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Tracking corruption trends in Uganda / IG,
Inspectorate of Government; EPRC ; 2nd annual report
(2011)

Provided in Cooperation with:

Economic Policy Research Centre (EPRC), Kampala

Reference: Tracking corruption trends in Uganda / IG, Inspectorate of Government; EPRC ; 2nd annual report (2011) (2011).

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The Republic of Uganda

Inspectorate of Government

**SECOND ANNUAL REPORT ON CORRUPTION TRENDS IN UGANDA: USING THE
DATA TRACKING MECHANISM**

November 2011



ECONOMIC POLICY RESEARCH CENTRE

Acknowledgements

This report was prepared by the Economic Policy Research Center, which is an autonomous research organization situated at Makerere University in Kampala. The Centre ensured the success and institutionalization of the report and supported all the major proposals by the various actors.

The report is part of the Data Tracking Mechanism (DTM) initiative which was developed in 2009 to address a growing concern about the lack of credible tools and methods to track corruption in Uganda.

The report will provide data to citizens and businesses about activities occurring in Uganda which support or detract from the fight against corruption. The report will further generate credible information for NGO's, media and development partners amongst other stakeholders about the state of corruption and effectiveness of reform efforts in Uganda.

The Inspectorate of Government is greatly indebted to the EPRC, all organizations and persons who assisted in the compilation of the report. Special thanks go to the team of researchers who meticulously collected and compiled information for the report.

The Inspectorate of Government would also like to acknowledge the contribution of the World Bank through the Governance Partnership Facility and the UK Government through the Department for International Development (DFID) office for the technical and financial support provided in the development of the DTM and in the production of the first and second annual reports on tracking corruption in Uganda.

Inspectorate of Government

Abbreviations and Acronyms

ALC	Area Land Committee
AOMA	African Ombudsman and Mediators Association
<i>Baraza</i>	Public meeting where important matters affecting the community are discussed
BMAU	Budget Monitoring and Accountability Unit
CC	Control of Corruption
CHOGM	Commonwealth Heads of Government Meeting
CID	Criminal Investigation Department
CoST	Construction Sector Transparency
DC	District Council
DEC	District Executive Committee
DEI	Directorate of Ethics and Integrity
DFID	Department for International Development
DLB	District Land Board
DTM	Data Tracking Mechanism
DPP	Director of Public Prosecutions
DSC	District Service Commission
EA	East Africa
EC	Electoral Commission
EE	Excess Expenditure
EPRC	Economic Policy Research Centre
FY	Financial Year
GE	Government Effectiveness
GoU	Government of Uganda
HC	Health Centre (II, III, or IV)
HRM	Human Resource Management
IG	Inspectorate of Government
IAACA	International Association of Anti-Corruption Authorities
IAF	Inter Agency Forum
IAP	International Association of Prosecutors

ICT	Information and Communication Technology
IG	Inspectorate of Government
IGG	Inspector General of Government
IOI	International Ombudsman Institute
JSC	Judicial Service Commission
LGPPDAR	Local Government PPDA Regulations
MDA	Ministry, Department or Agency
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
MoPS	Ministry of Public Services
MoWT	Ministry of Works and Transport
MSI	Media Sustainability Index
NACS	National Anti-Corruption Strategy
NGO	Non Governmental Organization
NIS	National Integrity Survey
NSDS	National Service Delivery Survey
OA	Outstanding Advances
OAG	Office of the Auditor General
OBI	Open Budget Index
OECD	Organization for Economic Cooperation and Development
OPM	Office of the Prime Minister
PAC	Parliamentary Accountability Committee
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PEFA	Public Expenditure and Financial Accountability
PPDA	Public Procurement and Disposal of Public Assets Authority
PPMS	Procurement Performance Measurement System
PRDP	Peace Recovery and Development Plan for Northern Uganda
PSC	Public Service Commission
<i>Quid pro quo</i>	a thing given in return for something else
SAI	Supreme Audit Institution
SOR	Statement of Requirements

TI	Transparency International
UBoS	Ugandan Bureau of Statistics
UGX	Uganda Shillings
UNCAC	United Nations Convention Against Corruption
UNPS	Uganda National Panel Survey
UNRA	Uganda National Roads Authority
VA	Voice of Accountability
VFM	Value for Money
WGI	World Governance Indicators

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1. EXECUTIVE SUMMARY

Background

This is the second Annual Report on Corruption Trends in Uganda using the Data Tracking Mechanism (DTM). The first report was launched on 15 November 2010 and the second one on 15 November 2011. In both studies corruption was defined as “abuse of office for private gain”. Corruption manifests itself as bribery, financial leakages, conflict of interest, embezzlement, false accounting, fraud, influence peddling, nepotism, theft of public funds or theft of public assets.

The Data Tracking Mechanism

The DTM was launched in 2009 to address a growing concern about the lack of credible tools and methods to track corruption. The initiative aimed to develop a *tool*, the DTM, to monitor corruption trends in Uganda on an annual basis. The 2010 study provided a baseline for tracking progress over time and comprised 71 DTM indicators which are used to track corruption.

Data Collection

The initial choice of the 71 indicators was agreed in a workshop of 7 April 2010 in Kampala. The Economic Policy Research Centre (EPRC) was designated the DTM Manager and the DTM Manager collected and analyzed data associated with the 71 indicators for the first report. Some of the data was from local sources including the Uganda Bureau of Statistics, the Office of Auditor General, the Inspectorate of Government, Budget Monitoring and Accountability Analysis, Procurement Performance Measurement System, and Uganda Police Force. The other data was sourced from international organizations including Global Integrity and Transparency International. However, during the preparation of the second report, gaps in the data were manifested as a result of sources that did not collect annual data, such as the National Integrity Survey and the National Service Delivery Survey, which surveys are carried out every four years. On the other hand, starting in 2011 the Uganda National Panel Survey has presented the DTM with the opportunity of using annual data in areas of absenteeism and drug stock outs that will be available to track trends consistently for the next seven years.

While significant effort has been made to secure high quality data for this report, the DTM Technical Support Committee acknowledges that the data collected for the Second Report ranges in quality. The international data and the data from UBOS’ Uganda National Panel Survey are of high quality, reflected in the consistency, accuracy, and frequency of the data. Alternatively, the data collected from some Anti-Corruption Agencies and service commissions, evidences problems of inconsistency and inaccuracy. The existence of poor data quality among the Anti-Corruption Agencies and commissions is likely explained by weak internal standards and processes related to data collection and management at these agencies. A long-term solution to remedying this problem will require an evaluation of business processes associated with data collection and management in each Anti-Corruption Agency and service commission, and the development and implementation of improved and efficient business processes to produce high quality reports for management and the public.

To this end, the Technical Support Committee (comprised of representatives from the EPRC and the IG), has undertaken an initiative to work collaboratively with Anti-Corruption Agencies (those involved in the reporting, investigation, and prosecution of administrative and judicial corruption cases) and judicial and public service commissions to develop standardized, high quality data. The committee has developed a template to support a standardized data reporting process with the aim of improving the understanding of anti-corruption efforts government-wide. We recognize that this improvement will be a process and will require time to make a notable difference in data quality. We also recognize that internal process re-engineering will be a critical complement for accomplishing this goal. Nevertheless,

improving government anti-corruption data remains an important objective of the DTM project, and this initiative is viewed as a significant contribution to the fight against corruption.

Findings and Recommendations

- 1. Doing Business.** For all the five Doing Business indicators tracked by the DTM, Rwanda's performance reflects a trend of dramatic improvement and/or established efficiency. Unfortunately, Uganda's performance does not compare, and generally reflects high levels of inefficiency and red tape.

In general, if government establishes efficient processes for securing authorizations or permits, little room is available for corruption. Highly efficient processes ensure that public officials involved in making authorizations do not have the discretion to request bribes, and businesses seeking the authorization are not motivated to bribe to expedite a process.

The first DTM Report of 2010 made a recommendation to minimize the discretion of public officials and streamline procedures related to targeted Doing Business indicators, and other pertinent government authorization processes. The targeted procedures included those associated with starting a business, securing a construction permit, registering a property, making tax payments, enforcing contracts, securing a driver's license, obtaining an educational certificate, securing a land title, and connection and disconnection of utilities. Unfortunately, there has been very little government response to this specific recommendation.

Recommendation: *In order to implement a South-South knowledge exchange with key change actors in the area of Doing Business improvements we recommend that Uganda sends a delegation comprised of public officials involved with business authorizations, as well as relevant representatives from the business community to Rwanda for a study exchange to learn and share experiences with their Rwandan counterparts as early as possible.*

- 2. Corruption in the Construction Sector.** A significant international multi-stakeholder effort, the Construction Sector Transparency (CoST) initiative is underway to improve transparency and accountability in infrastructure construction. The initiative has been successfully piloted in 8 countries around the world and has now opened up to international participation. As infrastructure construction is a sector well-known for its problems with corruption, the CoST initiative provides a new and important avenue for targeting and minimizing corruption in the infrastructure sector. Furthermore, PPDA is currently in the midst of developing standards for unit costs associated with procurements of specific goods and services.

Recommendation: *The Government of Uganda and national stakeholders should come together to form a national coalition to participate in the CoST initiative. Furthermore, PPDA should give the highest priority to developing a standard unit cost against which agencies such as UNRA, MoWT, and monitoring agencies such as BMAU and MoFPED could identify the extent of waste and inefficiency in a given construction project. The development of this standard unit cost should be conducted in an independent, objective, transparent and professional manner.*

- 3. Formal Funding Mechanism to ensure Effectiveness and Efficiency of Land Management Institutions.** Land management institutions, including those that are inherently part of local government, are poorly managed and involve major delays for clients seeking services or resolution of ownership and boundary disputes. The poor governance of the institutions is likely the result of

numerous factors including inadequate funding from central government and ad hoc efforts by the Area Land Committees (ALCs) to secure user fees from clients. The charging of user fees is discretionary in many ALCs, the terms of which are determined solely by the ALC members. The practice of charging user fees is not formalized in policies or procedures. The informality, lack of monitoring, and excessive discretion involved in charging users (clients) for these services makes Uganda's poorest citizens vulnerable to abuse and corruption. The bribery occurring in the sector will not be eliminated until government conducts an assessment of the current funding mechanisms for the land management program at grassroots level. Specifically, the evaluation should determine the level of funding required for proper governance, and an assessment of funding options (including central funding, user fees, etc.) for meeting the funding needs of the program.

Recommendations: (1) *The Government should reassess the adequacy of funding for the land management program at district and lower levels, with a view to improving the performance of organs such as the District Land Boards. (2) The Central and Local Governments should reassess the manner in which the Area Land Committees conduct business, particularly with regard to the way they charge user fees. Upon completion of the assessment, government should implement a formal system of funding to ensure effective land management services. The new system should be accompanied by clear policies and procedures which minimize individual discretion and ensure proper monitoring.*

4. **Comprehensive Standard Data from all Anti-Corruption Agencies.** The DTM Manager in collaboration with the IG has established a Technical Support Committee to collect standard anti-corruption data on a regular basis from anti-Corruption entities and service commissions. This has been an important step towards addressing the problem of fragmentation and inconsistency of data from anti-corruption agencies. The lack of comprehensive anti-corruption data has made it difficult to determine the types of corruption offences, how long it takes for corruption cases to be resolved, as well as the outcomes of these cases.

Recommendation: *The Technical Support Committee is urged to liaise with the different Anti-Corruption Agencies to provide them with a standard and uniform method for collecting anti-corruption data (which would include data related to duration of the case, type of corruption, and the result of the corruption case). The Anti-Corruption agencies and some statutory commissions – including the Inspectorate of Government, the Directorate of Public Prosecutions, the Ugandan Police's Criminal Investigation Department (Anti-Corruption Department and the Economic Crimes Department), and the Anti Corruption Division of the High Court, as well as the Judicial Service Commission and the Public Service Commission – are encouraged to adapt their data collection and management efforts to this standard approach. Furthermore, training should be provided in order to improve the quality of data collection and management at all Anti-Corruption entities and commissions. We recommend that the Technical Support Committee develops a training program for providing practical technical guidance to the data managers at these institutions.*

5. **Strengthen Anti-Corruption Enforcement Measures.** The study found that the Judiciary does not have enough judges to handle prosecution work regarding corruption, e.g. the Supreme Court is not fully constituted and the court cannot dispose of corruption cases in a timely manner. The Judicial Service Commission is not fully constituted; and judges and magistrates are not being appointed.

The Constitutional Court also was not fully constituted for a long time, hence the delays in handling cases in the courts. Failure to constitute these entities is resulting in major delays and case backlog. High priority should be given to constituting these entities.

Recommendation: *In an effort to strengthen anti-corruption enforcement measures, we recommend that the Judicial Service Commission be fully constituted by appointing members to the commission. Secondly, serious consideration should be given to codifying the 60-day timeline in law so that every case of corruption is investigated and a court decision is made, within a time limit of 60 days.*

- 6. Bolster Investigative Capacities.** Data indicates that Anti-Corruption Agencies have weak investigative capacity, resulting in high rates of dismissals and lengthy investigative periods. The critical outcome of weak investigation is that a case does not result in a prosecution. This has been an area of great frustration to many Ugandans.

Recommendation: *We recommend that each of the Anti Corruption Agencies undertakes an assessment of its own investigative capacity needs and strengthen its ability and the ability of government to be effective in investigating cases toward reducing corruption.*

- 7. Engage Citizens in Budget and Audit.** The first DTM report of 2010 emphasized the importance of citizen participation in budgeting. Government both at central and local levels should engage citizens in an open and energetic discussion about budget priorities. *Barazas* could be used to this end, but careful thought needs to be given to ensure they provide a forum for a two-way communication. When held throughout the country regularly, *barazas* could give citizens an opportunity to be informed about the budget and to express their views about priorities. Furthermore, the first DTM report recommended that the Auditor General commence a regular process of announcing audits of public infrastructure projects to national and local communities, and hold community-level town meetings to discuss audit findings upon completion of infrastructure projects. Results of the audits should be announced in the papers in the relevant district, and this information should be posted at the District's notice board. This study found that the Office of the Auditor General (OAG) has committed itself to embark on this effort by conducting 3-4 audits involving this type of citizen participation and this is an effort that needs to be strengthened.

Recommendation: *We recommend that a robust and dynamic process to engage citizens in establishing budget priorities of works projects be established. In addition, extra effort should be made to make available high quality, user-friendly relevant budget reports to the public of Uganda. Citizens need to be provided easy-to-understand information about the current budget (i.e. a pie chart showing the amount and percentage of the budget spent on each sector), and subsequently, citizens need an open forum to express their views on the budget. These sorts of discussions, which provide an opportunity for citizens to be informed about the budget and to express their views about priorities, need to be held throughout the country on a quarterly basis. Furthermore, on audits, we recommend that due to the low levels of citizen participation in government spending and accountability, the OAG should increase the commitment to announce results of audits of public infrastructure projects to national and local communities and to posting relevant information on District notice boards.*

- 8. Competitive Bidding and Accountability in Procurements.** Findings from the VFM audits in procurement sector revealed: a lack of required needs assessment, wastages of funds, lack of community participation and ownership, procuring outside of procurement plans, entering into contracts without confirmation of

availability of funds, manipulation of the bidding process to limit bidders, lack of procurement documentation, weak transparency, lack of compliance with statement of requirements and use of direct procurement in non exceptional circumstances.

Recommendation: *PPDA should make every effort to increase competitive bidding for high value contracts. For procurements which are not subject to open bidding PPDA should ensure that standard procedures are established and implemented to avoid corruption. We also recommend that PPDA review the VFM Audit on procurement in local government, and develop and implement a plan to address the following problems: a lack of required needs assessments, wastage of funds, lack of community participation and ownership, procuring outside of procurement plans, entering into contracts without confirmation of availability of funds, manipulation of the bidding process to limit bidders, lack of procurement documentation, weak transparency, lack of compliance with Statement of Requirements, and use of direct procurement in non-exceptional circumstances.*

- 9. Absenteeism in Schools and Health Facilities.** The Uganda National Panel Survey (2010) conducted by the Uganda Bureau of Statistics at community level reveals substantial problems with “quiet corruption” in both the education and health sectors in Uganda. Teacher absenteeism is a problem in one out of every five government primary school classrooms. The largest problem with absenteeism appears to be in the northern region, which has a teacher absenteeism rate of 28% while the central region has the lowest rate in the country at 15%. In health, the situation appears to be even worse. In government health centers, one out of every three health centers experienced absenteeism in the 12 months preceding the survey. Solving the problem of absenteeism requires the involvement of numerous parts of government including the Department of Ethics and Integrity, Ministry of Public Service, Ministry of Education, Ministry of Health, Public Service Commission, MoFPED, and NGOs and Development Partners who have made large financial commitments to the education and health sectors.

Recommendation: *We recommend that high level officials from Department of Ethics and Integrity, Ministry of Public Service, Ministry of Education and Sports, Ministry of Health, Public Service Commission, MoFPED, NGOs and Development Partners form an active Working Group to develop a comprehensive and effective strategy for government to tackle the problem of absenteeism. Relevant NGOs and School Management Committees should provide input to the Working Group.*

- 10. Drug Stock Outs.** The Uganda National Panel Survey (2010) collected data on drugs and supplies stock outs at different health centres around the country. The results show that in the past 2 months 43% of government health centres had experienced stock outs in vital drug/supplies, compared to 26% for non-government health centres. The data indicates that drugs are not always available to citizens. While the data reveals a clear problem, it does not shed light on the nature of the problem. For example, we cannot know the extent to which drug stock outs reflect poor governance, corruption, or both.

Recommendation: *We recommend that the Ministry of Health conducts an independent and professional assessment of drug stocks in the country to determine the causes and extent of the problem of stock outs and propose remedies for eliminating them in health facilities in Uganda.*

- 11. Political Financing Disclosure.** While most areas of corruption in Uganda stem from weak implementation, the area of political financing is an exception, as it suffers from a weak legal framework and related implementation. Political financing in Uganda is marked by inadequate regulations, low levels of transparency and high incidence of corruption in the financing of political campaigns. Financing for political parties can be a

major motive for corruption. Election financing corruption often takes three forms: *Quid pro quo* donations, where parties or candidates receive campaign resources in return for favorable treatment, candidates' or parties' misuse of state and public administrative resources for electoral purposes, and bribery of voters and election officials. Having an effective political financing system is a significant area and will merit additional focus. Perhaps this area can be added to the list of needed governance expertise in Uganda.

Recommendation: *We recommend that the law related to political financing disclosure be strengthened to eliminate loopholes and ensure that public resources are used for the public, not for the promotion of a political candidate or party. In addition, there is need for self-regulation within the parties themselves. Political parties should establish codes of conduct which enhance transparency and accountability.*

2. COMMENTS ON THE FIRST ANNUAL REPORT OF CORRUPTION TRENDS IN UGANDA

2.1 Government Response

The First Annual Report on Corruption put forward several recommendations to improve government efforts to combat corruption. The IG, with the support of the DTM Manager, contacted relevant parts of government to determine what action, if any, had resulted from last year's recommendations. A summary of the recommendations and related government response is included in *Annex I*.

2.2 Corruption Trends

Using the available data, the DTM has provided an analysis of corruption trends from selected indicators. In general the trends in the majority of indicators were consistent in showing that few gains were made in the fight against corruption in Uganda. However, in one specific area, the indicators suggest that in the police, judiciary, as well as in health and education sectors, bribery has got worse. A significant improvement has been recorded in the establishment of an Anti-Corruption Court in 2009. As a result of its establishment, the number of convictions for corruption increased substantially for cases that were brought to the Court. However, the data indicates that the capacity of the Court got overwhelmed in 2010 by the heavy demands that were made on it to prosecute cases for corruption. Other areas of improvement resulted into better management of arrears and excess expenditure in public finances.

The specific findings from the trend analysis are summarized below.

2.2.1. Doing Business. The indicators relating to the ease of doing business in Uganda remained constant between 2004 and 2009 reflecting no improvement, but recently doing business began to improve in two areas. The trends show that:

- a) The number of procedures to start a business remained at 18 between 2004 and 2010 and then dropped to 16 in 2011, showing an improvement.
- b) The number of procedures for dealing with construction permits remained at 16 until two years ago when it rose to 18 last year and then came down to 15 this year. Thus, getting a construction permit got easiest in 2011, which is a welcome trend.
- c) The number of procedures for enforcing a contract has remained at 38 since 2004.
- d) Likewise, the number of procedures associated with registering a property remained at 13 while the number of tax payments per year remained at 32 since 2008.

The above situation for "doing business" contrasts sharply with that of Rwanda in one important respect namely, that the number of procedures required to start a business in Rwanda remained at 2 between 2010 and 2011.

2.2.2. Public Financial Management. The Auditor General conducted annual assessments of public financial management in Uganda using a sample of MDAs. The trends as depicted in the annual audits are as follows:

- a) The percentage of MDAs with arrears remained high although it dropped slightly in 2009/10 to 56% from 57% in the previous financial year. Nonetheless, this shows that over the two financial years, more than a half of sampled MDAs had procured goods and services, which they had not paid for. In terms of magnitude, the average amount of arrears per MDA stood at UGX1.763 billion in FY2009/10 having dropped from UGX2.458 billion in FY2008/09, a percentage drop of 28%, which showed an improvement in the management of arrears.
- b) In regard to outstanding balances the percentage of MDAs with positive OAs remained at 20% between FY2008/09 and FY2009/10. The respective average amounts stood at UGX124.8 million and at UGX228.2

million per audited MDA. This reflected an increase of 83% between the two financial years. In this case, the management of outstanding balances got worse.

- c) The percentage of MDAs with excess expenditure increased from 27% in 2008/09 to 32% in 2009/10. However, the average excess expenditure per MDA dropped from UGX1.402 billion in 2008/09 to UGX233.1 million in 2009/10, which was a decrease of 83% showing an improvement.

2.2.3. Prosecutions by the Inspectorate of Government. Understanding the trends of investigation and prosecution of corruption cases remains limited due to the lack of standardization of data at various Anti-Corruption Agencies. This is a high priority area for reform which we aim to have improved by next year. The information below looks at trends from the Anti-Corruption Division of the High Court and the IG.

- a) The opening of the Anti-Corruption Division of the High Court in 2009 seems to have had a positive influence on the outcomes of corruption cases. For example:
 - i. Whereas in 2008 there were 9 convictions arising from prosecution cases for corruption, by 2010 the number had more than doubled to 17. When more persons prosecuted for corruption cases were convicted, it sent an important message to public officials that the anti-corruption effort was being taken seriously by the relevant authorities.
 - ii. The number of resolved prosecution cases grew from 11 in 2009 to 33 in 2010. The average length of time it took to resolve prosecution cases that were concluded in 2009 dropped dramatically to 12 months from an average of 17 months for those concluded in 2008.
 - iii. However, in 2010 this average rose again to 19 months due to the fact that the Anti-corruption Court took on and resolved cases which had been in the system for a long time. This was a welcome development as it showed that the backlog of cases was being dealt with. On the other hand, in 2010 so many cases were taken to the Anti-Corruption Court that it became apparent that the capacity of the Court needed to be improved substantially in order to deal with the increased demand that was being made on its services.
- b) At the Inspectorate of Government, the average time it took to resolve corruption cases administratively came down from 7.3 months in 2008 to 6.3 months in 2009 and then to 6 months in 2010. This was a welcome downward trend.

2.2.4. Procurement Performance.

- a) From the PPDA data of 2009/10 it was found that the percentage of sampled contracts that was subjected to open competition (by number) was 4.1%. This percentage dropped to 3.2% in 2010/11
- b) However, in terms of value, the percentage of total contract value that was subjected to open competition rose from 65.8% in 2009/10 to 80.6% in 2010/11. This means that the average value of contracts that were subject to open competition increased between 2009/10 and 2010/11.
- c) The data for 2009/10 and 2010/11 showed that nearly all sampled procurements (more than 99%) had their evaluation criteria applied.

2.2.5. Media Sustainability Index.

The indicator for free speech in Uganda was 2.27 in 2007, then it rose to 2.36 in 2008 but it came down to 2.26 in 2009. This means that the gains made in free speech in 2008 were short-lived and not robust.

2.2.6. Corruption Barometer for Bribery. According to the Global Corruption Barometer of Transparent International, bribery in Uganda has gotten worse over time. Between 2009/10 and 2010/11 the changes in bribery were reflected as follows:

- a) Citizen experiences of paying a bribe to a policeman during a period of twelve months rose from 53% to 79%, a steep rise;
- b) Citizen experiences of paying a bribe for obtaining medical services rose from 33% to 49%;
- c) Citizen experiences involving getting services of a judicial officer rose from 34% to 59%; while,

- d) Citizen experiences of paying a bribe in education during the previous twelve months rose from 15% to 36%, a sharp increase.

2.2.7. The Mo Ibrahim Index of African Governance. The 2010 Mo Ibrahim indicators compare the situations amongst the 53 countries of Africa before South Sudan became an independent state. One indicator of transparency and corruption revealed that Uganda's performance remained steady at 50.1% from 2004 until 2007/2008 and then it dropped by nearly seven points in 2008/9 only to recover slightly to 46.4% in 2010. Overall, the Mo Ibrahim results showed that the control of corruption in Uganda remained relatively unchanged. In particular,

- a) No change was registered in the index for corruption among government and public officials – it remained at 40 between 2008/9 and 2010.
- b) On transparency and corruption the index for Uganda improved from 43.8 in 2008/9 to 46.4 in 2010. This suggests that there was slightly more transparency in governance which led more people to understand corruption, its effects and its manifestations.
- c) The index on prosecution for abuse of office remained the same at 71.4
- d) On corruption and bureaucracy the indicator remained at the same level of 28.6 during the two periods (2008/9 and 2010).
- e) Corruption in rural areas as part of accountability and transparency in governance deteriorated in Uganda. The index for this dimension fell from 72.6 in 2008/9 to 66.6 in 2010.

2.2.8. World Governance Indicators. The World Bank's corruption-related indicators showed that Uganda did not substantially change its rankings in fighting corruption between 2009 and 2010. Specifically,

- a) On Voice of Accountability, Uganda improved slightly from 33rd in 2009 to 34th percentile position in 2010. This means 34 percent of the countries of the world were worse off than Uganda, but also it means 66% were better.
- b) Regarding government effectiveness, Uganda improved slightly from 32nd percentile position in 2009 to 34th position in 2010.
- c) On control of corruption, Uganda remained at the 20th percentile position between 2009 and 2010.

The fact that the three indicators remained virtually stationary implies that, according to World Governance criteria, Uganda did not make substantial gains in the fight against corruption between 2009 and 2010.

3. IGG's ASSESSMENT OF RECENT DEVELOPMENTS IN ANTI-CORRUPTION EFFORT IN UGANDA

Corruption continues to be a major concern to the people of Uganda and the various stakeholders because it undermines good governance, development initiatives, and high quality service delivery. It diverts public or corporate resources to private use and above all it increases the cost of public service delivery and implementation of public projects.

The Government of Uganda is committed to ensuring that corruption is fought at all levels in fulfillment of the National Development Plan. Government has played its role by putting in place national policies with regard to the fight against corruption. In the area of public accountability, the Government's commitment to zero-tolerance of corruption remains strong and resolute. This policy recognizes that fighting corruption requires going beyond punishing corrupt acts to restoring public sector ethics and creating behavior change. Another key national initiative is the "National Anti-Corruption Strategy (NACS), 2009-2013" which is a five year planning framework whose purpose is "to make significant impact on building the quality of accountability and reducing the levels of corruption in Uganda".

The Leadership Code Act, 2002 is to be amended. The Amendment Bill, which also makes provision for an Independent Tribunal as spelt out in the Constitution, will be presented to Cabinet for discussion. The Whistleblowers Protection Act, aimed at protecting those who volunteer information in corruption

cases, was enacted in 2010. The outcome of this legislation has been a great encouragement to the public in the fight against corruption. The Anti-Corruption Court has been doing very well in handling corruption cases expeditiously. Corruption being rampant in the procurement processes, the Public Procurement and Disposal of Public Assets Act is under amendment with a view to plugging the loopholes which have been used by corrupt officials.

The Government has undertaken the following steps in the fight against corruption:

- Intensification of awareness of the public so as to enable it to participate effectively in the fight against corruption.
- Enactment of the Anti-Money Laundering Legislation.
- Passing of the Proceeds of Crime Legislation, to empower Government to confiscate the assets of the corrupt.
- Handling of investigations by the IG, DPP and CID related to CHOGM funds. Where evidence has been compiled, prosecutions of the suspects are being undertaken expeditiously in the Anti-Corruption Division of the High Court.
- Reiteration by the President of the Government's position to constitute a Committee to investigate political leaders and senior public officers implicated in corruption-related scandals. However, there is concern that this initiative could duplicate the efforts of the IG and other anti-corruption agencies and spread available resources thinly and therefore reduce the effectiveness of the fight against corruption.

Locally, the IG has improved cooperation and collaboration with various partners. The IG has actively participated in the Inter Agency Forum which is the coordinating forum for institutions working in the fight against corruption in Uganda. On the International level the Inspectorate of Government is a member of the International Association of Anti Corruption Authorities (IAACA), International Association of Prosecutors (AIP), International Ombudsman Institute (IOI) and the African Ombudsman and Mediators Association (AOMA). The International collaborations and partnerships have given the IG tremendous exposure. Under the United Nations Convention against Corruption (UNCAC), the IG has participated in the UN conferences of State Parties and Implementation Review Group meetings.

4. DEVELOPMENT OF THE SECOND ANNUAL REPORT ON CORRUPTION TRENDS IN UGANDA

4.1 Background

The EPRC, in its role as DTM Manager, collects and analyzes data associated with selected indicators related to corruption in Uganda. The collection process involves assembling existing data, as well as coordinating with certain data sources to commence new data collection. In general, international and regional data is available via the Internet and, therefore, is accessible to the DTM. In addition, the Ugandan government also generates a limited amount of data which meet DTM standards. (The Ugandan National Panel Survey data, which will be collected annually over the next 7 years, is a good example of quality data collected by the government which sheds light on corruption.) The role of the DTM in these circumstances is to collect existing data, organize it in a useful structure, and implement a process of updating in order to maintain currency and accuracy, and provide an up-to-date analysis and report on corruption trends in Uganda based on the data.

In addition to this existing data, the DTM promotes the collection of new data by the Government of Uganda in order to generate more detailed, quality data on corruption in the country. To this end, the DTM has taken on as a part of its mission a willingness to work with institutions in the government to facilitate frequent collection of consistent and useful data. This data includes sectoral data (such as data related to corruption in the health, education, transport, public works, water and other sectors), and data tracking corruption activities across governmental entities (including auditing, budgeting, and monitoring outcomes and duration of administrative and judicial corruption cases). Over time, the EPRC anticipates that data generated by the Government of Uganda will expand substantially both in depth and breadth. In 2012, the EPRC and IG will engage in quarterly collaborations with the Ministry of Finance to develop new sources of sectoral data relevant to corruption tracking.

This report includes data from international, regional, and national data sources. Relative to last year's report, a larger percentage of the data has come from the Government of Uganda. The structure of the report is as follows.

Section 5 reviews corruption according to certain thematic areas such as political governance, civil society and media, and citizens. (Due to limited availability of data related to political governance and civil society this year, this section focuses exclusively on citizens). Section 6 addresses anti-corruption activities from the vantage point of specific governmental functions or processes. Section 7 reviews the indicators and data which are sectoral in nature. Lastly, Section 8 assesses activity associated with a class of interventions, more specifically, anti-corruption enforcement. Section 9 discusses four sets of aggregated indicators which provide an overview of corruption trends in Uganda.

4.2 Use of Current Data, and Efforts to Increase the Frequency of Collecting Corruption Data

4.2.1 Use of Current and New Data. Many of the international and regional indicators utilized by the DTM are associated with data collections which are conducted every 2 or more years. The lack of *annual* data collection limits the ability of the DTM to provide annual updates of anti-corruption progress related to all selected indicators. While the DTM is trying to improve the frequency of collection, and expand the number of quality data sources, it is forced to accept the limitations of data available for this project.

Due to the variation of frequency associated with DTM indicators, this report focuses on *current and new data* – that which has been reported and become available over the last year. In situations where new data was not available for a given indicator, that indicator and related previous data were not included in this report.

The following data sources had no new data for Uganda since last year's report: the Open Budget Index, the National Service Delivery Survey, Public Expenditure and Financial Accountability (PEFA), Global Integrity Index, Afrobarometer's Survey - Round 5, and the National Integrity Survey. In addition, it has been decided that due to its limited availability and relevance, Human Resource Management (HRM) data will not be included in this or future reports.

4.2.2 Annual Global Integrity Data. The DTM Initiative was successful in securing a commitment from Global Integrity to increase the frequency of its data collection for Uganda so that the DTM will be

assured of annual Global Integrity data. Given the relevance and value of Global Integrity data for this project, this commitment is significant, and sets a strong precedent for improving the quality of corruption data for Uganda.

4.2.3 Collection of Government Data. In addition, the DTM Manager in collaboration with the IG of Uganda has made major efforts to improve collection of Government data associated with anti-corruption enforcement (related to both administrative and judicial cases). Enforcement data has been fragmented, limiting the ability of citizens to understand whether the government is making progress in enforcing anti-corruption laws. The improved efforts are in direct response to recommendations made in the First Annual Report on Corruption Trends, which was based upon analysis of DTM data. The IG is to be commended for taking seriously the importance of improving the quality and comprehensiveness of government data in this area.

Specifically, the DTM Manager together with the IG established a Technical Support Committee to collect data for the 2nd Annual Report on Corruption. Comprised of members from the EPRC and IG, the Technical Support Committee had several meetings to coordinate the data collection process for the 2nd DTM report. The team developed a tool which was used to capture data on prosecution and administrative cases handled by the anti-corruption agencies for the period 2008 – 2010. The data tool for prosecution is included in *Annex II* and for administrative actions in *Annex III*. The committee targeted a number of anti-corruption agencies and two Commissions for data collection including:

- Inspectorate of Government
- Directorate of Public Prosecutions
- Criminal Investigation Department (Anti Corruption Department and the Economic Crimes Department)
- Anti Corruption Division of the High Court.
- Judicial Service Commission
- Public Service Commission

4.2.4 Data Quality. A significant effort has been made to secure high quality data for this report; however, in certain areas, the data collected for the Second Annual Report on Corruption varied in quality. While the international data and the data from UBOS' Uganda National Panel Survey are of high quality - reflected in the consistency, accuracy, and frequency – yet, the data collected from some of the Ugandan Anti-Corruption Agencies evidenced some problems of inconsistency and inaccuracy. Poor data quality among the some Anti-Corruption Agencies is explained by weak internal standards and processes related to data collection and management at these agencies. A long-term solution to remedying this problem will require an evaluation of business processes associated with data collection and management at each Anti-Corruption Agency, and the development and implementation of improved and efficient business processes to produce high quality reports for management and the public.

To this end, the Technical Support Committee has undertaken an initiative to work collaboratively with the four Anti-Corruption Agencies and two commissions to obtain standardized, high quality data by developing a template to support a standardized data reporting process with the aim of improving our understanding of anti-corruption efforts government-wide. We recognize that this improvement will be a process and will require time to make a notable difference in data quality. We also recognize that internal process re-engineering will be a critical complement for accomplishing this goal. Indeed,

improving government anti-corruption data remains an important objective of the DTM project, and its success will be a significant contribution to the fight against corruption.

A complete discussion of the data collected from the six Anti-Corruption entities appears in Section 8 below.

5. INDICATORS OF THEMATIC AREAS (DISAGGREGATED)

5.1 Citizens

The February 2011 parliamentary and local government elections demonstrated that political financing in Uganda is marked by inadequate regulations, low levels of transparency and high incidence of corruption in the financing of political campaigns. Financing for political parties can be a major motive for corruption. Election financing corruption often takes three forms: *Quid pro quo* donations, where parties or candidates receive campaign resources in return for favorable treatment, candidates' or parties' misuse of state and public administrative resources for electoral purposes and bribery of voters and election officials.

Well-governed systems of political financing usually have a Code of Conduct as a part of their regulatory framework. A code of conduct, which often is not incorporated in law, is designed to encourage a climate of open, free and fair political competition. A code of conduct sets out the standards of behavior expected from each political party and its members. Non-compliance with the code of conduct leaves parties open to public criticism if they disregard the standards that they themselves subscribed to. Two examples of Codes of Conduct for political parties include the Code of Conduct for Political Parties in Ghana as well as that of Pakistan.

A Code of Conduct tends to have three areas of focus: (i) **Disclosure rules**, which are designed to ensure that the *sources of funding* (and of potential influence on the policy) are made public and can be monitored. They also apply to *party expenditures*, although the way information is to be disclosed may vary, with several systems requiring public disclosure (e.g. Germany, the US, New Zealand), some applying a mixed system of public disclosure and confidential reporting to an oversight body (e.g. Canada), and others requiring the reporting to party and election officials (e.g. Korea). Some countries also have rules requiring the *declarations of assets* and interests of candidates both before and - for those who have been elected - after the election. This step is usually recommended to lower the incentives for corrupt dealings by heightening the risk of detection; (ii) **Contribution limits**, to ensure that no private contributor exerts inappropriate influence on the political system. Some countries, often with continental European traditions, operate a system of public party and campaign funding (while still allowing for private donations to take place) to reduce the scope for undue influence of private interests while supporting parties as an essential part of the democratic system. Limits on private contributions generally regulate the maximum permissible amount of the contribution (for example, India, Israel). Limits on private contributions can also regulate the source of funding. This may include prohibition of anonymous contributions, of foreign contributions (for example Canada, the US, India and Israel), and limits on the ability of corporations to make contributions (e.g. Germany, Israel, the US); and (iii) **Expenditure limits**, which are meant to regulate both the amount and the type of expenditure with the goal to limit perverse incentives and the need for "dirty money", i.e. funding that exceeds legitimate amounts. The amount a political party is allowed to spend is regulated in a number of countries and can extend to limiting the ability of independent groups spending money on behalf of a party or candidate (e.g. Korea, New Zealand). Limits on the type of expenditure can range from the prohibition of using party funds for personal uses to restrictions of the use of paid-for media advertising (e.g. India, Israel).

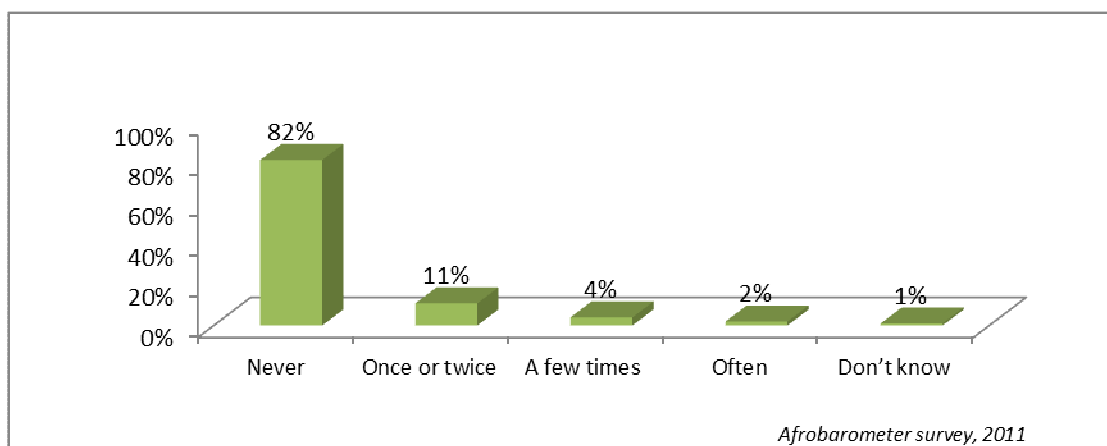
and other campaign-related expenditures. Most importantly, however, they may forbid the use of state resources by the ruling party for party-political purposes (this is particularly important in developing countries and emerging democracies, as the exclusive use of state resources by the ruling party created big inequalities to the opposition's disadvantage).

The Afrobarometer's Survey – Round 4.5 included data related to topical subjects in a given country. For Uganda, the Round 4.5 survey assessed citizen experiences and perceptions related to the February 2011 parliamentary and local government elections. The data indicates complexity of experiences and perceptions related to vote-buying in Uganda. While over 80% of the respondents did not experience vote buying during the 2011 elections, 17% were personally subjected to a vote buying experience. In addition, citizen perceptions about vote buying were mixed, with a significant percentage acknowledging that the practice is wrong and punishable, but that it was also understandable.

The data below from Afrobarometer (2011) looks at vote buying in Uganda to determine its prevalence as well as individual perceptions and opinions toward this practice. Afrobarometer includes three indicators associated with vote buying. They are: (i) Percentage of people who were offered something in return for their vote in the 2011 elections, (ii) Public perception of political officers/political party offering money to voters in return for votes, and (iii) Public perception on voter's acceptance of money in return for their votes.

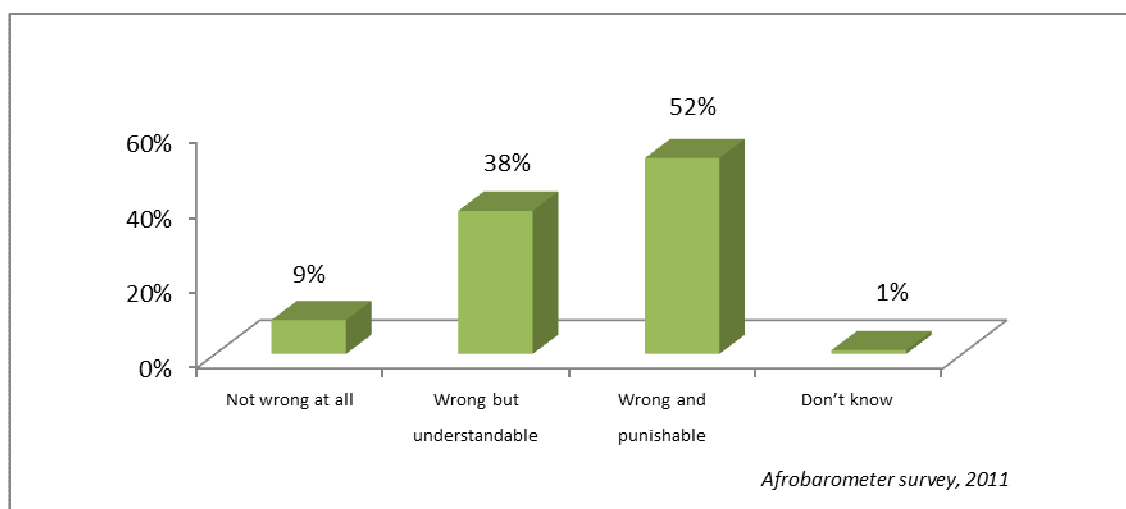
The data from Afrobarometer shows that nearly 82% of people were not offered anything in return for their vote during the 2011 elections. Nevertheless, 17% of Ugandans surveyed indicated that they had been offered something in exchange for their vote. The 17% were distributed across those who were offered something "once or twice", "a few times" or "often".

Figure 1: Percentage of people offered something in return for their vote during 2011 elections



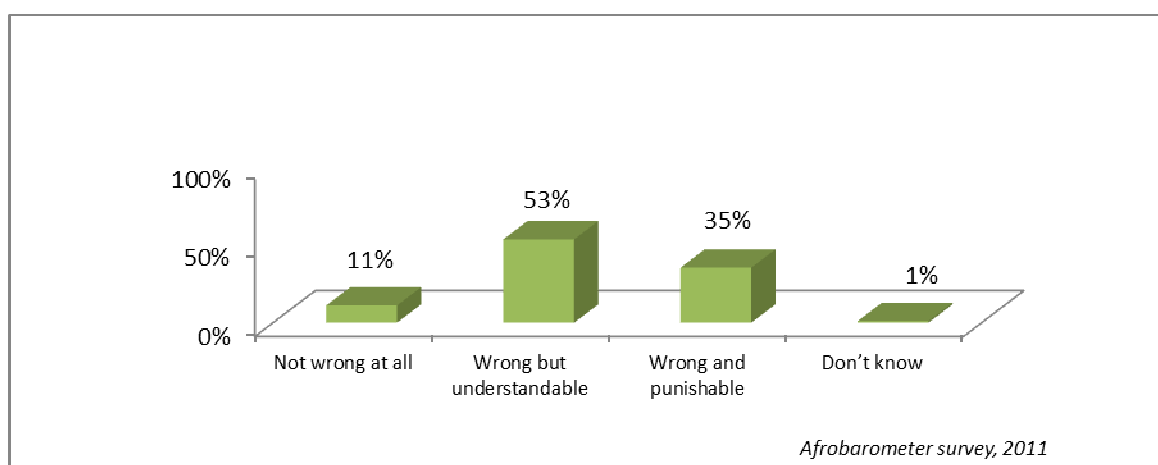
The data related to voters' experience with vote-buying shows that 52% perceived this practice to be 'wrong and punishable' while 47% believe it is either 'not wrong at all' (9%), or 'wrong but understandable' (38%).

Figure 2: Voters perception on political officers/political party offering money to voters in return for votes



The chart below shows that 11% of the survey respondents indicated that it is not wrong for voters to accept money in return for their votes, while a substantial percentage of 53% were of the view that even though it is wrong to accept money in exchange for votes, it was nevertheless understandable. These findings seemed to suggest that the majority of Ugandans were aware that bribery is an evil, but at the same time, many of them said that it was acceptable to receive money in exchange for their vote.

Figure 3: Voters perception on acceptance of money in return for their votes



6. FUNCTIONAL INDICATORS (DISAGGREGATED)

6.1 Budget

Public accountability requires that citizens be informed and engaged in the management of public resources. With this premise, the DTM Manager collected data directly from the Parliament of Uganda to ascertain the type and quantity of information available to the public, as well as the extent of public participation in connection with the budgeting process at the national level. In sum, Uganda's

performance in this area seemed to suggest that the country has weak practices, which merit significant improvement. A more detailed discussion is given below.

The data collection was based upon the Open Budget Index (OBI) questionnaire. The scoring of the responses was also based upon the OBI methodology, using 4 quantitative rankings of 0%, 33%, 67%, and 100%, with 0% connoting very weak practices and 100% reflecting very good practices. The data below shows the results of the data collection related to Parliamentary practices.

The responses showed that the legislature (i.e. Parliament) receives the budget at least six weeks, but less than three months, before the start of the budget year. Using the Open Budget Initiative (OBI) system, this achievement was scored at 67%. The results further showed that the Budget Committee of Parliament scrutinizes the macroeconomic plan, makes recommendations to representatives of the executive, but it does not hold public hearings on the macroeconomic plan before making recommendations to the Speaker concerning the budget. In this case, the public is not afforded the opportunity to scrutinize or comment on the budget before it is passed for implementation. On the OBI scale, this achievement by the Budget Committee of Parliament was given a score of 33%.

On other dimensions of public participation in the budgeting processes, results indicated that there was minimum public participation in the budgeting processes. For example, no public hearings are held on the budgets of individual MDAs in which testimony from either the executive branch or from the public is heard. Moreover, the Parliamentary Budget Committee does not release reports to the public (although the response from Parliament stated that reports of Committees *can* be accessed by the public).

Related to the budget for classified (secret) items, details are excluded for purposes of confidentiality; some categories of expenditure are lumped together, and the accounts and audits for the secret items are not published. Furthermore, although Parliament can make recommendations to the Executive on the budget that it presents to Parliament, the legislature has no authority *in law* to amend the budget. The smallest detail provided in approved appropriation for each vote are the official budget lines, which are categories of items falling under different programs for each vote.

According to the OBI scheme, the most ideal situation would be:

- For the legislature to receive the budget at least three months before the start of the budget year;
- For public hearings to be held on the macroeconomic framework in which testimony is heard not only from the executive branch but also from a wide range of constituencies;
- For such executive and public consultations to be held for budgets of individual MDAs;
- The Budget Committee of Parliament to release informative reports which include all written testimony presented at the hearings;
- Appropriate legislative committees or selected members of the legislature to be provided with extensive information on all spending on secret items, which includes line item descriptions of all expenditure;
- For the legislature to have unlimited authority *in law* to amend the budget; and
- For the approved budget to include program-level detail.

Against these criteria, the responses from Parliament in 2011 were assessed and given an all-inclusive score of 33% which reflects weak practices. This low score suggests that Uganda needs to do much

more to: (i) Make available information to the public regarding the budgeting process, and (ii) Improve opportunities for public participation in the budget process.

6.2 Audit

The Supreme Audit Institution (SAI), which in Uganda is the Office of the Auditor General, oversees the management of public finances. Broadly, the SAI operates within one of three established institutional models (Westminster, Judicial or Board). Traditionally, the role of the Supreme Audit Institution has been seen as promoting public sector transparency and accountability within a wider climate of good governance. Many commentators therefore assign the role of Supreme Audit Institutions in fighting corruption to be primarily an indirect one, centering on prevention and detection of corruption. However, it is important to note that some Supreme Audit Institutions have taken on a more active role in combating corruption. Successful approaches include identifying and publicizing areas of corruption risk, working closely with other institutions, and publicizing the recommendations of audit reports more widely. Below is a set of indicators assessing recent audit performance in Uganda.

As an independent external auditor of Government, the role of the Auditor General in Uganda was to provide an independent oversight of government operations through financial and other management audits. The objective of the audits conducted by the Auditor General was to:

- Determine whether public funds were spent efficiently, effectively, and in accordance with applicable laws
- Evaluate internal controls and help improve governance in Government and in public sector agencies
- Undertake investigations to assess whether illegal or improper activities were occurring
- Determine whether public sector agencies were in compliance with applicable laws and regulations, rules and procedures; and,
- Give assistance to Parliament and the Public Accounts Committee in support of their oversight and decision-making responsibilities.

6.2.1 Arrears, Outstanding Advances, and Excess Expenditures

In 2009/10 data related to arrears, outstanding advances, and excess expenditure showed that arrears continued to be a significant problem in the government, but that improvements were being made; outstanding advances have improved since 2007/08, but they were on the rise again, which is a matter of concern; and, lastly, that excess expenditure had dropped dramatically since last year, which was a welcome development. Below is a brief discussion of the data related to each of these areas.

The Auditor General conducted audits of Ministries, Departments and Agencies (MDAs) of Uganda and during these audits, the Auditor General collected and reported on governmental arrears, outstanding advances, and excess expenditures, as these are signs of financial management weaknesses. They denote:

- Unpaid and overdue debts of the government (arrears),
- Funds which remained unaccounted for without supporting justification (outstanding advances), and
- Expenditures made in excess of those funds appropriated by Parliament (excess expenditure).

While none of these problems denote corruption per se, it is important to recognize that poor performance in these areas; (i) Violates public financial management rules, and (ii) Creates substantial *opportunity for corruption*. Thus, these areas merited close monitoring. High levels of arrears, outstanding advances, or excess expenditures may well be a sign of financial leakages, embezzlement, false accounting, fraud, influence peddling, theft of public funds or assets, and other manifestations of corruption. Strong financial management practices serve to both prevent and detect corruption. Below is a brief description of each of these critical areas of public financial management. The analysis is based upon data provided by the Office of the Auditor General, whose details appear in *Annex IV*.

Arrears are unpaid and overdue debts or unfulfilled obligations. As can be seen in Table 1 below, the percentage of audited Ugandan MDAs with arrears was very high (more than 50% of all MDAs) for each of FY2005/06, 2006/07, 2007/08, 2008/09 and 2009/10. It should be noted that the percentage dropped substantially during FY2008/09 to 50.5% only to increase again in 2009/10 to 56%. However, the average arrears for the audited MDAs reduced substantially in FY2008/09 and 2009/10. The improvement in 2009/10 can be attributed to the new policy introduced in 2009/10 which stopped the practice of budgeting for domestic arrears. The data also seemed to reflect an enormous difference between the mean and median, indicating that the distribution of arrears was positively skewed in each financial year. This differentiation reflects that there were one or two MDAs with excessively large arrears compared with the rest. These excessively large amounts were partly shown by the maximum arrears in each financial year from 2005/06 to 2009/10. The three MDAs with the highest arrears in FY2009/10 were: Ministry of Justice (UGX96.96 billion), Uganda National Roads Authority (UGX22.16 billion) and Ministry of Defense (UGX16.95 billion).

Table 1: Arrears

	Financial Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Total number of MDAs audited	85	88	90	93	100
Number of MDAs without arrears	16	25	19	40	44
Number of MDAs with arrears	69	63	71	53	56
% of MDAs with arrears	81.2%	71.6%	78.9%	57.0%	56.0%
Total arrears from MDAs audited	293,719,904,59	242,726,220,05	423,028,022,72	228,644,104,96	176,452,334,31
Maximum.....	55,556,680,911	43,978,799,833	55,246,821,737	98,737,133,346	96,961,386,074
Mean based on audited MDAs.	3,455,528,288	2,758,252,500	4,700,311,363	2,458,538,762	1,762,886,883
% change in mean arrears	-	-20.2%	70.4%	-47.7%	-28.3%
Median based on audited MDAs	144,054,826	203,520,797	111,837,292	6,327,482	13,223,839

The positive skewness was also a characteristic of outstanding advances and of excess expenditure shown below in (b) and (c) respectively. In summary, the data indicates that one or two Ministries, Departments, or Agencies were primarily responsible for the high levels of arrears, outstanding advances or excess expenditure and these MDAs should be targeted for more detailed auditing.

Table 2: Outstanding Advances (OAs)

	2005/06	2006/07	2007/08	2008/09	2009/10
Total number of MDAs audited	85	88	90	93	100
Number of MDAs without OAs	72	64	66	74	80
Number of MDAs with OAs	13	24	24	19	20
% of MDAs with advances	15.3%	27.3%	26.7%	20.4%	20.0%
Total OAs from audited MDAs	8,678,034,207	10,721,944,304	75,166,864,487	11,609,233,648	22,816,614,316
Maximum	2,392,988,200	3,190,000,000	49,762,682,821	3,666,518,965	5,707,391,033
Mean based on MDAs audited	102,094,520	121,840,276	835,187,383	124,830,469	228,166,143
% change in mean OAs	-	19.3%	585.5%	-85.1%	82.8%
Median based on MDAs audited	0	0	0	0	0

Outstanding advances (OAs) are funds which remain unaccounted for, pertaining to a particular financial year, which lack the supporting justification for their expenditure as of the time of the audit. In absolute terms, the total outstanding advances from MDAs audited rose dramatically from FY2005/06 to 2007/08, although they dropped off sharply in 2008/09, yet increasing again in FY2009/10. Mean outstanding advances increased by 82.8% between FY2008/09 and 2009/10, a situation which merits concern. The three MDAs with the highest OAs in FY2009/10 were: Makerere University (UGX5.71 billion), MoES (UGX5.12 billion) and MoFPED (UGX3.89 billion).

Excess expenditures (EEs) are expenditures which are made in excess of those funds appropriated by Parliament. Excess expenditures are attributed to weaknesses in controls over budgetary expenditures or to utilisation of revenues at source without authority. In some instances, it arises from weaknesses in record keeping and inappropriate application of accounting policies, which result in inconsistencies in amounts disclosed in the GOU Consolidated Financial Statements.

The percentage of MDAs with excess expenditures has declined since 2005/06, yet has trended upwards since 2008/09. In absolute terms, total excess expenditure peaked in 2008/09 at an exorbitant level of over UGX130 billion, but dropped in 2009/10 to under UGX24 billion. In FY2008/09 State House, the Uganda Police and Makerere University had the highest EEs of UGX98.76, UGX11.05 and UGX8.49 billion respectively, while in FY2009/10 the three with highest EEs were: NARO (UGX5.21 billion), UBOS (UGX3.69 billion) and Uganda Mission in New York (UGX3.51 billion). MDAs which had consistently high EEs during FY2007/08, 2008/09 and 2009/10 were Uganda Police, Uganda Prisons and Uganda Mission to New York.

Table 3: Excess Expenditure (EE)

	Financial Year				
	2005/06	2006/07	2007/08	2008/09	2009/10
Total number of MDAs audited	85	88	90	93	100
Number of MDAs without EE	16	68	73	68	68
Number of MDAs with EE	69	20	17	25	32
% of MDAs with EE	81.2%	22.7%	20.0%	26.9%	32.0%
Total EE from MDAs audited	14,205,809,907	20,936,161,890	35,924,804,810	130,419,256,935	23,310,795,937
Maximum	6,129,279,062	6,579,715,739	28,426,712,211	98,758,590,051	5,207,664,188
Mean based on MDAs audited	473,526,996	237,888,203	399,164,498	1,402,357,601	233,107,959

% change in Mean EE	-	-49.8%	67.8%	251.3%	-83.4%
Median based on MDAs audited	0	0	0	0	0

6.2.2 Value for Money (VFM) Audits

Each year, VFM audits are conducted on *different* Ministries, Departments, and Agencies (MDAs). While the results of these audits are unquestionably valuable, the lack of a consistent focus on specific MDAs, and a related set of standard indicators, does not allow for ongoing monitoring of progress at targeted public institutions. Because of this lack of consistency, the DTM does not include standard indicators associated with VFM audits.

However, VFM audits reveal a great deal about governmental problems related to corruption and poor governance. For that reason, this report includes two analyses which are based upon VFM audits – one on Procurement in Local Government and the other on Land Management Institutions. These sections are included as relevant and supplementary information to this DTM report. Procurement in Local Government was chosen because of the colossal sums of money involved due to the fact that most service delivery takes place at local government level through procurement processes supervised by the PPDA. Land management, on the other hand, was chosen because issues of land in Uganda are very sensitive and they affect nearly all the citizens. Details of these VFM audits are given below (see sections 6.3.2 and 6.4).

6.3 Procurement

6.3.1 Procurement in National Government – the Procurement Performance Measurement System

6.3.1.1 Summary. Upon review of recent 2010/2011 data from the Public Procurement Disposal of Public Assets Authority (PPDA), Uganda's performance has made notable progress since last year. When considering contract value, or the amount of contracts in shillings, open bidding procurements increased by 15% to 80.6% of total procurements. PPDA should be commended for this positive improvement, and should continue its efforts to expand open bidding in the government. Nevertheless, this improvement contrasts with the large number of micro or smaller contracts which did not utilize open bidding procedures. Furthermore, in terms of disclosure of evaluation criteria with procurements, the data is extremely positive. Almost all the MDAs disclosed the evaluation criteria that they actually applied for procurement of works, services and supplies. In summary, while there is definitely room for improvement, procurement governance is moving in the right direction.

In terms of the large number of micro procurements, the lack of competitive processes makes these procurements vulnerable to corruption. Efforts should be made to ensure that procedures are developed to avoid corruption in procurements which are not subject to open bidding. Preventative practices might include the development of proper justification for a selection, as well as auditing and monitoring.

The above notwithstanding, substantial evidence indicates that procurement remains a complex and vulnerable area for corruption in Uganda. Therefore, the two procurement indicators currently utilized by the DTM may not be sufficient to tell the whole story on procurement. Other important indicators which may shed light on corruption in procurement relate to: % of contracts with complete procurement records, % of contracts that are completed on time, % of contracts that are implemented within the original cost, and the % of contracts audited that are classified above moderate risk. These indicators focus on procurements involving vendors who supply less than they were contracted for or who take a longer time on the job. In addition, these additional indicators focus on higher risk contracts, and on maintaining proper written records of a given procurement.

In order to provide a more complete view of corruption in procurement, the DTM Manager recommends that PPDA collect and report data on the following additional indicators:

1. % of contracts with complete procurement records;
2. % of contracts that are completed on time;
3. % of contracts that are implemented within the original cost;
4. % of contracts audited that are classified above moderate risk.

Data is already available in the PPMS and PPDA Audits on indicators 1, 2, and 4. The DTM Manager will work with PPDA to include indicator 3 in the next round of audits. PPDA will also be requested to provide data related to all the four additional indicators, as well as the existing two indicators, for next year's report.

6.3.1.2 Background to PPMS Data. The Government of Uganda's Procurement Performance Measurement System (PPMS) is a new system that measures the performance of government entities in procurement. It measures both the efficiency of procurement and compliance with the established laws and procedures. The PPMS looks at the following types of indicators:

- i. Preparation and adherence to procurement plans
- ii. Procurement cycle management
- iii. Completeness of procurement records
- iv. Procedural compliance
- v. Extent and quality of implementation of PDE disposal plan.

Each government entity is responsible for data collection about its organization and this data is submitted to the Regulatory Agency (PPDA) which collects, analyses, and generates national data. The PPMS has the potential to be a strong source of information for the DTM and may serve as a useful model for collecting other data related to governance and corruption across governmental entities.

In the first annual DTM report two indicators were identified from the Government of Uganda's Procurement Performance Measurement System. These are:

- “% of sampled contracts subject to open competition by value and number” (all PDEs)
- “% of sampled procurements with disclosed evaluation criteria actually applied” (all PDEs)

The first indicator relates to the extent to which procurement in Uganda is based upon open competition. Non-competitive methods of procurement are susceptible to corruption because they are less transparent and more discretionary. The second indicator relates to the application of evaluation criteria as disclosed in the bidding documents. Evaluation criteria are those factors upon which public officials base their procurement decision. Unpublished evaluation criteria or alteration of such criteria contribute to a lack of transparency in the procurement process and, also involve increased subjectivity and discretion. The lack of transparency associated with both of these factors – non-competitive procurement and the lack of publishing evaluation criteria – creates significant opportunities for collusion, bid rigging, bribery and manipulation of records, conflict of interest, influence peddling, fraud, financial leakages, and other forms of corruption.

Data in the first annual DTM report (2010) was from PPDA's old system for tracking procurement. The data below has been collected from 15 MDAs as a part of the new PPMS system managed by the Public Procurement Disposal of Public Assets Authority (PPDA). PPDA should be commended for undertaking a cross-government data collection on procurement and for ensuring that the data is publicly available.

Regarding the first indicator: “% of sampled contracts subject to open competition by value and number (all PDEs)” the data that appears in the sections below was presented for an expert opinion and it was concluded that it is giving us the right picture because, overall, most procurements are now openly advertised. It is the second indicator on application of disclosed criteria where some reservations were made on the data. Firstly, the situation had changed since the data was first collected and the PPMS would have to be adjusted accordingly to give the

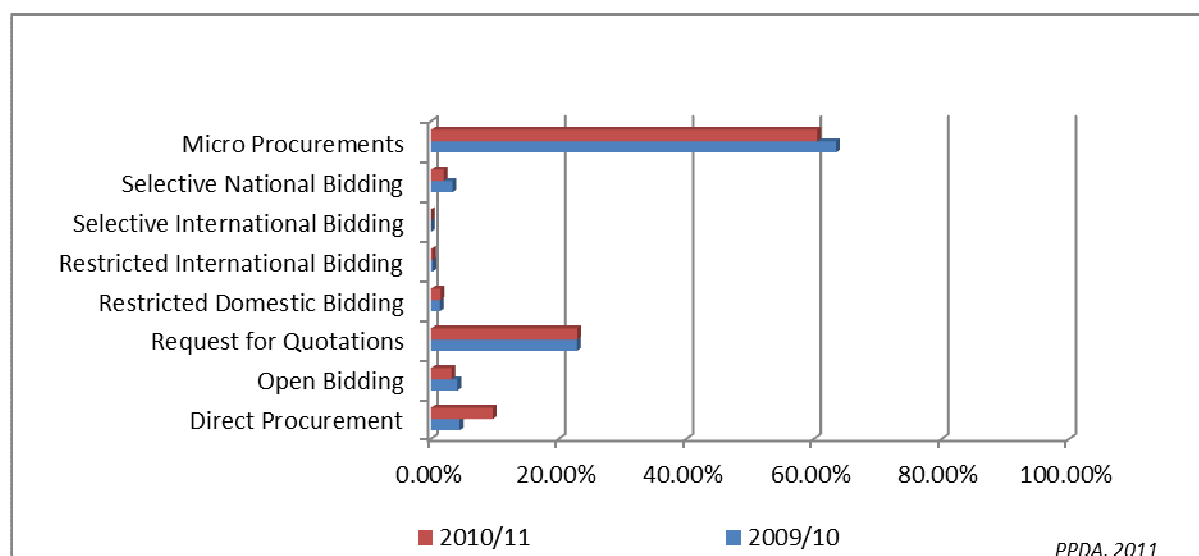
correct picture. Secondly, this indicator will for future purposes need to be audited just like was done for the one on completeness of records where PPDA has had to do some checks to ensure authenticity of the data from the procurement units. From such verification the indicator could drop substantially. What entities may do is to partly apply the disclosed criteria but turn a blind eye to something significant if the favored bidder was not responsive.

A discussion of the data obtained from the PPMS during FY2010/11 is presented below. Definitions of procurement methods and thresholds for central and local government procurements are included in *Annex V*.

6.3.1.3 A Review of Procurement by Number of Contracts. The percentage of procurements under open competition was 3.2% (or 209 out of 6487 procurements) in 2010/11 compared to 4.14% (or 268 out of a total number of 6465 procurements) in 2009/10. This reflects a reduction in the number of procurements subjected to open competition.

Over 92% of procurements are undertaken using micro procurement, request for quotation, or direct procurement. By law, micro procurement and direct procurements do not involve competition, which makes these methods particularly susceptible to corruption. Other methods which are used, including request for quotation, may or may not involve competition. Additional assessment would be needed to determine how these other methods operate in practice.

Figure 4: Percentage of Contracts by Method of Procurement in 2009/10 (by number)



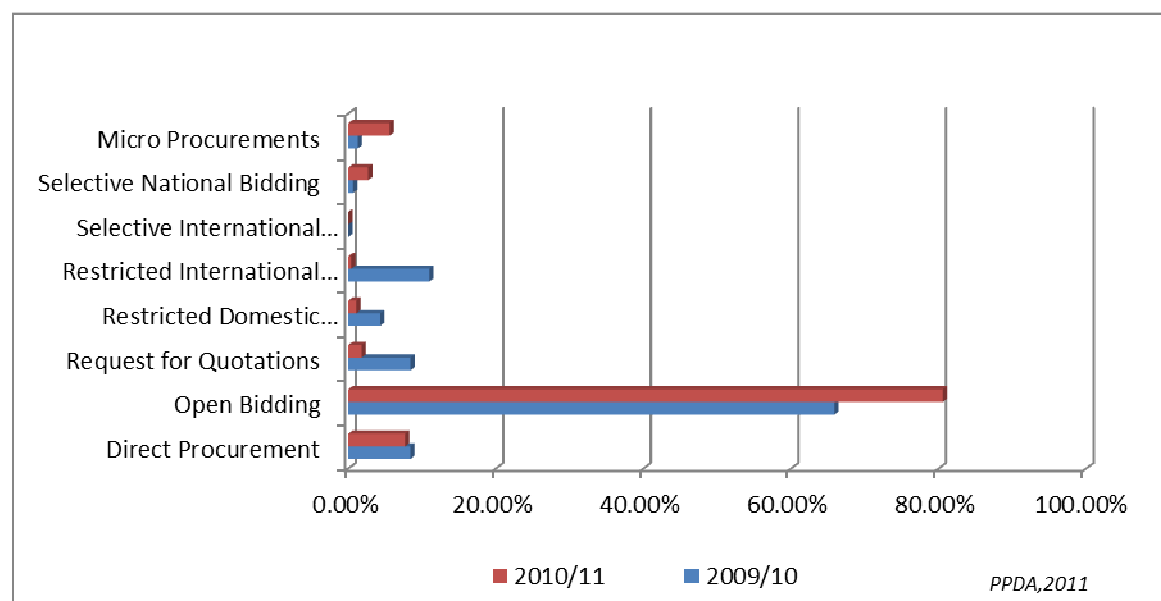
This same information can be viewed in the Table below.

Table 4: Percentage of Contracts by Method of Procurement in 2009/10 and 2010/11 (by number)

Method	Number (2009/10)	Percent (2009/10)	Number (2010/11)	Percent (2010/11)
Direct Procurement	290	4.49%	628	9.70%
Open Bidding	268	4.14%	209	3.20%
Request for Quotations	1,478	22.86%	1,484	22.90%
Restricted Domestic Bidding	91	1.41%	95	1.50%
Restricted International Bidding	16	0.25%	16	0.20%
Selective International Bidding	1	0.02%	3	0.00%
Selective National Bidding	218	3.37%	132	2.00%
Micro Procurements	4,103	63.46%	3,920	60.50%
Total	6,465	100%	6,487	100%

6.3.1.4 A Review of Procurement by Value of Contracts. With regard to amounts involved in procurement, the findings indicate that 80.6% (UGX 735,936,862,226) of the total of contract value of contracts in 2010/11 was spent on open bidding which is meant to maximize competition and transparency. This represents almost a 15% increase compared to 2009/10 when procurements worth 269,252,146,441 (65.8%) were subject to open bidding. This dramatic increase could be attributed to improved compliance of PDEs with the thresholds of open bidding methods and increased capacity building as well as the auditing of PDEs. The PPDA should be commended for this increase and is encouraged to continue this trend. A desirable target for 2011/2012 is for the Direct Procurements to be 0%.

Figure 5: Percentage of Contracts by Method of Procurement in 2009/10 and 2010/11 (by value)



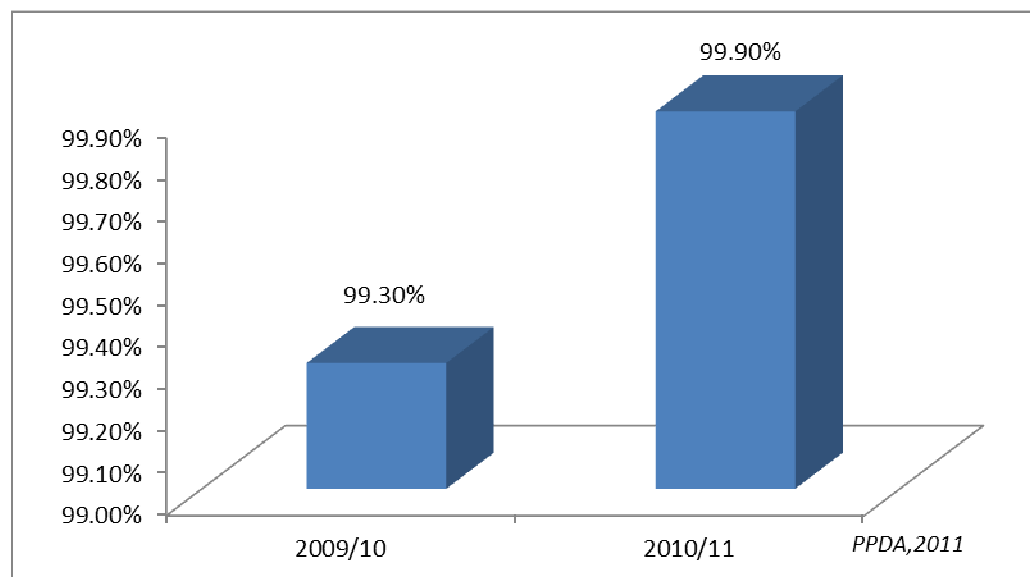
This same information can be viewed in Table 5 below.

Table 5: Percentage of Contracts by Method of Procurement in 2009/10 and 2010/11 (by value)

Method of Procurement	Total value UGX 2009/10	Percent 2009/10	Total Value UGX 2010/11	Percent 2010/11
Direct Procurement	34,397,468,094	8.42%	70,685,284,710	7.70%
Open Bidding	269,252,146,441	65.88%	735,936,862,226	80.60%
Request for Quotations	34,496,752,132	8.44%	16,710,752,267	1.80%
Restricted Domestic Bidding	17,647,582,966	4.32%	9,938,907,190	1.10%
Restricted International Bidding	44,882,152,825	10.98%	3,667,170,376	0.40%
Selective International Bidding	1,995,000	0.00%	38,798,400	0.00%
Selective National Bidding	2,690,844,041	0.66%	24,869,468,665	2.70%
Micro Procurements	5,276,320,242.26	1.29%	50,825,437,780	5.60%
Total	408,645,261,741	100%	912,672,681,614	100%

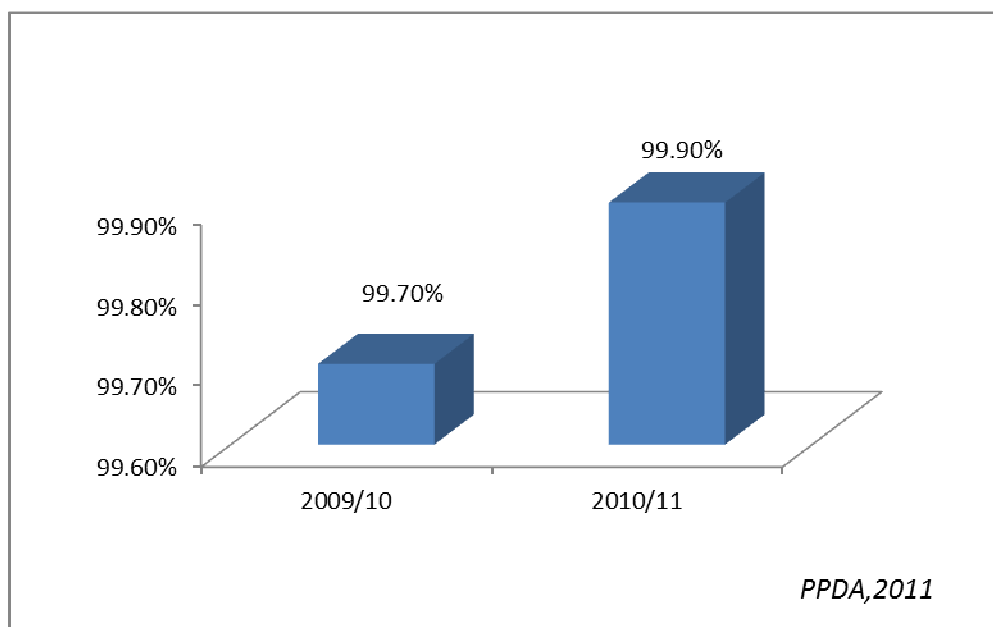
6.3.1.5 Use of Evaluation Criteria by Number of Contracts. From the illustration below, the results reveal that the evaluation criteria actually applied in procurement were disclosed in 99.9% of the cases in 2010/11 compared to 99.3% in 2009/10.

Figure 6: Percentage of sampled contracts with disclosed evaluation criteria actually applied by number



The percentage of sampled contracts with disclosed evaluation criteria actually applied by value was 99.9% compared to 99.7% in financial year 2009/10. These statistics suggest that almost all the MDAs disclosed the evaluation criteria they actually applied for procurement of works, services or supplies.

Figure 7: Percentage of sampled contracts with disclosed evaluation criteria actually applied by value



6.3.2 Procurement in Local Government at District Level

6.3.2.1 Introduction. This section summarizes the 2010 findings from a Value for Money audit on local government procurement. A Value-for-Money (VFM) audit is an audit carried out by the Supreme Audit Institution (SAI) that provides an assessment of the extent to which the audited body or institution has used its resources in carrying out its responsibilities. The VFM audit endeavors to evaluate if activities, programs or projects involving public funds in Ministries, Departments, Local Government Councils and any public organizations have been managed with respect to criteria of: economy, efficiency and effectiveness. The audit then reports on the extent to which these criteria have, or have not been, met.

In this context *Economy* refers to: Minimizing the cost of resources used for an activity, having regard to appropriate quality. *Efficiency* is defined as: The relationship between the outputs, in terms of goods, services and results, and the resources used to produce them; *Effectiveness* refers to: The extent to which objectives are achieved and the relationship between the intended impact and the actual impact of an activity.

In carrying out a VFM audit, the Auditor General takes an in-depth look at the way a particular Ministry, Project or Public Institution has planned the task undertaken and whether good management practices and sound judgment were applied. The audit attempts to determine if the initial objectives set at the beginning of an undertaking were achieved. As a consequence of that, the Auditor General then deduces as to whether due regard for efficiency, effectiveness and economy was present; and then makes recommendations for improvement in those areas where it is felt that deficiencies had occurred.

As has been mentioned earlier, procurement is a governmental function which is highly vulnerable to corruption activities. The findings of the VFM audit reported below reflect a lack of required needs assessments, wastage of funds, lack of community participation and ownership, procuring outside of procurement plans, entering into contracts without confirmation of availability of funds, manipulation of the bidding process to limit bidders, lack of procurement documentation, weak transparency, lack of compliance with Statement of Requirements, and use of direct procurement in non-exceptional circumstances.

6.3.2.2 Decentralization. Decentralization is a system of governance that is provided for in the Local Government Act of 1997, which gives increased roles in the procurement and disposal of goods, works and services to Districts and Urban Authorities; and entrusting them with large sums of money to provide delivery of services at grassroots level. It is the responsibility of PPDA to ensure that resources at the local government levels are properly utilized and accountability given. The PPDA also sets policy and regulation; it provides coordination, monitoring, supervision and control of procurements in all Government Ministries, Departments and Agencies and Local Governments.

Part 2 of the Second Schedule of the Local Government Act 1997 CAP 243 gives powers to Local Governments to provide education services, medical and health services; undertake maintenance and provision of water supplies; construction, maintenance and rehabilitation of roads; budget for recurrent and development expenditures as well as collect local revenue. All Government spending is subject to PPDA oversight to ensure, among other things, that all procurements and disposals are transparent and accountable, competitive and achieve value for money.

During FY2009/10 the Office of the Auditor General conducted a VFM Audit based on a sample of seven districts of Apac, Arua, Bundibugyo, Bushenyi, Kamuli, Moroto and Mukono focusing on procurement of goods and services in the three years: 2007/08, 2008/09 and 2009/10. The main findings of the Audit, which are summarized below, indicate that all is not well with procurement in Local Governments.

6.3.2.3 Needs Assessment. Before a project is subjected to a procurement process, the procurement work plans should be submitted to the Procurement and Disposal Unit (PDU) based on identified user needs. The VFM established that, out of 109 projects examined in the 7 sampled districts, 62 or 57% did not undergo needs assessment. In terms of value, the 62 projects committed 49% of the total value of funds amounting to UGX 11,406,734,366 for the 109 projects examined. As a result, large sums of money were wasted in the procurement of goods and services that were imposed on the people. The VFM noted that lack of community participation and ownership contributed to failure of some projects.

6.3.2.4 Procurement Plans. Procurement Regulation (LGPPDAR, Regulation 62) requires the user department to prepare work plans for procurement based on the approved budgets. These budgets are submitted to PDU to facilitate orderly execution of annual procurement activities. The VFM established that, although most Procuring and Disposing Entities (PDEs) prepared such plans, in some situations users submitted work plans that did not give detailed breakdown of work activities, services or supplies. Twenty four percent (representing UGX 2,750,194,317) of all procured items in the sampled procurements were outside the procurement plans. There were variations in districts – with Bushenyi having 58% of total procurement budget outside of procurement plans. Undue influence and poor prioritization of needs were cited as causes for procuring outside procurement plans. As a consequence, some of the projects were not completed because the resources were spread too widely to cover more projects than planned.

6.3.2.5 Confirmation of Funds. Before signing any contract, the Accounting Officer should confirm in writing the availability of funds. Signing should therefore wait until funds are released; otherwise projects could start and then get stalled due to unavailability of funds. The VFM Audit revealed that 28.6% of total sampled contracts were entered into without confirmation of availability of funds, totaling to UGX3,254,945,111 on 48 projects. One reason cited for signing without confirmation was the perceived long time and bureaucratic nature of the procurement law, which was blamed for slowing down the process. In situations where funds were not obtained, contracted firms had no alternative but to abandon the projects they had started causing them much financial loss and hardships.

6.3.2.6 Bidding Procedures. The LGPPDAR Regulation 43 (3 and 4) of 2006 requires that procurements and disposals should be conducted in a manner that maximizes competition and achieves value for money irrespective of the method of procurement used or the nature of works, services or supplies to be procured.

- Competitive Bidding. From each of the seven sampled districts, 15 procurements were sampled. In Arua District only 21 bids were received for the 15 procurements giving an average of 1.4 bids per procurement as opposed to having three; Apac had an average of 1.2 procurements; Busenyi had 1.53; Bundibugyo, 1.13; Kamuli, 1.20; Moroto, 1.0 and Mukono had an average of 1.13 bids per procurement. The results suggest that there was a low response rate from bidders in all seven districts. The low response rate was attributed to factors that included manipulation of the bid process (51% of the respondents interviewed during the Audit cited this reason), lack of capacity by local contractors (10%), connivance among contractors to avoid competition (9%) and the high cost of doing business which discouraged possible participants. The VFM had this to say: *“Documentary reviews and audit verifications revealed instances where the practice was to eliminate bidders so that only one bidder is eventually evaluated and selected” (OAG, VOL 5; VFM AUDIT, 2010: pp76).* As a result of having a limited number of participants in the bidding process, competition was curtailed and therefore could have resulted into the selection of contractors who lacked capacity. In some situations a few contractors took on responsibilities in more than one entity in different locations, got over-stretched and hence produced substandard works.
- Poor and Inadequate Documentation. In many instances documents were simply photocopied and inserted into the procurement files without being fully completed and endorsed; and not all procurement records were maintained by the PDUs for inspection by competent authorities, while 32% of procurement documentation was missing. None (0%) of the documents inspected fulfilled the obligation requiring one to issue receipts for bids received. Records showed that when bids were opened only 56% were stamped as such. The VFM Audit stated that the inadequate documentation was attributed to lack of willingness by District staff to adopt the requirements of the PPDA Act. Other reasons cited by persons interviewed were: the voluminous documentation involved in procurement and shortage of storage space. Yet, failure to document procedures rendered accountability difficult and cast doubt on the authenticity of the underlying transactions thus raising questions of transparency and lack of competition in procurement processes. The VFM Audit noted that lack of transparency *“provides room for manipulation at the various levels and facilitates corrupt tendencies since the controls are weakened” (OAG, VOL 5; VFM AUDIT, 2010: pp80).*
- Specification of Requirements (SOR). The LGPPDAR Regulation 48 (2), (3) requires that the tender documents include a statement of requirements in order to be able to determine how closely and effectively an offeror can meet these requirements. The specification is prepared with a view to ensuring that the works, services or supplies are fit for the purpose for which they are being purchased and that they are of appropriate quality and would ensure value for money. The VFM audit found that 95% of sampled procurements had statement of requirements (SOR); however, amongst these, *“the delivered works, services and supplies did not reflect compliance with the requirements spelt out in those SORs” (OAG, VOL 5; VFM AUDIT, 2010: pp81).* A number of projects with clear SORs were found completed but with a lot of defects and a number of them were failing to meet user needs.
- Direct Procurement. The LGPPDAR Regulation 40 specifies that direct procurement method can be used only in special circumstances which prevent the use of competition. Out of the total sampled procurements worth UGX11.4 billion, procurements made using direct method were worth UGX 350,365,757 or 3%. The VFM audit revealed that direct procurement method was used in circumstances which were not necessarily exceptional and it attributed this to poor planning and disregard of procurement law. Yet, using direct procurement where the situation does not warrant it, means that the citizens are denied the full benefit of the service intended to be derived from procurement, as the PDE would have failed to secure competent contractors through competition.

6.3.2.7 Approvals by Solicitor General. All districts sampled except Mukono sought the Solicitor General’s approval for the contracts before signing. By not seeking approval from the Solicitor General, Mukono risked subjecting Government to unfavourable contractual terms and exposing it to unnecessary litigations.

6.3.2.8 Monitoring and Supervision of Contracts. The VFM Audit revealed that **all** sampled procurements worth UGX11.4 billion were not monitored and were not reported on by PDU to the Accounting Officer as required by the procurement law. This led to poor quality work and a continuous award of contracts to poorly performing service providers.

6.3.2.9 Constituting Contracts Committees. The VFM audit showed that some districts operated without fully constituted Contract Committees for periods ranging between 3 to 24 months. Non operation of Contract Committees delayed the procurement process and as a result, district funds continued to lay idle denying citizens services that would have been delivered to them.

6.4 Land Management

6.4.1 VFM in Land Management

A 2009/10 Value-for-Money (VFM) audit was conducted on the functionality of land management institutions in Uganda, which are inherently part of Local Government. The audit found numerous problems with funding and processes including:

- Delays in the appointment of District Land Boards which slowed down the processing of land transactions;
- Inadequate funding for District Land Boards which affected their operations; and
- Major funding problems with Area Land Committees (ALCs) which had led to crumbling operations and ad hoc efforts to secure revenues from individual clients.

In summary, the audit reveals that land management institutions are poorly managed, creating major delays for clients. One can argue that inadequate funding from the central government has contributed to the poor management. However, the delays and inefficiencies have been compounded by ad hoc efforts by the ALCs to secure user fees from clients. The charging of user fees is discretionary in many ALCs, the terms of which are determined by the ALC members themselves. The charging of user fees is a practice that is not formalized in policies or procedures. The informality, lack of monitoring, and excessive discretion involved in charging users (clients) for these services makes Uganda's poorest citizens vulnerable to abuse and corruption. A description of the audit and its findings are given below.

6.4.2 The District Land Board (DLB)

Sections 56, 57 and 58 of the Land Act as amended require the establishment of a DLB consisting of a minimum of five members who hold office for a period of five years and may be eligible for reappointment for a further one term.

The VFM established that the process of constituting the Boards was taking between 8 to 19 months after the expiry of the old Boards. In 10 districts (out of the sampled 23), it took over a year to constitute a new Board after the expiry of the old Boards.

Failure to appoint new DLBs upon the expiry of the previous Boards was attributed by the districts to the long appointment process. The audit attributed the delay to the non adherence by the districts to the appointment guidelines. The VFM noted that failure to constitute new DLBs upon the expiry of the previous Boards leads to delays in the processing of land transactions.

In response to the above, District Management acknowledged that they are notified and advised to appoint new Boards six months prior to the expiry of the Board's term of the office "but for a number of reasons including political interference, the Boards are not appointed in time".

As far as budgets were concerned in 21 out of the 23 districts visited (91%), the VFM established that the majority of DLBs were directly funded by the Central Government (MoFPED) and they had received on average 99% of their budgeted funds. However, it was observed that DLBs were not preparing annual and quarterly work plans. The budgeted and released amounts for DLBs shown in the district budgets could not be supported with work plans detailing the number of meetings planned for the year.

DLBs are required to sit twice a month, which was not fulfilled due to insufficient funds released to districts. Respondents further explained that whereas the number of the districts continued to rise as a result of newly created districts, the total releases to DLBs by MoFPED remained fixed. Management responded by saying the monies are by now grossly inadequate and hence affect the regularity of the DLBs seating contributing to the failure of the DLBs to carry out most of their planned activities and adversely affecting, not only the operations of the DLBs, but also the entire Land Administration system.

6.4.3 Area Land Committees (ALCs)

According to Section 66 (1 & 2) of the Land Act CAP 227 as amended, members of the Area Land Committee (ALC) at Sub-county or Division Council level are supposed to be paid such remunerations as may be determined by the District Council (DC) on the recommendation of the District Executive Committee (DEC); and then the Committee expenses are charged on the District administration funds. Section 64 (6) (d) as amended, further requires the responsible Sub County or Division Council to indicate their preparedness to assist in the funding of the Area Land Committee.

Through interviews with ten (10) Chairpersons of the Area Land Committees visited and documents review, the VFM audit noted that the District Councils did not determine the remunerations to be paid to the members of the Land Committees nor did the Sub Counties indicate preparedness to assist in funding of the ALC's activities. A review of the budgets of five Sub Counties and four Division Councils revealed that no budgetary provisions were made for the funding of the Area Land Committees for the FYs 2007/2008 up to 2009/2010 inclusive.

District officials through interviews stated that with the low local revenue collections at the districts, there was no need to determine and budget for the remuneration of members of ALCs which they (districts) could not finance given the high number of the members of the Committees (this number was 60 or more in each district). Consequently, some ALCs had come up with fees which clients had to pay to facilitate their work. In other cases, though there were no standard fees set by the ALCs, clients had to provide for transport, lunch and stationery if the committee was to inspect their land. This created fertile ground for corruption. Management responded to this by saying that it was usual practice for ALCs to operate using their clients' facilitation; but that this was not only irregular but it was also potentially riddled with all sorts of unjust and corrupt tendencies.

In sum, lack of adequate funding from central government has led to the development of an informal system of charging clients for resolution of land management disputes. There is a need to re-assess the legal framework for land management to ensure that this critical government function is funded in a manner which ensures good governance and avoids opportunities for corruption. In addition, to the extent a user fee system is considered to generate revenues to fund this activity, the system should be

formalized - based on established policies and procedures, and implemented using standard practices and pricing.

6.4.4 Working Conditions

Through interviews with various staff and physical observations, the VFM audit noted that the working conditions in various land management institutions were not conducive to productivity. On interviewing members of the ALCs, they cited the problem of failure by the districts to give them appointment letters as affecting their work morale. They complained that no facilitation was provided for the services they rendered.

Members of the DLBs in 15 out of the 23 districts visited also cited the problem of lack of office accommodation, lack of computers, and lack of transport for site visits as well as delay in release of sitting allowances as adversely affecting their work performance.

Staff in the district land offices also expressed dissatisfaction at the inadequate financial facilitation by the district and lack of transport (motor vehicles) to be used for field work. For instance, 9 district staff surveyors in the districts visited said that it was difficult to conduct field inspection of survey works because of lack of transport and survey equipment. In some districts the VFM team was told that at certain times, the drawing offices could not even afford to buy stationery and ammonium ink which are used for making the blue prints. The cadastral sheets were too old and needed to be replaced.

6.4.5 Factors Contributing to Corruption in Land Management

The above analysis suggests that corruption in land management results from some factors that include the following:

- Poor management of DLBs including late appointments of new DLBs
- Poor financial budgets for DLB activities
- Failure to determine a sustainable source of funds for remunerating members of the ALC; and
- Poor working conditions in District Land Offices and for ALCs.

Poor management which causes delays in land management operations ultimately creates opportunities for corruption. Applicants aiming to buy or sell land, or secure a land management decision from government, will become frustrated by constant delays and will turn to bribery to expedite the process. Undoubtedly, those able to bribe will be in a better position to secure a decision, disadvantaging the poor who have no resources to buy their way in or out.

6.5 Budget Monitoring and Accountability Unit (BMAU)

Each year, the Budget Monitoring and Accountability Unit of the Ministry of Finance evaluates specific government projects in order to improve effective implementation of government programs. In addition, the BMAU tracks implementation of selected government programs or projects in order to observe how values of different indicators change over time. BMAU evaluations often involve an “on site” assessment, which provide critical insight about how public monies are actually being used. The results of this monitoring and evaluation provide a

valuable base of knowledge within the government for identifying and acting upon leakages and other inefficiencies related to government spending. The evaluations are also beneficial as a means of improving public sector governance.

However, for purposes of tracking corruption trends, the BMAU does not monitor targeted projects in a consistent and frequent fashion. Instead, each year, ad hoc projects are selected for monitoring and evaluation in sectors such as agriculture, health, education, energy, industrial parks, roads, water, and sanitation. Because of this lack of consistency, the DTM does not include standard indicators associated with BMAU monitoring and evaluation.

Nevertheless, BMAU evaluations reveal a great deal about governmental problems related to corruption and poor governance. For that reason, this report includes an analysis of a BMAU assessment of the Kampala-Mityana (recorded as Busega-Mityana) Road Reconstruction Works. Last year, the First Annual Report on Corruption included a similar road construction analysis. We highlight the BMAU evaluations of road construction in order to inform the public of possible critical linkages between road construction and corruption. This information is included as relevant and supplementary information to this DTM report. This BMAU evaluation of the Kampala-Mityana Road Reconstruction Works reveals major delays and related cost overruns. These are similar findings to BMAU's previous roads assessments, indicating that cost and time overruns are critical problems with infrastructure construction in Uganda.

6.5.1 The Kampala-Mityana Road Reconstruction Works

6.5.1.1 Lot 1 and Lot 2 Project Contracts. Construction of the Kampala-Mityana was tendered out in two separate contracts with the first one covering 26.6 Km starting at Kampala Northern by-pass in Busega to Muduuma (the Busega-Muduuma Section or Lot 1) and the second contract covering 30.18 Km from Muduuma to Mityana (the Muduuma-Mityana Section or Lot 2). The works were for re-construction of an existing road involving widening the 6 meter carriageway to a 7 meter carriageway with a 50mm asphalt concrete surfacing and 1.5 meter single surface dressed shoulders on either side. The works also included construction of a road pavement with 300mm thick graded crushed stone base on a lime-stabilized sub-base 275mm thick; and on compacted gravel sub-grade 300mm thick; fills, earthworks, rock-fills, construction of new cross and longitudinal drainage systems as well as provision of climbing lanes at steep slopes and installation of utility ducts 300mm in diameter; provision of 1.0m footpaths on either side of the road beyond the regular shoulders in trading centres and villages; and ancillary works including installation of traffic road signs, guardrails, humps, rumble strips and road markings.

Commencement dates for the road works were 24th June 2009 for Lot 1 and 9th July 2009 for Lot 2 (see Table 6) and each of the sections was to be completed in 548 days. As at the end of August 2010 when BMAU did an inspection of the works, progress on the Busega-Muduuma section (26.6 Km) was estimated at 42.4% against a contract time progress of 76.5%. Therefore, the physical progress of works on this section was far behind the contract time progress. Completion time was revised and the works on this section were to be completed within 4 months of the expiry of the original contract end period (that is, by 8th May 2011).

Table 6: Project Summary for Lot 1 and Lot 2 of the Kampala-Mityana Road (2 Sections)

Item Reported on	Road Section	
	Lot 1: Busega–Muduuma 26.6 Km	Lot 2: Muduuma–Mityana 30.2 Km
Distance	26.6 Km.	30.18 Km.
Contractor	Spencon Services Ltd JV with Sterling Engineers Ltd.	Dott Services Ltd.
Supervising Consultant	LEA International Ltd. Canada JV with LEA Associates South Asia Pvt. Ltd. India	LEA International Ltd. Canada JV with LEA Associates South Asia Pvt. Ltd. India
Original Works Contract price	UGX49,556,328,810/=	UGX34,874,876,268/=
Supervision contract price	US\$1,851,050 and UGX25,600,000/=	US\$1,851,050 and UGX25,600,000/=

	for both sections of the road	for both sections of the road
Commencement date	9 th July 2009	24 th June 2009
Original completion period	548 days	548 days
Completion date	8 th January 2011	23 rd December 2010
Contract time elapsed	419 days (76.5%)	434 days (79.2%)
Total value of works completed	38.6% of original contract price	23.3% of original contract price
Weighted physical progress	43.43%	30.49%
Actual payments to contractor (inclusive of advance payments)	48% of original contract price	34.4% of original contract price
Actual payments to Supervision Consultant (inclusive of advance payments)	55% of original contract price	55% of original contract price
Funding Agency	Government of Uganda	Government of Uganda

Source: Budget Monitoring Report, December, 2010; MoFPED, Kampala.

On the Muduuma-Mityana section (30.18 Km) progress was estimated at 30.5% as at end of August 2010 against a contract time progress of 79.2%. Physical progress of works in this section also remained far behind the contract time progress. The completion time was revised to 8th July 2011 from the original 23rd December 2010 deadline.

A total cost overrun of 12% was projected on the two sections due to increases in price of construction inputs, design changes which increased the number of culverts, increased earthwork quantities and unforeseen ground conditions in some sections; and because of increased cost of relocation of utilities. For both sections of the road, construction works were still going on as at 4th October 2011, which meant that there was likely to be a greater than the 12% overrun cost of construction estimated earlier.

According to the BMAU Report (December 2010), works on both sections of the road met several challenges including: land acquisition issues relating to compensation of land owners for land and property; inflated costs and delays in the relocation of electricity lines; restricted sources of construction materials such as road lime that had to be imported from Nairobi (a claim was made that lime produced in Uganda had been found inferior when used on the road, though it met specification when used in the laboratory), as well as heavy traffic along the road with no diversions to detour the sections under construction and high dust levels.

6.5.1.2. The CoST Initiative. The issues highlighted by the Kampala-Mityana Road Construction Works and the BMAU Report are clear indications of serious corruption and governance challenges in the roads construction sector.

The Construction Sector Transparency (CoST) Initiative is a multi-stakeholder initiative aimed at improving transparency and accountability in public-funded construction projects through voluntary public disclosure of information at different phases of the construction. The envisaged disclosure would cover areas such as purpose of project, scope and costs, project beneficiaries and construction period, etc.

The CoST Initiative was initially piloted in Ethiopia, Malawi, Philippines, Tanzania, UK, Vietnam, Zambia and Guatemala between 2008 and 2011 through the support of DFID with World Bank technical assistance. The Initiative is currently being scaled up to be a global initiative. The benefits of participating in the CoST Initiative to stakeholders and participating agencies include improved efficiency and transparency in the contract management process, improved quality of construction works, less

opportunities for corruption and better management of the public finances. There are indications that the Government of Uganda has expressed interest in participating in the CoST Initiative.

7. SECTORAL INDICATORS (DISAGGREGATED)

This section looks at corruption activity in targeted sectors in Uganda. The section is not intended to provide comprehensive coverage of all sectors and public institutions. Instead, it covers sectoral data which meet DTM standards and is available for the DTM report. In this section, we review data from two principal sources of sectoral data – the Government of Uganda Community Survey data which includes data on Quiet Corruption in the education and health sectors, and Doing Business data which assesses specific elements of the business environment that create opportunities for enterprise bribery.

7.1 Education – Absenteeism as Quiet Corruption

Recently collected data from the Uganda National Panel Survey (UNPS) at the community reveals that teacher absenteeism is a problem in one out of every five government primary school classrooms. The reasons for the absenteeism are many and reflect significant governance problems at the school level. The largest problem with absenteeism appears to be in the northern region, which has a teacher absenteeism rate of 27.75%; the central region has the lowest rate in the country at 15.44%¹. A brief discussion of quiet corruption in the education sector follows.

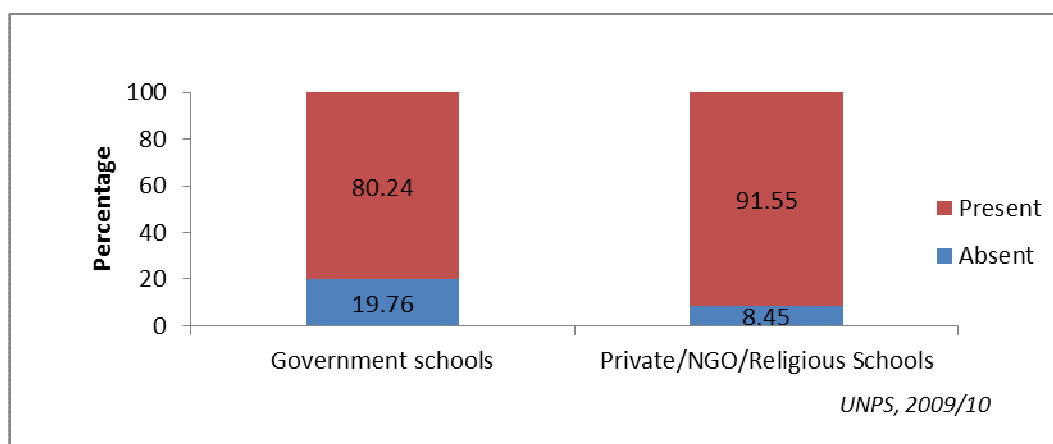
Quiet corruption is the failure of public servants to deliver goods or services of the government. According to a recent World Bank report, quiet corruption appears to be just as corrosive as other forms of corruption, and it has long-term consequences for development. Quiet corruption includes observable deviations in behavior, such as absenteeism, but also hard-to-observe deviations from expected conduct, such as a lower level of effort than expected or the deliberate bending of rules for personal advantages. The African Development Indicators 2010 report notes that quiet corruption is present in a large share of health provider-patient and teacher-pupil interactions affecting the poor, who are more vulnerable and more reliant on government services and public systems to satisfy their most basic needs.

The UNPS entails a multi-topic panel household and community survey that is carried out annually. The community module captures information on indicators related to teacher and health worker absenteeism which we discuss in depth below. Another indicator on drug/supplies stock outs is also discussed.

The recent 2009/10 data from the UNPS reveals that teacher absenteeism at government primary schools remains high at approximately 20%, more than two times higher than that reported in non-government operated schools (8.45%). (Non-government schools include private, NGO, and religious schools.) The data suggests that one in five government primary classrooms experience teacher absenteeism, indicating that in these schools teachers work less time than contracted for with little or no repercussions on their earnings.

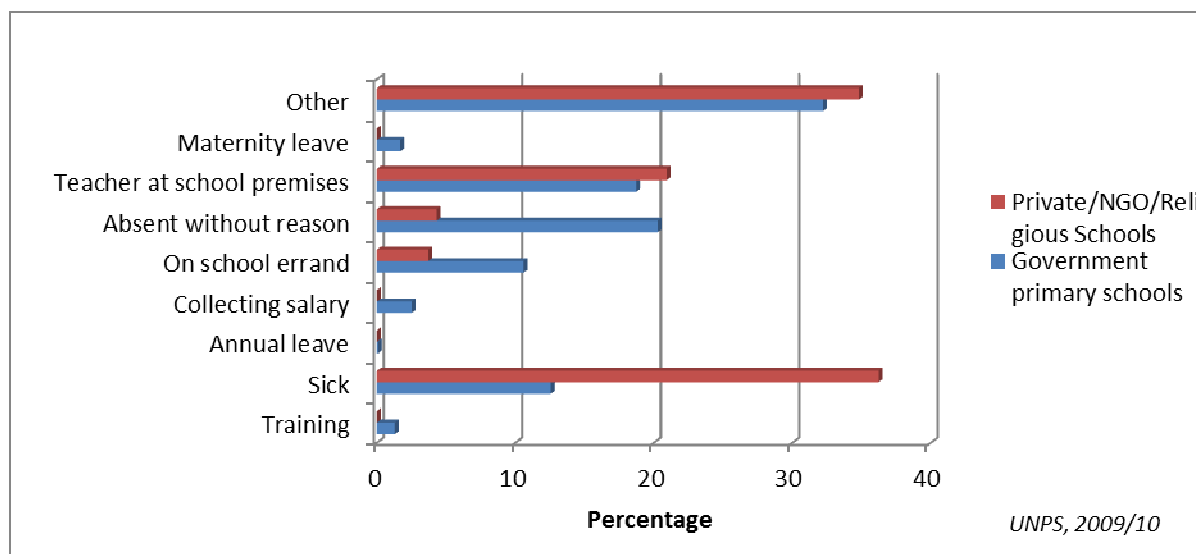
¹ Excluding Kampala from the Central region didn't significantly change the results, so it was included as part and parcel of Central region.

Figure 8: Teacher absenteeism in primary schools (%)



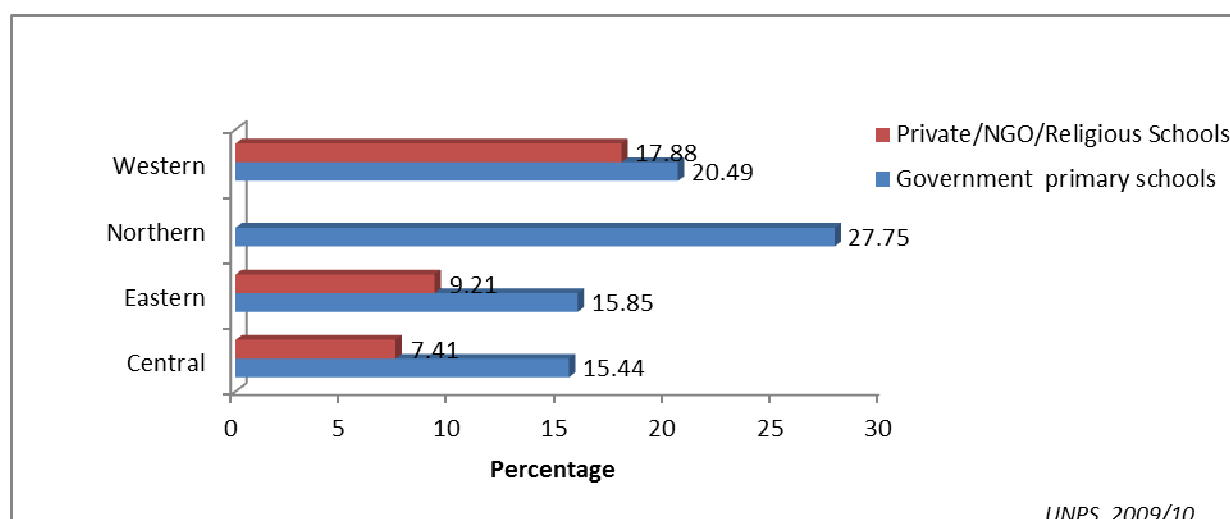
The chart below looks at the reasons why teachers are absent as reported by school administrators. The percentage of teachers in government-run primary schools who were absent without reason was 20.28%, almost five times higher than the 4.31% for non-government run schools. It should also be noted that teachers are often absent from the class even though they may be on the school premises, conducting school business, or collecting their pay. While these may be work-related functions, the duty of the teacher is first and foremost to be in the classroom with students, facilitating their learning. The data raises notable issues about primary school governance in these areas, but it also underscores the existence of a form of quiet corruption in the primary schools, as school officials are not fully delivering expected services to citizens.

Figure 9: Reasons for teacher absenteeism in primary schools (%)



Statistics on teacher absenteeism in government run primary schools by region reveal that the northern region classroom has the highest level of teacher absenteeism at 27.75% with the central region having the least percentage at 15.44%².

Figure 10: Teacher Absenteeism in primary schools, by region (%)



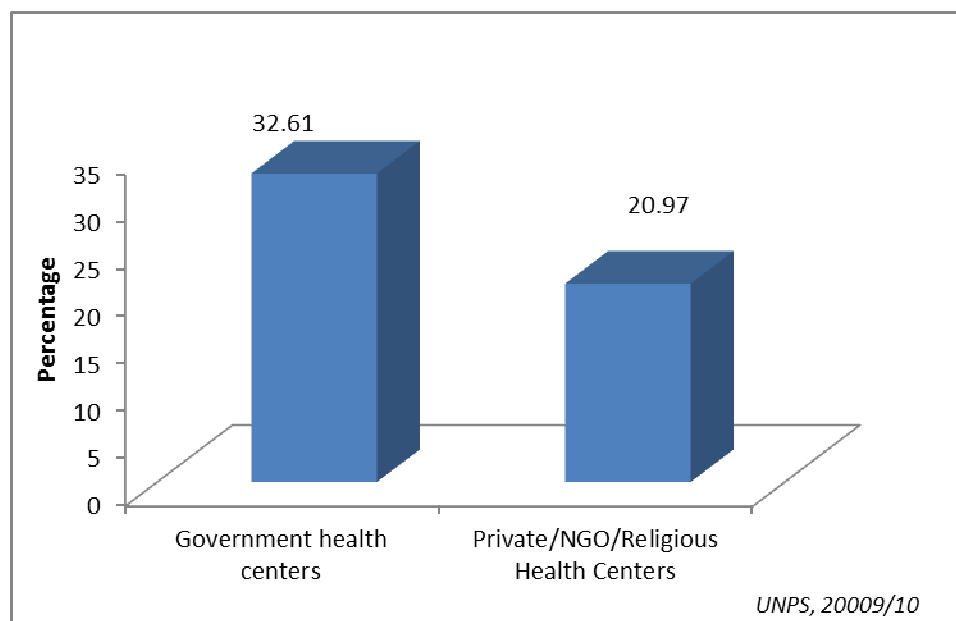
7.2. Health – The Quiet Corruption of Absenteeism, and Drug Stock Outs

² Excluding Kampala from the Central region doesn't significantly change the results, so it was included.

The 2009/2010 Uganda National Panel Survey data indicates that Uganda has significant problems related to health worker absenteeism and drug stock outs. In government health centers, one out of every three health workers is absent, and 43.1% of government health centers experience stock outs in vital drug/supplies. A more detailed description of the data is provided below.

As in the education sector, quiet corruption in the health-care sector is widespread in Uganda. Health worker absenteeism, as reported by the health worker supervisor, was 32.61% in government health centers (HC II-HC IV) compared to 20.97% in non-government run health centers. (Non-government health centers include private, NGO, and religious health centers.)

Figure 11: Health worker absenteeism (%)

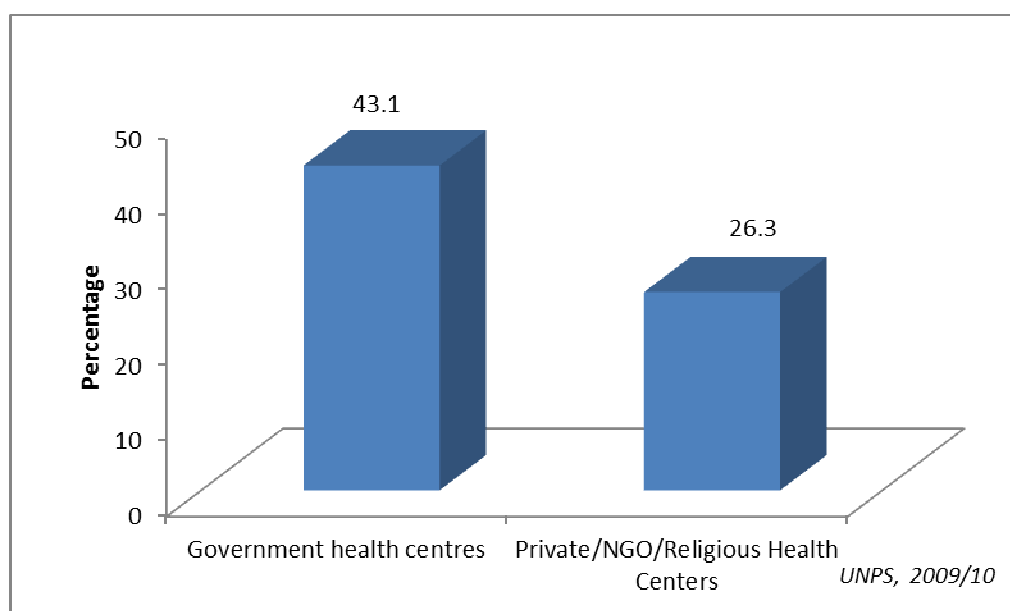


Quiet corruption also manifests itself in the leakage (loss, theft, etc.) of drugs, equipment, and other supplies. Data on drug/supplies stock outs at different health centers was collected and the results show that in the past 2 months 43.1% of government health centers had experienced stock outs in vital drug/supplies, compared to 26.3% for non-government health centers. The data indicates that drugs are not always available to citizens.

While the data indicates that there is a problem with drug stock outs, the data does not provide enough information to define the exact nature of the problem. It has been claimed that health workers have been stealing drugs and selling them to private health facilities. To circumvent this, the government has

started to label its supplies. Nevertheless, the problem persists. It is possible that lower stock out levels in private clinics are a result of drugs which are stolen from government health clinics and resold in private health clinics. Alternatively, the government health centers, which are free to citizens, may have a higher stock out rate because they are overwhelmed by patients and are not provided adequate supplies of drugs from government. Additional data is needed to understand the dynamics associated with the governance and/or corruption problems in this area.

Figure 12: Drug/supplies stock outs in health centres (%)



7.3 Business Environment – Enterprise Bribery

The 2011 Doing Business data which was selected for the DTM reflects a moderate effort to improve the business environment and tackle related enterprise bribery. The lack of commitment to address enterprise bribery is evident in the high number of procedures associated with virtually all selected Doing Business indicators for the DTM Initiative.

In 2011, Uganda³ has reduced the procedures for starting a business from 18 to 16. While this improvement is commendable, the procedures are still twice the average for sub-Saharan Africa, and 8 times the number of procedures in neighboring Rwanda. In terms of the number of procedures for securing a construction permit, Uganda has reduced the number of procedures from 18 in 2010 to 15 in 2011. To register a property, there are 13 required procedures in Uganda (a number which has not changed in the last five years) compared with 9 in Tanzania, 8 in Kenya, and 5 in Rwanda. In 2011, Uganda continued to have 32 tax payments, a number which remains unchanged since 2008. Uganda's consistency stands in contrast to Rwanda's, which dropped the number of tax payments to 18 in 2011. Lastly, in 2011 Uganda had 38 procedures for contract enforcement, scoring consistently with the sub-Saharan Africa average (39). Again, Uganda's performance appears complacent relative to Rwanda's strong improvement down to 24 procedures in this area. While Rwanda's progress in these areas could be viewed as exceptional, its progress could also be seen as a positive example for Uganda to follow. Below is a more detailed description of the data.

Businesses are regular users of public goods and services. Enterprises need licenses for starting a business, construction permits to build new offices, and authorizations to register property. The government rests at the center of these interactions, wielding substantial control over the ability of a business to grow and flourish.

Unfortunately, public officials involved in these processes can abuse their power by indicating that the necessary governmental authorizations can only be secured with bribes. This type of bribery evidences itself in a variety of fashions from lengthy, complex, and costly procedures to procurement-related bribery associated with securing government contracts. Evidence indicates that it is the least experienced businesses that are the most susceptible to this abuse.

A well-known source of information about business interaction with the government is Doing Business. Doing Business sheds light on the nature of interactions between enterprises and the government. As it relates to corruption, Doing Business focuses on each point of contact between the entrepreneur and a government bureaucrat.

The DTM Doing Business data focuses on five indicators which are rooted in the concept that each contact between an enterprise and the government creates an opportunity for bribery. They are:

- i. Number of procedures required to start a business
- ii. Number of procedures for dealing with construction permits
- iii. Number of procedures associated with registering a property
- iv. Number of tax payments per year
- v. Number of procedures for enforcing contracts

The first Doing Business indicator assesses "the number of procedures involved in starting a business". While many would agree that government should establish a necessary number of procedures for starting a business, lengthy multi-stage authorizations create perverse incentives for public officials and entrepreneurs. Each procedure may involve its own officials, expanding the possibility of the number of officials who request a bribe. Increased procedures also mean there are more hurdles to be crossed, creating an opportunity for public officials to elicit a bribe at each step of the procedure. Lastly, lengthy multi-stage processes tend to be time-consuming and costly, giving enterprises an incentive to offer a

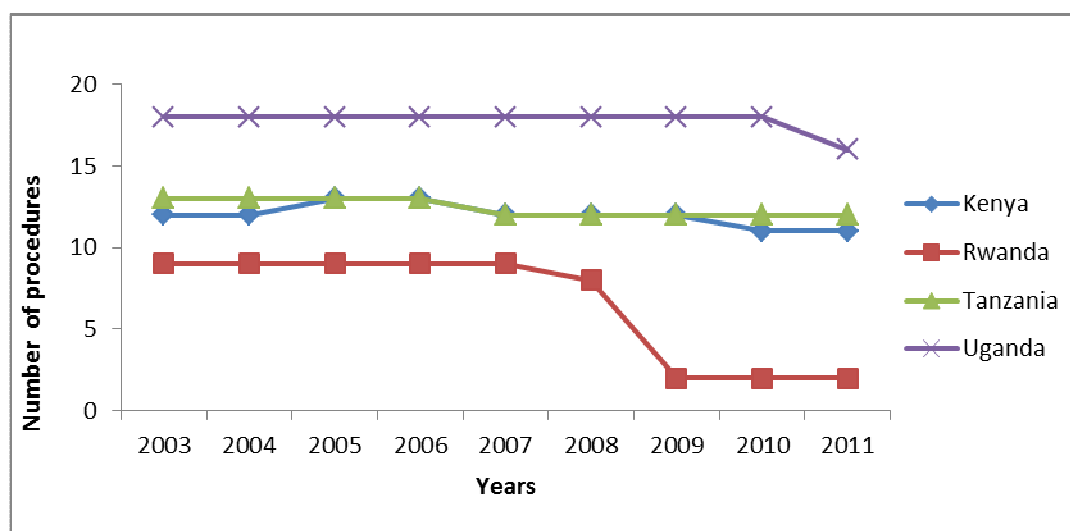
³ The latest Doing Business data is referenced by the year 2012 but in this study we refer to it as 2011 data, since at the time of compiling this report, the year 2011 has not yet ended.

bribe or be willing to pay a bribe simply to limit the cost. In summary, more procedures mean more opportunity for corrupt behavior.

Generally, looking at the business reforms undertaken in 2010 and 2011, Uganda enhanced access to credit by establishing a new private credit bureau and it continues to improve the efficiency of its court system for resolving commercial disputes, greatly reducing the time to file and serve a claim. However, Uganda made it more difficult to start a business by increasing the trade licensing fees. Uganda increased the efficiency of property transfers by establishing performance standards and recruiting more officials at the land office.

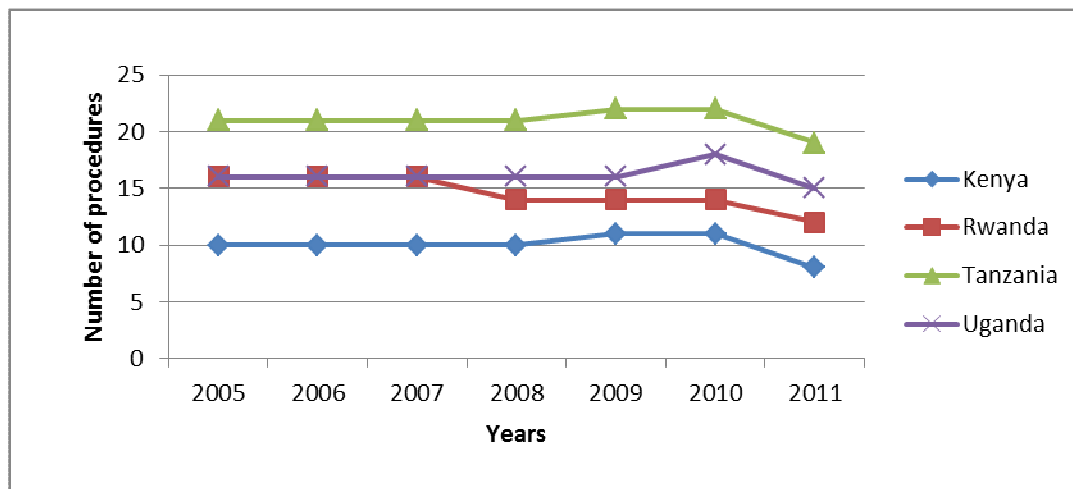
When reviewing the most recent data from 2011 for Uganda and its neighbors, Uganda reduced the number of procedures for starting up a business from 18 to 16 in 2011, though it continues to have substantially more procedures for this process than its neighbors – approximately 35 percent more than Tanzania which has 12, and 8 times more than Rwanda (only 2). The procedures for starting a business in Uganda and in Rwanda are both shown in Annex VII. While Rwanda has exhibited enormous ability to reform and change, the other countries in the region, including Uganda, have maintained a fairly constant number of procedures. Kenya and Uganda have shown a slight improvement by reducing their procedures from 12 and 18 in 2010 to 11 and 16 in 2011, respectively. The 16 procedures in Uganda are twice the average for sub-Saharan Africa.

Figure 13: Procedures (number) of starting a business



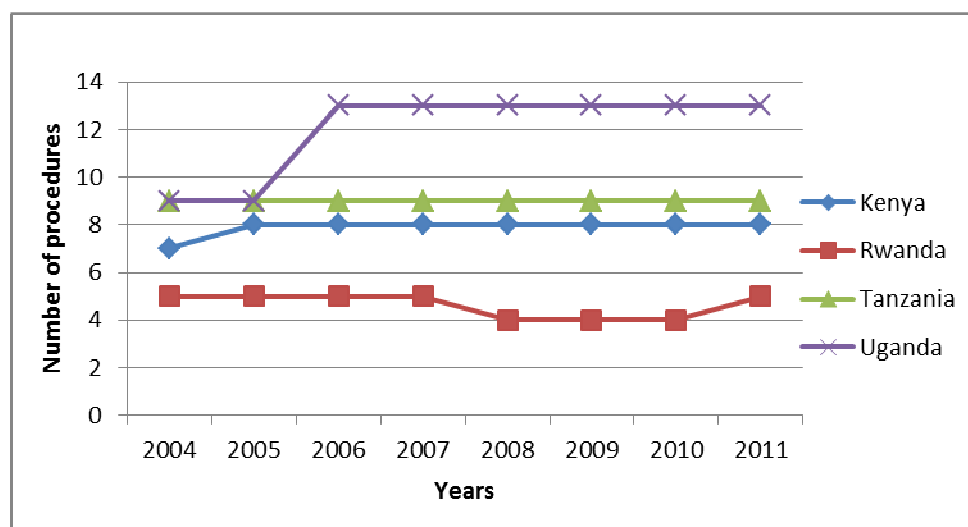
The second Doing Business indicator relates to the “number of procedures dealing with construction permits”. Similar to the previous indicator associated with starting a business, numerous procedures for building and construction can become lucrative opportunities to extract bribes. All East African countries have shown improvement by reducing the number of procedures by at least two. In the last three years Uganda increased the number of procedures from 16 in 2009 to 18 in 2010 and reduced them again to 15 in 2011. Despite the decrease, Uganda’s number of procedures is the second highest within East Africa after Tanzania which has 19. A high number of procedures increases the chances of officials involved to ask for bribes. Uganda is at par with the Sub-Saharan average which stands at 15 procedures.

Figure 14: Procedures (number) of dealing with construction permits



The third Doing Business indicator relates to “the number of procedures associated with registering a property”. Though the number of procedures under this category has remained constant for Uganda and most of its neighbors in the last three years, Uganda’s number of procedures far exceeds its neighbors. Rwanda increased the number of procedures from 4 in 2010 to 5 in 2011 but it still has the least number of procedures associated with registering property amongst the East African countries. In 2011, there are 13 required procedures in Uganda associated with registering property compared with 9 in Tanzania, 8 in Kenya, and 5 in Rwanda. Uganda’s number of procedures far exceeds the average for sub-Saharan Africa of 6, as well as for OECD which stands at 5.

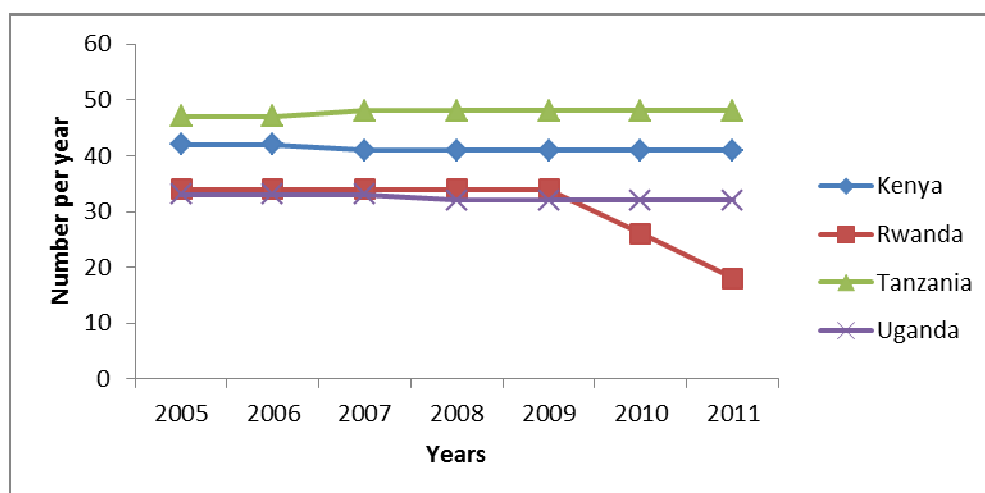
Figure 15: Procedures associated with registering a property



The number of tax payments made each year also creates an opportunity for bribery. In 2011, Uganda continued to have 32 tax payments, a number below the sub-Saharan average of 37, but well above the OECD average of 13. While Uganda and Rwanda had almost the same number of payments in 2009,

Rwanda has shown a great improvement by reducing its number of payments from 34 in 2010 to 18 in 2011. Tanzania and Kenya are still lagging behind with 48 and 41 payments respectively.

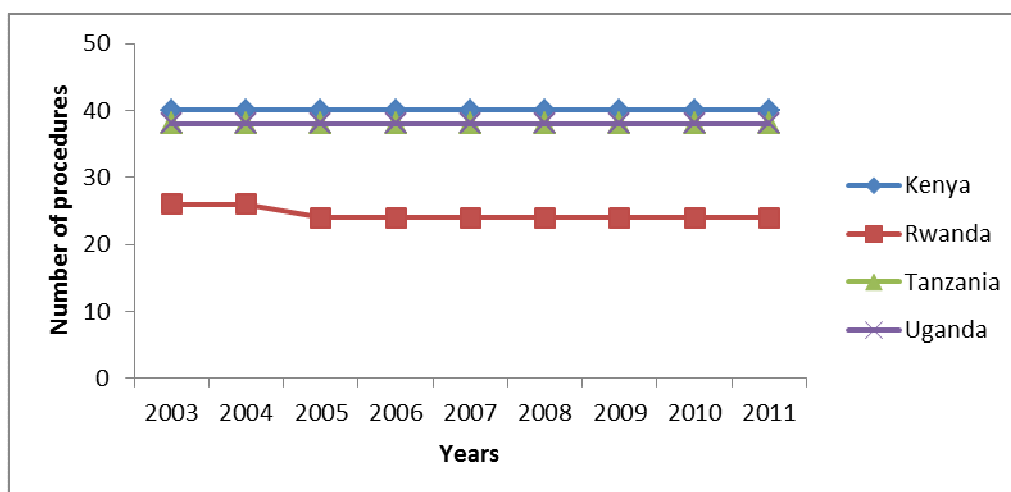
Figure 16: Paying taxes: number of payments per year



Lastly, all countries in the East African region have maintained the same number of procedures under contract enforcement since 2005. Uganda (with 38 procedures for contract enforcement) scores consistently with the sub-Saharan Africa average (39), and about 20 percent above the OECD average of 31. In the East Africa region, Uganda is at par with Tanzania and Kenya, all of which lag behind Rwanda which has 24 procedures associated with contract enforcement.

However, Uganda continued to improve the efficiency of its court system for resolving commercial disputes, greatly reducing the time to file and serve a claim from 40 days in 2010 to just 20 days in 2011.

Figure 17: Enforcing contracts: number of procedures



8. INDICATORS RELATED TO ENFORCEMENT OF ANTI-CORRUPTION MEASURES (DISAGGREGATED)

The final section which focuses on disaggregated indicators reviews those indicators related to anti-corruption enforcement. We look at several different sources of information about anti-corruption enforcement in Uganda – the Inspectorate of Government, the Directorate of Public Prosecutions, the Judicial Service Commission, the Public Service Commission, the Police – Criminal Investigation Department (Anti Corruption Department and the Economic Crimes Department), and the Anti Corruption Division of the High Court. A brief discussion of data received from each is below.

8.1 Inspectorate of Government (IG)

8.1.1 Data Collection

In response to recommendations included in last year's report, the IG has led the effort to collect and disseminate comprehensive government data on prosecution and administrative cases. As is discussed in Section 4.2, the DTM Manager established a Technical Support Committee in collaboration with the IG, to collect data from four anti-corruption entities in the government and from two service commissions including:

- Inspectorate of Government
- Directorate of Public Prosecutions
- Judicial Service Commission
- Public Service Commission
- Police –Criminal Investigation Department (Anti Corruption Department and the Economic Crimes Department); and,
- Anti Corruption Division of the High Court (the Anti Corruption Court).

The Technical Support Committee is commended for developing a standard data collection process within government to improve the quality and reporting of comprehensive anti-corruption data.

This section discusses the data which was collected through the Technical Support Committee. The Committee developed a template to ensure that standard data would be submitted for consolidation and analysis. Standardization of data creates an opportunity for citizens to have a comprehensive government-wide view about trends related to anti-corruption cases. In the past, it has been difficult to gain a comprehensive view of anti-corruption activities in the government, mainly because of the lack of cohesion between anti-corruption entities and the different data management systems used by each. Consequently, the process initiated by the technical Committee is long overdue, and an important step in the right direction.

Unfortunately, much of the data submitted by some entities proved to be limited or incomplete. This was partially the result of limited time available for these entities to assemble the data in accordance with the request of the Technical Support Committee. However, the unresponsive data submissions also related to a lack of appreciation for the importance of comprehensive government data related to anti-corruption. Nevertheless, this is the first year that these entities have been asked to submit standard data. Next year, the Technical Committee will request data earlier, providing the Anti-Corruption entities ample time to assemble data which is responsive to the requested standard formats.

In addition, next year the Technical Support Committee has made a plan to try to obtain some data from selected District Service commissions. These commissions are responsible for administrative corruption cases which occur at the District level. Because there are about 112 districts, it is not cost effective at this time to collect data from all DSCs. However, the Technical Support Committee is to be commended for aiming to begin the process of collecting data about corruption cases which stem from this level of government. In general, the DTM initiative is confident about the approach undertaken by the Technical Support Committee, and is optimistic that next year will reap stronger results from all commissions and anti-corruption entities.

Lastly, it is important to note that the IG made great strides this year in improving its own data collection and reporting. It has made a strong effort to determine the duration of cases, and the outcome of cases so that the public can understand how long it is taking for cases to get through the reporting, investigative, and prosecution processes; and the extent to which anti-corruption cases result in meaningful sanctions. These were the two areas of deficiency highlighted in last year's First Annual Report on Corruption, and the IG is to be commended for making efforts to secure and report this data. Below is a brief summary of the data provided by the IG.

8.1.2 Prosecution Cases

In 2008, the IG handled a total of 58 corruption cases of which 19 (32.7%) were resolved while 67.3% were still ongoing by the close of the year.

8.1.2.1 Resolved Cases (2008). The resolved cases resulted in nine convictions, four withdrawals, and six acquittals. The average length of time it took to bring these cases to completion was seventeen (17) months, implying that on average a case took 1.4 years from the time it was first registered to the time it was closed.

Table 7: Results of Resolved Cases, IG 2008

Result	Number	Percent
Conviction	9	47.37
Case withdrawn	4	21.05
Acquitted	6	31.58
Total	19	100

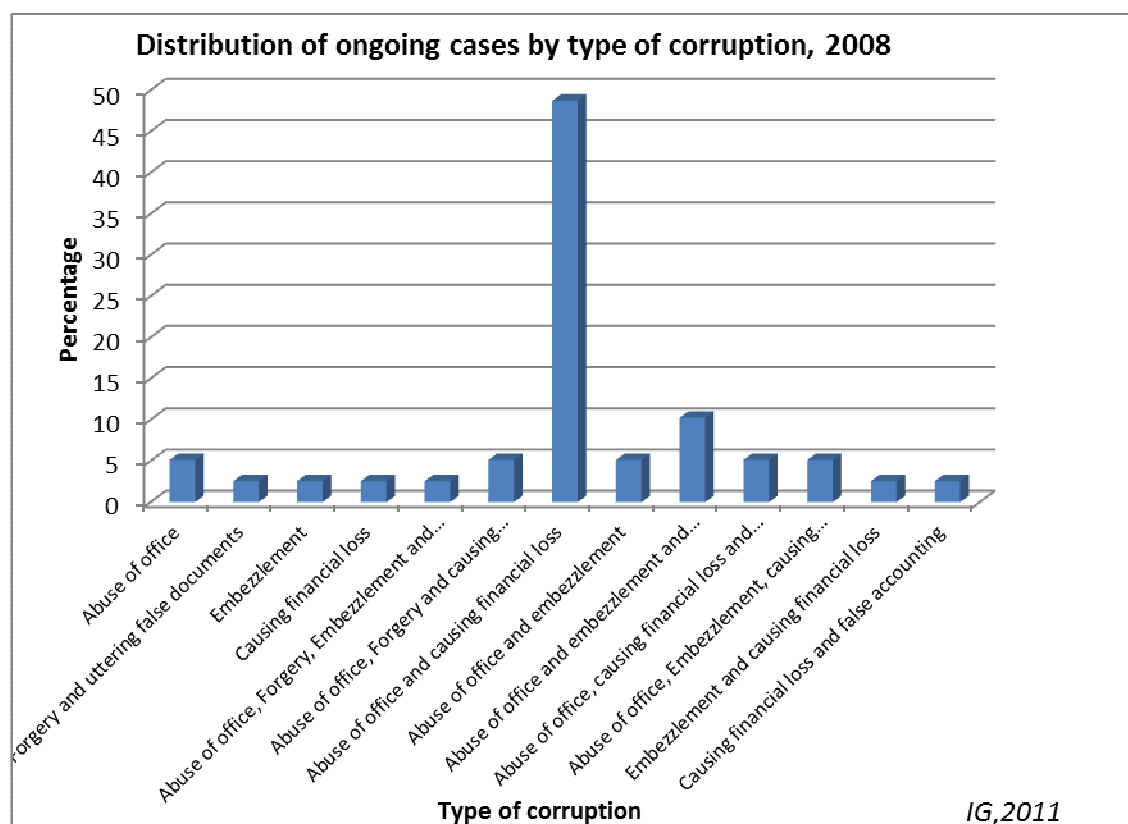
As is evident in Table 8 below, the highest number of resolved cases (36.84%) involved abuse of office and causing financial loss. Generally, 84% of all resolved cases involved abuse of office.

Table 8: Type of Corruption for Resolved Cases (2008)

Type of Corruption	Number	Percent
Abuse of office	4	21.05
Abuse of office and Embezzlement	2	10.53
Abuse of office, Embezzlement and Causing Financial Loss	2	10.53
Abuse of office and Causing Financial Loss	7	36.84
Abuse of office, Causing Financial Loss and False accounting	1	5.26
Forgery and Uttering False documents, Embezzlement and False accounting	1	5.26
Causing Financial Loss	1	5.26
False accounting	1	5.26
Total	19	100

8.1.2.2 Ongoing cases (2008). As is evident in Fig. 18 below, a high percentage of ongoing cases also involved abuse of office and causing financial loss. On average, the ongoing cases had spent 28 months or 2.3 years in the Court system by the close of 2008.

Figure 18: Distribution of ongoing cases by type of corruption, 2008



From Table 9 below, 63.5% of the cases had spent more than two years without being resolved while 11.1 % of the cases had spent more than 5 years. These figures indicate that a substantial proportion of corruption cases (about 1 in 10) are hardly moving through the system of justice. This is a setback in the fight against corruption.

Table 9: Length of Time of Ongoing Cases in 2008 (in months)

<i>Length of time (months)</i>	<i>Percent</i>
0-12 months	36.1%
13-24 months	25.0%
25-36 months	22.0%
37-48 months	2.70%
49-60 months	2.70%
> 60 months	11.1%

In 2009, a total of 59 cases were handled of which 14 were new cases. The percentage of resolved cases in 2009 was 18.64% (11 cases) while the ongoing cases were 81.35% by the close of the year.

8.1.2.3 Resolved Cases (2009). As one can see from Table 10 below, almost half of the resolved cases were withdrawn. In over a third of the cases, the case was dismissed.

Table 10: Results of Resolved Cases, IG 2009

Result of Case	Number	Percent
Conviction	1	9.09%
Withdrawn	5	45.45%
Case dismissed	4	36.36%
Acquitted	1	9.09%
Total	11	100%

The average length of time it took to bring these cases to completion was 12 months, implying that on average a case took approximately one year for a decision to be made. This was an improvement from 2008 where the average length of time was 1.3 years. The majority of resolved cases in 2009 involved abuse of office and causing financial loss.

8.1.2.4 Ongoing Cases (2009). The majority of the ongoing cases in 2009 also involved abuse of office and causing financial loss; specifically, 79% of all ongoing cases involved abuse of office.

On average, ongoing cases had spent 27 months or 2.25 years in the Court system by the close of 2009. Table 11 below reveals that more than 80% of the cases had spent at least two years in the system and 8.5 percent of the cases had spent more than 5 years in the system.

In 2010, a total of 114 cases were handled. There were 59 new cases filed in court in 2010. The percentage of resolved cases in 2009 was 28.9% while the ongoing cases were 71.1% by the end of the year.

Table 11: Length of Time of Ongoing Cases in 2009 (in months)

<i>Length of time (months)</i>	<i>Percent</i>
0-12 months	19.15
13-24 months	38.3
25-36 months	21.3
37-48 months	10.6
49-60 months	2.12
> 60 months	8.5

8.1.2.5 Resolved cases (2010). There was a notable increase in the number of resolved cases in 2010 compared to 2009 and this increase was attributed to the Anti-Corruption Court which began operations in 2009. The average length of time it took to resolved IG cases in 2010 was 19 months. As Table 12 below reflects, 51.5% of the resolved cases resulted in a conviction while 33.3% were withdrawn.

Table 12: Result of resolved cases in 2010

Result of case	Number	Percent
Conviction	17	51.52
Withdrawn	11	33.33
Case dismissed	4	12.12
Acquitted	1	3.03

Total	33	100
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It is notable that the resolved cases mostly related to bribery, but also to abuse of office and causing financial loss.

8.1.2.6 Ongoing cases (2010). As in previous years, the ongoing cases mainly involved abuse of office and causing financial loss as the main type of corruption, followed closely by bribery and embezzlement. Comparing 2010 with 2008 and 2009, there seems to be no specific category of corruption that took a shorter time to resolve compared with the others.

Table 13 below indicates that more than 37 percent of ongoing corruption cases at the Anti Corruption Court in 2010 had dragged on for more than two years. The situation did not seem to be much different from the previous years.

Table 13: Length of Time of Ongoing Cases in 2010 (in months)

<i>Length of time (months)</i>	<i>Percent</i>
0-12 months	55.0%
13-24 months	7.5%
25-36 months	13.7%
37-48 months	12.5%
49-60 months	5.0%
> 60 months	6.3%

8.1.3 Administrative Cases

The data in Table 14 below shows that there has been a declining trend in the number of administrative cases at the IG between 2008 and 2010. This is attributed to the stand taken by the IG to prosecute more cases in the courts of law so that the fight against corruption is felt more by the citizens and for culprits to be punished for their corruption-related offences.

Table 14: New administrative corruption cases reported before 2008, in 2008, 2009 and in 2010

Corruption Type	Before 2008		2008		2009		2010	
	Numb er	%	Number	%	Number	%	Number	%
Abuse of office	165	40.24	84	50.3	58	51.33	33	45.83
Bribery	5	1.22	3	1.8	3	2.65	4	5.56
Forgery and uttering false documents	51	12.44	13	7.78	15	13.27	16	22.22
Embezzlement	42	10.24	21	12.57	8	7.08	2	2.78
Conflict of interest	12	2.93	4	2.4	2	1.77	0	0
Influence Peddling	0	0	0	0	1	0.88	0	
Causing financial loss	32	7.8	2	1.2	4	3.54	1	1.39
Abuse of office, forgery and uttering false documents	1	0.24	1	0.6	1	0.88	0	0
Abuse of office and embezzlement	5	1.22		0	1	0.88	1	1.39
Abuse of office and conflict of interest	3	0.73	2	1.2	1	0.88	0	0
Abuse of office and bribery	0	0	1	0.6			0	0
Abuse of office and causing financial loss	1	0.24	0	0	1	0.88	0	0

Embezzlement and conflict of interest	0	0	0	0	1		1	1.39
Embezzlement and causing financial loss	0	0	1	0.6		0	0	0
Forgery and uttering false documents, Embezzlement and conflict of interest	1	0.24	0	0	0	0	0	0
Other	92	22.44	35	20.96	18	15.93	14	19.44
Total	410	100	167	100	113	100	72	100

Note: The number of cases in the above Table doesn't add up to 797 cases handled by IG over the three years since there are cases where the type of corruption was missing.

The data on resolved administrative cases during 2008 and 2010 suggests that much effort has been put into disposing of corruption cases at the IG to ensure there are no case backlogs. Table 15 also shows that there were many administrative cases that were closed simply because there was no offence found. These were cases where preliminary investigations carried out established that there was no impropriety on the part of the accused persons.

Table 15: Result of Resolved Administrative Cases handled by the IG in 2008, 2009, 2010

Result of the case	2008		2009		2010	
	Number	Percent	Number	Percent	Number	Percent
Dismissal	23	9.27	8	3.86	19	6.99
Warning, reprimand and caution	21	8.47	17	8.21	27	9.93
Refund	30	12.1	20	9.66	21	7.72
Referred	46	18.55	44	21.26	59	21.69
closed(no offence found)	74	29.84	65	31.4	62	22.79
Other	35	14.11	38	18.36	67	24.63
Dismissal, warning, reprimand and caution	1	0.4	1	0.48	1	0.37
Dismissal, Dismissal and warning, reprimand and caution, Refund	0	0	0	0	1	0.37
Dismissal and Refund	1	0.4	3	1.45	4	1.47
Dismissal and referred	0	0	0	0	1	0.37
Dismissal and submit for prosecution	9	3.63	2	0.97	0	0
Warning and refund	0	0	4	1.93	2	0.74
Warning, reprimand and caution and Submit for prosecution	2	0.81	0	0	0	0
Refund and submit for prosecution	2	0.81	0	0	0	0
Refund and Referred	0	0	3	1.45	0	0
Submit for prosecution	4	1.61	1	0.48	7	2.57

Total	248	100	207	100	272	100
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Note: The IG provided data only on cases that were concluded, it excluded ongoing cases.

Figure 19: Result of administrative cases

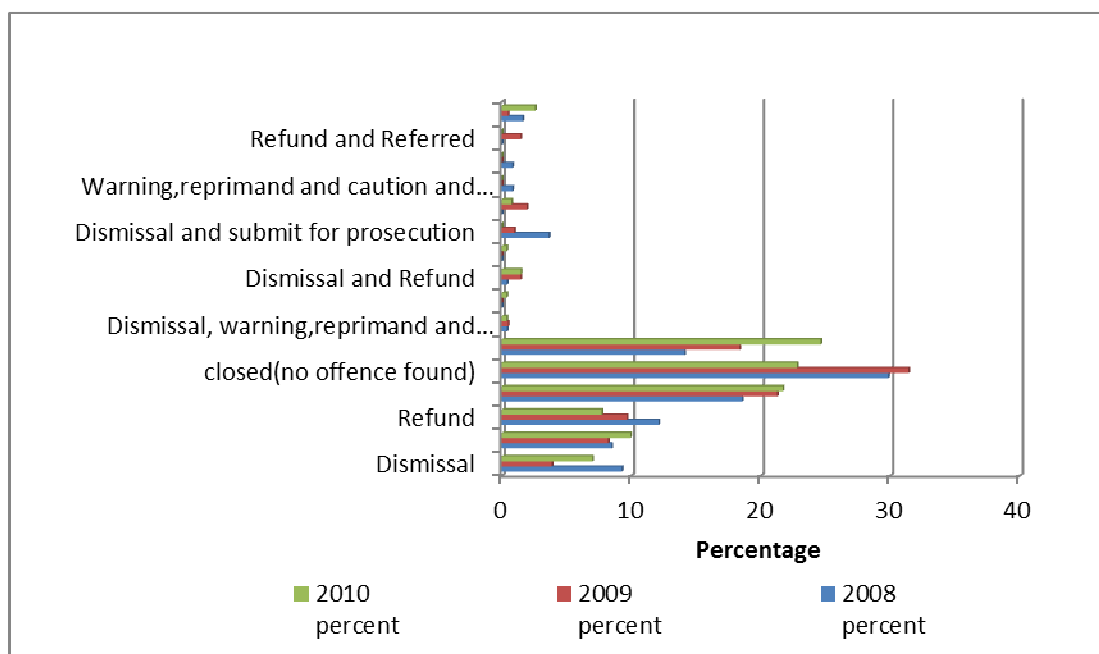


Table 16 below indicates that the average length of time taken for an administrative case to be concluded has been declining over the years from 36 months to 6 months, which is an encouraging trend.

Table 16: Length of time (months) taken to resolve Cases

Year Case was Registered	Time(months)
Before 2008	36 months
2008	7.3 months
2009	6.3 months
2010	6 months

8.2 Directorate of Public Prosecutions (DPP)

While the Directorate of Public Prosecutions responded to the request from the Technical Support Committee to provide data for 2008-2010, the data that was provided was limited and incomplete. Numerous data elements were not provided including the following: the date the case was registered, the date the case was closed, and (hence) the total length of time it took to resolve the case. In addition, while some information was provided about the result of the case, DPP did not use the designated template for classification of cases e.g. for type of corruption. The DTM needed the designated classification systems to consolidate this data with that of other Anti-Corruption agencies. Next year, it will be important to work with DPP early in the data collection process to ensure that it uses the standard template provided. A brief summary of the data provided by the DPP is given below.

As part of a wider effort to document the level of crime in the country, the DPP collects corruption-related data. From Table 17 below, only five categories of crime were recorded as constituting elements of corruption and these were: embezzlement, forgery, “corruption”, causing financial loss and abuse of office.

Table 17: Corruption Cases Recorded by DPP (2008-2010)

Type of Corruption	2008		2009		2010	
	Number	%	Number	%	Number	%
Embezzlement	6,647	52	1,905	32	346	15
Forgery	5,438	44	3,390	58	1,797	80
Corruption	308	2	357	6	72	3
Causing Financial Loss	138	1	100	2	12	1
Abuse of Office	163	1	113	2	16	1
TOTAL	12,694	100	5,865	100	2,242	100

In 2008 embezzlement and forgery were the dominant types of corruption dealt with by DPP. They constituted 52 and 44 percent of the total number of corruption-related crimes, respectively. However, in 2009 there was a shift from embezzlement to forgery as the most common crime during that year and this pattern was repeated in 2010.

Upon reviewing DPP’s track record for managing corruption cases, Table 18 below reveals that DPP closes or maintains ongoing investigation of a consistently high percentage of cases. In 2008, 1 out of 5 cases was dismissed or subjected to ongoing investigation. By 2010, the number had dropped to 1 in 7.

The data in Table 18 also reveals that a large proportion of cases brought for “causing financial loss” in 2008 and 2009 were either closed or required further investigation (31% and 42% respectively); 2009 was a particularly notable year, with 1 in 3 cases related to financial loss being closed cases or requiring further investigation.

Table 18: Corruption Cases Closed or Requiring Further Investigation by DPP (2008 – 2010)

Type of Corruption	2008		2009		2010	
	Number of closed cases or cases requiring further investigation	% of total crime in category	Number of closed cases or requiring further investigations	% of total crime in category	Number of closed cases or requiring further investigations	% of total in crime category
Embezzlement	1,162	17	541	28	78	23
Forgery	1,075	20	1,054	31	234	13
Corruption	48	16	51	14	16	22
Causing Financial Loss	43	31	42	42	2	17
Abuse of Office	47	29	29	26	2	13
TOTAL	2,375	19	1,717	29	332	15

A case is closed due to lack of evidence to prosecute. Similarly, a case is subject to ongoing investigation when additional evidence is needed to prosecute or to determine if prosecution is viable. In sum, the data reflects that a large percentage of cases are still ongoing and the investigations have not yet yielded enough evidence to prosecute in a court of law in an effective and expedited manner. Lack of sufficient evidence can arise because of the high standards required of investigations to be carried out, but it sometimes arises because of the limited and ill equipped Police officers deployed to carry out the investigations. This data supports the assertion by many that government investigative capacity is weak and needs further strengthening. It is needless to say that thorough

investigations ought to be carried out before a case is brought to court in order to maximize opportunities to prosecute genuine cases and get convictions.

8.3 Judicial Service Commission (JSC)

The Judicial Service Commission is a constitutional body established under Article 146 of the Constitution of the Republic of Uganda 1995. The Commission is mandated with powers to facilitate improving the efficiency and effectiveness of justice administration in Uganda. In addition, the JSC has responsibility for making recommendations to the Executive for appointment of judges across the country.

While the JSC responded to the request from the Technical Support Committee for data, the data provided was not complete. Instead of providing data for 2008-2010 as requested, only 2010 data was provided while the 2008-2009 data was said to be “not up-to-date”. In addition, the JSC did not use the classification system provided for types of corruption. If the designated classification systems are not used, the DTM is unable to consolidate this data with that of other Anti-Corruption agencies to understand broad corruption trends.

Furthermore, the JSC data showed that all 2010 cases were ongoing, which is a reflection of the fact that the JSC is not fully constituted. The lack of a fully constituted Commission affects its ability to make decisions on its own cases, as well as its ability to recommend the appointment of judicial officers. The slowdown of JSC cases and of judicial appointments has a negative impact on anti-corruption law enforcement.

Upon review of the data provided by the JSC, in 2010 the Judicial Service Commission originated 108 complaints. These complaints were in addition to those originated in previous years which were still under investigation. Table 19 below shows the type of corruption and frequency associated with complaints that were originated in 2010 by the JSC. Some of the complaints involved corruption while others did not. The Table reveals that the majority of culprits were involved in misconduct (59%), followed by delay of justice (6%).

Table 19: Type of Complaints before the Judicial Service Commission (2010)

Type of corruption	Number	Percent
Misconduct	64	59.26
Bias and Delay of Justice	1	0.93
Bias and denial of justice	1	0.93
Bias	2	1.85
Case dismissed without hearing	1	0.93
Corruption	3	2.78
Delay of justice	6	5.56
Delayed judgment	2	1.85
Denial of bail	1	0.93
Denial of justice and fairness	1	0.93
Denied custody of a child	1	0.93
Disobedience of lawful instructions	1	0.93
Disputed consent judgment	1	0.93
Failure to execute judgment	1	0.93
Failure to follow paper instruction	1	0.93
Failure to handle the case	1	0.93
Failure to remit money	1	0.93

Forgery of Documents	1	0.93
Harassment and extortion of money	1	0.93
Illegal Detention	1	0.93
Misadministration of justice	2	1.85
Mishandling of case	3	2.78
Missing File	1	0.93
Refusal to access the court records	1	0.93
Refusal to release court records	1	0.93
Refusal to serve leaving notice	1	0.93
Taking Bail money	1	0.93
Unfair arrest and detention	1	0.93
Unfair denial of justice	1	0.93
Unfair judgment	1	0.93
Unspecified/missing	3	2.78
Total	108	100

8.4 Public Service Commission

The Public Service Commission (PSC) is an independent statutory body established under Article 165 of the Constitution of the Republic of Uganda 1995. Its key functions, amongst others, are to appoint, confirm in appointments, promote staff and exercise disciplinary control over persons holding office in the public service and determining appeals from persons aggrieved by District Service Commissions.

While the PSC responded to the request from the Technical Support Committee for data, the data provided was limited and incomplete. Data was requested for 2008 – 2010, yet only 2010 data was provided. Furthermore, the PSC did not use the classification system provided to classify the types of corruption involved in each case. If the designated classification systems are not used, DTM is unable to consolidate this data with that of other commissions and Anti-Corruption agencies.

Upon review of the limited data provided by the PSC, the Public Service Commission dealt with 30 corruption-related cases which were originated in 2010. These cases were in addition to ongoing cases which were originated in previous years, yet we had no details on these cases. Of the 30 cases registered in 2010, seven (or 23%) of these involved abuse of office.

Table 20: Type of Corruption Cases at the Public Service Commission

Type of Corruption	Number	Percent (%)
Abuse of office	7	23.3
Other	23	76.67
Total	30	100

Table 21 shows that when the cases were heard, the majority of culprits were dismissed (57%); one was dismissed and asked to refund what they had misappropriated; and 10% were warned, reprimanded or cautioned. Thirty percent of the decisions involved interdiction but the specific details were not available.

The data from PSC did not give details concerning the date when the case was first recorded and when it was resolved. Hence it was not possible to establish the average time the cases took to be resolved.

Table 21: Results of the Cases of the Public Service Commission

Result of the case	Number	Percent (%)
Dismissed	17	56.67
Dismissed & Refund	1	3.33
Warning, reprimand and caution	3	10
Other (interdiction)	9	30
Total	30	100

8.5 Police – Criminal Investigation Department (Anti Corruption Department and the Economic Crimes Department)

The data submitted by the Criminal Investigation Department (CID) of the Ugandan Police Force includes data for both the Anti-Corruption Department and the Economic Crimes Department. The Anti-Corruption Department of the Police is responsible for investigation of corruption cases involving public officials from MDAs, Local Governments, Municipal Councils, and Statutory Organizations/Bodies (parastatals). The Economic Crimes Department is responsible for investigating corruption cases involving private individuals and companies. While the CID responded to the request from the Technical Support Committee to provide data for 2008-2010, the data provided was limited and incomplete. Numerous data elements were not available including the following: the date the case was registered, the date the case was closed, and hence the total length of time (duration) of case. In addition, CID did not use the classification system for types of corruption. If the designated classification systems are not used, DTM will be unable to consolidate this data with that of other Anti-Corruption agencies.

Nevertheless, the CID should be commended for providing three years of data which accurately reflected the results of each case, and respecting the classification system for this category of data.

In addition, the Ugandan Police Force publishes an annual report which is made available on its website. We commend the Police for its interest in making its data publicly available. However, we believe the report reflects significant data management problems which should be addressed. The Police are working closely with the Uganda Bureau of Statistics and the Faculty of ICT of Makerere University in the crucial area of crime data management.

The data from Police did not indicate the date of first registration for most of the cases of corruption. The 2011 data which was provided will be used for next year's DTM report. As is evident from Table 22 below, abuse of office and embezzlement were the most common types of corruption handled by the Police from 2007 and earlier, to 2010. 'Other' is also a substantial category, which needs more clarification. Based on the data provided, we were unable to determine what kind of cases fell into this 'Other' category.

Table 22: Corruption Cases Reported from Police

	Before 2007		2008		2009		2010	
Type of Corruption	Number	%	Number	%	Number	%	Number	%
Abuse of office	3	15.79	1	5.88	9	11.54	22	28.6
Abuse of office, Forgery and uttering false documents	0	0	0	0	1	1.28	0	0
Abuse of office and Embezzlement	1	5.26	1	5.88	5	6.41	5	6.49
Abuse of office and Causing financial Loss	1	5.26	0	0	10	12.82	8	10.4
Abuse of office and Other	1	5.26	0	0	1	1.28	4	5.19
Forgery and uttering false documents	3	15.79	0	0	7	8.97	3	3.9
Forgery and uttering false documents and causing financial loss	0	0	0	0	0	0	1	1.3
Causing financial loss	0	0	6	23.5	3	3.88	1	1.3
Embezzlement	4	21.05	0	0	6	7.69	11	14.5
Embezzlement and causing financial loss	1	5.26	0	0	1	1.28	0	0
Bribery	1	5.26	1	5.88	1	1.28	2	2.6
Other	4	21.05	11	64.7	34	43.59	20	26
Total	19	100	17	100	78	100	76	100

From Table 23 below, in 2010 over 76% of the cases were ongoing. However, the data also indicates that a significant percentage of 2009 and 2010 cases were dismissed for lack of sufficient evidence to prosecute. Many times the Police have lost cases in court they ought not to have lost. Investigations have stagnated for years for want of science and technology in CID. The Government analytical laboratories have had their share of limitations in serving the entire Government forensic needs. The Police Forensic Building has been set up and fully equipped to be operational soon and the immediate impact of this will be felt in the efficient and fast resolution of cases under investigation, and eventually in successful prosecutions in court. There will be the need to commit more time and other resources not only to investigate corruption cases, but also to provide investigating officers with additional training.

In connection with the backlog of cases and incomplete files, the Police Management has commissioned a case-backlog and investigation monitoring secretariat to regularly monitor the progress of all cases reported for investigations.

Table 23: Outcomes of Corruption Cases from Police

Result of the case	Before 2007		2008		2009		2010	
	Number	%	Number	%	Number	%	Number	%
Conviction	0	0	3	17.65	3	3.9	6	7.89
Withdrawn	2	11.11	1	5.88	8	10.39	2	2.63
Case was dismissed	0	0	1	5.88	14	18.18	8	10.53
Acquitted	0	0	5	29.41	2	2.6	1	1.32
Acquitted but appealed	0	0	0	0	1	1.3	1	1.32
Awaiting judgment	0	0	0	0	0	0	0	0
Dismissed but re-instated	0	0	0	0	1	1.3	0	0
Ongoing	16	88.89	7	41.18	48	62.34	58	76.32
Total	18	100	17	100	77	100	76	100

Note: The total in 2009 and before 2007 is less by one case because these cases did not have the result of case indicated.

8.6 Anti-Corruption Division of the High Court (The Anti-Corruption Court)

In general, the Anti-Corruption Division of the High Court was highly responsive to the data request from the Technical Support Committee. Cases were codified according to standard types of corruption and results, and the duration of cases was properly noted. The data in Table 24 below summarizes the cases addressed by the Anti-Corruption Division of the High Court from 2009 to 2010. (The Court was established in 2009, thus only 2009 and 2010 data is provided.)

In 2009, 8 cases were registered with the court – one involving three charges of abuse of office, forgery and uttering false documents, and causing financial loss. Of the eight cases, two were withdrawn, four resulted in a conviction, and one was acquitted. The average duration of the concluded cases in 2009 was 2.6 months

In 2010, considerably more cases (88) were brought to the Anti-Corruption Division of the High Court but only 53, or about 60%, were concluded during the year with their files containing full information. The remaining 40% of cases were ongoing. The type of corruption associated with the 53 resolved cases is given in the Table below. Embezzlement of public funds and abuse of office were the two most important reasons why culprits had been referred to the Anti-Corruption Division. (We should note that the large “other” category shows that there is need to create more meaningful categories to capture the variation in the types of corruption.)

Table 24: New Cases at Anti-Corruption Court in 2009 and 2010

Type of corruption	Number 2009	Percent 2009	Number 2010	Percent 2010
Abuse of office	0	0	16	18.18
Bribery	1	12.5	0	0
Causing financial loss	0	0	7	7.95
Forgery and uttering false documents	0	0	1	1.14
Embezzlement	0	0	37	42.05
Abuse of office, Forgery and uttering false documents, causing financial loss	1	12.5	0	0
Other	6	75.0	27	30.68
Total	8	100	88	100

Table 25 below shows that of the 53 concluded cases in 2010, 16 (30%) resulted into a conviction and 11 (21%) were withdrawn, while 17 (32%) were dismissed and 9 (17%) were acquitted. It took between 2 and 11 months to resolve each of the 53 cases that were concluded in 2010, averaging 6.6 months.

Table 25: Outcomes of New Cases at Anti-Corruption Court in 2010

Result	Number 2009	Percent (%) 2009	Number 2010	Percent (%) 2010
Conviction	4	57.14	16	19.28
Case was withdrawn	2	28.57	11	13.25
Case was dismissed	0	0	17	20.48
Acquitted	1	14.29	9	10.84
On-going	0	0	30	36.14
Total	7	100	83	100

* Note: 1 case in 2009 and 5 cases in 2010 had "no result indicated"

The substantial number of number of cases that were acquitted by the Anti-Corruption Division was a sign that inadequate details were provided to the court, which leads to the recommendation that more time should be spent on each case before it is sent to the Anti-Corruption Court.

Table 26: Type of New Corruption Cases at Anti-Corruption Court in 2010

Type of Corruption	Conviction	Case was withdrawn	Case was dismissed	Acquitted	On going	Total
Abuse of office	2	0	2	5	7	16
Forgery and uttering false documents	0	0	0	0	1	1
Embezzlement	8	7	7	0	12	34
Causing financial loss	1	0	2	2	2	7
Other	5	4	6	2	8	25
Total	16	11	17	9	30	83

Of the 83 cases recorded in 2010 at the Anti Corruption Court, 16 involved abuse of office, 34 embezzlement, 1 forgery and uttering false documents, 7 causing financial loss, and 25 'other'.

9. AGGREGATED CORRUPTION INDICATORS – ANALYSIS AND FINDINGS

This study includes four sources of aggregated indicators related to corruption in Uganda, which are:

- Mo Ibrahim
- World Governance Indicators
- The Transparency International Global Corruption Barometer; and
- The Media Sustainability Index

A brief discussion of each of these indicators is provided below.

9.1 Mo Ibrahim Index of African Governance

The most recent data from the Mo Ibrahim Index is for 2010. This data reflects a slight improvement in Uganda's performance related to transparency and corruption, a trend shared by Kenya and Rwanda. In terms of accountability of public officials, Uganda and its East African neighbors scored poorly, with a low rating of 33.3%. Uganda also scored poorly in the area of corruption of public officials. While its score of 40 was higher than Kenya and Burundi's 20, its score was notably lower than Rwanda's 60 and Mauritius' top score of 100. As it relates to prosecution of abuse of office, Uganda is the best performer in the East African region with a score of 71.4 in 2010. The data related to corruption and bureaucracy – which measures petty and grand forms of corruption, as well as “capture” of the state by elites and private interests – shows that the performance of most East African countries, including Uganda, has been declining over time except for Rwanda which showed an improvement from 35.2 in 2004/05 to 57.1 in 2010. Lastly, Though Uganda had shown a positive trend in terms of its performance related to accountability, transparency, and corruption in rural areas since 2000/01 from 65.5 to its 2008/9 level of 72.6, the 2010 data suggests that Uganda's performance is on the decline with a score of 66.6.

The Mo Ibrahim Index also measures indicators under the subcategory accountability and corruption. These indicators include: transparency and corruption; accountability of public officials; corruption in government and public officials; prosecution of abuse of office; corruption and bureaucracy; and accountability, transparency and corruption in rural areas. Uganda's performance in the dimensions of this sub-category and in relation to the neighboring countries in the East African Community is described below.

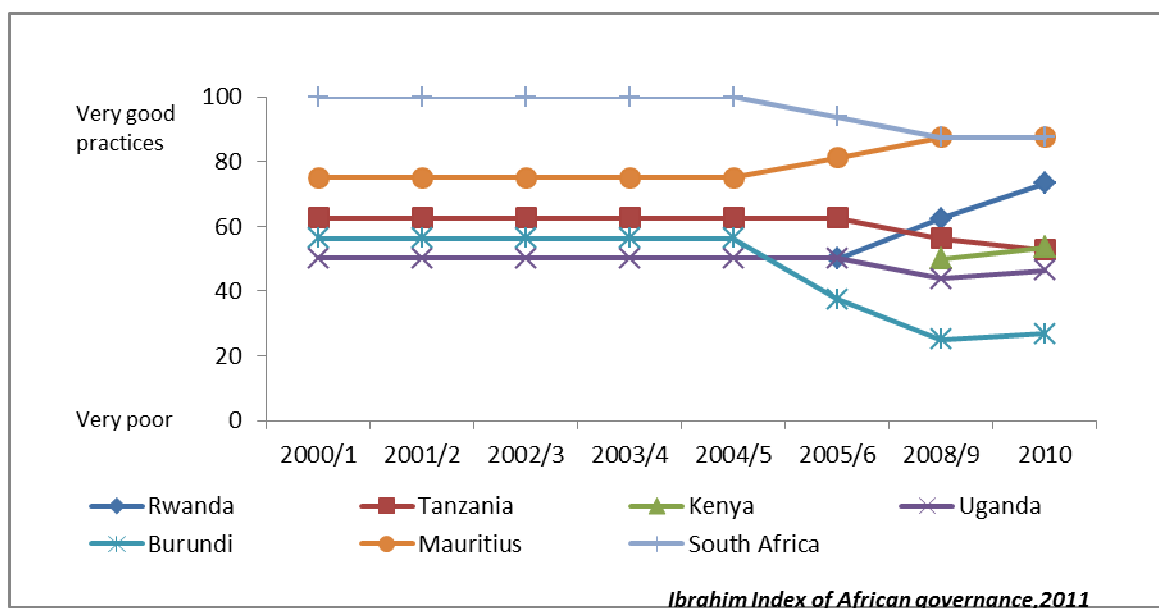
9.1.1 Transparency and corruption

This dimension assesses the extent to which the executive can be held accountable for its use of funds and results of its actions by the electorate and by the legislature and judiciary, and the extent to which employees within the executive are required to account for the use of resources, administrative decisions, and results obtained. Both levels of accountability are enhanced by transparency in decision-making, public audit, access to relevant and timely information, and public and media scrutiny. A high degree of accountability and transparency discourages corruption, or the abuse of public office for private gain.

Uganda's score declined from 50.1 in 2005/6 to 43.8 in 2008/9 only to go up again to 46.4 in 2010. This score is below the Africa average score of 52.9 though it is above the average East Africa score of 40.7.

Kenya had a slight improvement in its scores from 50 in 2008/9 to 53.6 in 2010. Tanzania's score has been declining over time from 62.6 in 2006/7 to 56.3 in 2008/9 and to 52.7 in 2010. Important to note is that Rwanda's score has been on an increasing trend from 50.1 in 2005/6 to 62.6 in 2008/9 to 73.2 in 2010. Rwanda was ranked number 8 in 2008/9 while Uganda was ranked 31st among the 52 African countries surveyed. The chart below shows the trends across the different years for the different countries.

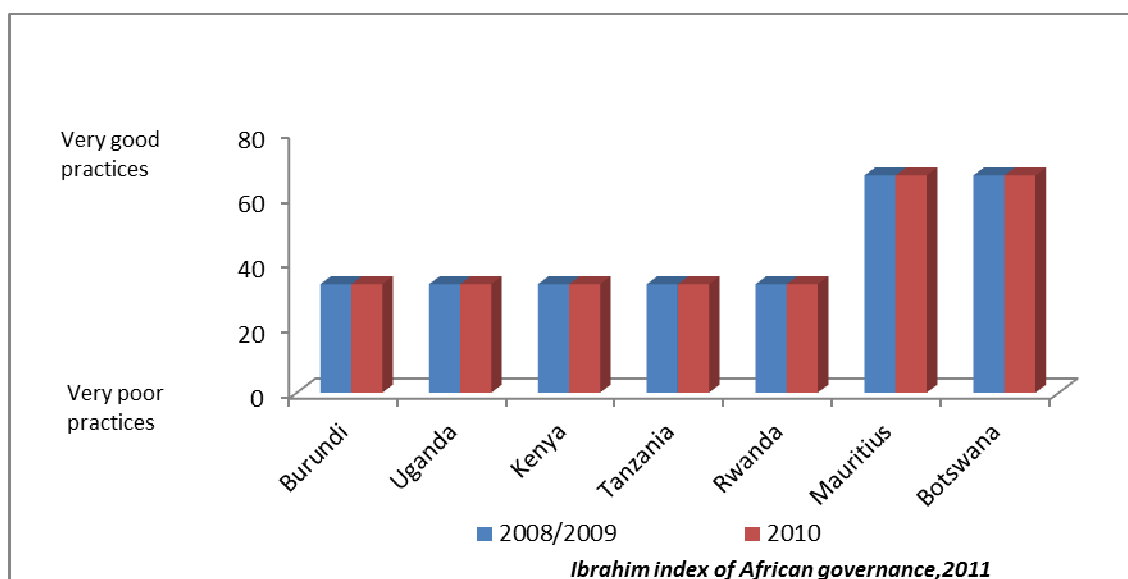
Figure 20: Transparency and Corruption



9.1.1 Accountability of public officials

This indicator assesses the extent to which safeguards/sanctions exist to ensure that public officials (both elected and appointed) are accountable and perform competently. Uganda seems to be at par with its East African neighbors as far as accountability of public officials is concerned. All the five East African countries scored 33.3 in 2008/9 and 2010/11. This is much below the score of other African states surveyed with Mauritius and Botswana both scoring 66.7 in the surveys undertaken in 2008/9 and 2010/11.

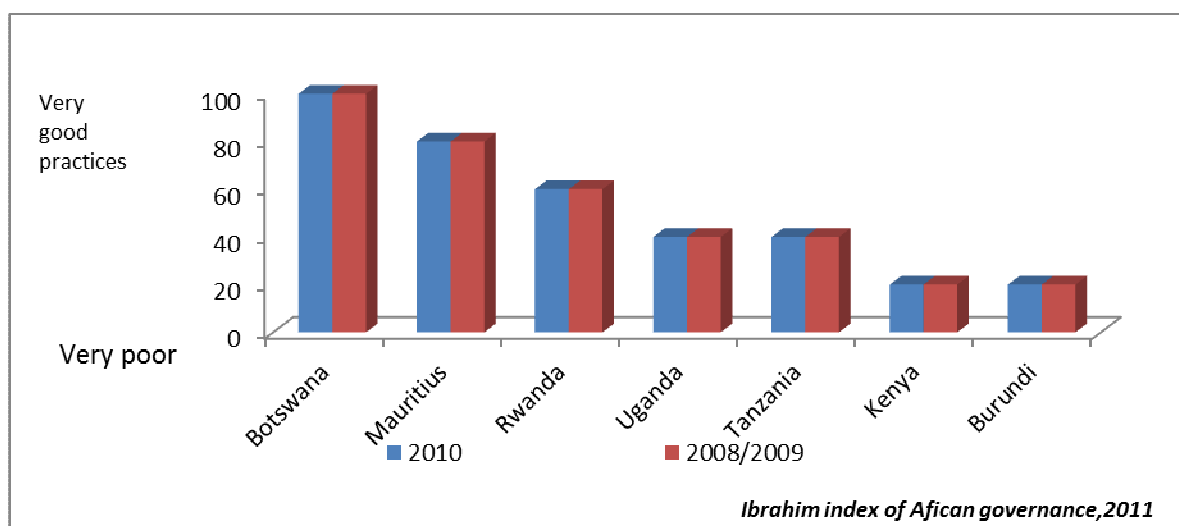
Figure 21: Accountability of public officials



9.1.3 Corruption in government and public officials

This dimension assesses the level of vested cronyism in, and corruption of, public officials (both elected and appointed). For both years 2008/9 and 2010/11, Uganda's performance was somewhat poor at 40 compared to other African performers like Botswana at 100 and Mauritius at 80. Within the East African region, Rwanda continued to perform better than the rest of the East African countries with a score of 60. The worst performers were Kenya and Burundi each with a score of 20.

Figure 22: Corruption in Government and Public Officials

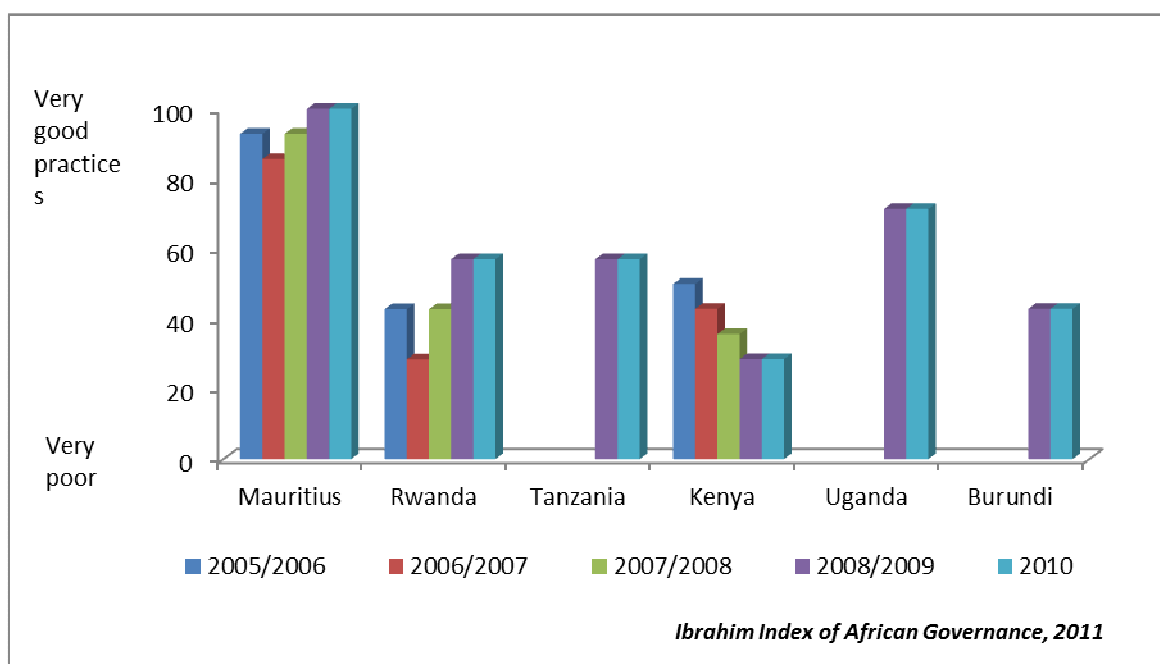


9.1.4 Prosecution of abuse of office

This indicator tries to answer the following question: To what extent are there legal or political penalties for officeholders who abuse their positions? It addresses how the state and society hold public servants and politicians accountable, whether conflicts of interest are sanctioned, and to what extent the rule of law is undermined by political corruption.

Though Rwanda's performance improved from 42.8 in 2005/6 to 57.1 in 2010/11, Uganda is still the best performer compared with its East African neighbors with a score of 71.4 in both 2008/9 and 2010/11. No data was available for Uganda for the previous years so we were unable to comment on her performance before 2008/9. Kenya's performance has been declining over the years from 50 in 2005/6 to 28.6 in 2010/11.

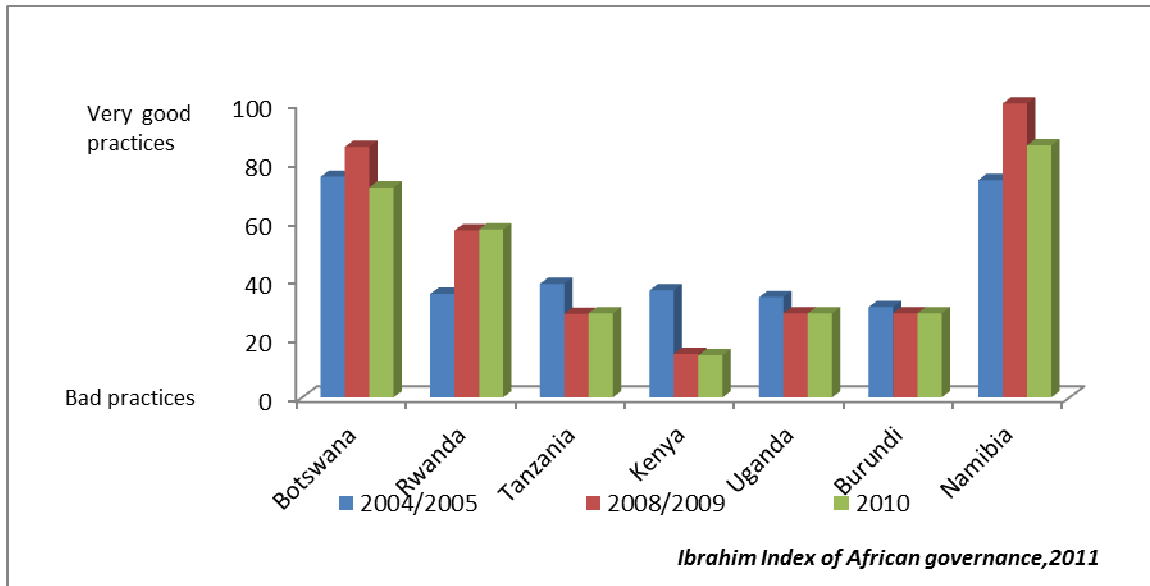
Figure 23: Prosecution of Abuse of Office



9.1.5 Corruption and Bureaucracy

This dimension assesses the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. The performance of most East African countries has been poor for most of the years except for Rwanda which showed an improvement from 35.2 in 2004/05 to 56.8 in 2008/09 and to 57.1 in 2010/11. Kenya's performance declined the most from 36.4 in 2004/5 to 14.3 in 2010/11. Uganda's score of 28.6 is way below the scores of best performers like Botswana and Namibia and the East African average of 41.7.

Figure 24: Corruption and Bureaucracy

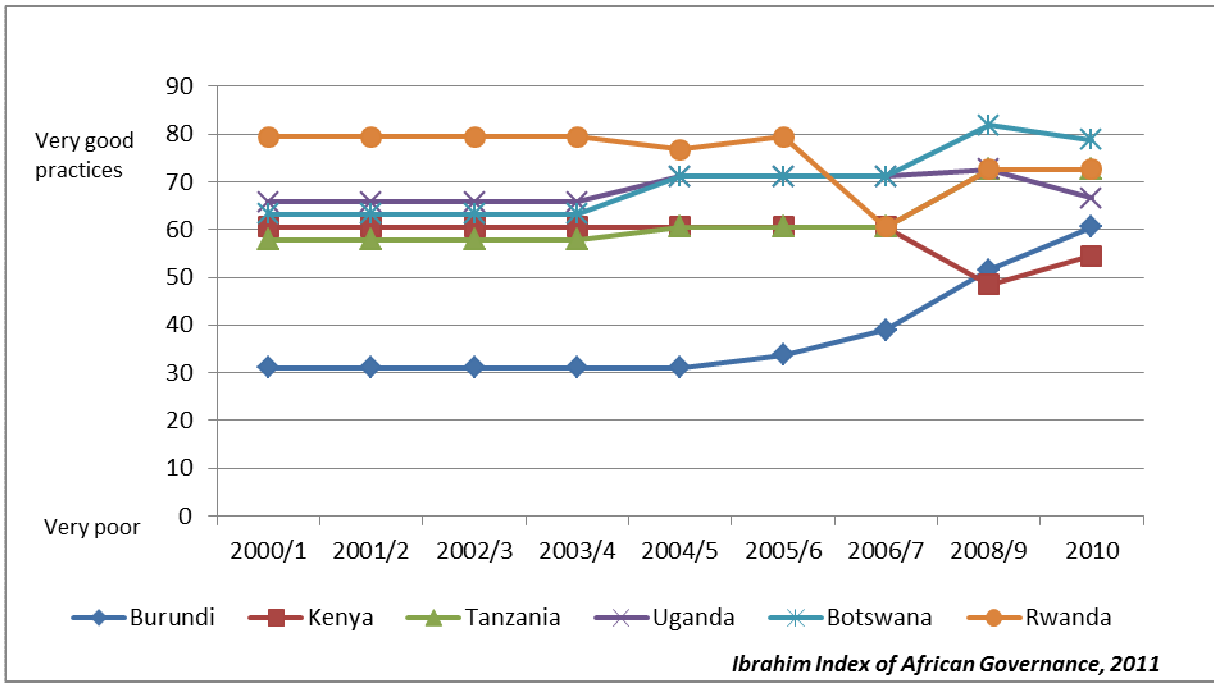


9.1.6 Accountability, Transparency and Corruption in Rural Areas

This indicator assesses the extent to which, at the local level: (a) government (both the executive, e.g. the ministry of agriculture, and the legislative, or the district council) can be held accountable to rural poor people for its use of funds and the results of its actions; and (b) public employees and elected officials are required to account for the use of resources, administrative decisions and results obtained. Both levels of accountability are enhanced by decentralization of authority and responsibility for public functions, and by transparency in decision-making and disclosure of information. A high degree of accountability and transparency is likely to discourage corruption or the abuse of office for private gain.

Most East African countries seem to have been performing above 50 since 2000/1 except for Burundi which only passed the 50 percent threshold in 2007/8. Uganda trended upwards from 65.8 in 2000/1 to 72.6 in 2008/9 only to experience a decline to 66.6 in 2010. Burundi and Kenya have shown an improvement over the past two years under consideration from 51.6 and 48.4 to 60.5 and 54.5 respectively.

Figure 25: Accountability, Transparency and Corruption in Rural Areas



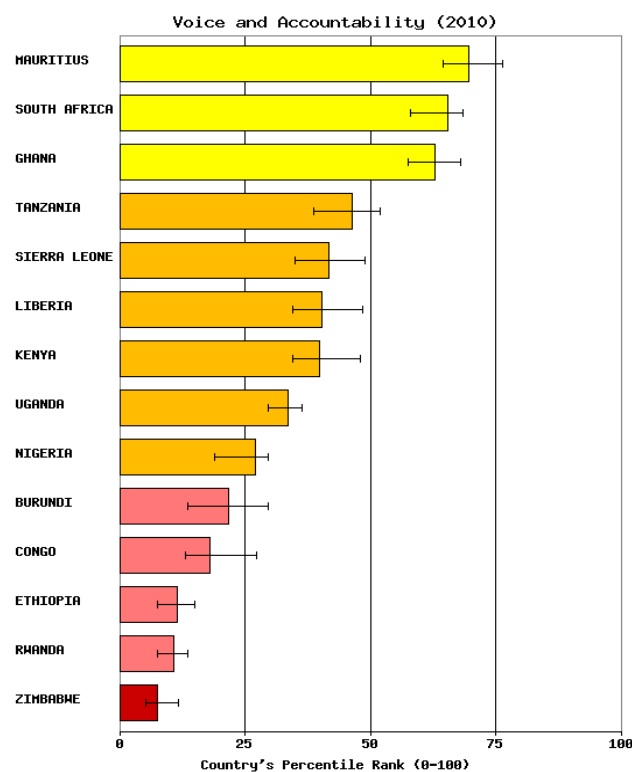
9.2 World Governance Indicators (WGI)

The World Governance Indicators assess six dimensions of governance. The DTM includes three of these, as defined below. The percentile rank indicates the percentage of countries worldwide that rate below the selected country. Higher values indicate better governance ratings.

- 1. Voice and Accountability (VA)** – This dimension reviews the *process by which governments are selected, monitored, and replaced* by capturing perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.

Uganda scores in the 34th percentile in terms of voice and accountability. This ranking is slightly lower than Tanzania and Kenya which are in the 46th and 40th percentiles respectively, and higher than Rwanda and Burundi. Uganda's percentile rank improved slightly from the 2009 rank where it was in the 33rd percentile.

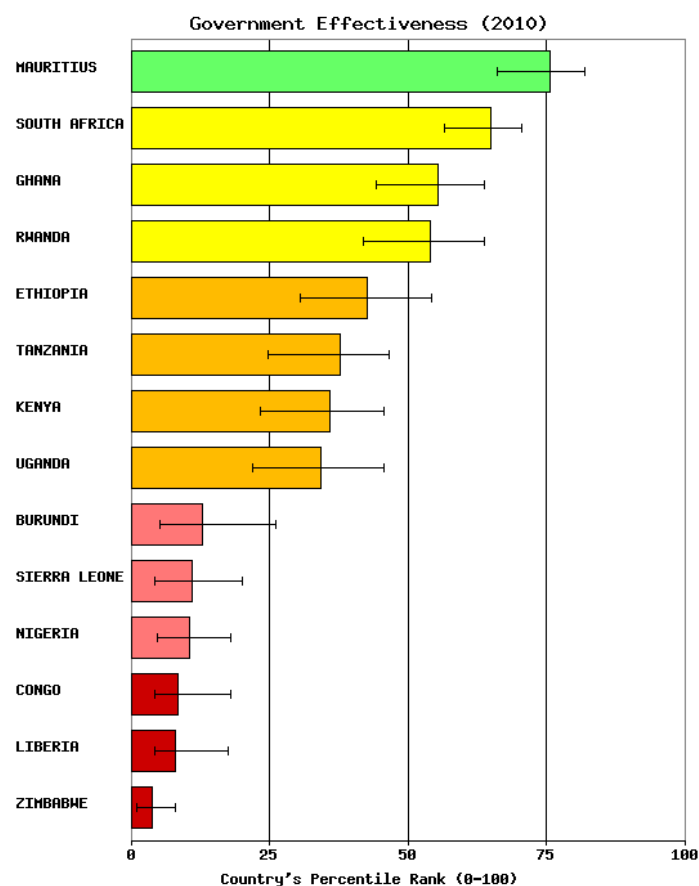
Figure 26: Voice and Accountability



- 2. Government Effectiveness (GE)** – This dimension reviews the *capacity of the government to effectively formulate and implement sound policies* by capturing perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

Uganda scores in the 34th percentile in terms of Government Effectiveness. This ranking is lower than that of Rwanda, Tanzania and Kenya, although above Burundi. Uganda's performance improved slightly compared to 2009 where it was ranked in the 32nd percentile. Notably, in the East African region, Rwanda's performance improved significantly from the 49th percentile to the 54th percentile.

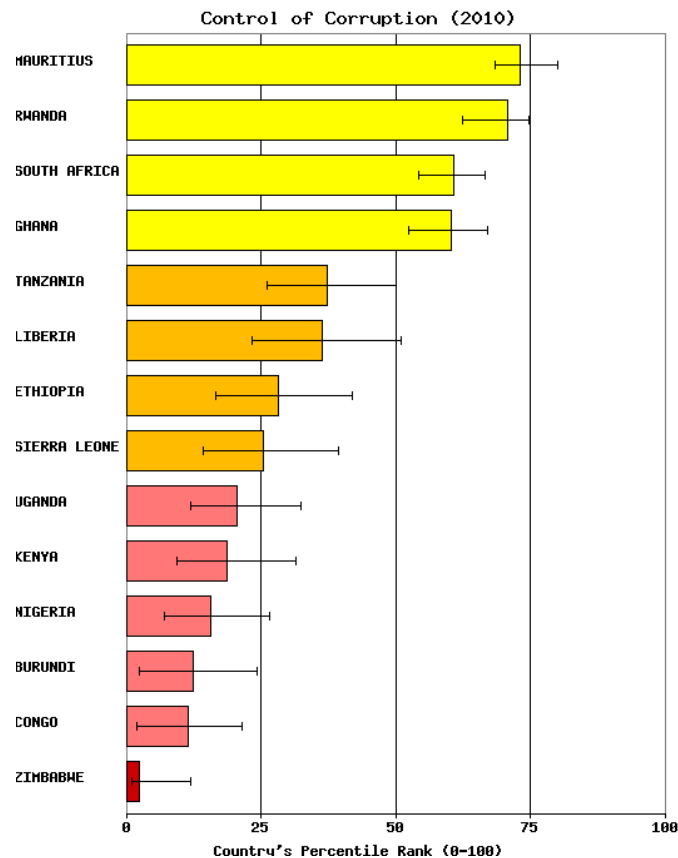
Figure 27: Government Effectiveness



- 3. Control of Corruption (CC)** – This dimension also reviews government capacity by capturing perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

Uganda ranks in the 20th percentile in terms of Control of Corruption. This is substantially lower than Rwanda (in the 70th percentile) and Tanzania (in the 37th percentile), yet the ranking is higher than Kenya and Burundi. Uganda's performance has remained constant for 2009 and 2010.

Figure 28: Control of Corruption



9.3 TRANSPARENCY INTERNATIONAL GLOBAL CORRUPTION BAROMETER

Transparency International's Global Corruption Barometer is based on a survey that assesses the general public's perception and experience of corruption in more than 80 countries around the world. In Uganda, the data was collected from 1025 respondents.

The 2010 Global Corruption Barometer data reflects major increases in bribery related to the Police, medical services, the Judiciary, and educational services. The increases were consistent and significant in size.

The data reflects a sharp increase in bribery to Police in Uganda, with 79% of respondents indicating that they or someone they live with paid a bribe to Police during the year. This increase placed Uganda in the notable position of having the second highest level of Police bribery of the ten African countries which were surveyed, with Liberia holding the number one spot.

Similarly, bribery to receive medical service did not fare any better in 2010. About 49% of Ugandan respondents paid bribes to receive medical services in 2010, an increase from the 2009 level of 33%. Mirroring the Police data, Uganda, again, ranked second of the ten surveyed countries.

In terms of bribing the Judiciary, more Ugandans admitted to having paid a bribe in 2010 (59%) compared to 2009 (34%). Though the increase was similar across most of the surveyed African countries, Uganda had the highest increase of 25 percentage points.

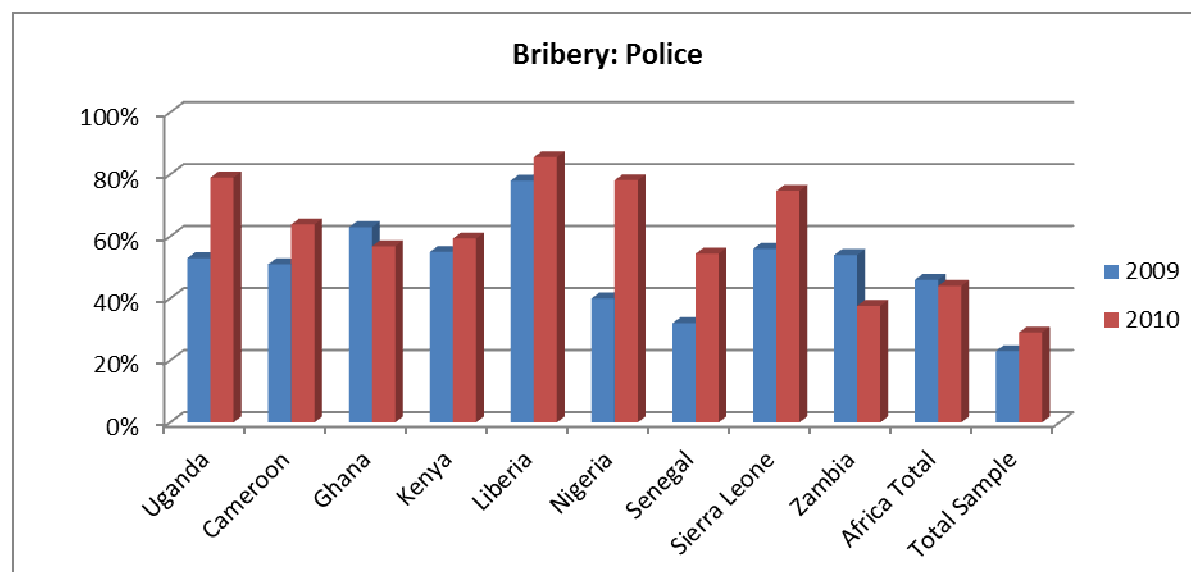
Lastly, as it relates to education bribery, the number of Ugandans admitting to have paid a bribe to the Education System more than doubled from 2009 to 2010, from 15% to 36% respectively. A brief discussion of the data is below.

The percentage of households that claimed to have paid a bribe to the police in Uganda was 53% in 2009 but it increased substantially to 79% in 2010. As can be noted from Table 27 below, Uganda has the second highest level of corruption in police among the selected African countries after Liberia (86%); it is closely followed by Nigeria at 78%. Compared to Kenya, Uganda has 20 percentage points higher than Kenya which has been known to have the most corrupt Police Force in East Africa save for 2010 where the Burundi Police took the lead, according to East African Bribery Index⁴.

Table 27: In the past 12 months have you or anyone living with you paid a bribe in any form to the Police?

	Uganda	Cameroon	Ghana	Kenya	Liberia	Nigeria	Senegal	Sierra Leone	Zambia	Africa Total	Total Sample
2009	53%	51%	63%	55%	78%	40%	32%	56%	54%	46%	23%
2010	79%	64%	57%	59%	86%	78%	54%	75%	38%	44%	29%

Figure 29: Bribery - Police



**TI - Global Corruption Barometer 2009, 2010*

The findings show that the percentage of Ugandan citizens who claimed to have paid a bribe to access Medical services is three times higher than Ghana and Kenya. Relative to many other African countries,

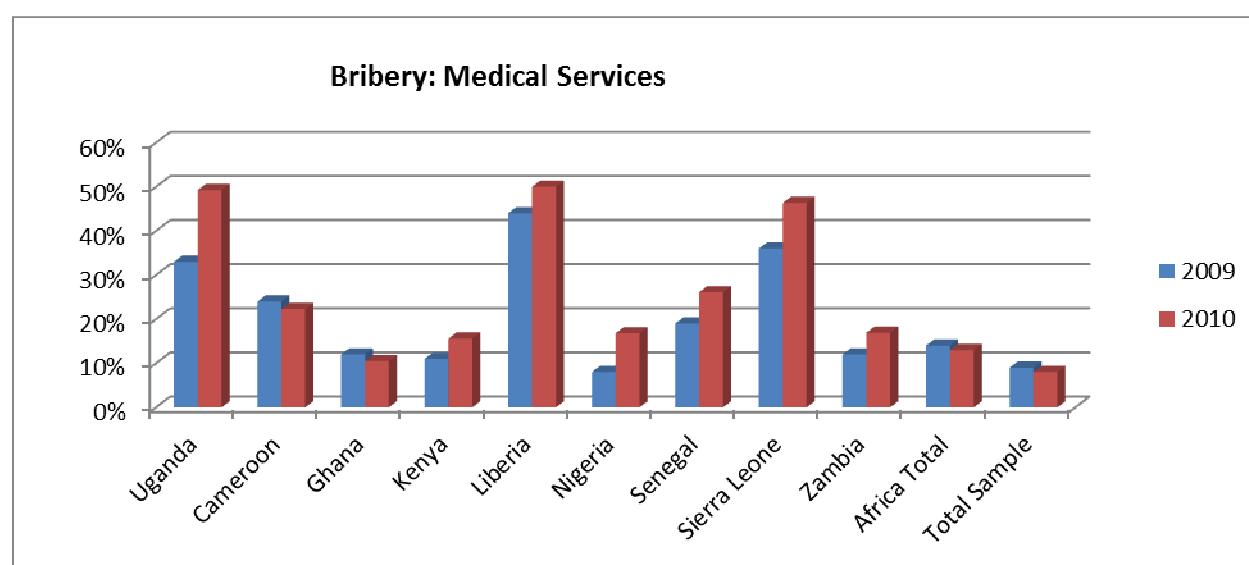
⁴ The Kenya Police was ranked the most corrupt institution in 2009 but its ranking improved to third position in 2010.

the bribery rate related to medical services in Uganda is notably high and is only getting worse (33% in 2009 and 49% in 2010).

Table 28: In the past 12 months have you or anyone living with you paid a bribe in any form to Medical services?

	Uganda	Cameroon	Ghana	Kenya	Liberia	Nigeria	Senegal	Sierra Leone	Zambia	Africa Total	Total Sample
2009	33%	24%	12%	11%	44%	8%	19%	36%	12%	14%	9%
2010	49%	22%	10%	16%	50%	17%	26%	46%	17%	13%	8%

Figure 30: Bribery –Medical Services



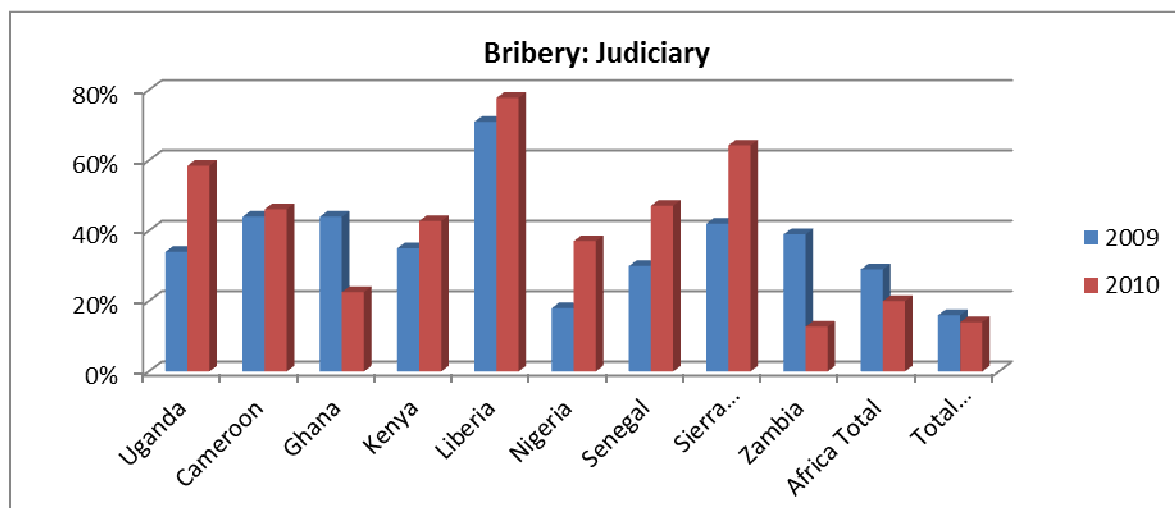
**TI - Global Corruption Barometer 2008, 2010*

More Ugandans admitted to having paid a bribe to the Judiciary in 2010 (59%) compared to 2009 (34%). Though the trend seems to be same across most African countries, Uganda had the highest increase of 25 percentage points. Ghana and Zambia showed a substantial reduction over the two years. Uganda's score is well above the Africa average of 20% and the total sample's average of 14%.

Table 29: In the past 12 months have you or anyone living with you paid a bribe in any form to the Judiciary?

	Uganda	Cameroon	Ghana	Kenya	Liberia	Nigeria	Senegal	Sierra Leone	Zambia	Africa Total	Total Sample
2009	34%	44%	44%	35%	71%	18%	30%	42%	39%	29%	16%
2010	59%	46%	23%	43%	78%	37%	47%	64%	13%	20%	14%

Figure 31: Bribery- Judiciary



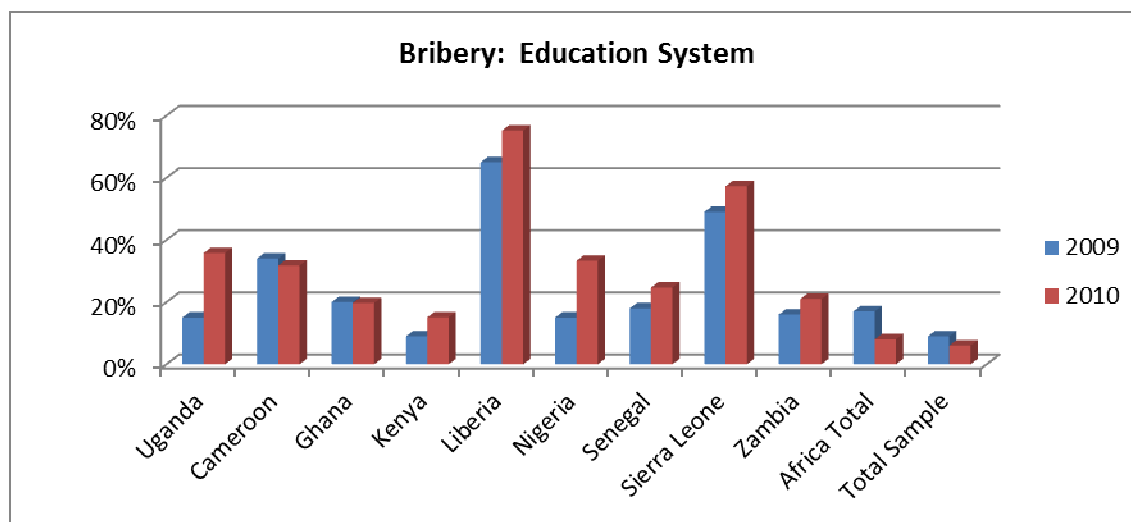
**TI - Global Corruption Barometer 2009, 2010 Barometer 2009, 2010*

The number of Ugandans admitting to have paid a bribe to the Education System more than doubled from 2009 to 2010 at 15% and 36% respectively. This is comparable to Nigeria's increase from 15% to 33%. Uganda's rate is on the high side compared with the Africa average of 8% and the total sample's average of 6%.

Table 30: In the past 12 months have you or anyone living with you paid a bribe in any form to the Education System?

	Uganda	Cameroon	Ghana	Kenya	Liberia	Nigeria	Senegal	Sierra Leone	Zambia	Africa Total	Total Sample
2009	15%	34%	20%	9%	65%	15%	18%	49%	16%	17%	9%
2010	36%	32%	20%	15%	75%	33%	25%	57%	21%	8%	6%

Figure 32: Bribery- Education System



*TI - Global Corruption Barometer 2009, 2010 Barometer 2009, 2010

9.4 MEDIA SUSTAINABILITY INDEX

The most recent 2009 data from the Media Sustainability Index reflects a drop in Uganda's Free Speech rating to its lowest point in the past three years. Below is a brief explanation of the Free Speech indicator and data.

The Media Sustainability Index ("MSI") is a tool to assess the development of media systems over time and across countries. It includes 5 indicators, one of which is directly relevant to the DTM. The MSI indicator related to "Free Speech" evaluates the following aspects of a media system:

- i. Legal and social protections of free speech exist and are enforced;
- ii. Licensing of broadcast media is fair, competitive, and not political;
- iii. Market entry and tax structure for media are fair and comparable to other industries;
- iv. Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare;
- v. State or public media do not receive preferential legal treatment, and law guarantees editorial independence;
- vi. Libel is civil law issue; public officials are held to higher standards, and offended parties must prove falsity and malice;
- vii. Public information is easily accessible; right of access to information is equally enforced for media and journalists;
- viii. Media outlets have unrestricted access to information; this is equally enforced for media and journalists;
- ix. Entry into journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

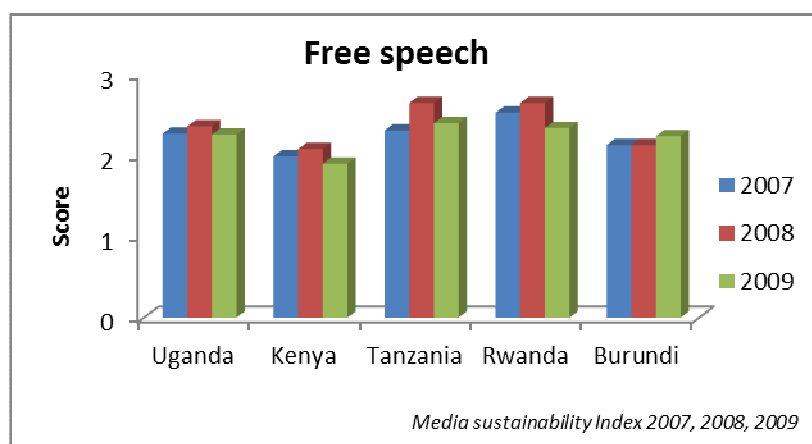
Anti-corruption requires that information be readily available and accessible to the public. As a primary source of public information, the media must have access to information, and must be encouraged to investigate and report on information which holds government accountable to the public.

Below is a Table of ratings associated with MSI's Free Speech indicator. Uganda's rating increased slightly from 2007 to 2008, from 2.27 to 2.36 only to deteriorate in 2009 to 2.26. Uganda's score still shows that its performance "has begun to meet many aspects of Free Speech, but progress may be too recent to judge or still dependent on current government or political forces." Should Uganda's rating improve over time, and become closer to 3.0, its rating will reflect an improvement in implementation and sustainability of Free Speech aspects of the media system.

Table 31: Free Speech Scores

Country	2007	2008	2009
Uganda	2.27	2.36	2.26
Kenya	1.99	2.08	1.9
Tanzania	2.31	2.65	2.4
Rwanda	2.53	2.65	2.34
Burundi	2.13	2.13	2.24

Figure 33: Free speech



10. CONCLUSIONS AND RECOMMENDATIONS

This report has reviewed multiple sources of data which shed light on corruption in Uganda. While some areas of anti-corruption activity reveal strong performance – particularly those related to the legal and regulatory framework – others, such as implementation and enforcement, remain weak. Nevertheless, even areas of strength show signs of needing improvement. One example relates to

disclosure of political financing. While Uganda's legal framework is generally acceptable, the specific area of political financing disclosure is based on laws which are riddled with exceptions and limitations. The result is that public resources are used for political campaigns and activities. These abuses of public resources need to be addressed by a stronger, more comprehensive law in this area.

In addition, the data reveals ongoing problems with absenteeism amongst teachers and health workers, drug stock-outs in government and private clinics, and citizen and enterprise bribery. While the data helps to identify different types of corruption and governance problems, it does not always point to a clear remedy. In many areas, additional investigation is needed to eliminate the corruption. For example, with drug stock-outs, more information and analysis is needed in order to ascertain why drugs are not available at health clinics. Is this a problem of corruption, poor management, or both? Once this information is obtained, a reform strategy can be developed. We are hopeful that the relevant stakeholders, including the ministries of government, will use this report to ensure that implementation of anti-corruption measures, is an essential part of their reform agenda.

We are particularly pleased that the DTM Manager and the IG have established a Technical Support Committee to collect standard data from four Anti-Corruption entities and two commissions (including the High Court, PSC, JSC, DPP, Police-CID, and the IG). The data secured from these entities in 2011 already marks a step forward from last year, when we were unable to get data from many of these entities. Moving forward, we will streamline and standardize our data collection process for 2012, with the hopes of having a broad set of standard data from all Anti-Corruption entities by 2013 at the latest. This will allow the DTM Manager to compile comprehensive data on Uganda's management of its corruption cases, both prosecution and administrative, so that we can speak with more specificity and certainty about government progress in tackling corruption.

Our recommendations below involve broader proposals associated with the government's anti-corruption effort, as well as more specific suggestions associated with individual Ministry, Department, or Agency activities or supporting governmental efforts. More specific recommendations are made in the individual sections of this report. We recommend that relevant functional and sectoral governmental institutions review the sections of the report which are pertinent to their mandate. The more general recommendations below are made with the aim of working collaboratively with the Government and other stakeholders to reduce corruption at a critical time in the development of Uganda.

10.1 Restructure Selected Business Processes to Reduce Citizen and Business Bribery

Adopt Best Practices in Doing Business. Uganda's neighbor has made extraordinary progress in improving its performance related to "Doing Business" indicators. For all 5 Doing Business indicators tracked by the DTM, Rwanda's performance reflects a trend of dramatic improvement and/or established efficiency. Unfortunately, Uganda's performance does not compare, and generally reflects high levels of inefficiency and bureaucracy and a lackluster attitude toward improvement.

The DTM manager is interested in Doing Business indicators that have a relationship to corruption. In general, if government establishes efficient processes for securing authorizations or permits, little room is available for corruption. Highly efficient processes ensure that public officials involved in making authorizations do not have the discretion to request bribes, and businesses seeking the authorization are not motivated to bribe to expedite a process.

Last year's report included a recommendation to minimize discretion of public officials and streamline procedures related to targeted Doing Business indicators, and other pertinent government authorization processes. The targeted procedures included those associated with starting a business, securing a construction permit, registering a property, making tax payments, enforcing contracts, securing a driver's license, obtaining an educational certificate, securing a land title, and connection and disconnection of utilities. We indicated that, "A serious government effort to minimize bribery would involve implementing these approaches by *function* and by *sector*. We recommend that the Prime Minister's Office direct individual MDA's responsible for the administrative procedures identified in this report to initiate business process reviews with the aim of reforming these procedures. The Prime Minister's Office would monitor progress on the reviews and reforms. "

Unfortunately, we have seen little government response to this specific recommendation. We interpret this lack of response as an indication that government needs a stronger urging to embark on these reforms. Consequently, this year, we are recommending that Uganda commence the reform process by implementing a South-South knowledge exchange with the key change actors in Rwanda. Specifically, we recommend that a Ugandan delegation (comprised of public officials involved with business authorizations, as well as relevant representatives from the business community) go to Rwanda for a one week exchange so that Ugandans can learn from their Rwandan counterparts – learn what did and did not work in the reform process, how to overcome challenges and manage risks, and how to ensure overall success. We recommend that the South-South knowledge exchange be scheduled in early 2012 so that process reforms can be implemented in the second quarter of 2012.

10.2 Eliminate Corruption in the Construction Sector

(a) Participate in the CoST Initiative. A significant international multi-stakeholder effort, the Construction Sector Transparency Initiative (CoST), is underway to improve transparency and accountability in infrastructure construction.⁵ The Initiative has been piloted successfully in 8 countries around the world and has now opened up to international participation. The Government of Uganda and national stakeholders should come together to form a national coalition to participate in this important effort. As has been discussed in the report, infrastructure construction is a sector well-known for its problems with corruption. The CoST Initiative provides a new and important avenue for targeting and minimizing corruption in the infrastructure sector.

(b) Develop a standard unit cost for infrastructure construction. Numerous reports have concluded that Uganda's unit costs for construction are high, yet the lack of a standard unit cost makes it challenging for UNRA, MoWT, and monitoring agencies such as BMAU and MoFPED to identify the extent of waste and inefficiency in a given construction project. Furthermore, the lack of a standard unit cost prevents roads and works agencies from establishing cost parameters for a given project.

PPDA is in the midst of developing standards for unit costs associated with procurements of specific goods and services. We recommend that PPDA make the highest priority of developing a standard unit cost for infrastructure construction. Due to the sensitivity of this matter, the development of this standard unit cost should be conducted in an independent, objective, transparent and professional manner. Once developed, the unit cost standard should be used by UNRA, MoWT, BMAU and other infrastructure agencies or monitoring agencies involved with infrastructure to measure efficiency and performance.

⁵ <http://www.constructiontransparency.org/>

10.3 Eliminate Discretionary Pricing in Land Management

Establish a viable, formal funding mechanism to ensure effectiveness and efficiency of land management institutions. Land management institutions, which are inherently part of local government are poorly managed and involve major delays for clients seeking resolution of boundary disputes. The poor governance of the institutions is likely the result of numerous factors including inadequate funding from central government and ad hoc efforts by the ALCs to secure user fees from clients. The charging of user fees is discretionary in many ALCs, the terms of which are determined solely by the ALC representative him/herself. The practice of charging user fees is not formalized in policies or procedures. The informality, lack of monitoring, and excessive discretion involved in charging users (clients) for these services makes Uganda's poorest citizens vulnerable to abuse and corruption. The bribery occurring in the sector will not be eliminated until government conducts an assessment of the current funding mechanisms for the land management program. Specifically, the evaluation should determine the level of funding required for proper governance, and an assessment of funding options (including central funding, user fees, etc.) for meeting the funding needs of the program. Upon completion of the evaluation, government should implement a formal system of funding to ensure effective land management services. The new system should be accompanied by clear policies and procedures which minimize individual discretion and ensure proper monitoring.

10.4 Improve Data Quality and Data Collection Effort

(a) Support the IG Technical Support Committee's initiative to assemble a comprehensive set of standard and uniform anti-corruption data from all six Anti-Corruption Agencies. The IG has established a Technical Support Committee to collect standard anti-corruption data on a regular basis from all Anti-Corruption entities. This has been an important step forward for addressing the problem of fragmentation and inconsistency of anti-corruption data. The lack of comprehensive anti-corruption data has made it difficult to determine how long it takes for corruption cases to be resolved, as well as the actual outcomes of these cases.

The Technical Support Committee is urged to liaise with the different Anti-Corruption Agencies to provide them with a standard and uniform method for collecting anti-corruption data (which would include data related to duration of the case, type of corruption, and the result of the corruption case). The Anti-Corruption agencies – including the Inspectorate of Government, the Directorate of Public Prosecutions, the Judicial Service Commission, the Public Service Commission, the Ugandan Police's Criminal Investigative Department (Anti-Corruption Department and the Economic Crimes Department), and the Anti Corruption Division of the High Court – are encouraged to adapt their data collection and management efforts to this standard approach.

(b) Strengthen capacity of data management at Anti-Corruption agencies. Training is needed to improve the quality of data collection and management at all Anti-Corruption entities. We recommend that the Technical Support Committee develops a training methodology for providing practical technical guidance and training to the data managers at all Anti-Corruption Agencies.

10.5 Strengthen Enforcement of Anti-Corruption Measures

(a) Ensure that the Judicial Service Commission is fully constituted. The Judiciary does not have enough judges to handle prosecution work regarding corruption, e.g. the Supreme Court is not fully constituted and the court cannot dispose of corruption cases in a timely manner. The Judicial Service Commission is not fully constituted; and judges and magistrates are not being appointed. The Constitutional Court also was not fully constituted for a long time, hence the delays in handling cases in the courts. Lack of constitution of these entities is resulting in major delays. High priority should be given the constituting these entities. The President is urged to appoint all members of the Judicial Service Commission.

(b) Codify the 60-day time limit for handling corruption prosecution. Government comments indicated that while the 60-day time limit of concluding a corruption case is established, it is not being met. Serious consideration should be given to codifying the 60-day timeline in law.

(c) Bolster Investigative Capacities of Anti-Corruption Agencies. Data indicates that numerous Anti-Corruption Agencies have weak investigative capacity, resulting in high rates of dismissals and lengthy investigative periods. The critical outcome of weak investigation is that a case does not result in a prosecution. This has been an area of great frustration to many Ugandans. We recommend that the Inter-Agency Forum authorize an assessment of the investigative capacity needs of all Anti-Corruption Agencies in order to strengthen the ability of government to be effective in reducing corruption.

10.6 Engage Citizens to Enhance Accountability

Engage citizens in budget and audit. Establish a robust and dynamic process to engage citizens in the processes of establishing budget priorities and in individual audits of works projects. In addition, extra effort is needed to make available high quality, user-friendly relevant budget reports to the public of Uganda. Last year's report emphasized the importance of citizen participation in budgeting, yet the recommendation appeared to have elicited no response. Central government as well as local government should engage citizens in an open and energetic discussion about budget priorities. *Barazas* could be used to this end, but careful thought needs to be given as to how to make *barazas* a forum for two-way communication. Citizens need to be provided easy-to-understand information about the current budget (i.e. a pie chart showing the amount and percentage of the budget spent on each sector), and subsequently, citizens need an open forum to express their views on the budget. These sorts of discussions, which provide an opportunity for citizens to be informed about the budget and to express their views about priorities, need to be held throughout the country on a quarterly basis.

In addition, last years' report recommended that the Auditor General commence a regular process of announcing audits of public infrastructure projects to national and local communities, and hold community-level town meetings to discuss audit findings upon completion of infrastructure projects. Results of the audits should be announced in the papers in the relevant district, and this information should be posted at the District's notice board. We are pleased that the OAG has committed to embark on this effort by conducting 3-4 audits involving this type of citizen participation. However, due to the low levels of citizen participation in spending and accountability, we recommend that the OAG increase this commitment.

10.7 Strengthen Procurement Procedures at the National and Local Levels of Government

(a) Increase competitive bidding for high value contracts, and establish strong systems of accountability for other procurements. PPDA should make every effort to increase competitive bidding for high value contracts. For procurements which are not subject to open bidding – including restricted bidding, request for quotations, direct

procurement, and micro-procurements – PPDA should ensure that standard procedures are established and implemented to avoid corruption. Preventative practices might include the development of a proper justification for a selection, as well as auditing and monitoring.

(b) Develop and implement a plan to remedy the poor management, inefficiency and lack of accountability in local government procurement. The Office of the Auditor General conducted a VFM audit of local government procurement. The findings revealed extensive wastage, inefficiency and mismanagement. We recommend that PPDA review the VFM Audit on procurement in local government, and develop and implement a plan to address the following problems: a lack of required needs assessments, wastage of funds, lack of community participation and ownership, procuring outside of procurement plans, entering into contracts without confirmation of availability of funds, manipulation of the bidding process to limit bidders, lack of procurement documentation, weak transparency, and lack of compliance with Statement of Requirements, and use of direct procurement in non-exceptional circumstances.

10.8 Establish a Government-wide Effort to Tackle Absenteeism in Schools and Health Facilities

Develop a quiet corruption working group to develop a comprehensive strategy for eliminating “quiet corruption” in the health and education sectors. The Uganda National Panel Survey (2010) conducted by the Uganda Bureau of Statistics at community level reveals substantial problems with “quiet corruption” in both the education and health sectors in Uganda. Teacher absenteeism is a problem in one out of every five government primary schools. The largest problem with absenteeism appears to be in the northern region, which has a teacher absenteeism rate of 27.75%; while the central region has the lowest rate in the country at 15.44%. In health, the situation appears even worse. In government health centers, one out of every three health workers is absent.

Solving the problem of absenteeism requires the involvement of numerous parts of government including the Department of Ethics and Integrity, Ministry of Public Service, Ministry of Education, Ministry of Health, Public Service Commission, MoFPED, and NGOs and Development Partners who have made large financial commitments to the education and health sectors. We recommend that high level officials from these institutions form an active Working Group to develop a comprehensive and effective strategy for government to tackle this problem. Relevant NGOs and School Management Committees should provide input to the working group.

10.9 Elevate the Priority of Drug Stock-outs: Ministry of Health to develop a Plan to Remedy the Problem

Conduct a thorough study to assess the causes and develop recommendations to eliminate drug stock outs. The Uganda National Panel Survey (2010) involved the collection of data on drug/supplies stock outs at different health centres around the country. The results show that in the past 2 months 43.1% of government health centres had experienced stock outs in vital drug/supplies, compared to 26.3% for non-government health centres. The data indicates that drugs are not always available to citizens. In fact, at government health facilities, drugs are not available for every 1 out of 2.3 visits.

While the data reveals a clear problem, it does not shed light on the nature of the problem. We cannot know the extent to which drug stock outs reflect poor governance, corruption, or both. Consequently, we recommend that the Ministry of Health conduct an independent and professional assessment of

drug stocks in the country to determine the causes and extent of the problem, and to propose remedies for eliminating drug stock outs.

10.10 Address Corruption Occurring in Political Financing

Strengthen the law and organizations involved in political financing disclosure. While most areas of corruption in Uganda stem from weak implementation, the area of political financing is an exception, as it suffers from a weak legal framework and related implementation. Political financing in Uganda is marked by inadequate regulations, low levels of transparency and high incidence of corruption in the financing of political campaigns. Financing for political parties can be a major motive for corruption.⁶ Election financing corruption often takes three forms: ⁷ *Quid pro quo* donations, where parties or candidates receive campaign resources in return for favorable treatment, candidates' or parties' misuse of state and public administrative resources for electoral purposes, and bribery of voters and election officials.

In order to address these problems, we recommend that the law related to political financing disclosure be strengthened to eliminate loopholes and ensure that public resources are used for the public, not for the promotion of a political candidate or party. In addition, there is a need for self-regulation within the parties themselves. Political parties should establish codes of conduct which enhance transparency and accountability.

⁶ Political Party Financing: Problems, Solution and Action at <http://www.gsdr.org/docs/open/PO3.pdf>

⁷ Justice in Action Series: Monitoring Election Finance, A Handbook for NGOs. Open Society Justice Initiative, 2005

Annex I - First Annual Report on Tracking Corruption Trends in Uganda – November 2010

Summary of Recommendations and Action Points

The recommendations that were made in the last DTM Report of 2010 have been included in the Table below together with the agency that was supposed to implement it. In the last column of the Table, the results of the assessment on how far the recommendation has been implemented are shown, and remarks made.

Findings	Recommendation	Responsible Agencies	Remarks
<p>1. A Large Implementation Gap. Although Uganda has made great efforts at establishing systems to fight corruption. The implementation of corruption prevention and detection and of anti-corruption enforcement has been particularly weak. In a recent study of 114 countries, Uganda was found to have had the largest implementation gap, in which it was scored very highly (99%) on having a very good legal framework but was awarded 45% for having weak implementation record, giving an implementation gap of 54% (Global Integrity Report, 2009).</p>	<p><i>To tackle the challenge posed by poor anti-corruption legislation enforcement, the Government of Uganda should consider adoption and implementation of good enforcement practices similar to those of other countries which have made a serious commitment in this area: Bangladesh has adopted a 60-day timeline for handling corruption prosecution in Bangladesh; Ghana has established a “fast-track” court for corruption cases in Ghana; and use of speedy and effective prosecutorial methods, including the protection of whistleblowers in Singapore.</i></p>	<p>Judiciary, IG and the DPP</p>	<p>Response from the Judiciary:</p> <ul style="list-style-type: none"> The Anti - Corruption Court was established to fast track corruption cases that are brought to court. The specialized court is supposed to offer speedy trials of the corrupt officials. There is a 60 day timeline in which the corruption cases are supposed to be handled but there are a number of challenges in achieving this time line. The current legal system cannot stop the numerous applications that arise from the main suit. Sometimes the courts are not properly constituted and so the time line of 60 days for completion is not met. <p>Response of IG</p> <ul style="list-style-type: none"> The IG has intensified its activities by stepping up on the investigation and prosecution of corruption cases. <p>Challenges:</p> <ul style="list-style-type: none"> The Judiciary does not have enough Judges to handle prosecution work regarding corruption e.g. the Supreme Court is not fully constituted and the court cannot dispose of the corruption cases in time. The Constitutional Court also was not fully constituted for a long time hence the delays in handling cases in the courts. The Judicial Service Commission is not fully constituted hence the appointment of the judges and magistrates cannot be made.

Findings	Recommendation	Responsible Agencies	Remarks
			<p>Comments:</p> <ul style="list-style-type: none"> • More judicial officers should be assigned to the Anti Corruption Court. • The comments from government indicate that while the 60 day time limit is established, it is not being met. Serious consideration should be given to codifying the 60-day timeline (establish this requirement in law), although this would be no guarantee that it would be met. • The President is urged to appoint all members of the Judicial Service Commission.
<p>2. Weak Performance related to Enforcement of Political Financing Disclosure. Uganda has relatively weak Regulations governing Political Financing of Parties and Individual candidates, including (i) Regulatory effectiveness related to political governance, and (ii) Citizen access to information for financing of political parties and individual candidates campaigns.</p>	<p><i>Enforcement of Political Financing Disclosure</i> <i>The Government of Uganda should seek to reduce the scope for corruption by strengthening the enforcement of disclosure laws and regulations. Disclosure laws should be amended to include clear enforcement guidelines and penalties for non-compliance. Within three months, the Electoral Commission should take the steps necessary to enforce disclosure of financial records of individual candidates and political parties as stipulated by law, and such information should be made publicly available.</i></p>	<p>Electoral Commission and the Judiciary</p>	<p>Response from the Electoral Commission:</p> <ul style="list-style-type: none"> • The EC gets political party declarations of their assets and liabilities as well as contributions of members periodically • EC to critically require that all political parties are up to date with their declarations within a period of three months and follow up on those that have not reported and those whose information is incomplete. • Client charter is being put in place. <p>Challenges:</p> <ul style="list-style-type: none"> • No law is in place to enforce disclosure of financial records for individual candidates • There is no clear law on verification of declaration by the political parties <p>Comments:</p> <ul style="list-style-type: none"> • The law related to political financing disclosure needs to be strengthened.⁸ • There is a need for self-regulation within the parties themselves. Political parties should establish codes of

⁸ The Presidential Elections Act endorses the incumbent campaign's use of state resources, and thus steeply tilts the playing field. Further, presidential candidates can delay disclosure of accounts until thirty days after the elections, and delinquency does not invalidate an election per se. The law exempts parliamentary candidates from campaign finance disclosure. There are no limits to the amounts that can be contributed by individuals or companies to fund either presidential or parliamentary candidates. There is need to revisit the formula for determining State funding for political parties as the current system adversely favors the incumbent party.

Findings	Recommendation	Responsible Agencies	Remarks
			conduct which enhance transparency and accountability.
3. Substantial Improvement to ensure a Safe and Open Climate for Reporting on Corruption. There are two notable findings on the role of media in combating corruption. (i) A weak score government or media owners/distribution groups encourage self-censorship of corruption related stories, and (ii) The extent to which there is no prior government restraint (pre-publication censoring) on publishing corruption-related stories with a poor record on Imprisonment of journalists investigating corruption.	Create more open space for media to provide information on corruption and outcome of investigation	IG, DPP, PSC, Judiciary and the Media Council	Response from the IG and Judiciary: <ul style="list-style-type: none"> The law on whistle blowing was passed and the IG and the Courts will implement the law protect the whistleblowers. Response from the Media Centre: <ul style="list-style-type: none"> Media Centre has discussed with OPM to share information and disseminate it through radio stations Media Centre was to come up with a proposal for the OPM and an indicative budget by end of October 2011. Response from the Public Service Commission: <ul style="list-style-type: none"> There is a Client Charter in place which provides information to the public on what kind of service they should expect from the commission. Efforts have been made to encourage the public to report corruption through a direct line to the Secretary to the commission. Further, whistle blowers are protected from disclosing their identity. The timeline for handling corruption cases at the commission is three months.
4. Bribery Continues to be a Factor of Citizen Interactions with Government Officials: The Afrobarometer data chosen for DTM show that bribery cuts across service delivery sectors and functions equally, affecting one out four households in the country.	<i>Initiate business process reviews with the aim of reforming functional processes that are subject to bribery and corruption which impact citizens and enterprises. The Prime Minister's Office should monitor progress on the reviews and reforms.</i>	Prime Minister's Office, MoH, MoPS and MoES	Response from the Prime Minister's Office: <ul style="list-style-type: none"> The OPM plans to come up with a policy to improve co-ordination of government programs to avoid duplication and overlaps Put in place Annual government performance assessment and this will also act as the basis for funding. Monitoring and evaluation systems have been put in place to improve service delivery e.g. PRDP program Establish public "barazas" where the public is allowed to ask questions in a public rally concerning accountability, corruption, service delivery and transparency in Government programs

Findings	Recommendation	Responsible Agencies	Remarks
			Comments: <ul style="list-style-type: none"> The recommendation was to initiate business process reviews with the aim of reforming functional processes that are subject to bribery and corruption which impact citizens and enterprises. The Prime Minister's Office would monitor progress on the reviews and reforms. The targeted functional processes include starting a business, securing a construction permit, registering a property, making tax payments, enforcing contracts, securing a driver's license, obtaining an educational certificate, securing a land title, and connection and disconnection of utilities. The points raised by the Office of the Prime Minister failed to address this specific recommendation.
5. Auditing can be Improved, Particularly as it relates to areas Involving Citizens. These areas include: actions related to the auditing of actual outcomes, maintaining formal mechanisms of communication with the public, reporting to the public on actions taken to address audit recommendations, releasing public audits of extra-budgetary funds and public reporting related to tracking of executive actions to remedy audit recommendations.	<i>Institutionalize Citizen Participation, especially with Auditing – As has been proven in Indonesia, combining auditing with citizen participation can be an important means of strengthening anti-corruption efforts. The Auditor General should commence a regular process of announcing audits of public infrastructure projects to national and local communities, and hold community-level town meetings to discuss audit findings upon completion of infrastructure projects. Over the next year, the Auditor General should conduct 20 audits which include the citizen participation approach described above. Results of the audits should be announced in the papers in the relevant district, and this information should be posted at the District's notice board.</i>	Auditor General's Office	Response from the Auditor General's Office: <ul style="list-style-type: none"> The Office of the AG has incorporated citizen participation in the audits of this financial year The OAG will pilot three or four projects at the Local Community level by citizen participation in auditing Reports of audits are published in the website Comments: <ul style="list-style-type: none"> The Auditor General should be commended for responding to the recommendations. While the initial recommendation suggested 20 audits involving local citizens, we are pleased to see the OAG commence the effort and hope the trend is to increase this activity. Due to the value of these initiatives, they deserve more coverage in the press. The DTM Manager would appreciate getting more details on the incorporation of citizen participation and the piloting of a number of projects at the local community level. Secondly, the OAG should be prepared to evaluate the effectiveness of citizen participation in audits after conducting more of these activities.
6. Need for Improvement in Quality of	<i>Based on the evaluation results we recommend</i>	MoFPED	Response from MoFPED:

Findings	Recommendation	Responsible Agencies	Remarks
Budget Information Provided to Public, and More Citizen Consultation. There is substantial room for improvement for the government of Uganda to make available high quality, user-friendly relevant budget reports to the public of Uganda, and to consult its citizens in the budget process.	<i>as follows: (a) There is substantial room for improvement to make available high quality budget reports to the public and (b) The Uganda Government should do more by way of consulting its citizens in the budget process.</i>		<ul style="list-style-type: none"> Publicize all the funds released to MDAs in the media and notice boards at government offices Strengthen the public barazas Simplify the budget for the local communities Have citizen guides in place Include the public in the budget conferences Performance contract for the Accounting Officers to be enforced <p>Comments:</p> <ul style="list-style-type: none"> MoFPED should develop a plan for informing citizens about the national budget including % spent on each sector. Perhaps in concert with barazas, the information should be provided in a clear manner and citizens should be engaged to state their priorities for national spending.
7. Improvement of Parliamentary Scrutiny of External Audit Reports. The results from Public Expenditure and Financial Accountability (PEFA) covering 2005 to 2008 showed consistent poor performance in respect (i) Timeliness of examination of audit reports by the legislature (for reports received within the last year); and Issuance of recommended actions by the legislature and implementation by the executive.	<i>Currently, there is need for MoFPED to issue Treasury Memorandum to implement these findings of the OAG and Parliament. We recommend a target of no more than six months for the issuance of this memorandum.</i>	MoFPED	<p>Response from MoFPED:</p> <ul style="list-style-type: none"> The Treasury Memorandum was issued in February 2011 and has been laid before Parliament. <p>Comments:</p> <ul style="list-style-type: none"> We commend MoFPED for issuance of the Treasury Memorandum, and we propose that timely issuance of the Treasury Memorandum becomes a standard DTM indicator. While progress has been made in terms of clearing the PAC reports, a backlog still exists at the level of the full Parliament, with the exception of the report on CHOGM.
8. Lack of Available Data to Assess Anti-Corruption Efforts in Procurement. PPDA was asked to provide information related to the % of sampled contracts subject to open competition, and % of procurements with disclosed evaluation criteria actually applied. These two criteria are critical components of fighting corruption in procurement. Unfortunately, the data provided was not	<i>Bolster Competitive Procurement Efforts – PPDA should continue to ensure that procurement processes are transparent and competitive by publishing regular reports to the public at least annually on the status of contractual activity in the government using the PPMS system.</i>	PPDA,	<p>Response from PPDA:</p> <ul style="list-style-type: none"> PPDA has a tender portal on their website where information on percentage of contract awards by the Procuring and Disposing Entities that are posted as well as percentage of contracts of the procuring and disposing entities that are subject to open competition and percentage of contracts of Procuring and Disposing entities with complete procurement records. There is a newsletter that comes out monthly to

Findings	Recommendation	Responsible Agencies	Remarks
responsive to this request.			<p>show contracts and tenders that have been awarded</p> <p>Comments:</p> <ul style="list-style-type: none"> PPDA is to be commended for providing the DTM Manager with data using the new PPMS data system. This data is collected from 15 MDAs and provides a more current snapshot of procurement in the government.
<p>9. Budget Monitoring Data can be improved to assess Corruption in Roads and other Public Works Projects. Information on roads construction within the BMAU reports does not necessarily point to a specific practice of corruption; however, cost overruns and high per unit costs are flags for the possibilities of corruption and merit special attention.</p>	<p><i>Curb Corruption in Public Works – A first step for improving data in this area is for BMAU to start immediately to collect data associated with the following indicators for all of its infrastructure project evaluations (including roads, hospitals and other public works): (i) unit prices for construction components at entry (based on the amount at the contract signing) and exit (exit costs include variation of quantities and amendments of contract, etc); and (ii) project costs and the unit costs estimates included in detailed engineering studies (DES).</i></p>	<p>BMAU, UNRA, MoWT, MOFPED</p>	<p>Response from UNRA & MoWT:</p> <ul style="list-style-type: none"> Agreed that for every project carried out data concerning unit prices at entry and exit as well as factors which alter the total cost of the various projects be prepared and made available for transparency and accountability. <p>Response from MoFPED:</p> <ul style="list-style-type: none"> Undertake a study to determine a standard unit cost in infrastructure and propose that PPDA do it since they have already established the unit cost of small and common items used by MDAs. <p>Comments:</p> <ul style="list-style-type: none"> We welcome the readiness of UNRA and MoWT to provide unit costs associated with projects every project. In addition, the BMAU should also track unit costs for road, transport and works projects which they monitor or evaluate.⁹ BMAU and MoFPED have indicated that it is difficult to determine the extent of waste or corruption in a

⁹ The DTM Manager has established the following definition for unit costs. This definition is used for standardized production in the road construction industry (RCI). This is what the RCI uses to calculate for the submission bids or what the public administration uses to estimate preliminary costs.

The unit cost of road construction in dollars per kilometer is the sum of the subunit costs of the road construction activities. Road construction unit costs are estimated by dividing the machine rates by the production rates for the various activities involved in road construction. The road construction activities considered here are surveying, clearing and grubbing, excavation, surfacing, and drainage. However, actual costs are derived from bids submitted, because Companies do align the ratio of profits on the likelihood of having more or less competition. When defining actual unit costs, it becomes important to check:

(i) unit costs at entry based on the actual less evaluated bidder costs (total costs divided by the total road length);

(ii) unit costs at exit (same approach) but includes variation of quantities and amendments of contracts.

Findings	Recommendation	Responsible Agencies	Remarks
			<p>construction project because there is not a standard unit cost for construction in Uganda. PPDA is in the midst of developing standards for unit costs associated with procurements of specific goods and services. We recommend that PPDA make the highest priority of developing a standard unit cost for infrastructure construction. Due to the sensitivity of this matter, the development of this standard unit cost should be conducted in an independent, objective, transparent and professional manner. Once developed, the unit cost standard should be used by UNRA, MoWT, BMAU and other infrastructure agencies or monitoring agencies involved with infrastructure to measure efficiency and performance.</p> <ul style="list-style-type: none"> In addition, the CoST (Construction Sector Transparency) Initiative has objectives which resonate with this proposal.
<p>10. Need for More Data Assessing Corruption in Key Sectors such as Agriculture, Health, Education, and Transport. Numerous sector indicators reveal notable problems with corruption in education, health, the business environment, as well as with sub-county and local council institutions.</p> <ul style="list-style-type: none"> Education, Health, Sub-county and Local Council II Institutions Uganda Bureau of Statistics (NSDS 2008) results showed that 8.4 % of sub-counties had been involved in misuse of public funds and in 23.1% of those involved no action taken on the culprits; and (ii) Enforcement actions related to misuse of funds in these public institutions and facilities; the health sector showed the highest percentage of 	Consistent and Coherent data collection on key service delivery sectors by panel survey.	UBOS, MoFPED, MoH, MoES	<p>Response from UBOS:</p> <ul style="list-style-type: none"> UBOS undertakes a panel survey annually and collects consistent and coherent data on key service delivery sectors e.g. Education and Health. It also has data on quiet corruption i.e. absenteeism in the education and health sectors and other sectors that may be identified for the DTM. UBOS has been instrumental in building institutional capacity on request to other government departments' e.g. Police and UHRC. <p>Response from MoFPED:</p> <ul style="list-style-type: none"> MoFPED suggested quarterly meetings with the Technical Support Committee in order to improve collaboration on improving sectoral data related to anti-corruption. <p>Comments:</p>

Findings	Recommendation	Responsible Agencies	Remarks
<p>institutions that were involved in misuse but where no action was taken.</p> <ul style="list-style-type: none"> Health – Sale of Drugs Uganda Bureau of Statistics (NSDS 2008) showed that 15.5% of patients at government health facilities paid for drugs. This information serves as a useful baseline for tracking corruption in the health sector. 			<ul style="list-style-type: none"> UBOS should be commended for including quiet corruption and drug stock-outs in its panel surveys. The DTM Manager requests an annual review with UBOS to refine or augment the indicators related to absenteeism, drug stock-outs, or other sectoral problems to corruption. We recommend that the Ministry of Health and relevant stakeholders elevate the priority of eliminating drug stock-outs.
<p>11. Public Data related to Reporting and Enforcement of Administrative Corruption is Weak and Fragmented. The success of the anti-corruption campaign will depend on the number of corruption cases comprehended and on which action is taken. However, NIS data does not give actual numbers on reported cases, suspensions, dismissals or convictions.</p>	<p>Government should designate an appropriate entity to manage the collection of this information across government institutions, so that DTM can track actual cases.</p>	<p>IG, Judiciary, JSC, PSC, Police</p>	<p>Response from Public Service Commission:</p> <ul style="list-style-type: none"> The commission provides information on their website to show Government's effort to fight corruption. The commission has annual reports which contain information on some of the corruption cases handled. The report gives statistics of all the corruption cases handled in the reporting period. The commission is working towards coming up with a standardized tool for collecting data and how it should be maintained. <p>Response from Judicial Service Commission:</p> <ul style="list-style-type: none"> The JSC proposes that the IG to be the designate entity to manage the collection of data across government institutions for the DTM <p>Comments:</p> <ul style="list-style-type: none"> The DTM Manager, in collaboration with IG, has established a Technical Support Committee to collect specific anti-corruption data on a regular basis from all Anti-Corruption entities. This has been an important step forward for addressing the problem of fragmentation and inconsistency of anti-corruption data. The Technical Support Committee is urged to liaise with the different Anti-Corruption Agencies to provide them with a standard and uniform method for collecting anti-corruption related

Findings	Recommendation	Responsible Agencies	Remarks
			data (which would include data related to duration of the case, type of corruption, and the result of the case).
<p>12. Strengthen Efforts to Collect and Make Available Corruption Data. In 2008 and 2009 Uganda Police Force Annual Crime Reports showed data on (i) Number of corruption cases that were reported to the police; results showed these doubled from 46 cases in 2008 to 95 in 2009; (ii) The percentage of corruption cases reported to police and taken to court - 87% of the reported cases in 2008 were taken to court, but the percentage in 2009 dropped substantially to 38%. More information would be needed – for example to explain the decrease in reported cases that were taken to court; whether it was due to a lower commitment to enforcement or lack of capacity to handle increased workload; or whether it was because of a shift in the type of corruption cases, or another factor.</p>	<p><i>Several governmental entities generate information which is useful to the DTM. These entities include the IG, the Auditor General, BMAU (MOFPED), the Police (including the Criminal Investigations Division), DPP, Anti-Corruption Division in the High Court, DEI, Public Service Commission, Local Government Commission, Inspectorate of Courts, and UBOS. The data helps citizens understand the nature of governmental efforts to combat corruption, and the areas where corruption is greatest. These entities should be more proactive to collect consistent and frequent data related to corruption, and they should make available their reports or surveys on the Internet for a ten-year period. A specific example of how government can be more pro-active in this area would be for UBOS to collect data on stock-outs in health facilities, a problem which appears to have a linkage to corruption (in addition to other factors) in the health sector.</i></p>	<p>Auditor General's Office, BMAU (MoFPED), the Police (including Criminal Investigations Division), DPP, Anti Corruption Division of the High Court, DEI, Public Service Commission, Inspectorate of Courts and UBOS.</p>	<p>Response from Auditor General's Office:</p> <ul style="list-style-type: none"> OAG reports are available on the website however the website will be modified to have a section that addresses corruption related issues specifically. The OAG will consider having a quarterly publication that is made available to the public. <p>Response from UBOS:</p> <ul style="list-style-type: none"> Will avail the necessary data required on request Propose that the NSDS should not be carried out at the same year with the NIS by IG so that both surveys can provide available data on corruption over a period that is not overlapping. <p>Response from DPP:</p> <ul style="list-style-type: none"> The DPP proposes prioritization of data collection and sharing of data by the Anticorruption agencies <p>Comments:</p> <ul style="list-style-type: none"> The initial data gathered from the Police indicated that only 3% of the corruption cases were forwarded for prosecution. On further inquiry, it was reported that the Police have a data management problem. The Police stated that they are working closely with UBOS and Faculty of ICT of Makerere University in the crucial area of crime data management. We would like to urge all Anti-Corruption entities to put more effort into establishing robust data management systems, and to utilize the uniform standard method for collecting anti-corruption related data.
<p>13. Information related to Outcomes and Duration of Anti-Corruption Cases is Poor,</p>	<p><i>Ensure all Anti-Corruption Entities Provide Useful Information on Public Sector Corruption –</i></p>	<p>DEI, IG, Judiciary & DPP</p>	<p>Response from Directorate of Ethics and Integrity:</p> <ul style="list-style-type: none"> A data sharing tool is in place which enables all

Findings	Recommendation	Responsible Agencies	Remarks
<p>partially due to Weak Coordination amongst Anti-Corruption Entities. The DTM has established that there are a number of government agencies involved in the collection of corruption-related data. However, their efforts are not well coordinated, limiting our ability to understand the effectiveness of government anti-corruption efforts, particularly related to public sector corruption.</p>	<p><i>The government should support efforts to ensure that all anti-corruption entities in the government are generating regular and comprehensive reports to the public related to outcomes and performance associated with public sector anti-corruption activities. Activities (or cases) involving public sector officials or resources should be distinguished from strictly private sector corruption activities. The reports should be based upon consistent and frequent data collection. If the entity is involved with anti-corruption cases (such as the IG, CID, DPP, and the Anti-Corruption Division of the High Court), its reports should emphasize data which reveals the outcome of cases and the average length of time associated with resolution of a corruption case. If the entity is involved in broader efforts to combat corruption (such as DEI, PSC, JSC and the Inspectorate of Courts), data should focus on anti-corruption outcomes. If not already being conducted, annual reports should be developed and posted on the Internet for public dissemination. Reports should remain available on-line for a ten year period, in order to track progress over time. The IG and DEI should conduct specialized broadcasts to disseminate report highlights to rural areas.</i></p>		<p>members of the Inter Agency Forum (IAF) to share information especially on high profile cases. This ensures that data on corruption is available to all institutions concerned.</p> <ul style="list-style-type: none"> The IAF also holds quarterly meetings of all IAF agencies and the heads of these institutions make reports to the forum. These kinds of meetings enable them to share information and strengthen the agencies. <p>Comment:</p> <ul style="list-style-type: none"> The standard data collection method developed by the Technical Support Committee includes the following data elements which are to be collected from all Anti-Corruption entities: date the case is registered for the first time, date the case is closed, length of time of case (in months), and result of case (using a classification system involving 8 categories, based upon the new Anti-Corruption law passed in 2009).

Annex II – Data Collected from Anti-Corruption Entities Related to Prosecution of Corruption Cases

Data Tracking Mechanism

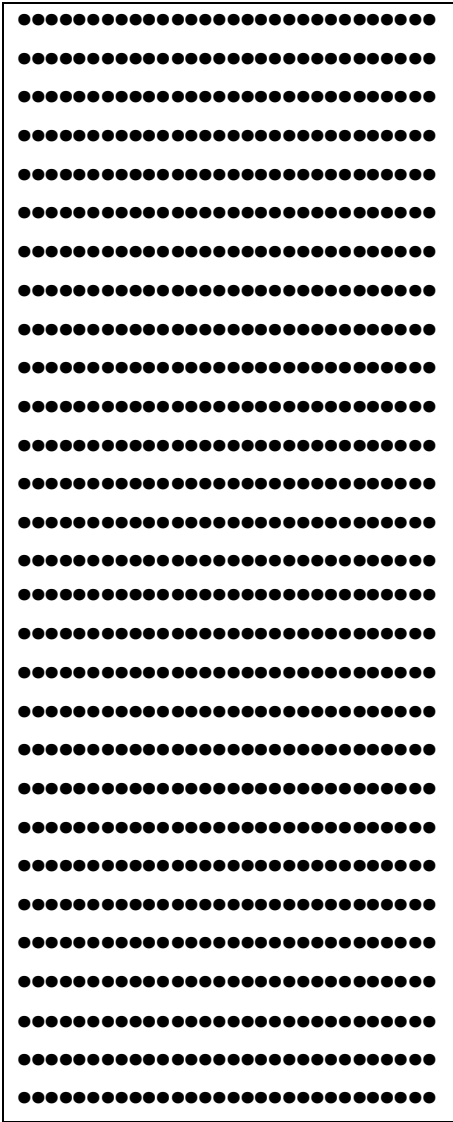
Tool for Data Collection

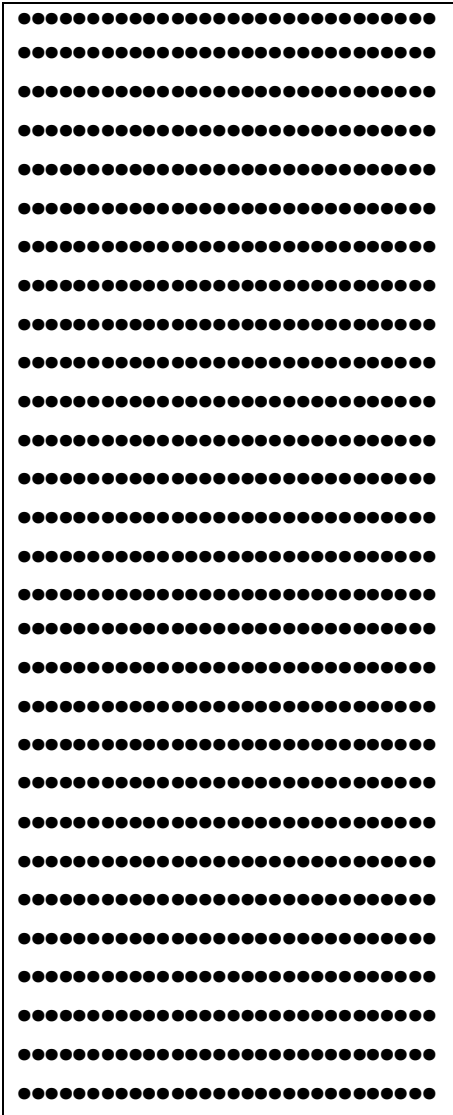
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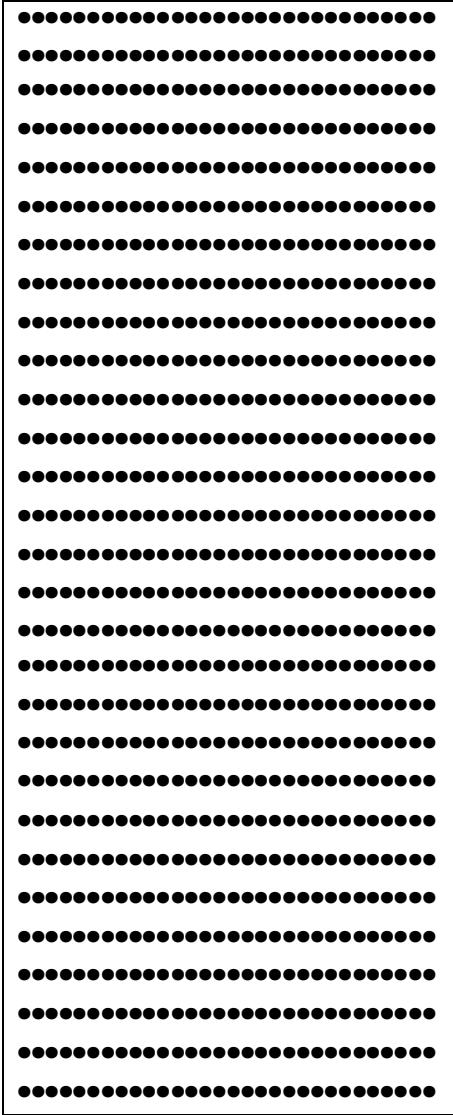
elsewhere?•Result of the
 case³•Date of closure or state “on-
 going”•Length of time of case
 (months)⁴••••••••••••••••••••
 Date Registered 1st time•If case
 was transferred: from
 where¹?•Public or Private
 case•Organization to which culprit
 was attached•Type of corruption
²•Age of culprit when case was
 first reported•Sex•Profession•Was
 case transferred (to)
 elsewhere?•Result of the
 case³•Date of closure or state “on-
 going”•Length of time of case
 (months)⁴••••••••••~••••••••••
 If case was transferred: from
 where¹?•Public or Private
 case•Organization to which culprit
 was attached•Type of corruption
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was attached • Type of corruption² • Age of culprit when case was first reported • Sex • Profession • Was case transferred (to) elsewhere? • Result of the case³ • Date of closure or state "on-going" • Length of time of case (months)⁴ • Organization to which culprit was attached • Type of corruption² • Age of culprit when case was first reported • Sex • Profession • Was case transferred (to) elsewhere? • Result of the case³ • Date of closure or state "on-going" • Length of time of case (months)⁴ • Type of corruption² • Age of culprit when case was first reported • Sex • Profession • Was case transferred (to) elsewhere? • Result of the case³ • Date of closure or state "on-going" • Length of time of case (months)⁴ • Age of culprit when case was first reported • Sex • Profession • Was case transferred (to) elsewhere? • Result of the

case³•Date of closure or state “on-going”•Length of time of case (months)⁴•
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² Type of Corruption Offence: 1=Abuse of Office; 2= Bribery; 3=Forgery and uttering false documents; 4= Embezzlement; 5=Influence Peddling; 6=Causing Financial Loss; 7= Other (Specify), 8=False accounting.

³ Result of the case: 1=Conviction; 2=Case was withdrawn; 3=Case was dismissed; 4=Acquitted; 5=Acquitted but appealed; 6= Awaiting judgment; 7= Dismissed but re-instated 8=On-going, 9=Abated.

⁴ If the case is on-going state the number of months (since first registered) but add a plus sign e.g. 60+

Annex III – Data Collected from Anti-Corruption Entities Related to Administrative Cases

Data Tracking Mechanism

Tool for Data Collection

Case File Number●Name of culprit●Date Registered 1st

time•If case was transferred: from where¹ •Public or Private case•Organization to which culprit was attached•Type of corruption²•Age of culprit when case was first reported•Sex•Profession•Was case transferred (to) elsewhere?•Result of the case³•Date of closure or state “on-going”•Length of time of case (months)⁴•• • • • • • • • • Name of culprit•Date Registered 1st time•If case was transferred: from where¹ •Public or Private case•Organization to which culprit was attached•Type of corruption²•Age of culprit when case was first reported•Sex•Profession•Was case transferred (to) elsewhere?•Result of the case³•Date of closure or state “on-going”•Length of time of case (months)⁴•• • • • • • • • • Date Registered 1st time•If case was transferred: from where¹ •Public or Private case•Organization to which culprit was attached•Type of corruption²•Age of culprit when case was

first reported¹•Sex•Profession•Was
 case transferred (to)
 elsewhere?²•Result of the
 case³•Date of closure or state “on-
 going”•Length of time of case
 (months)⁴••••••••••
 If case was transferred: from
 where¹•Public or Private
 case•Organization to which culprit
 was attached•Type of corruption
²•Age of culprit when case was
 first reported¹•Sex•Profession•Was
 case transferred (to)
 elsewhere?²•Result of the
 case³•Date of closure or state “on-
 going”•Length of time of case
 (months)⁴••••••••••
 Public or Private
 case•Organization to which culprit
 was attached•Type of corruption
²•Age of culprit when case was
 first reported¹•Sex•Profession•Was
 case transferred (to)
 elsewhere?²•Result of the
 case³•Date of closure or state “on-
 going”•Length of time of case
 (months)⁴••••••••••
 Organization to which culprit was
 attached•Type of corruption²•Age

of culprit when case was first
 reported•Sex•Profession•Was
 case transferred (to)
 elsewhere?•Result of the
 case³•Date of closure or state “on-
 going”•Length of time of case
 (months)⁴•• • • • • • • • • • •
 Type of corruption²•Age of culprit
 when case was first
 reported•Sex•Profession•Was
 case transferred (to)
 elsewhere?•Result of the
 case³•Date of closure or state “on-
 going”•Length of time of case
 (months)⁴•• • • • • • • • • • •
 Age of culprit when case was first
 reported•Sex•Profession•Was
 case transferred (to)
 elsewhere?•Result of the
 case³•Date of closure or state “on-
 going”•Length of time of case
 (months)⁴•• • • • • • • • • • •
 Sex•Profession•Was case
 transferred (to) elsewhere?•Result
 of the case³•Date of closure or
 state “on-going”•Length of time of
 case
 (months)⁴•• • • • • • • • • • •
 Profession•Was case transferred

(to) elsewhere?[•]Result of the case³[•]Date of closure or state “on-going”[•]Length of time of case (months)⁴^{•• • • • • • • • •}

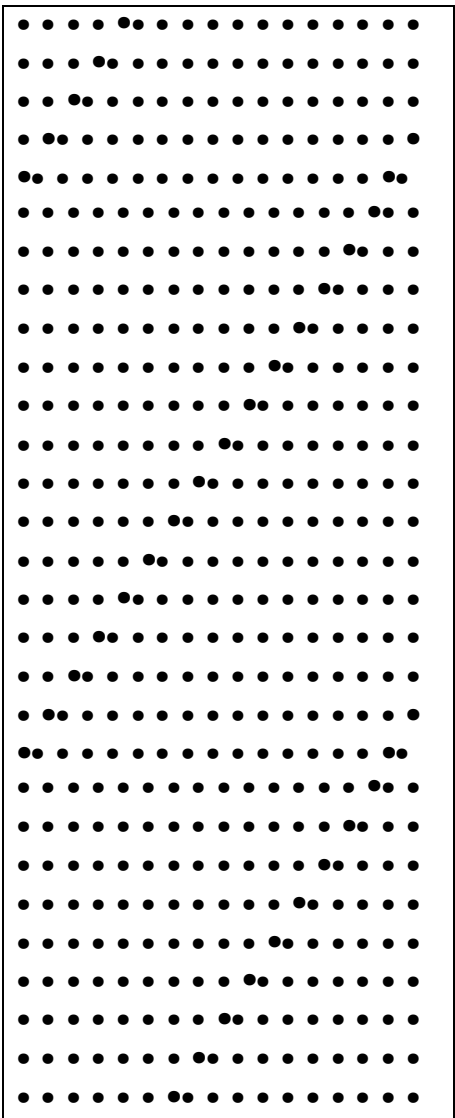
Was case transferred (to) elsewhere? • Result of the case³ • Date of closure or state “on-going” • Length of time of case (months)⁴

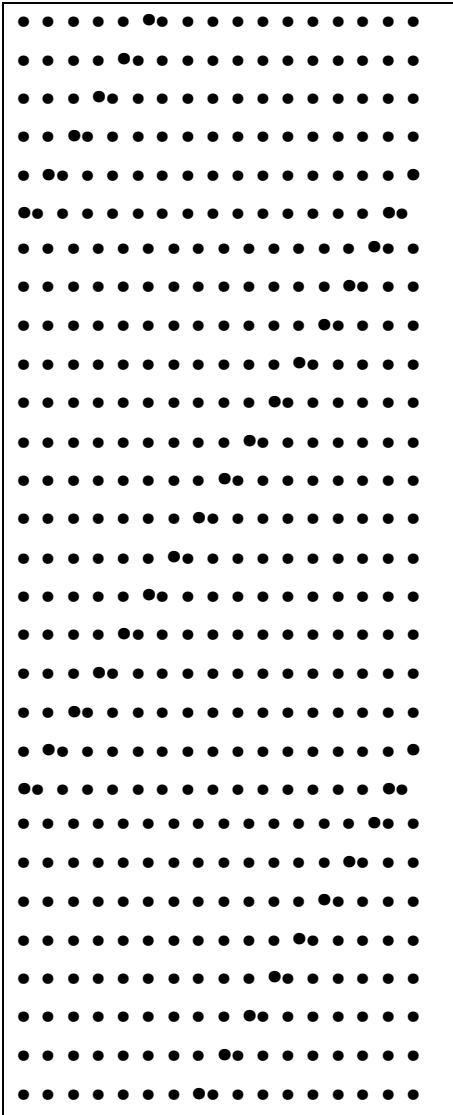
Result of the case³
or state “on-going”
of case
(months)⁴

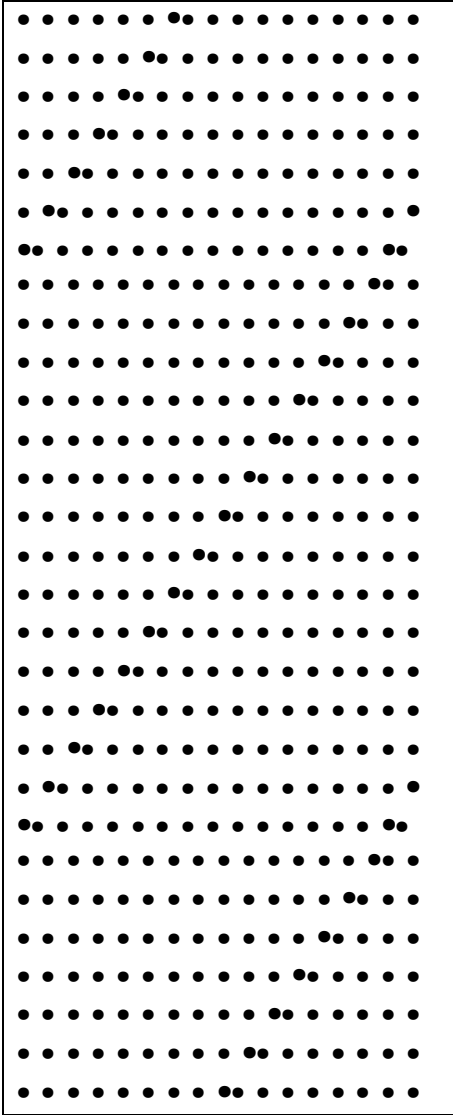
Date of closure or state "on-going"
• Length of time of case
(months)⁴

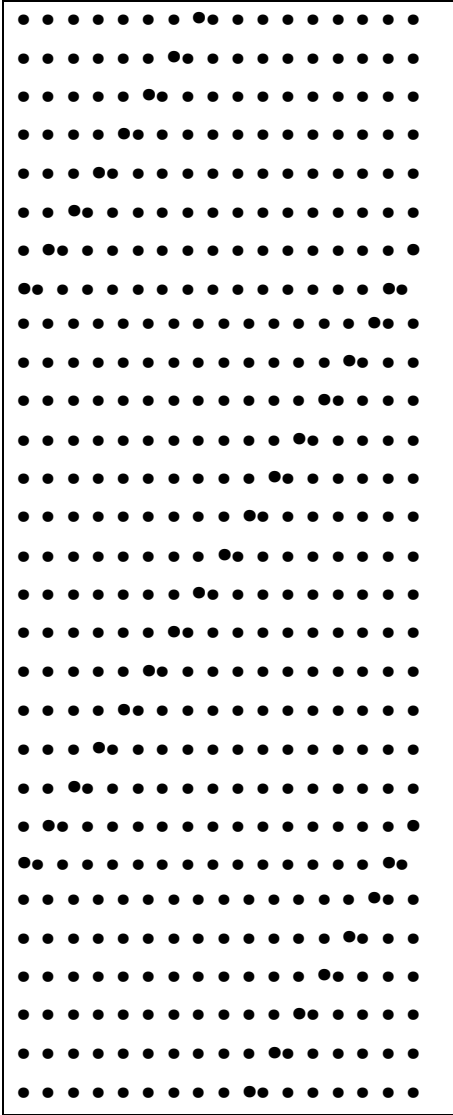
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Length of time of case
(months)⁴ ● ● ● ● ● ● ● ● ● ●









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¹ If the case was transferred from elsewhere, state CID or DPP, etc. whichever the case may be.

² Type of corruption: 1=Abuse of office; 2= Bribery; 3=Forgery and uttering false documents; 4= Embezzlement; 5=Conflict of interest; 6=Influence Peddling; 7=Causing financial loss; 8= Other (Specify).

³ Result of the case: Please state the sanction imposed. 1= Dismissal; 2=Warning, reprimand and caution; 3= Refund; 4= Submit for Prosecution; 5= Referred; 6= closed (no offence found); 7= others (specify).

⁴ If the case is on-going state the number of months (since first registered) but add a plus sign e.g. 60+

Annex IV — Data on Domestic Arrears, Outstanding Advances, and Excess Expenditures

DOMESTIC ARREARS FOR THE YEARS 2005/6, 2006/7, 2007/8, 2008/9 and 2009/10

MDAs	2005/06	2006/07	2007/08	2008/09	2009/10
	Amount (Shs)	Amount (Shs)	Amount (Shs)	Amount (Shs)	Amount (Shs)
Min of Finance	55,556,680,911	23,945,104,070	25,636,669,577		
Accountant General Office					1,520,884,631
Min of Defence	33,134,719,227	43,978,799,833	49,426,794,754	12,989,743,476	16,946,702,224
Min of Foreign Affairs	30,420,566,352	24,859,666,378	30,521,355,645	3,059,754	12,512,571,627
Min of East African Affairs			29,501,703	2,731,081	5,763,254
Min of Justice	20,766,605,675	3,512,717,895	55,246,821,739	112,221,219	96,961,386,074
State House	16,781,091,412	4,488,339,468	5,214,343,142	98,737,133,346	67,983,340
Min of Works, Housing	14,845,682,057	7,138,979,930	47,449,373,097	14,473,079,554	291,741,212
Min of Lands, Housing & Urban Devt	12,962,323,590	9,071,183,529	24,367,151,960	542,491,000	265,047,400
Electoral Commission	12,695,679,770	5,729,311,229	1,122,167,137		360,694,431
Min of Water & Environment	-	11,396,099,000	15,763,616,148	748,173	
ICT	-	197,795,376		53,128,000	99,853,344
Min of Agriculture	10,971,662,717	9,466,469,142	16,447,967,015		
Uganda Police	9,455,293,769	4,942,826,959	33,924,088,499	13,363,622,189	2,552,973,826
Min of Tourism, Trade & Industry	8,396,924,111	7,902,942,430	8,112,620,332	6,230,783,682	1,562,273,465
Min of Gender	5,566,200,759	4,968,807,747	7,138,620,024	906,895,017	1,046,174,939
Min of Energy	5,400,354,306	4,867,560,174	4,865,471,136		124,491,160
Office of Auditor General		36,567,512	36,567,512		
Mass Mobilisation	5,152,234,843				
Uganda Prison	4,132,892,981	5,413,996,398	6,492,978,997	2,739,552,297	2,952,270,660
NARO	3,947,276,882	2,284,567,687	1,883,000	1,152,431,336	1,295,328,914
Min of Health	3,478,485,499	2,959,836,104	4,403,709,751	427,217,042	39,284,591
Min of Education	3,357,670,934	4,349,495,936	2,568,280,526	517,497,727	151,555,877
Office of the President	3,286,820,387	5,795,796,452	6,320,766,052	2,459,575,913	109,199,877
Min of Local Government		2,140,104		1,489,754	184,041,626
Judiciary	3,259,463,925	5,686,766,752	7,611,626,914	1,222,310,799	

Directorate of Public Prosecution	2,454,674,162	231,232,095	127,566,110		
PPDA	1,878,685,409	-	584,531,085		25,194,118
Office of Prime Minister	817,923,236	901,533,958	6,497,274,926	363,405,596	
Min of Public Service	618,875,877	346,666,533	376,440,689	80,833,340	12,467,499
UHRC	505,210,987	1,934,592,630	1,235,112,558	48,973,573	
Inspectorate of Govt	187,712,770	1,544,004,360	617,111,000	732,032,013	
National Planning Authority	116,608,143				
NEMA		209,246,217		371,327,339	222,472,605
Uganda Tourism Board					160,264,635
Uganda Cancer Institute					127,388,600
Uganda Land Commission		648,865,014	1,665,785,317	534,798,819	
Uganda Aids Commission					142,834,796
PSC			149,556,701		290,238,460
ESC	57,559,186				
ESO		1,198,000,000	2,080,980,000	900,980,000	
LGFC		936,816	726,420	416,000	
JSC	39,112,420	25,598,319	22,807,769	97,283,550	
HSC	38,759,773	19,317,377		49,613,848	520,800
Ethics & Integrity				63,560,106	
Min of Internal Affairs	26,343,499	1,929,658,675	2,949,028,547		10,527,762,421
Uganda Aids Comm	-	115,113,962	110,388,747		
Parliamentary Commission	18,626,731				
Law Reform Commission	2,971,970				
UNRA				5,802,398,992	22,157,190,445
Mulago Hospital	1,687,789,880	2,969,363,421	3,716,547,881	6,180,660,527	1,114,496,685
Butabika Hospital	1,409,599,443	3,000	3,000		
Jinja Hospital	452,532,304	249,997,135	61,781,563	107,217,753	191,900,052
Mbale Hospital	321,531,834	230,000,433	383,213,890	138,828,313	361,981,413
Soroti Hospital	144,054,826	616,155,410	771,707,300	123,522,104	167,201,486
Gulu Hospital	83,906,060	32,572,760	90,956,181	197,254,629	436,408,476
Masaka Hospital	56,028,045	36,185,455	287,519,609	366,399,897	138,680,215
Fort Portal Hospital	41,207,700	79,902,087	60,902,087	370,633,503	21,992,859
Lira Hospital	32,798,001	75,398,594	45,855,096		45,159,027
Hoima Hospital	-	17,626,208	56,946,294	91,280,908	75,628,676

Kabale Hospital	25,666,990	31,924,727	89,097,807		19,167,223
Mbarara Hospital	20,665,112	119,580,780	307,570,056	161,255,136	201,948,985
Arua Hospital	15,925,365	21,743,597	39,490,695		23,078,400
Moroto Hospital					13,980,178
Uganda Embassy in Italy	1,505,186,526	1,249,515,265	1,412,610,685	322,537,097	56,183,468
Uganda Mission in New York	1,244,340,623	1,267,084,856	799,730,292		19,989,837
Uganda Embassy in Washington			56,750,502		
Uganda Embassy in Ethiopia	219,912,412	13,644,161	2,419,050	84,858,954	26,000,043
Uganda High Comm in Tanzania	209,270,661	210,318,967	5,316,566	41,119,740	7,189,764
Uganda Embassy in China	187,104,772	136,281,089	136,281,089		90,030,583
Uganda Embassy in Kenya	182,022,765	210,935,207	232,870,462	2,890,982	
Uganda Embassy in Rwanda	163,414,192	42,075,618	46,062,587	12,720,000	
Uganda High Comm in Canada	126,460,542	126,460,542	113,285,837		25,990,268
Uganda High Comm in India	97,227,939	10,438,019	43,382,719		55,571,725
Uganda High Comm in Egypt			48,000,000		
Uganda Embassy in Riyadh	95,860,027	55,123,070			
Uganda Embassy in Belgium	87,637,270	399,904,917	83,336,275		
Uganda Embassy in Berlin	82,253,060	61,722,019			
Uganda Embassy in the US	70,553,818	122,597,214			
Uganda High Comm in Nigeria	65,650,381	56,191,885	53,312,854		21,160,461
Uganda Embassy in Libya	50,670,357		13,583,483		
Uganda Embassy in Khartoum	28,771,290				
Uganda Embassy in Paris	11,950,728				27,404,151
Uganda Embassy in Geneva	838,827				
Uganda Embassy in Japan			24,430,375	6,327,482	
Uganda Embassy in Moscow			25,443,750	91,284,205	
Uganda Embassy in Juba			13,793,060		
Uganda High Comm in South Africa					105,544,918
Uganda Embassy in Denmark					468,735
Uganda Embassy in Abu Dhabi					324,973,865
Uganda Embassy in Burundi					163,645,968
Makerere University	10,140,704,494	26,530,920,895	35,196,243,555	36,623,444,478	
Kyambogo University	1,697,045,966	2,666,271,188	4,723,984,865	13,464,724,169	
MUBS	1,346,636,868	910,622,283	787,916,501	1,846,873,099	

Uganda Management Institute	846,927,096	874,347,942	1,135,474,839	1,135,474,839	
Gulu University	625,679,149	888,278,281	2,420,389,473	1,873,462,619	
Mbarara University	10,385,006	312,496,972	622,127,920	420,000,000	
GRAND TOTAL****	293,719,904,599	242,726,220,058	423,028,022,727	228,644,104,969	176,452,334,312
Percentage increase/(decrease)		-17.36%	74.28%	-45.95%	-22.90%
Total no. of MDAs audited	85	88	90	93	100
MDAs with Domestic arrears	69	63	71	53	56
Percentage	81.18%	71.59%	78.89%	56.99%	56%
**** excluding pension arrears					

OUTSTANDING ADVANCES FOR THE YEARS 2005/6, 2006/7, 2007/8 ,2008/9 AND 2009/10

MDAs	2005/06	2006/07	2007/08	2008/09	2009/10
	Amount (Shs)	Amount (Shs)	Amount (Shs)	Amount (Shs)	Amount (Shs)
Min of Finance		2,175,583,993	5,828,635,530		3,890,716,488
Min of Defence	671,454,764	1,287,140,000	842,395,935		
Min of Foreign Affairs	1,474,528,041		1,453,358,900	83,910,100	
Min of East African Affairs				85,960,000	
Min of Justice			486,647,298		
State House	1,320,568,400	8,886,400			
Min of Works, Housing			455,415,000	445,000,000	
Min of Lands, Water & Environment	131,922,000		19,306,000		
Ethics & Integrity					42,054,700
Min of Water & Environment		13,734,000	782,292,207	509,990,977	124,321,260
ICT					
Min of Agriculture	231,352,333	366,308,000	8,185,165	322,941,310	24,486,000
Police				143,150,000	
Min of Tourism, Trade & Industry		10,887,750	98,582,740		
Min of Gender	388,915,833	23,698,000	162,490,000	65,150,237	1,239,250,000
Uganda Prison				50,000,000	
NARO		31,540,200	64,978,914		
Min of Health	1,005,989,537	774,027,753	1,659,051,200	427,714,818	555,765,894
Min of Education		372,512,324	774,674,611	524,304,000	5,118,564,210
Office of the President	30,845,000		88,220,460		
Min of Local Government		43,158,940		11,553,000	
Judiciary		10,608,412		222,850,000	
Directorate of Public Prosecution				41,681,000	
Office of Prime Minister		235,384,775	49,762,682,821	3,666,518,965	577,702,366
Min of Public Service				60,914,470	236,193,970
UIRI		2,720,000	248,875,690		
Uganda Human Rights Commission		8,000,000			
Uganda Land Commission			7,450,000		
Judicial Service Commission			1,393,000,000		
Parliamentary Commission		3,190,000,000	3,190,000,000	511,492,500	1,481,903,043
Education Service Commission					44,740,000
Electoral Commission	2,392,988,200	329,815,000	534,392,510		2,106,382,683

Mulago Hospital		456,668,007			
Jinja Hospital	57,821,750				
Mbale Hospital					82,325,945
Arua Hospital					15,854,543
Soroti Hospital					8,656,700
Moroto Hospital					7,551,000
Uganda High Comm in London		3,469,000			
Uganda Embassy in Japan		106,535,700			
Uganda Embassy in Addis Ababa		15,307,011			
Makerere University	197,845,509	786,741,083	6,656,946,569	3,038,468,966	5,707,391,033
Kyambogo University	759,129,040	429,563,516	499,887,857	1,360,110,214	253,233,615
Uganda Management Institute	14,673,800				
Gulu University			95,395,300		1,239,250,000
Mbarara University		39,654,440	53,999,780	37,523,091	
Busitema University					60,270,866
GRAND TOTAL	8,678,034,207	10,721,944,304	75,166,864,487	11,609,233,648	22,816,614,316
Percentage increase/(decrease)		24%	601%	-85%	96%
Total no. of MDAs audited	85	88	90	93	100
MDAs with Advances	13	24	24	19	20
Percentage	15.30%	27.27%	27.70%	20.40%	20%

ANALYSIS OF EXCESS EXPENDITURE FOR THE YEARS 2005/6, 2006/7, 2007/8, 2008/9, AND 2009/10

MDAs	2005/06	2006/07	2007/08	2008/09	2009/10
	Amount (Shs)	Amount (Shs)	Amount (Shs)	Amount (Shs)	Amount (Shs)
State House	647,321,049		2,121,055,112	98,758,590,051	
ICT	-	280,533,124			
Min of Agriculture	-				
Police			28,426,712,211	11,048,578,878	3,034,365,555
Uganda Prison		4,264,785,739	3,250,499,046	3,292,326,242	3,426,397,364
NARO		5,680,266,220			5,207,664,188
UHRC				50,690,699	112,538,176
National Planning Authority		241,368,177			
Uganda Land Commission			892,511,712		
Uganda Aids Comm	6,129,279,062	575,367,865			
Uganda Burreau of Statistics		6,579,715,739			3,694,987,508
Uganda Cancer Institute					316,894,620
Uganda Heart Institute					692,713,921
Mulago Hospital				1,053,156,972	
Arua Hospital					26,699,924
Jinja Hospital				288,359,580	26,183,759
Moroto Hospital					15,098,454
Mbale Hospital				38,872,285	43,770,831
Soroti Hospital					244,390,518
Lira Hospital				197,601,227	42,048,597
Hoima Hospital					717,543,513
Masaka Hospital					233,381,247
Kabale Hospital					20,721,195
Mbarara Hospital	23,519,598			178,100,306	
Uganda Embassy in Italy	705,585,457	159,023,524	53,734,007		33,933,338
Uganda Mission in New York	2,275,109,250	1,918,845,170	2,997,362,65	3,680,152,509	3,506,659,614
Uganda Embassy in Washington	692,139,346	120,862,401	212,702,753	819,385,635	594,562,584
Uganda Embassy in Berlin	59,403,435				216,659,141
Uganda Embassy in Kenya	321,880,305	391,867,639	55,233,922	195,772,021	8,351,268
Uganda High Comm in Canada		27,364,153			87,312,908
Uganda Embassy in Riyadh	170,133,113	14,214,965			
Uganda Embassy in Belgium	175,332,956	159,412,151		90,599,063	

Uganda Embassy in Kigali	50,471,492		39,725,648		102,146,380
Uganda High Comm in Dar es Salaam	64,626,729			123,842,710	53,410,639
Uganda Embassy in Khartoum	261,654,479	5,145,040		188,955,091	
Uganda Embassy in Paris	297,361,787	122,302,553	338,533,377	227,979,733	
Uganda Embassy in Geneva	6,917,922		59,795,523		
Uganda Embassy in Japan/Tokyo	185,134,116	8,819,752	108,453,107		239,952,618
Uganda Embassy in Moscow	4,156,688	107,706,879		261,749,835	
Uganda Embassy in Juba	42,091,279		39,296,664		25,198,640
Uganda Embassy in Pretoria	298,743,094				42,976,179
Uganda Embassy in Canberra	60,370,395	76,872,813	115,439,219		121,684,704
Uganda Embassy in Cairo	336,361,745		83,803,148	204,111,441	39,175,207
Uganda Embassy in Kinshasa	67,583,904			247,078,130	19,368,190
Uganda Embassy in Tehran	121,969,263			248,985,820	
Uganda Embassy in Tripoli	90,963,410		50,232,766	125,150,613	
Uganda Embassy in Copenhagen	118,708,054	51,353,841		328,340,875	
Uganda Embassy in Addis Ababa	314,045,334			205,950,763	
Uganda Embassy in Beijing	97,443,684	148,334,145		70,564,956	
Uganda Embassy in New Delhi	259,952,195		60,889,572		
Uganda Embassy in Ottawa			16,187,023		
Uganda Embassy in London	268,386,258				
Uganda Embassy in Nigeria/ Abuja	59,164,508				
Uganda Embassy in Abu Dhabi					238,859,976
Mbarara University					125,145,181
Makerere University				8,494,361,500	
GRAND TOTAL	14,205,809,907	20,934,161,890	35,924,804,810	130,419,256,935	23,310,795,937
Percentage increase/(decrease)		47%	72%	263%	-82%
Total no. of MDAs audited	85	88	90	93	100
MDAs with Excess expenditure	69	20	17	25	32
Percentage	81.18%	22.73%	18.89%	26.88%	32%

Annex V (a) – Definitions of the Procurement Methods as provided in the PPDA act

Open domestic bidding is a procurement or disposal method which is open to participation on equal terms by all providers through advertisement of the procurement or disposal opportunity.

Open international bidding is the procurement or disposal method which is open to participation on equal terms by all providers, through advertisement of the procurement or disposal opportunity and which specifically seeks to attract foreign providers.

Restricted domestic bidding is the procurement or disposal method where bids are obtained by direct invitation without open advertisement.

Restricted international bidding is the procurement or disposal procedure where bids are obtained by direct invitation without open advertisement and the invited bidders include foreign providers.

Request for Quotation and Proposals are simplified procurement and disposal methods which compare price quotations obtained from a number of providers.

Direct procurement or disposal is a sole source procurement or disposal method for procurement or disposal requirements where exceptional circumstances prevent the use of competition.

Micro procurement or disposal is a simple direct procurement (which by definition is non competitive) or disposal method which shall be used for very low value procurement requirements. By law, micro procurements have a value of UGX 2 million and below.

Selective Domestic/ International bidding is a method of procurement provided under the Local Government (PPDA) regulations and is applicable for local government PDEs. Under these methods, a shortlist of providers is used to invite bidders to quote or bid for a procurement requirement. The bidders could be domestically (nationally) or internationally sourced.

Annex V (b) –Thresholds for Procurement Methods – Central Government **(Public Procurement and Disposal of Public Assets Guidelines, 2003)**

In accordance with Regulation 106(4) of the Public Procurement and Disposal of Public Assets Regulations 2003, the following thresholds shall apply to the procurement methods detailed below:

1. Thresholds for Procurement of Works

- (a) Open Bidding shall be used if the estimated value of the works exceeds Ug. Sh. 100,000,000 or US\$ 50,000 whichever is greater.
- (b) Restricted Bidding may be used if the estimated value of the works does not exceed Ug. Sh. 100,000,000 or US\$ 50,000 whichever is greater.
- (c) Quotations Procurement may be used if the estimated value of the works does not exceed Ug. Sh. 80,000,000 or US\$ 40,000 whichever is greater.
- (d) Micro Procurement may be used if the estimated value of the works does not exceed the limit provided in Regulation 108 which is 100 currency points.

2. Thresholds for Procurement of Services

- (a) Open Bidding shall be used if the estimated value of the services exceeds Ug. Sh. 50,000,000 or US\$ 25,000 whichever is greater.
- (b) Restricted Bidding may be used if the estimated value of the services does not exceed Ug. Sh. 50,000,000 or US\$ 25,000 whichever is greater.
- (c) Proposals Procurement may be used if the estimated value of the services does not exceed Ug. Sh. 30,000,000 or US\$ 15,000 whichever is greater.
- (d) Micro Procurement may be used if the estimated value of the works does not exceed the limit provided in Regulation 108 which is 100 currency points.

3. Thresholds for the Procurement of Supplies

- (a) Open Bidding shall be used if the estimated value of the supplies exceeds Ug. Sh. 70,000,000 or US\$ 35,000 whichever is greater.
- (b) Restricted Bidding may be used if the estimated value of the supplies does not exceed Ug. Sh. 70,000,000 or US\$ 35,000 whichever is greater.
- (c) Quotations Procurement may be used if the estimated value of the supplies does not exceed Ug. Sh. 30,000,000 or US\$ 15,000 whichever is greater.
- (d) Micro Procurement may be used if the estimated value of the works does not exceed the limit provided in Regulation 108 which is 100 currency points.

** For clarity, 1 currency point is defined in the First Schedule of the Act as Ug. Sh 20,000 making 100 currency points Ug. Sh. 2,000,000.*

Annex V (c) – Thresholds for Procurement Methods – Local Government

In accordance with Regulation 33(3) of the Local Governments (Public Procurement and Disposal of Public Assets) Regulations 2006, the following thresholds shall apply to the procurement methods detailed below:

1. Thresholds for Procurement of Works

- (a) **Open Bidding** shall be used if the estimated value of the procurement exceeds Ug. shs 50,000,000 or USD 25,000 whichever is greater.
- (b) **Selective Bidding** shall be used if the estimated value of the procurement does not exceed Ug. shs 50,000,000 or USD 25,000 whichever is greater.

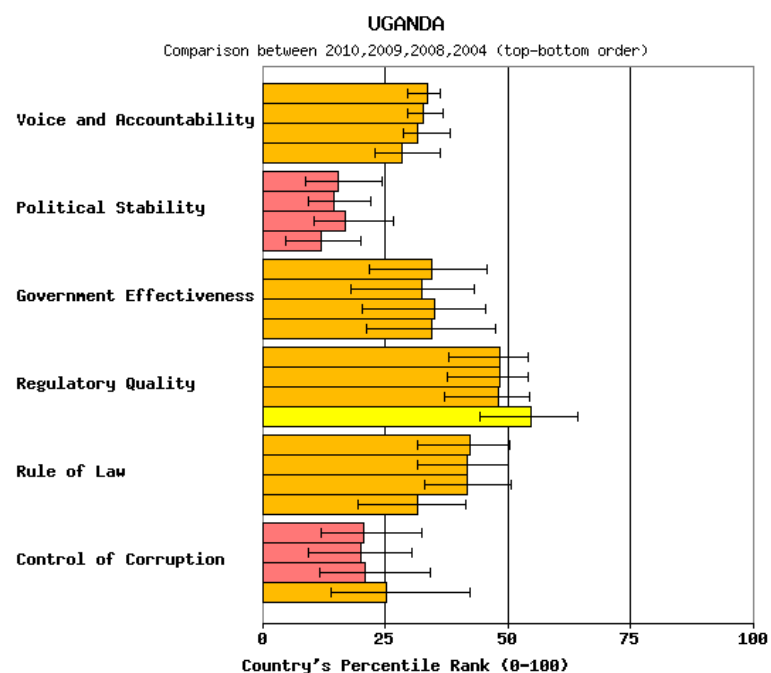
2. Thresholds for Procurement of Supplies and Services

- (a) **Open Bidding** shall be used if the estimated value of the procurement exceeds Ug.shs. 30,000,000 or USD 15,000 whichever is greater
- (b) **Selective Bidding** shall be used if the estimated value of the procurement does not exceed Ug.shs. 30,000,000 or USD 15,000 whichever is greater

3. Micro Procurement may be used if the estimated value of the works, supplies and services does not exceed Ug.shs. 1,000,000 or USD 500.

4. Community Purchase may be used if the estimated value of the works does not exceed Ug.shs. 500

Annex VI – World Governance Indicators (WGI)



Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues

Note: The governance indicators presented here aggregate the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, and international organizations. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

Appendix VII - Procedures for Starting Business in Uganda and in Rwanda in 2011

PROCEDURES FOR STARTING A BUSINESS IN UGANDA, 2011			
No.	Procedure	Time to Complete	Associated Costs
1	Reservation of a name at the Office of the Registrar	2 days	UGX 25,000 + UGX 2,000 bank fee
2	Pay fees at the bank	1 day	included in previous procedure
3	Obtain five necessary forms from the Uganda Bookshop	1 day	UGX 5,600 (UGX 500-700 for each form, 5 forms for incorporation, and 3 for tax registration)
4	Sign the declaration of compliance before a Commissioner for Oaths	1 day	UGX 2,000 -10,000
5	Obtain requisition for bank pay-in slip and bank payment advice forms from the Uganda Registration Services Bureau	1 day	no charge
6	Make payment of registration fees at a given bank	1 day	no charge
7	File with the Registrar General	1 day	see comments
8	File with the local office of the Uganda Revenue Authority a personal inquiry form for each director, and a corporate preliminary inquiry form; receive a uniform tax identification number (TIN) and apply for VAT	5 days	no charge
9	An inspector from URA inspects the business premises	1 day	no charge
10	Apply for PAYE	1 day	no charge
11	Obtain application forms for trading license	1 day	no charge
12	The licensing officer arranges an inspection of the premises and fills out an assessment form.	1 day	no charge
13	Pay the license fee at the bank.	1 day	see the following

			procedure
14	Obtain the trading license	10 days	UGX 400,000
15	File a form with the National Social Security Fund (NSSF).	4 days	no charge
16	Make a company seal	2 days	UGX 225,000

PROCEDURES FOR STARTING A BUSINESS IN RWANDA, 2011			
No.	Procedure	Time to Complete	Associated Costs
1	Check company name, submit registration application and pay registration fee	1day	RWF 15000 or no charge online
2	Pick up registration certificate	1-3 days	no charge