



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

"Regulating for Results"

**INSPECTION REPORT INTO THE ALLEGED REJECTION OF
SANLAMALLIANZ GENERAL INSURANCE COMPANY LIMITED BY
NATIONAL DRUG AUTHORITY BASED ON THE NON-RECOGNITION
OF ICRA RATING AGENCY LIMITED AS AN INTERNATIONALLY
RECOGNIZED CREDIT RATING AGENCY**

ENTITY: NATIONAL DRUG AUTHORITY (NDA)

**PROCUREMENT: PROVISION OF THE GROUP PERSONAL
ACCIDENT AND WORKMAN'S
COMPENSATION INSURANCE SCHEME TO
NDA STAFF**

PROC. REFERENCE NO.: NDA/NCONS/25-26/00516

COMPLAINANT: ICRA RATING AGENCY LIMITED

AUGUST 2026

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ACRONYMS

CEO	Chief Executive Officer
CMA	Capital Markets Authority
GPA	Group Personal Accident
IRA	Insurance Regulatory Authority
NDA	National Drug Authority
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings

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1.0 BACKGROUND

The Public Procurement and Disposal of Public Assets Authority (PPDA or the Authority) received a complaint from ICRA Rating Agency Limited (ICRA) on 29th June 2026 alleging that government Entities, including the National Drug Authority (NDA) and the Petroleum Authority of Uganda, had rejected bids submitted by its client, SanlamAllianz General Insurance Company Limited, on the ground that ICRA was not recognized as an eligible credit rating agency in Uganda. The complainant further expressed concern that rating assignments were being accepted from agencies that were neither based nor licensed in Uganda, while ICRA, a credit rating agency licensed to operate in Uganda, was being considered ineligible.

The complaint specifically related to the procurement for the provision of the Group Personal Accident and Workman's Compensation Insurance Scheme to NDA staff (NDA/NCONS/25-26/00516). Consequently, On 8th July 2026, the Authority commenced an inspection into the matter pursuant to Section 8(1)(i) of the PPDA Act Cap. 205.

2.0 OBJECTIVES OF THE INSPECTION

The inspection sought to establish whether SanlamAllianz General Insurance Company Limited was unfairly disqualified by the National Drug Authority based on the non-recognition of ICRA Rating Agency Limited as an internationally recognized credit rating agency in the procurement for provision of the Group Personal Accident and Workman's Compensation Insurance Scheme to NDA staff.

3.0 LAWS APPLICABLE

- i. The Public Procurement and Disposal of Public Assets Act Cap. 205;
- ii. The PPDA (Rules and Methods for the Procurement of Supplies, Non-Consultancy Services and Works) Regulations, 2023;
- iii. The PPDA (Evaluation) Regulations, 2023; and
- iv. The bidding document for provision of the Group Personal Accident and Workman's Compensation Insurance Scheme to NDA staff (NDA/NCONS/25-26/00516).

4.0 METHODOLOGY

The Authority reviewed the following documentation:

- i. **Inspection planning:** The inspection team undertook planning to define the scope of the inspection. As the complainant had only provided information relating to the procurement for the provision of the Group Personal Accident and Workman's Compensation Insurance Scheme to NDA staff, the inspection was limited to that procurement. During a preliminary interview with Mr. Jeremiah Karugaba, Head of Legal at ICRA Rating Agency Limited, it was clarified that the complaint concerned the non-recognition of ICRA as an internationally recognized credit rating agency, rather than the non-recognition of its credit ratings in Uganda as initially alleged hence this redefined the objective of this inspection. The Authority also met officials from the Insurance Regulatory Authority (IRA) to obtain preliminary information on ICRA's prior engagements with the Bank of Uganda, IRA and the guidance it received to register with the Capital Markets Authority.

- ii. **Documentary review:** The Authority retrieved and reviewed documentation obtained from ICRA and the NDA including the bidding document, pre-bid meeting minutes, evaluation report, Notice of Best Evaluated Bidder, ICRA's licenses and relevant correspondences.
- iii. **Interviews:** Interviews were conducted with officials from NDA, IRA and ICRA Rating Agency Limited to obtain clarification on matters relevant to the inspection. The Authority met the persons listed in Table 1 below:

Table 1: Persons met during the Inspection

No.	Name	Entity
1.	Mr. Steven Kaddu	Manager Supervision and Inspection, IRA
2.	Ms. Elaine Nambi	Officer Supervision and Inspection, IRA
3.	Ms. Martha Akurut	Officer Supervision and Inspection, IRA
4.	Mr. Robert Mpala	Head, Procurement and Disposal Unit, IRA
5.	Mr. Jeremiah Karugaba	Head of Legal, ICRA Rating Agency Limited
6.	Mr. John Bosco Tuhairwe	Director, Human Resources and Administration, NDA
7.	Mr. Patrick Omony Okema	Head, Procurement and Disposal Unit, NDA

5.0 SUMMARY OF FACTS

1. On 12th February 2024, Mr. Tumubweinee Twinemanzi, the Executive Director Supervision at Bank of Uganda (BoU), in response to a letter dated 11th September 2023, informed ICRA Rating Agency Limited (ICRA) that the Bank of Uganda does not have the statutory power to license credit rating agencies.
2. On 23rd May 2024, ICRA Rating Agency Limited (located in Lusaka) was issued a credit rating agency license by the Securities and Exchange Commission of Zambia (license No. CRA/24/2) in accordance with the provisions of Part VI of the Securities Act, 2016 (Amended by Act No.21 of 2022) of Zambia.
3. On 31st January 2025, the Reserve Bank of Zimbabwe issued ICRA Rating Agency Limited a certificate of accreditation (license No. CRA/01/2025) from 1st February 2025 in terms of the Banking Act (Chapter 24:20) of Zimbabwe.
4. On 27th June 2025, Mrs. Josphine Okui Ossiya, the Chief Executive Officer (CEO) of Capital Markets Authority (CMA) of Uganda issued ICRA Rating Agency Limited an approval to operate as a credit rating agency in accordance with the Capital Markets Authority Act Cap. 64.
5. On 11th July 2025, Mr. Michael Atingi-Ego, the Governor of Bank of Uganda issued ICRA Rating Agency Limited a congratulatory letter upon obtaining approval from the CMA to operate as a credit rating agency in Uganda.
6. On 1st September 2025, the Capital Markets and Securities Authority of Tanzania issued ICRA Rating Agency Limited a license to operate credit rating services for the period of 1st September 2025 until 31st August 2028.
7. On 13th October 2025, Mr. Benard Obel, Ag. Chief Executive Officer at Insurance Regulatory Authority (IRA), in response to a letter dated 2nd October 2025, informed ICRA Rating Agency Limited that IRA did not have the statutory mandate to license credit rating agencies and encouraged ICRA Rating Agency Limited to engage insurance companies within the market for the provision of rating services in line with the approval from CMA.
8. On 13th January 2026, Mr. Goodson Kapaso, Ag. Registrar and CEO of Pensions and Insurance Authority Zambia, issued ICRA Rating Agency Limited a no-objection to participate in the rating of reinsurers for qualifying reinsurer purposes.
9. On 28th April 2026, National Drug Authority (NDA) issued the bid notice for the provision of Group Personal Accident and Workman's Compensation Insurance scheme to NDA staff (NDA/NCONS/25-26/00516) with the deadline of submission on 20th May 2026.
10. On 6th May 2026, NDA held a pre-bid meeting for the provision of Group Personal Accident and Workman's Compensation Insurance scheme to NDA staff during which bidders raised concerns regarding the requirement for specific international rating standards.

In response, NDA stated that *“Credit rating gives comfort on the financial strength of the eligible entities/bidder to enhance credibility. It must be carried out by an independent authority and in this case, internationally recognized credit rating Entities give a true and fair financial standing of the company. It supports the on-going concern of the company and the ability to settle claims and provide credit worthiness. Eligible bidders are required to submit valid current evidence of “A” rating by the indicated agencies or any other internationally recognized credit rating agencies”*. The four rating agencies were Global Credit Rating, Fitch Credit Ratings, S&P Global Ratings and Moody’s Investors Services.

11. On 16th June 2026, the Evaluation Committee signed the evaluation report in which SanlamAllianz General Insurance Company Limited was eliminated at the preliminary evaluation stage due to non-compliance to the requirements for evidence of at least 3 similar assignments in terms of scope and value as well as lack of evidence of a minimum of “A” credit rating from one of the four regional rating agencies i.e. Global Credit Rating, Fitch Credit Ratings, S&P Global Ratings and Moody’s Investors Services. The Evaluation Committee members are listed in Table 2 below:

Table 2: Evaluation Committee Members

No.	Name	Position
1.	Mr. John Bosco Tuhairwe	Chairperson
2.	Mr. Siraje Mbuga	Secretary
3.	Mr. Amon Rwambuka	Member
4.	Mr. Elex Kamuzizi	Member
5.	Ms. Elsie Kayega	Member
6.	Mr. Tonny Obala	Member

12. NDA displayed the Notice of Best Evaluated Bidder from 25th June 2026 to 9th July 2026 for the provision of Group Personal Accident and Workman’s Compensation Insurance scheme to NDA staff indicating that SanlamAllianz General Insurance Company Limited had been disqualified against:
 - i. *Non-compliance with the requirement for provision of evidence of having performed at least three similar assignments in terms of scope and value in excess of UGX 700,000,000 in the last five years. The bidder demonstrated evidence of past performance by submitting two out of three contracts required. These contracts were signed between SanlamAllianz General Insurance and Bank of Uganda and Uganda Revenue Authority.*
 - ii. *The bidder attached a credit rating issued by ICRA Rating Agency Limited a company licensed to operate in Uganda and does not fall under the categories listed in the bidding document and neither is it internationally recognized by Global capital markets, regulators and re-insurers.*
13. On 29th June 2026, PPDA received a complaint from ICRA Rating Agency Limited regarding the urgent intervention required for recognition of ICRA Rating Agency Limited’s ratings in Uganda resultant from the rejection of SanlamAllianz General Insurance Company Limited by government authorities.

6.0 FINDINGS BY THE AUTHORITY

Whether SanlamAllianz General Insurance Company Limited was unfairly disqualified by the National Drug Authority based on the non-recognition of ICRA Rating Agency Limited as an internationally recognized credit rating agency in the procurement of provision of the Group Personal Accident and Workman's Compensation Insurance Scheme to NDA Staff

1. On 27th June 2025, Mrs. Josphine Okui Ossiya, the Chief Executive Officer (CEO) of Capital Markets Authority (CMA) of Uganda issued ICRA Rating Agency Limited an approval to operate as a credit rating agency in accordance with the Capital Markets Authority Act Cap. 64.
2. The Insurance Regulatory Authority of Uganda, in a letter dated 13th October 2025, informed ICRA Rating Agency Limited that it had no statutory mandate to license credit rating agencies and advised the agency to engage insurance companies in Uganda based on the approval issued by the CMA. Consequently, ICRA Rating Agency Limited was engaged by SanlamAllianz General Insurance Company Limited as its credit rating agency.
3. Section 48 of the PPDA Act Cap. 205 requires all procurement and disposal to be conducted in a manner which promotes transparency, accountability and fairness, while Section 49 of the PPDA Act Cap. 205 requires all procurement and disposal to be conducted in a manner that maximizes competition and achieves value for money.
4. Regulation 47 (5) of the PPDA (Rules and Methods for the Procurement of Supplies, Non-Consultancy Services and Works) Regulations, 2023 states that *"the evaluation criteria shall not be drafted in a way which restricts competition, unless the criteria is required to meet the objectives of the procurement or is in accordance with a preference or reservation scheme"*.
5. Clause 3.2 (l) of Part B, Section 3 (Preliminary Examination Criteria) of the bidding document required the eligible provider to have a minimum credit rating of "A" issued by one of the following regional rating agencies:
 - a. GCR (Global Credit Rating);
 - b. Fitch Credit Ratings;
 - c. S&P Global Ratings; and
 - d. Moody's Investors Services.
6. Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023 states that *"the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents"*.
7. The solicitation document required bidders to possess a minimum credit rating of "A" issued by one of the four specified regional credit rating agencies had the potential to restrict competition by excluding credit ratings issued by other competent and duly recognized regional credit rating agencies contrary to Sections 48 and 49 of the PPDA Act Cap. 205.

8. In a meeting, Mr. Patrick Omony, Head of the Procurement and Disposal Unit at NDA, informed the Authority that the rationale for the requirement was to guarantee the financial health of the insurance companies which was a key consideration in insurance business. He further explained that NDA undertakes Good Manufacturing Practices and Good Distribution Practices inspections requiring staff to travel globally. Consequently, the Entity considered it necessary to adopt global standards.
9. During the pre-bid meeting held on 6th May 2026, NDA amended the credit rating requirement to provide for a minimum credit rating of “A” issued by either one of the four named regional credit rating agencies or any other internationally recognized credit rating agency. This clarification broadened the scope of acceptable credit rating agencies beyond those originally listed and mitigated the restrictive effect of the initial requirement in accordance with Regulation 47 (5) of the PPDA (Rules and Methods for the Procurement of Supplies, Non-Consultancy Services and Works) Regulations, 2023.
10. In accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023, the Evaluation Committee disqualified SanlamAllianz General Insurance Company Limited at the preliminary evaluation stage because the bidder submitted a credit rating issued by ICRA Rating Agency Limited, which the Committee determined did not satisfy the requirement for an “A” credit rating from one of the four specific regional rating agencies. The bidder was also found to have failed to attach at least three similar contracts in terms of scope and value in excess of UGX 700,000,000 in the last five years relating to GPA and Workman’s Compensation Insurance Scheme.
11. In a meeting, Mr. John Bosco Tuhairwe, the Chairperson of the Evaluation Committee, informed the Authority that, after reviewing information available on ICRA Rating Agency Limited’s website, the Evaluation Committee unanimously concluded that ICRA Rating Agency Limited did not satisfy the requirement for a minimum credit rating of A issued by one of the specified regional rating agencies namely Global Credit Rating, Fitch Credit Ratings, S&P Global Ratings and Moody’s Investors Services. Mr. Patrick Omony further stated that although the evaluation report reproduced the original bidding document criterion requiring an “A” credit rating from one of the four specified regional credit rating agencies, the Evaluation Committee assessed bids using the amended criterion issued during the pre-bid meeting, which permitted a minimum “A” credit rating from either one of the four named regional credit rating agencies or any other internationally recognized credit rating agency.
12. In a meeting, Mr. Jeremiah Karugaba, Head of Legal at ICRA Rating Agency Limited, informed the Authority that ICRA Rating Agency Limited has an international presence through its corporate and representative offices in several jurisdictions, including the United Kingdom and Spain where it operates through multinational business lines and sister companies, and the United Arab Emirates, Zambia, Zimbabwe, Tanzania and Uganda, where it maintains physical offices.
13. The Authority found that ICRA Rating Agency Limited is licensed to operate as a credit rating agency in Uganda and other jurisdictions and maintains an international operational presence. However, the existence of an international office network does not, by itself, constitute

international recognition in the global capital markets. Therefore, neither the information submitted by the complainant nor the publicly available information reviewed during the inspection demonstrated that ICRA Rating Agency Limited is widely recognized and relied upon as an international credit rating agency in the global capital markets. In particular, the inspection did not obtain evidence that ICRA Rating Agency Limited is registered or recognized by major securities regulators such as European Securities and Markets Authority (ESMA), U.S Securities and Exchange Commission¹ or that its ratings are widely relied upon by international financial institutions and global investors.

14. Accordingly, the inspection found that the Evaluation Committee applied the amended evaluation criterion consistently in assessing SanlamAllianz General Insurance Uganda Limited's bid against the requirement for a minimum credit rating of "A" issued by either one of the four specified rating agencies or any other internationally recognized credit rating agency.

Conclusion

The Authority found **no merit** in the allegation that the National Drug Authority unfairly disqualified SanlamAllianz General Insurance Company Limited based on the non-recognition of ICRA Rating Agency Limited as an internationally recognized credit rating agency. Although the original bidding document contained a restrictive credit rating requirement with the potential to limit competition, this was rectified through a clarification issued during the pre-bid meeting which permitted credit ratings from the four specified agencies or any other internationally recognized credit rating agency. Based on the available evidence, ICRA Rating Agency Limited did not meet the requirement of being an internationally recognized credit rating agency and the disqualification was therefore consistent with the clarified bidding requirements.

5.0 RECOMMENDATION

In light of the above findings, the Authority encourages ICRA Rating Agency Limited to continue engaging Procuring and Disposing Entities, as well as relevant regional and international securities and financial sector regulators, to provide clarity on its licensing status, scope of operations and recognition within the credit rating industry.

¹ International Organization of Securities Commissions (IOSCO), Report to the G20 on Progress Toward Reducing Reliance on Credit Rating Agency Ratings (July 2013) - https://www.iosco.org/library/briefing_notes/pdf/ioscobn01-13.pdf