yet fails to deliver on the contracts. Additionally, when a tender is awarded, the people contracting the work ask for kickbacks and the funds left are not sufficient to deliver satisfactory work (ACCU, March 2020).

However, another 36 percent think that you do not have to pay a bribe to win a public contract. Close to 19 percent of the suppliers are of the opinion that the bribe is paid often. Close to 10 percent, do not know whether one has to pay a bribe to win a contract.

Figure 25: Corruption in exchange for an award in public procurement, %



Source: NPIS 2020 data.

What is surprising is that only 21 percent of suppliers have ever paid a bribe. Close to 30 percent of the suppliers say they have paid a bribe between 1- 4 percent of the contract value. Another 30 percent say they have paid a bribe between 10- 20 percent. These significantly large proportions of the contract value speak to the need to stop the vice because it increases the costs and reduces the quality of public sector goods and services, where bridges and buildings collapse and medicines are fake, causing unnecessary deaths. Meanwhile 23 percent, say that the value of the contract paid out as bribe is 5-9 percent. Also, 16 percent of suppliers cannot estimate the value of the contract paid out as bribe. It follows that 73 percent of the suppliers are highly certain (31 percent) and somehow certain (42 percent) that they will win the contract.

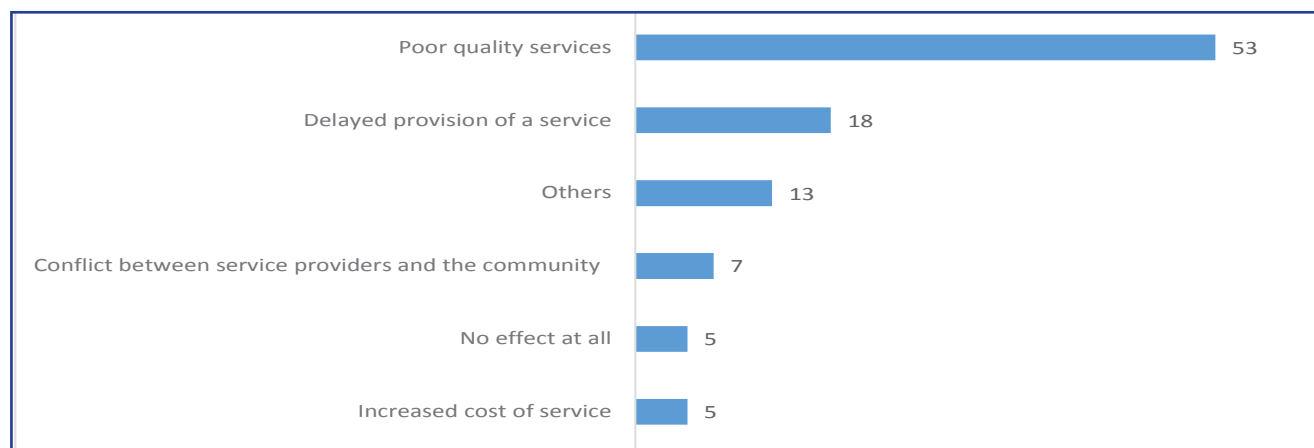
At the community level, a majority (53 percent) of the members are not aware of the existence of corruption, which speaks to the need for community sensitisation. Nevertheless, 35 percent of community members have witnessed corruption in projects implemented at the community level.

3.4.6 Effect of corruption incidences on the quality of service delivery

Corruption misallocates resources, which lowers standards of living through poor standards of service delivery. This, in turn, leads to economic and social inequities. In this regard, the survey asked citizens about the effect of corruption on service delivery. Approximately 53 percent of the respondents perceived that corruption in procurement leads to poor-quality service delivery (Figure 26). Another 18 percent were of the opinion that it leads to the delayed provision of services. These opinions are not surprising since MDAs and LGs already expressed that the reduction of corruption in procurement had improved service delivery (see Figure 10, section 3.2.2).

Close to 7 percent perceive that it leads to conflict between service providers and the community. In addition, 5 percent of the interviewed citizens think that the increased cost of service delivery is due to corruption in public procurement. It follows that corruption diminishes the ability of a supplier to provide high-quality services. This is either due to the supplier having been extorted by public officials to the extent that the remaining resources are not sufficient to provide the supplies agreed upon in the contract or because after paying a bribe. Therefore, the suppliers are no longer accountable and will not deliver supplies as agreed because they have developed a sense of entitlement with the knowledge that they are shielded from punitive measures by the corrupt public officer.

Figure 26: Effect of corruption incidences on the quality of service delivery (%)

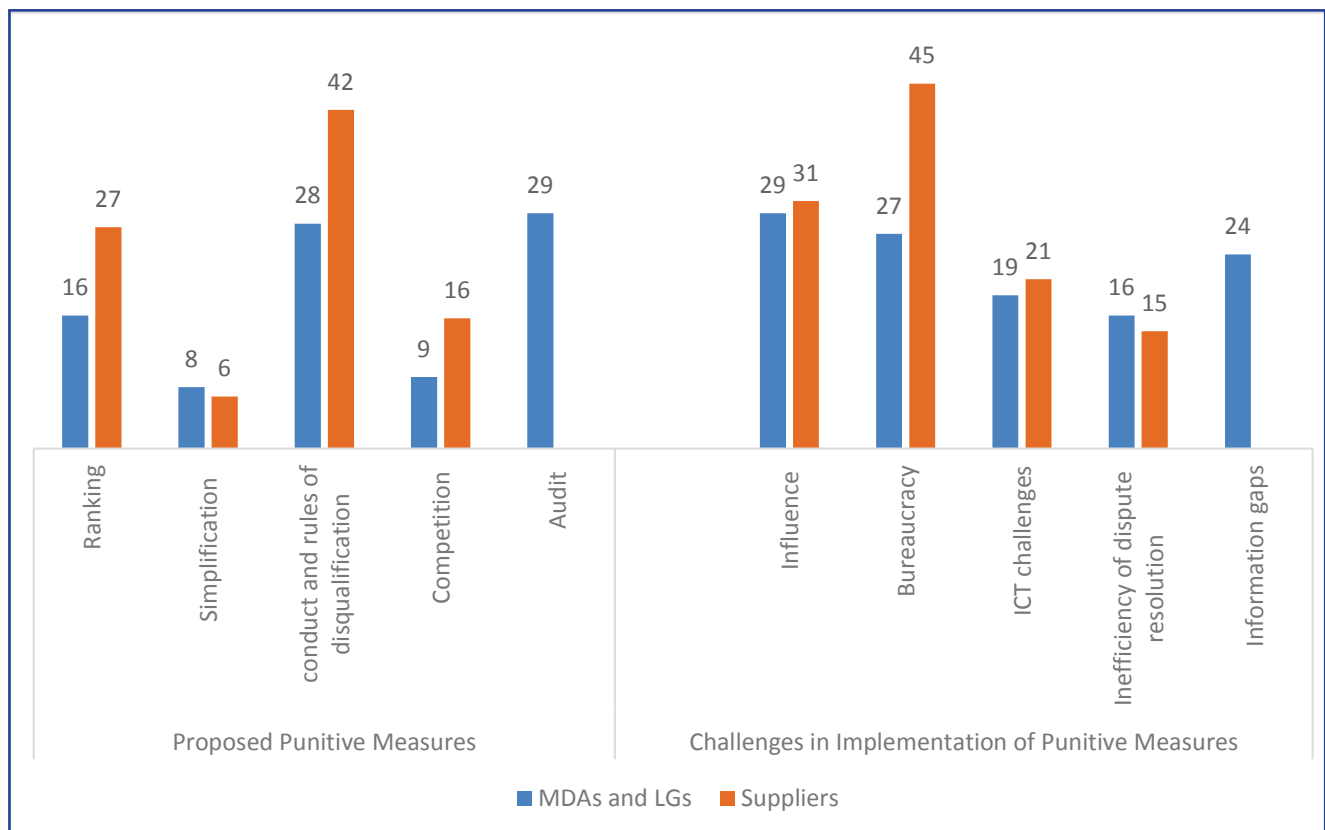


Source: NPIS 2020 data.

3.4.7 Punitive actions on public officials who engage in corruption

A united effort is required to counter corruption and build a clean public procurement system as a solid foundation for economic development. This survey sought to investigate the perceived effectiveness of the proposed punitive measures and the possible challenges that could emanate because of those punitive measures. A majority of the MDAs and LGs (29 percent) proposed an audit of the procurement process to facilitate punitive measures against corruption in public procurement (Figure 27). This process reviews the different contracts and contract processes to determine completeness, efficacy as well as the accuracy of the procurement process. This process should be structured to scrutinise every point of the procurement cycle from planning to the execution of the contract.

Figure 27: Punitive action for public officials who engage in corruption (%)



Source: NPIS 2020 data.

Close to 28 percent of the MDAs and LGs have proposed the implementation of the code of conduct. This calls for bolstering of the rules regarding ethical behaviour in contracting for both public officials and contractors. In this case, only professional, honest, reliable and skilled staff who demonstrate integrity should be involved in public procurement. Staff must be appropriately trained and skilled on how to navigate the complex legal frameworks such as public procurement and anti-corruption laws. It follows that one of the most popular means of fighting corruption is the disqualification of the corrupt and/or unqualified contractors and individuals. As earlier mentioned, the PPDA blacklists and displays errant suppliers.

Nearly 16 percent of the MDAs and LGs proposed a performance ranking of PDEs and suppliers. Performance ranking is essential for the measurement of organisational and individual efficiency and accountability. Performance measurement also acts as a warning, diagnosis and control system that is used to track organisation effectiveness. Similar to the MDAs and LGs, a majority (42 percent) of the suppliers proposed an audit of the procurement process as a punitive measure against corruption in public procurement (Figure 27). Approximately 27 percent of suppliers proposed the implementation of the code of conduct and rules of disqualifications. Close to 16 percent of the suppliers also proposed increased competition in the public procurement process.

The survey also elicited opinions on the foreseen challenges that could forestall the proposed punitive measures against corruption (see Figure 27). Both MDAs and LGs (27 percent) and suppliers (45 percent) foresee bureaucracy as an impediment to public procurement. A punitive system against corruption can largely be effective if the procurement bureaucracy buys into the reform agenda. Otherwise, many procurement professionals will continue increasing their compensation by assisting suppliers who seek favour to win contracts.

MDAs and LGs (29 percent) and suppliers (31 percent) also cited influence peddling as a constraint. This is the case where suppliers who seek to subvert the procurement process to gain an advantage attempt to influence procurement officers through favours such as bribes to win public procurement contracts.

The MDAs, LGs and suppliers also cited Information and Communication Technology (ICT) challenges, which are key to the delivery of e-procurement. E-procurement is a key component of the modernisation of the public procurement frameworks. Electronic systems eliminate human contact and therefore support competition and transparency. This can help to reduce corruption in public procurement as it has done in South Korea as illustrated in Box 7. However, Uganda's ICT infrastructure is not well developed to facilitate the scale-up of the e-procurement framework especially to local governments, particularly those located in remote areas. Nevertheless, GoU should consider computerisation to govern public procurement.

Box 7: The success of e-Procurement in South Korea and the envisaged challenges in Uganda

- a) *Human interaction during the procurement process allows for corruption. In South Korea, particularly the Seoul Metropolitan Government, all procurement is done online, with a system that uses advanced coding. Therefore, for e-procurement to work, human contact needs to be eliminated. It is important to ascertain whether, as a country, we have the necessary resources (computers) for e-procurement, as well as the capacity and infrastructure (electricity challenges). Moreover, remedies like digitising the procurement system will breed new challenges, like sophistication in corruption (ACCU, March 2020).*
- b) *Hope was expressed that the new e-procurement tool might reduce human interaction and curb the invisible hand of procurement such as the State House contracts. However, it is difficult to remove politics from the procurement process (ACCU, March 2020).*
- c) *While e-procurement is a viable solution to corruption in the process, it will take a while for suppliers to adopt to it. Moreover, the infrastructure to support this tool is inadequate, as well as the suppliers' capacity to use computers (NPA, March 2020).*
- d) *There has been success with the electronic government procurement portal, reforms of the law on all aspects and the procurement policy has been gazetted, however, the sequencing of the regulation policy has not been effective (NPA, March 2020).*

3.5 Competitiveness

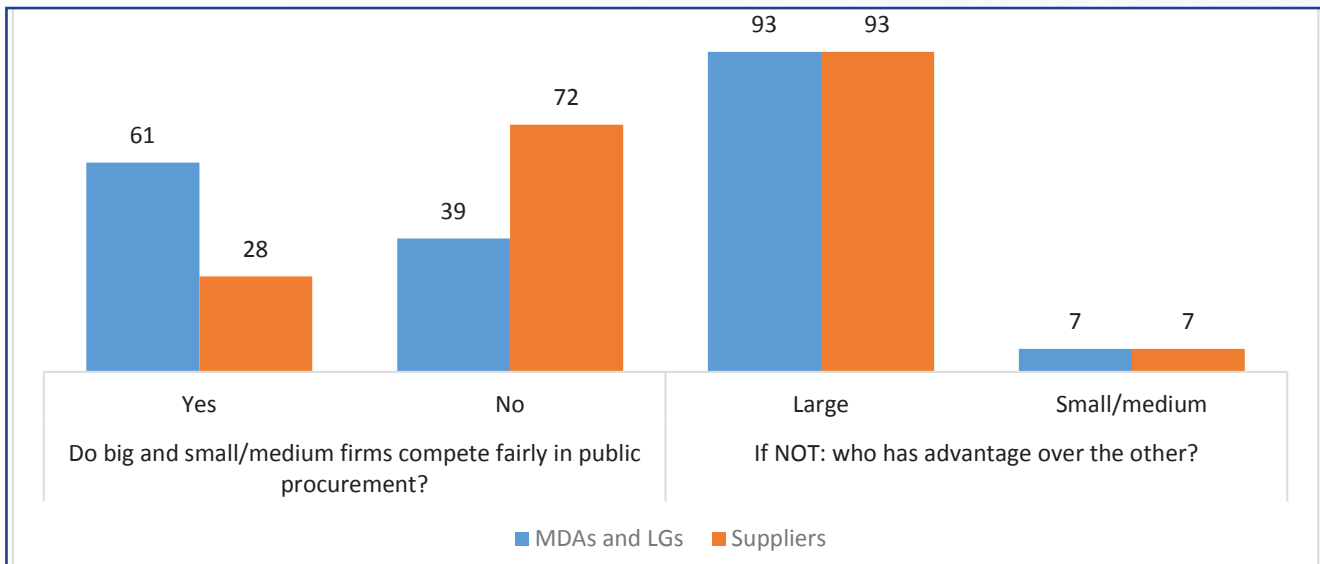
An open and competitive procurement process ensures fair and ethical treatment of bids from suppliers, given that such a process allows all interested parties to submit a bid for an assignment and compete on a level playing field. The purpose of adopting a fair and equitable procurement practice is to retain trust among both clients and suppliers. This is because they will be certain that the rules and guidelines are followed to find the best supplier, which also ensures value for money. Ensuring a level playing field for potential suppliers to gain access to government contracts remains a major hurdle, especially when it comes to the SMEs competing with large firms and the foreign firms competing with the domestic companies. In a fast changing and increasingly competitive global business environment, SMEs exert a strong influence on economies amidst a myriad of challenges and Uganda is not an exception. Therefore, their role in the economy cannot be ignored and their challenges are critical. Furthermore, the interaction between the foreign and domestic firms in accessing contracts is not frictionless, rather it is characterised by accusations and counter accusations.

Although globally the definition of an SME is a subject of much debate, there is consensus that turnover, number of employees, annual sales/revenue and assets are essential characteristics. For this case, firm size is defined by employment: small (5–20 employees), medium (21–100 employees), large (101–500 employees) (Reinikka and Svensson, 2000).

3.5.1 Competition between large and small/medium firms

During the survey, respondents were asked whether large and small/medium firms compete fairly in public procurement and specifically who has an advantage over the other. The results are summarised in Figure 28. Whereas the MDAs and LGs were largely of the view that there is fair competition (61 percent), only 28 percent of the suppliers shared this view. This suggests that the perceptions of the MDAs and LGs and suppliers differ significantly regarding fair competition in public procurement. This is further confirmed by 72 percent of suppliers arguing that there is no fair competition and while only 39 percent among MDAs and LGs share this view. This sentiment is consistent with that of Figure 8 where only 18 percent of suppliers agreed with the view that small firms are disadvantaged in public procurement.

Figure 28: Competition between large and small/medium firms in public procurement



Source: NPIS 2020 data.

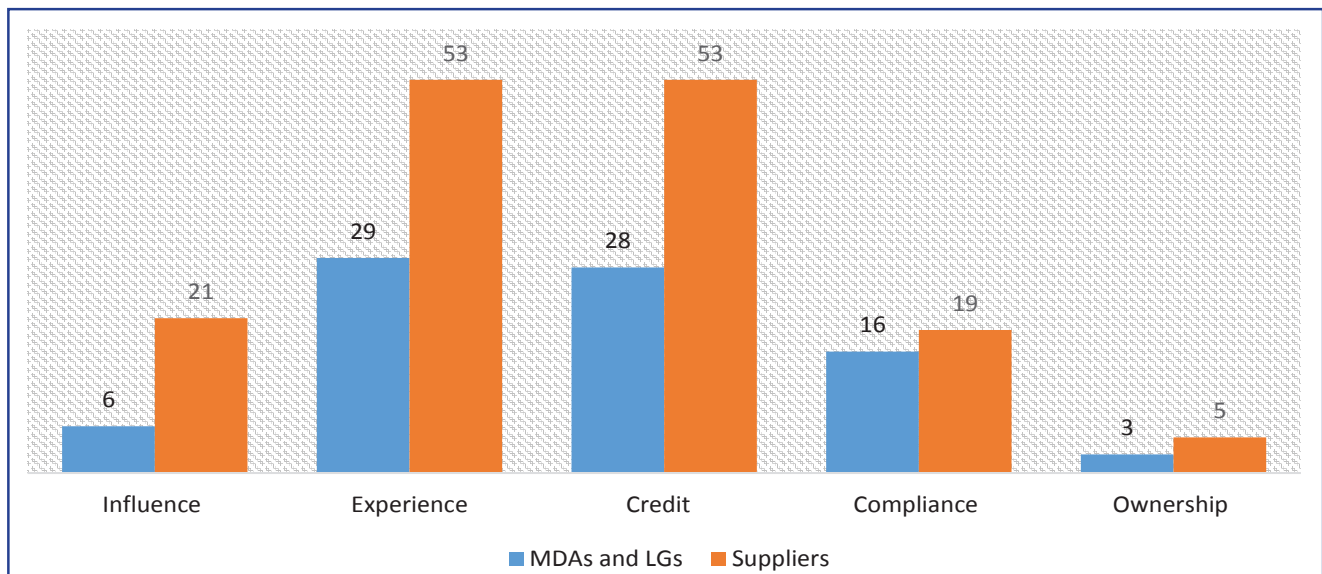
However, there was consensus among MDAs and LGs and suppliers as to who has an advantage over the other, with both groups having 93 percent agreement that large firms are more advantaged. Therefore, the results reveal that large firms are more likely to have an advantage in public procurement compared to small/medium firms and fair competition is not yet achieved as cited by CBAG and NPA below.

Some firms are perpetually getting contracts because of their size, therefore, the criteria for bidding needs to be revised. In most cases, when small firms are awarded contracts, they sub-contract to big ones (CSBAG, March 2020).

When considering firm size, NPA gives small companies opportunities, however the majority do not have the necessary documentation. Small firms are the largest applicants for pre-qualification and are always invited to participate in the pre-qualification stage. For example, the big hotels do not apply for pre-qualification for conferences, but small ones like Esella have to. Small firms are not disadvantaged but pose a risk when dealing with them due to lack of permanent premises and proper documentation. They also tend to subcontract work. Due diligence by the PDEs is important (NPA, March 2020).

Regarding the factors that explain the difference in advantages between large and small/medium firms, there was no marked difference between MDAs and LGs and suppliers, as illustrated in Figure 29, except in the number of responses. Relevant experience and access to credit emerge as the leading factors although this is more pronounced among suppliers (53 percent) than MDAs and LGs (29 and 27 percent respectively). Influence peddling is a factor that exhibits a significant difference between the suppliers (21 percent) and the MDAs and LGs (6.3 percent). This perception suggests that the existence of influence peddling is strongly viewed by the suppliers and less by the MDAs and LGs. Compliance to regulations such as taxation and licenses is viewed more or less in the same way among suppliers (19 percent) and MDAs and LGs (17 percent). Although ownership, that is whether a firm is privately or publicly owned, is not viewed as a significant factor, it remains one of the causes of the problem. Therefore, it can be plausibly argued that MDAs and LGs and suppliers have similar perspectives regarding the factors that explain the difference in advantage between large and small/medium, although there is more emphasis on the side of suppliers than MDAs and LGs. Overall, it is argued that small firms do not have the financial and human resources capacity to compete and deliver quality services because complex projects need contractors with capacity.

Figure 29: Drivers of difference between large and small/medium firms, (%)



Source: NPIS 2020 data.

3.5.2 Competition between domestic and foreign firms

Public procurement constitutes government purchasing of goods and services required for state activities to deliver services to the population. Based on this, the primary objective of public procurement is to secure the best value for public money. Developing countries face a problem of deciding whether to open up public procurement markets to all suppliers irrespective of their country of origin. The perceived benefit of opening up procurement markets (non-discriminatory practices) is that it enhances competitiveness, leading to efficient public resources utilisation. However, governments sometimes discriminate against foreign firms in favour of local suppliers motivated by the desire to achieve benefits such as stimulating infant industries, fostering underdeveloped regions and creating employment. Sometimes given their stature, experience, financial abilities among others, foreign firms are more advantaged when it comes to competition.

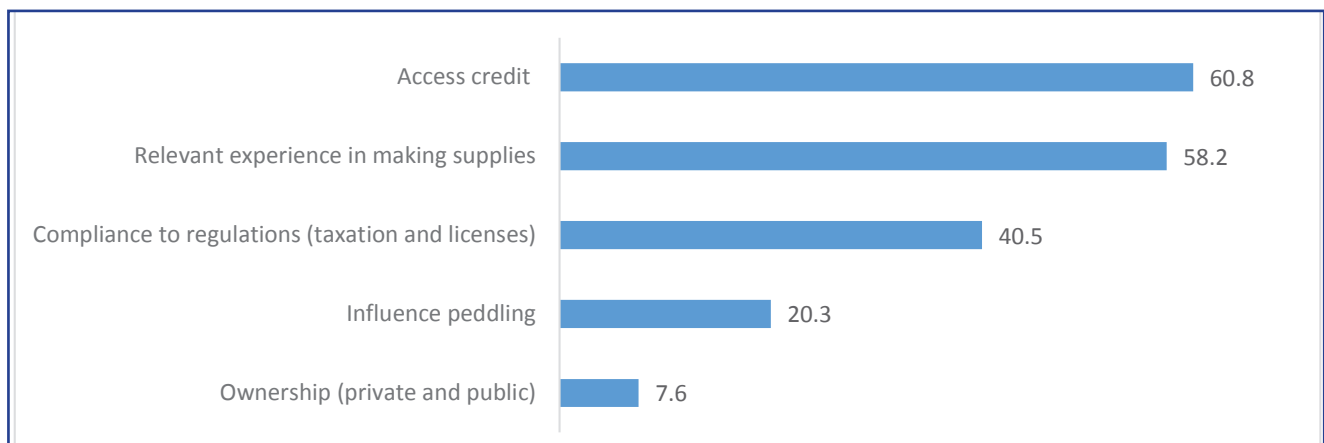
The survey intended to establish whether the ground for participating in public procurement is levelled for both the local and foreign firms. Results suggest that 47 percent of MDAs and LGs were of the view that the ground is somewhat levelled, 19 percent highly levelled and 34 percent not levelled. This implies that although efforts are in place to ensure level ground there is still room for improvement, as demonstrated by evidence from stakeholders in Box 8.

Box 8: Foreign against domestic firms in public procurement

- a) *The ground is not levelled for the domestic and foreign firms. Foreign firms are more favoured given that the domestic ones do not have finances to beat the foreign contemporaries (ACCU, March 2020).*
- b) *Additionally, the tax system favours the foreign firms more. Foreign firms are more equipped to meet the prerequisites compared to the local ones. Important to note is that foreign firms have locally registered subsidiaries (ACCU, March 2020).*
- c) *There is, in general, a prevailing mind-set that anything foreign is always better. The best approach is to build the capacity of local firms (ACCU, March 2020).*
- d) *Competitiveness between local and foreign firms is minimal on foreign purchases. Regarding consultancy, the NPA mostly uses local consultants. However, briefcase companies are many in number, which poses difficulty in tracing the local firms (NPA, March 2020).*

The respondents provided the factors that impede the local firms' participation in the procurement process as demonstrated in Figure 30. MDAs and LGs identified limited access to credit (61 percent) as the main factor, followed by relevant experience (58 percent), compliance to regulation such as taxation and licenses (41 percent), influence peddling (20 percent) and ownership (7.6 percent).

Figure 30: Factors that impede local firms' participation in procurement process (%)



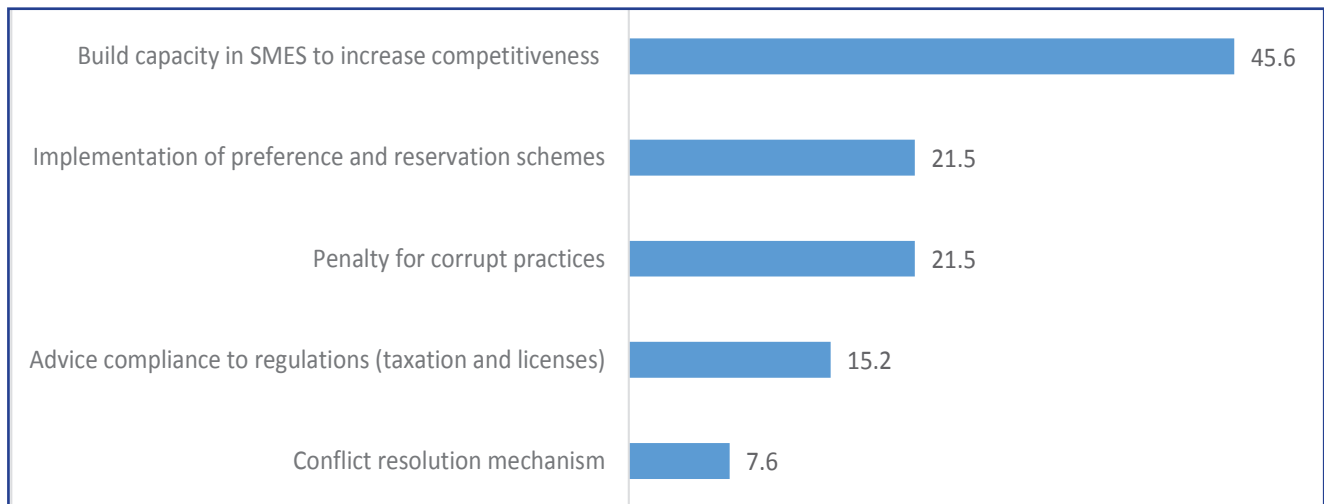
Source: NPIS 2020 data.

Figure 31 gives a summary of the measures that should be implemented so that the procurement process is levelled for both the local and foreign firms. The majority of the respondents from MDAs and LGs proposed capacity building for SMEs to increase competitiveness (46 percent) as the main policy action required. This is followed by the implementation of preference and reservation schemes and imposing penalties for corrupt practices (22 percent), ensuring compliance to regulation (15 percent) and employing a conflict resolution mechanism (7.6 percent). These factors reveal the capacity gaps that SMEs are likely to face in the competitive world of public procurement if they are not addressed.

However, according to the respondents, the extent of participation of SMEs in the procurement process is not as weak as perceived. Whereas 56 percent were of the view that SMEs participate in the procurement process to some extent, 26 percent were of the view that it is to a great extent, and only 18 percent to a limited extent. This implies that despite the impeding

factors for SMEs to participate in the procurement process, SMEs participate to a significant extent. These proposal are consistent with the PPDA activities geared towards promoting participation of the domestic firms (see Figure 9 and 11).

Figure 31: Levelling procurement process for local and foreign firms

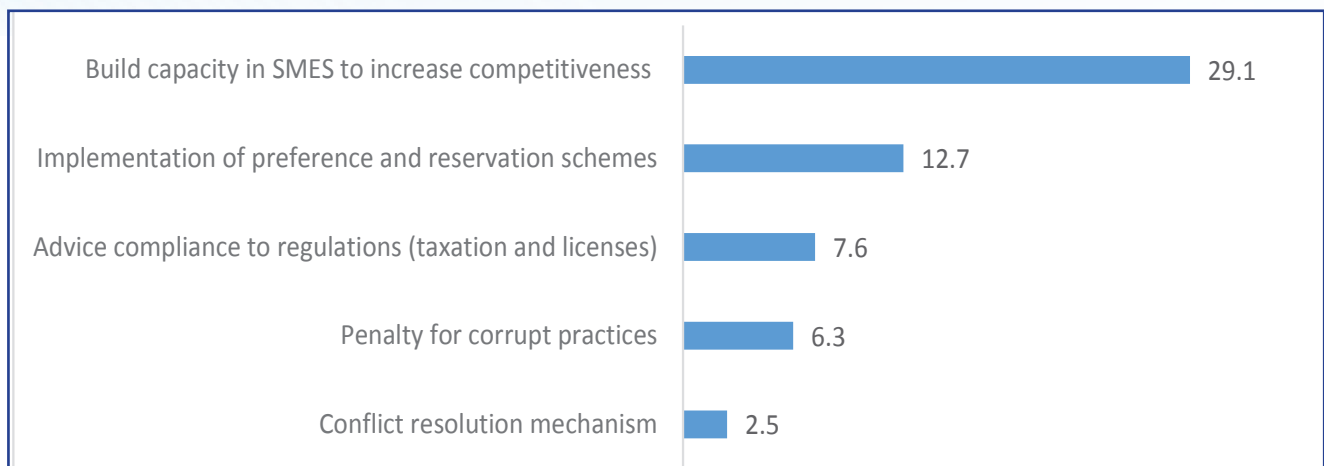


Source: NPIS 2020 data.

However, participation is just part of the process and winning is another altogether. It is evident that large firms (85 percent) have a stronger advantage over the others in winning tenders (15 percent) as revealed by the respondents. Therefore, interventions should not only ensure participation of the SMEs but also enhance their abilities and capabilities to participate and win public contracts.

Respondents who agreed that SMEs are disadvantaged, were further asked how this can be corrected. Figure 32 gives specific policy intervention areas and how the process can be levelled. The majority recommended building the capacity of SMEs to increase competitiveness (29 percent) followed by the implementation of preference and reservation schemes (13 percent), compliance to regulation (8 percent), penalising corrupt practices (6 percent) and devising and implementing conflict resolution mechanisms (3 percent).

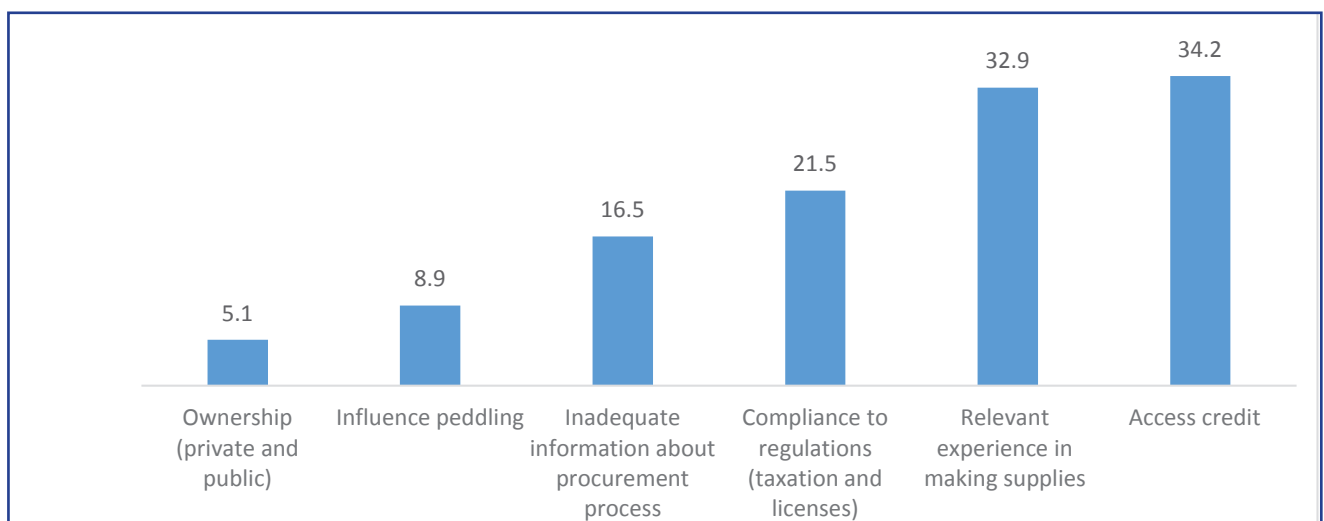
Figure 32: Levelling public procurement for SMEs (%)



Source: NPIS 2020 data.

The respondents mentioned the main obstacles to the participation of the SMEs in the public procurement processes and the results are summarised in Figure 33. Access to credit emerged as the main obstacle (34 percent) followed by relevant experience in making supplies (33 percent), compliance to regulations (22 percent), influence peddling (9 percent) and ownership of the firms (5 percent).

Figure 33: Obstacles to participation of SMEs in public procurement (%)



Source: NPIS 2020 data.

4. CONCLUSION AND POLICY RECOMMENDATIONS

4.1 Conclusions

Public procurement is a crucial tool for efficiency in public resource management and public authorities must adhere to the principle of good governance and ensure transparency, accountability and integrity in the procurement process. However, public procurement is highly vulnerable to corruption. Therefore, trying to curb this vice by instituting anti-corruption measures into the procurement procedures appears to be a good place to start a more comprehensive anti-corruption reform. In this regard, a number of significant initiatives, interventions and reforms have taken place in the public procurement arena. The most significant reform is the 2014 amendment of the 2003 PPDA Act, whose objective was to deepen the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposal standards and practices.

This report follows up on the activities conducted after the 2014 amendment of the 2003 PPDA Act. Broadly, these activities were geared towards the deepening of the procurement principles of fairness, competition, transparency and non-discrimination. Progress and achievement of these principles is measured by the extent of awareness, the implementation of reforms and initiatives, the deepening of the roles of stakeholders, the reduction of the influence of corruption on procurement and enhancing competition by conducting a quantitative perception survey among MDAs and LGs, suppliers and citizens and KIIs amongst stakeholders. The key conclusions from the various themes are discussed below.

4.1.1 Awareness of the PPDA reforms and initiatives

The report reveals that the MDAs and LGs are more knowledgeable about the PPDA's reforms and initiatives than suppliers. This points to the need to engage stakeholders, most especially suppliers on the PPDA reforms and initiatives. In doing this, the PPDA may engage the electronic and print media and/or conduct workshops - the three methods that were found to be effective in disseminating information to stakeholders. Such

engagement is important because it will not only disseminate reforms and initiatives but also make clear the intent of reforms and initiatives, which is transparency, accountability and regulation of public procurement. Consequently, such activities may position PPDA as the premier regulator of public procurement in Uganda.

4.1.2 Implementation of procurement reforms

The broad results suggest that there has been a significant implementation of public procurement process reforms. In this case, the reforms reduced corruption among public officials. This suggests that the reforms have enhanced value for money, efficiency and accountability in public procurement. It follows that service delivery to citizens and the business environment for investors has improved significantly.

However, there are still many challenges in the implementation of procurement reforms. For example, accounting officers have unchecked discretionary powers, which facilitates corruption in the procurement process. In addition, the prohibition of negotiations between the PDEs and the bidders hinders bidders from explaining specifications and elongates the procurement lead-time hence making the entire process unnecessarily costly.

4.1.3 Role of stakeholders in monitoring public procurement

PPDA was perceived to be effectively performing its role in addressing corruption in the public procurement process. In this case, PPDA has developed the capacity to investigate corruption and resolve disputes in public procurement. Similarly, the office of the IGG has performed quite well. Indeed, it has investigated some cases to a logical conclusion. However, it was mentioned that the IGGs office lacks the capacity to investigate procurement-related integrity cases.

Equally, the office of the DPP is perceived to have prosecuted a number of cases related to corruption in procurement. However, cases drag on for a long period due to few staff in the office of the DPP. Similarly, the police are perceived to have enabled the holding of errant suppliers and public officers accountable by carrying out successful investigations. However, corruption is still perceived to be pervasive in the police.

Separately, procurement policies and the legal framework are perceived to be consistent with the principles of public procurement. However, there are fears that the compliance checks are limited and that the system could be vulnerable to corruption. Nevertheless, complaints on corruption in procurement were relatively low across the board. Indeed, it was noted that people do not report complaints because they do not have sufficient knowledge about the reporting mechanism.

4.1.4 Influence of corruption in the procurement process

This report concludes that the overall perception index about the existence of corruption in public procurement has worsened over years from 71.8 percent in 2015 to 76.1 percent in 2020. There is a widespread perception that corruption is rampant because there is a minimal effort within organisations to penalise acts of corruption, which creates an environment conducive to perpetuating corrupt behaviour. Corruption is particularly common during the bid review and evaluation stage. This is common, especially when the contracts to suppliers are secretly awarded without oversight or fair competition. This corrupt behaviour misallocates resources, which lowers standards of living through poor standards of service delivery.

4.1.5 Competition

Large firms are more advantaged in public procurement. On the other hand, the ground is somewhat levelled between foreign and domestic firms, which points to the need to deepen reforms that enhance the ability of domestic firms to compete. In both cases, the factors that explain the difference in advantage between large and small/medium firms, and foreign and domestic firms are relevant experience, access to credit, and influence peddling.

4.2 Policy Recommendations

These recommendations are in response to key findings and emerging issues. The presentation apportions centres of responsibility starting with PPDA, then MDAs, LGs, MOFPED and ends with the general government.

4.2.1 PPDA

- a) The PPDA should engage suppliers and citizens through training courses and capacity building initiatives. Capacity building should focus on strengthening the knowledge base of local firms and enterprises on the public procurement processes;
- b) There is a need to deepen the knowledge, especially among suppliers, of the intent of reforms and initiatives, such as transparency, accountability and regulation of public procurement. Mass distribution of the PPDA regulations to suppliers would enhance the level of awareness of the PPDA reforms and initiatives;
- c) Concerning the activities above, the PPDA should endeavour to use electronic media to engage suppliers, workshops to engage MDAs and LGs and print media to disseminate information to citizens;
- d) PPDA should embrace, work and build partnerships with the civil society;
- e) PPDA needs to build the capacity of LGs on the disposal of small assets;
- f) The PDEs and PDUs must also be sensitised on the penalties for not disclosing any conflict of interest as a form of deterrence;
- g) Procurement policies and compliance checks should be improved, as they are currently limited and could be vulnerable to corruption; and
- h) The staff of PDEs and PDUs need to be appropriately trained and skilled on how to navigate complex legal frameworks such as public procurement and anti-corruption laws.
- i) Enforce the provisions of the law to limit the composition of the CCs to persons with the technical knowledge on procurement matters and further require such persons to declare their interest before meetings;
- j) Sensitise suppliers on the legal provisions on public procurement of local content, especially on the definition of what constitutes local content, the parameters and thresholds;
- k) There is a need to sensitize suppliers on the role of the AO, particularly on their power to:

- Delegate the procurement or the disposal function of the PDE to a sub-division of that entity, another PDE or a third party Procurement Agency.
 - Conduct market assessment and the user department/planning units execute the function on delegation.
- l) However, there is a need to sensitive suppliers that the specifications are a preserve of the user department and that the bidders are not part of this process;
 - m) Suppliers need to be sensitised that the negotiations would actually elongate the lead-time. This is because, in addition to the normal procurement process, negotiation plans and committees have to be put in place and approved by the CC;
 - n) Suppliers need to be sensitised that there are clear parameters and thresholds on the reservation scheme and that the preference scheme clearly defines the margin of preference; and
 - o) Suppliers need to be sensitised that there is a dispute resolution mechanism provided for by the Arbitration and Conciliation Act, and that a majority of suppliers ought to exhaust the remedy provided by lower arbitration systems before escalating their complaint to the PPDAAT.

4.2.2 Ministries, Departments and Agencies & Local Governments

- a) Shorten the administrative lead time of the international open bidding method from 45 to the statutory 30 days;
- b) Support the monitoring and evaluation and the due diligence function to ensure that the ethical code of conduct is followed, such that the user departments do not unduly influence evaluation of bids;
- c) The above steps may be augmented with the implementation of a whistle blower policy; and
- d) Implement stringent measures to punish errant suppliers to promote transparency and fair play. One or a combination of fines, suspensions, repay/refund, and jail sentence would act as a deterrent.

- e) LGs need to audit and supervise the disposal of small assets to curtail flouting of rules;
- f) LGs should punish errant suppliers using the procedures stated in the PPDA regulation to promote transparency and fair play;
- g) LGs should implement the force account mechanism better by building capacity to fully utilise the mechanism; and
- h) There is a need to deepen reforms that enhance the ability of small firms to compete.

4.2.3 Ministry of Finance, Planning and Economic Development

- a) A further review of the 2003 PPDA Act is required to remove redundancy and overlaps, which exist in the current legal framework;
- b) Enhancing the capacity of the PPDAAT is required to dispose cases in a logical and timely manner;
- c) PPDAAT should be empowered to punish errant suppliers. This also calls for the hiring of more legal officers for a faster resolution of complaints;
- d) There is a need to harmonise the legal framework, streamline and professionalise the staff and modernise and harnesses technology for a more effective and responsive procurement system;
- e) Build the capacity of the domestic and small firms to compete;
- f) Deepening of reforms in procurement planning and reorientation of public procurement to local suppliers and supplies;
- g) Scale up public procurement from manual to e-procurement;
- h) Negotiations between PDEs and bidders ought to be allowed to a certain extent with clear contextual negotiation parameters, which would be defined at the entity level;
- i) The law should be amended such that the PDEs are allowed to dispose of assets without the involvement of mother ministries. In such a scenario, strengthening

of the audit and supervision function would curtail flouting of rules in disposing of those assets;

- j) After the definition, local content should emphasise competence because, currently, there is no clear procedure and this compromises quality. This calls for improvement in the procedure by training local firms, through vocational education and other initiatives to improve their quality.
- k) There is a need to deepen reforms that enhance the ability of domestic and small firms to compete.

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APPENDIX

Table A 1: Characteristics of Citizens

Characteristics of Citizen	%
Gender	
male	63.6
female	36.4
Age	
18-34	52.5
35-44	29.4
45-54	13.5
18	4.6
Education	
Never went to formal school	1.5
Primary Level	4.3
Secondary Level	22.3
Vocational Institution	19.3
University	52.5
Marital Status	
Single	40.2
Married	51.3
Separated/Divorces	2.5
Cohabiting	4.3
Widowed	1.8
Sector	
Agriculture	4.2
Civil service	33.4
Private Business	51.6
Others (Specify)	10.9
Gender role	
Head of household	61.9
Spouse	18.9
Other family members	19.2
Citizenship	
Ugandan	97.9
Non-Ugandan	1.6
Dual Citizen	0.5

Source: NPIS 2020 data.

Table A 2: Selected Suppliers by Location and Sector

	Name	Location	Sector
1	Spectra International Limited	Kampala	Works
2	Alistan Engineering Limited	Kampala	Works
3	China Geo-Engineering Corporation	Kampala	Works
4	Allied Enterprises & Construction Ltd	Kampala	Works
5	Safe Gears (U) Limited	Kampala	Works
6	Bk Real Estates Investments Limited	Kampala	Works
7	Made Technical Services	Kampala	Works
8	Glite Technology Group Ltd	Kampala	Works
9	Sky Trace Aviation (U) Limited	Kampala	Works
10	John Holland Ltd	Kampala	Works
11	Arrow Centre (U) Ltd	Kampala	Services
12	Business Synergies Limited	Kampala	Services
13	Bulondo's Apartments Limited	Kampala	Services
14	De-Zyn Forum	Kampala	Services
15	New Wave Technologies Limited	Kampala	Services
16	Airtech Service	Kampala	Services
17	Junction Systems Ltd	Kampala	Services
18	New Japanese Auto Works	Kampala	Services
19	Loys Technologies (U) Ltd	Kampala	Services
20	Farways Safaris and Travel (U) Ltd	Kampala	Services
21	Sparkplug Limited	Kampala	Services
22	Mantra Technologies Limited	Kampala	Services
23	Eastern Software Systems Uganda Limited	Kampala	Services
24	Ipsos Ltd	Kampala	Services
25	Equatorial Training and Marine Services	Kampala	Services
26	JNN Associates	Kampala	Services
27	Perl Solutions Limited	Kampala	Services
28	Stars Group Ltd	Kampala	Services
29	Eagle Air Limited	Kampala	Services
30	Oracle Training and Consultancy Services Limited	Kampala	Services
31	Gracious Tours and Travel Ltd	Entebbe Municipal	Services
32	Sama Auto Garage Limited	Entebbe Municipal	Services
33	True Friends Investment Limited	Entebbe Municipal	Services
34	Ruge Agri-Consulting Services Limited	Entebbe Municipal	Services
35	National Technology Group Ltd	Entebbe Municipal	Goods
36	Gorilla Conservation Coffee Limited	Entebbe Municipal	Goods
37	D-Four Logistics Ltd	Entebbe Municipal	Goods

	Name	Location	Sector
38	Gustro Ltd	Kampala	Goods
39	Phillips Pharmaceuticals (Uganda) Limited	Kampala	Goods
40	Skenya Motors (U) Ltd	Kampala	Goods
41	Chalm Enterprises Limited	Kampala	Goods
42	Booth Fire Services Ltd	Kampala	Goods
43	Avant-garde Distributors Ltd	Kampala	Goods
44	Jobra Engineering Works Ltd	Kampala	Goods
45	Lightline Investments Ltd	Kampala	Goods
46	Reddys Pharma Ltd	Kampala	Goods
47	IT Office Uganda Limited	Kampala	Goods
48	Bogis Trading Company	Kampala	Goods
49	Britech Limited	Kampala	Goods
50	Govis Ltd	Kampala	Goods
51	Bukamu Investments Limited	Kampala	Goods
52	Water & Pumps International Limited	Kampala	Goods
53	MS Electrical General Supplies Ltd	Kampala	Goods
54	Carrington Enterprises Ltd	Kampala	Goods
55	Era Hardware & Construction Limited	Kampala	Goods
56	Platini Multi Link Logistics Co. Ltd	Kampala	Goods
57	Focus One Enterprises (u) Limited	Entebbe Municipal	Works
58	Batif Consult Ltd	Entebbe Municipal	Works
59	Mazima Hardware Solutions Limited	Entebbe Municipal	Works
60	Rosa Enterprises Limited	Apac	Works
61	Iemcons Construction Company Limited	Apac	Works
62	Rosa Enterprises Limited	Apac	Goods
63	Almana Sky General Supplies Ltd	Apac	Goods
64	Wanera General Supplies (U) Limited	Bududa	Goods
65	Malakayi Construction and Furniture Centre Ltd.	Bududa	Goods
66	Manjiya Boys Uganda Limited	Bududa	Works
67	Malakayi Construction and Furniture Centre Ltd.	Bududa	Works
68	Nalufugo General Contractors Ltd	Bududa	Works
69	Merkunder Holdings Limited	Busia	Goods
70	Oun And Francis Investment Ltd	Busia	Goods
71	Spence Pharmaceuticals Limited	Busia	Goods
72	Raph Constructors and Consultants Company Limited	Busia	Services
73	B And E Investments (U) Iimited	Busia	Services
74	Mzee Electrical Sales and Services-Smc Limited	Busia	Services
75	Nafito General Constructors Limited	Busia	Works

	Name	Location	Sector
76	Harllende Investment Limited	Busia	Works
77	Abayaku General Services Ltd	Busia	Works
78	Vanema Construction Company Ltd	Ibanda	Works
79	Tibs Contractors Limited	Ibanda	Works
80	Turibamwe Investments Limited	Ibanda	Works
81	Vanema Construction Company Ltd	Ibanda	Goods
82	Sonsole General Contractors Ltd	Iganga	Goods
83	Kyakuwaire Business Enterprises Limited	Iganga	Goods
84	Bato N.K. Technical Consult (U) Ltd	Iganga	Goods
85	Buniantole Environmental Protectors Limited	Iganga	Goods
86	NASBAG AND COMPANY	Iganga	Services
87	Ivan Catering Services (U) Limited	Iganga	Services
88	Kyakuwaire Business Enterprises Limited	Iganga	Services
89	Balyedikens Investments Ltd	Iganga	Services
90	Waluba Garage Walugogo	Iganga	Services
91	Sunland General Investments Limited	Iganga	Works
92	Interbuild Technical Services Ltd	Iganga	Works
93	Kajaib Contractors and Designers Ltd	Iganga	Works
94	Hanan Contractors (U) Ltd	Iganga	Works
95	Multiple Enterprise and Services Company Limited	Isingiro	Works
96	Dominion House Limited	Isingiro	Works
97	Multiple Enterprise and Services Company Limited	Isingiro	Services
98	Dominion House Limited	Isingiro	Services
99	Multiple Enterprise and Services Company Limited	Isingiro	Goods
100	Dominion House Limited	Isingiro	Goods
101	Farmarm General Traders Limited	Jinja	Goods
102	Freedom Way Auto Enterprises Ltd	Jinja	Goods
103	Faith United Traders Limited	Jinja	Goods
104	Fam-Link Stars Investments Limited	Jinja	Goods
105	Maendeleo Cooperative Savings and Credit Society Ltd	Jinja	Services
106	Maldiima Co Ltd	Jinja	Services
107	Jinja Ghokale Market Beauty Saloon Owners Co-Operative Savings and Credit Society Limited	Jinja	Services
108	Mercy Commercial Agencies Ltd	Jinja	Works
109	Richly Ssendagala Technical Services Limited	Jinja	Works
110	Winning Designs and Consult Limited	Jinja	Works
111	Happiness Enterprises Limited	Kabale	Works
112	Zimu Construction Co. Ltd	Kabale	Works

	Name	Location	Sector
113	Jit Projects Limited	Kabale	Works
114	Bunyonyi Safaris Resort	Kabale	Services
115	Cepha's Inn Limited	Kabale	Services
116	Gist Technologies Limited	Kabale	Services
117	Ambreco Holdings Limited	Kabale	Goods
118	Kabale Telecentre Limited	Kabale	Goods
119	Jofah Associates Limited	kamuli	Goods
120	Mulungi Investments Limited	kamuli	Goods
121	Bal Investments Limited	kamuli	Goods
122	Diks Investments Limited	kamuli	Goods
123	Bal Investments Limited	kamuli	Services
124	Muteco International Limited	kamuli	Works
125	Byola Uganda Limited	kamuli	Works
126	Job Construction and Technical Services Limited	Kitgum	Works
127	Gen Family Care Limited	Kitgum	Works
128	Amson (U) Limited	Kitgum	Works
129	Delink Way Company Limited	Kitgum	Services
130	Mubanique Company Limited	Kitgum	Services
131	Multi Harvest Engineering Company Ltd.	Kitgum	Goods
132	Nadhiif Establishments Ltd	Mubende	Goods
133	Mubende Agro Supply and Processors Limited	Mubende	Goods
134	Lk Filling Station Limited	Mubende	Goods
135	Nsisi Enterprises	Mubende	Goods
136	Nilecom Intercomputers Limited	Mubende	Services
137	Mospro Investments Limited	Mubende	Services
138	Sifult Enterprises Limited	Mubende	Services
139	Spread Investment Limited	Mubende	Works
140	Kyerima Holdings Limited	Mubende	Works
141	Sifult Enterprises Limited	Mubende	Works
142	Lina Construction Limited	Mukono	Works
143	Wos Investments Ltd	Mukono	Works
144	Maruba Company Ltd	Mukono	Works
145	Muluk Investments Limited	Mukono	Works
146	Kiwaga Health Care	Mukono	Services
147	Esmojac Engineering Solutions Ltd	Mukono	Services

	Name	Location	Sector
148	Jesslord Freezers (U) Limited	Mukono	Services
149	Muluk Investments Limited	Mukono	Goods
150	Axcl Lubricants Uganda Limited	Mukono	Goods
151	Henritah Investments (U) Limited	Mukono	Goods
152	Ms City Side Investments Ltd	Mukono	Goods
153	Sa & Su Contractors Limited	Ntungamo	Goods
154	Emma& Emma Honest Investments Limited	Ntungamo	Goods
155	Kagamba Solutions Limited	Ntungamo	Goods
156	Samtu Enterprises Co. Limited	Ntungamo	Goods
157	Sa & Su Contractors Limited	Ntungamo	Works
158	Sagm Technical Services Limited	Ntungamo	Works
159	Adwarolim And Company Limited	Otuke	Works
160	Calendar Investments Limited	Otuke	Works
161	Apuru And Family Company Limited	Otuke	Works
162	Gwok Dogi Company Limited	Otuke	Works
163	Abilocon Company Limited	Otuke	Works
164	Otuke Market Vendor Association	Otuke	Services
165	Adwarolim And Company Limited	Otuke	Goods
166	Calendar Investments Limited	Otuke	Goods
167	Apuru And Family Company Limited	Otuke	Goods
168	Abilocon Company Limited	Otuke	Goods
169	Bedi Jo (U) Limited	Oyam	Goods
170	Oyam Integrated Company Limited	Oyam	Goods
171	Halbavant Company Ltd	Oyam	Goods
172	Delex Construction Company Ltd	Oyam	Goods
173	Bedi Jo (U) Limited	Oyam	Services
174	Adwarolim and Company Limited	Otuke	Goods
175	Halbavant Company Ltd	Oyam	Works
176	Emtra Enterprises (U) Limited	Oyam	Works
177	Millenium Construction Co.Ltd	Oyam	Works
178	Delex Construction Company Ltd	Oyam	Works
179	Kinombe Nyaruzinga Construction Co. Ltd	Rukungiri	Works
180	Taij General Enterprises Ltd	Rukungiri	Works
181	SBR General Supply and Construction Limited	Rukungiri	Works

Source: PPDA List of Providers, January 2020

Table A 3: Summary of questionnaire type by respondents and thematic areas

THEMATIC AREAS								
Questionnaire Type	Respondents	Awareness of PPDA Act 2003 (Amended)/ PPDA	Perception of Corruption	Procurement reforms	Financial management and procurement	PPDA Initiatives	Firm Competitiveness	Public Engagement
SERVICE PROVIDERS/ SUPPLIERS	Owner, Manager, Employee	<ul style="list-style-type: none">• Source of knowledge• Implementation in PP• Complaint Resolution Mechanism (CRM)• Procurement process and stages	<ul style="list-style-type: none">• Influence of corruption in PP• Level of corruption• PP stage of highest prevalence• Prevalence in CG and LGs• Challenges and solutions• Bribes from Public officers	<ul style="list-style-type: none">• Awareness of reforms• Impact on business• Competition between small/ medium and large firms• Behaviour of public officials• Impact on PP• Impact on quality of service• Weaknesses and strengths of reforms	<ul style="list-style-type: none">• Gratification of• Percentage of gratification• Prevalence in CG or LGs	<ul style="list-style-type: none">• Awareness of initiatives• Impact of initiatives• Promotion of fair competition• BUBU and local content• Impact on perception of PPDA		
		<ul style="list-style-type: none">• Implementation in PP• CRM: efficiency and improvement• Cases against MDA or LG• Procurement process and stages	<ul style="list-style-type: none">• Influence of corruption in PP• Level of corruption• PP stage of highest prevalence• Prevalence in CG and LGs• Challenges and solutions• Bribes from suppliers	<ul style="list-style-type: none">• Awareness of reforms• Impact on business• Competition between small/ medium and large firms• Behaviour of public officials• Impact on PP• Impact on quality of service• Weaknesses and strengths of reforms		<ul style="list-style-type: none">• Awareness of initiatives• Impact of initiatives• Promotion of fair competition• BUBU and local content• Impact on perception of PPDA	<ul style="list-style-type: none">• Fairness• Foreign and local firms• Participation of SMEs• Firm size: advantages and disadvantages• Challenges	<ul style="list-style-type: none">• Public Knowledge of their role• Challenges• Knowledge dissemination
MDAs AND LoGs	HOD Procurement, Procurement Officers, CAOs, Deputy CAOs							

THEMATIC AREAS								
Questionnaire Type	Respondents	Awareness of PPDA Act 2003 (Amended)/ PPDA	Perception of Corruption	Procurement reforms	Financial management and procurement	PPDA Initiatives	Firm Competitiveness	Public Engagement
CITIZENS	Civic duty knowledge and/or utilizing MDA or LG service and/or conversant with operations	<ul style="list-style-type: none"> • Awareness of PPDA and its roles • Source of knowledge • Performance • Efficiency in fighting corruption • Roles of other MDAs 	<ul style="list-style-type: none"> • Forms, view and incidences of corruption • Penalties for corrupt officials • Impact on project quality • Monitoring role • Empowerment 					
			<ul style="list-style-type: none"> • Prevalence, causes and forms of corruption in PP • Rent seeking behaviour • Penalties for corrupt officials • Measures 	<ul style="list-style-type: none"> • Awareness of reforms • Impact on the procurement sector • Main challenges to implementation 			<ul style="list-style-type: none"> • Fairness of PP • Local /Foreign firms • Small/ large firms • Limitations in participation • Enhancing participation of Local firms/ SMEs 	<ul style="list-style-type: none"> • Public knowledge • Dissemination: laws and regulations • Effective platform of dissemination
SPECIAL-ISED STAKE-HOLDERS	MDAs, CSOs and Development Partners: NPA, WB, CS-BAG, ACCU							

Table A 4: Perception index on existence of corruption in public procurement (%)

Respondent	Yes	No
MDAs and LGs	84.81	15.19
Suppliers	83.87	16.13
Citizens	35.71	64.29
Stakeholders	100.00	0.00
Overall	76.10	23.90

Source: NPIS 2020 data.