actionaid

Anti Corruption Coalition Uganda

TRANSPARENCY INTERNATIONAL UGANDA

CIVIL SOCIETY PRESS STATEMENT

Released: 15th December 2020, At UDN offices, Ntinda- Kampala

ON

PRUDENT PUBLIC FINANCE MANAGEMENT FOR GREATER ACCOUNTABLE GOVERNANCE, 2020

Introduction

We the undersigned Civil Society Organizations (CSOs) recognize Government of Uganda efforts towards effective provision of public services including the establishment of accountability mechanisms like Parliament that promote accountability and transparency in Uganda. While several development agenda have been fronted and implemented, their effectiveness in as far as key aspects of quality, impact, transparency, accountability and expected returns have so far been received with mixed reactions by the intended population.

In 2020, TIU, ACCU, ACTIONAID, SEATINI and UDN identified some key service delivery and accountability concerns as highlighted below.

CSO Concerns and Insights on the Accountability for Covid-19 Resources, Absence of a Substantive IGG and Chairperson of the Human Rights Commission.

Accountability for COVID-19 Funds

At the beginning of this year (2020), Government of Uganda (GoU) containment efforts in response to the COVID-19 pandemic including lockdowns, quarantines and restrictions on labour mobility and travel resulted into downturns in most service sector activities. This adversely affected the economy (in addition to other calamities like floods and locusts). Indeed, according to the BoU State of the Economy report for September 2020, economic growth is projected in the range of 3.0-4.0 percent in FY 2020/21. This is in contrast to FY 2019/20 where growth was in the range of 5.5-6% with projection of growth average of 6% during 2020-2024.

GoU therefore acquired some loans, received grants from various sources as well as donations from citizens and well-wishers to address the effects of the pandemic especially on the ailing health sector but also rescue the economy which was on the brink of collapse.

Some of the loans acquired by and grants to GoU for COVID-19 response between March-June 2020;

Loans (totaling to $888 Million)

1. Loan from African Development Fund to the tune of $31.6 million (COVID-19 Crisis Response Support Program) to Uganda to support the government's response to the COVID-19 pandemic.

2. $300 Million from the World Bank to Close COVID-19 Financing Gap and Support the Economic Recovery.
3. $491.5 Million Disbursement from IMF to Uganda to Address the COVID-19 Pandemic.
4. $15.2 million (Approx. Shs 57bn) from the World Bank to support Uganda's efforts to prevent, detect, and respond to the COVID-19 pandemic as well as strengthen national systems for public health emergency preparedness.

Grants

5. $6 Million from the European Union
6. $2.8 Million from the World Bank Pandemic Emergency Facility
7. $2.3 Million from USAID
8. $1.8 Million from China
9. $1.3 Million from the US

Concern: CSOs are concerned that Government has not provided any accountability regarding the utilization and impact, if any of the COVID_19 resources to enable citizens follow up and report cases of misuse as and when they arise.

Revenues to MoH for COVID-19 response:

i. Ug shs 25bn from the GoU Emergency and Consolidated Funds for emergency medical response towards the pandemic.
ii. Supplementary budget of Ug shs 94.1bn in response to the COVID Emergency Plan.
iii. The MoH also received in-kind and cash contributions from the public, private sector, and development partners among others amounting to over US$109,736,160
Overall, the budget for the Multi-Sectoral COVID-19 Response (March 2020 to June 2021) was Ug shs 2,221,990,315,936. By 30th June 2020, a total of Ug shs 766,732,429,404 was received and committed towards COVID-19 prevention and response interventions.
iv. LGs also got Ug shs 165m while the RRHs received emergency health workers and Ug shs 270m in response to COVID-19.

Table 2.1: COVID-19 On-budget Support (Ug shs) to MoH by 30th June 2020

Source	Received	Pipeline	Total
GOU / MoH	119,188,234,110	89,000,000,000	208,188,234,110
GOU/WB CERC	55,500,000,814	-	55,500,000,814
Islamic Dev't Bank	51,023,000,000	-	51,023,000,000
GFTAM	28,033,934,300	-	28,033,934,300
GAVI	10,418,249,100	-	10,418,249,100
GFTAM C19RM		69,624,983,100	69,624,983,100
GOU / WB UCREPP		56,561,515,200	56,561,515,200
Total	**264,163,418,324**	**215,186,498,300**	**479,349,916,624**

Source: MoH

CSO Observations:

The utilization of COVID-19 resources was marred with gross irregularities, no proper planning, hasty signing of contracts and flouting basic procurement guidelines, no justification for decisions taken, delayed delivery of items, inflation of prices and procurement of substandard items. The sleeper tents for instance procured for the National Quarantine Centre at Namboole Stadium were pulled down by the wind and could not effectively be utilized by end August 2020.

Call to action

1. We therefore call upon Government to provide adequate accountability to the citizens by way of continuous updates on progress on implementation of COVID-19 plans (akin to updates of COVID-19 infections and deaths countrywide).
2. We also call upon Government to institute investigations into misuse of COVID-19 resources and prosecute those found culpable. Specifically;
    i. The PPDA should undertake a procurement audit on all direct procurements undertaken by the MoH.
    ii. The Office of the Auditor General should undertake a forensic audit in relation all expenditures in response to the pandemic. This will guide entities on utilization of funds for future emergencies.

Absence of a Substantive IGG

Under Chapter 13 of the Constitution of Uganda the mandate of the Inspectorate of Government (IG) is to eliminate corruption, abuse of authority and abuse of public office. In order to effectively execute this mandate, the IG has powers to arrest, investigate and prosecute. While the institution has been faced with challenges like limited human financial and human resources, it has made tremendous effort in prosecution of the corrupt and recovery of some of the embezzled funds.

Concern: CSOs are concerned that since July 2020 when the office of the IGG fell vacant following the expiry of the former IGG Justice Irene Mulyagonja, there has not been effort to appoint a substantive IGG. While the Constitution stipulates that the IG shall comprise of the IGG and 2 deputies, the absence of a substantive IGG affects the independence of the institution which has to depend on the Office of the DPP to sanction cases for investigation because the IG is not fully constituted.

Recommendation: *The President should, as a matter of urgency appoint a substantive IGG to enable the institution execute their constitutional mandate. This will demonstrate commitment by Government to sternly deal with corruption.*

Absence of a Chairperson -Uganda Human Rights Commission.

In response to Uganda's violent and turbulent history characterized by arbitrary arrests, detention without trial and torture on the part of security organs, Government established the Uganda Human Rights Commission under the 1995 Constitution as a demonstration of its commitment to protect and uphold the rights of citizens.

Under Article 53 of the Constitution of Uganda, the UHRC has powers to investigate human rights violations and order the release of a detained person, payment of compensation and any other legal remedy.

Article 51(2) of the Constitution stipulates that the Commission shall be fully constituted by a chairperson and not less than 3 other persons appointed by the President with the approval of Parliament. (These should be persons of high moral character and proven integrity)

Concern: CSOs are concerned that for over 1 year now, the Commission has not been fully constituted and therefore cannot hear and dispose of cases involving human rights violations. This is in violation of the Constitutional provisions. This has also created a gap in public service provision in as far as human rights violations are concerned, especially in this election period that has been characterized by violence and loss of lives. This also means that the perpetrators of such violence and violations will get away with it.

Recommendation: *The President should, as a matter of urgency appoint a substantive chairperson of the Commission to enable it execute its mandate.*

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1. Anti-corruption Coalition Uganda: Dec 15, 2020

2. Transparency International Uganda. 12/15/2020

3. Uganda Debt Network: 15/12/20

ANNEX.

Planned outputs under the GoU support to MoH and Results:

Ambulances procured;

The planned 38 ambulances were still under procurement by September 2020. M/s AutoZone Armor Processing Cars L.L.C through M/s City Ambulance Limited was contracted to supply the ambulances at Ug shs 11bn. The initial delivery date was 30th July 2020, this was not achieved by September 2020 and extended to November 2020. Actual payments to the service provider will done upon delivery.

The second contract was awarded to Joint Medical Stores to procure ICU equipment worth Ug shs 10.5bn on 24 May 2020. The JMS was expected to deliver 388 pieces of ICU equipment comprised of ventilators, patient monitors, oxygen therapy apparatus, ICU beds in six weeks. This was not achieved by 30th June 2020.
However JMS had delivered equipment to six hospitals; Naguru, Entebbe, Jinja, Mbale, Lacor and Lira by September 2020. Other hospitals had not received the equipment by 2nd September 2020. Deliveries and installations were expected to be completed by December 2020. Some hospitals like Gulu and Arua did not have adequate have space for the ICU equipment.
Concern: No justification for Regional disparities in terms of the ICU equipment under procurement. RRHs in central will receive more equipment at 34%, while those in the North, West Nile, Karamoja will share 26%, RRHs in the West at 25% and only 16% in the East.

Specialized Medical Equipment including ICU machines procured

M/s Silver Bucks Pharmacy Ltd was contracted to supply and install oxygen plants for Mulago and Entebbe hospitals at a cost of Ug shs 6.4bn, Supply 450 cylinders including regulators, humidifier bottles, and cannula among others. The contract was signed on 6th May 2020, it provided a two-year warranty including spare parts. Although 100% was paid by 30th June 2020, deliveries and installations had not commenced by September 2020.
Concern: -The same supplier installed oxygen plants in 13 RRHs in 2017 at the same amount cost that the GoU is spending on only two oxygen plants today (FY 2019/20).

- A number of activities outside the budget line on equipment were implemented and paid by the MoH. These included: Procurement of emergency tools for the MoH Service Bay, Printing of pull up banners and tear drops for the National Fitness Day. Purchase of a flag and a bull bar for the Minister of General Duties. These payments were made to individuals.

Accommodation hired to quarantine abroad returnees and quarantined suspects.

Accommodation hired to quarantine abroad returnees and COVID-19 suspects: The MoH accommodated over 2,500 COVID-19 suspects and returnees in various institutions by August 2020. The unit cost of full accommodation varied from Ug shs 60,000 to Ug shs 250,000.
Concern: Although there was a guideline that travelers from abroad should cater for their accommodation costs, the MoH incurred costs for a number of people. The selection criteria regarding the beneficiaries of these services remained unclear.

Transfers made to RRH treatment centers for case management

A total of Ug shs 4,088,640,000 was transferred to 16 RRHs for COVID-19 case management. Each hospital received Ug shs 270,000,000 except Entebbe RRH that got an additional allocation of Ug shs 38million to cater for food and risk allowances of health workers, their total allocation was therefore Ug shs 308.6million.

Concern: The COVID-19 Interventions Report for Financial Year 2019/20 (October 2020) by the Budget Monitoring and Accountability Unit (BMAU) Ministry of Finance, Planning and Economic Development noted inefficiency in utilisation of COVID-19 funds by RRHs characterised by varying unit costs of food served to COVID-19 patients, mischarges, lack of accountabilities, duplicated activity reports, doubtful burials of COVID-19 cases, and domestic arrears for hospitals like Gulu and Arua among others. By 17th August, Arua RRH had accumulated arrears of Ug shs 278million on food, refreshments, allowance, and accommodation of health workers.

Mobile Health Facilities established at Border Points:

M/s Modula House Engineering and Construction Company Limited was contracted to establish fabricated health facilities at selected border points at a sum of Ug shs7.5bn. These were: Elegu, Malaba, Mirama Hills, Mutukula, Katuna and, Mpondwe. Each facility was estimated to cost Ug shs 533million. The scope of works involved: Precast reinforced concrete placed on situ concrete foundation slab. Partitioned using concrete block walls, roofed with iron sheets. Installation of aluminum windows and doors including internal wooden doors. The facilities were expected to have a laboratory and a staff house. The contract signed was a lump sum contract and was expected to start 14 days upon contract signature on 16th June 2020 and end by 16th September 2020.
Concern: By 15th September 2020, the contractor had fabricated 50% of the mobile facilities required and could not install any for lack of land at the designated places. Confirmation of land availability was not done prior to contract signature leading to resource overruns. Equipment and human resource to run these facilities was also not planned. An explicit plan for both items could not be traced by 15th September 2020.

Personal Protective Equipment procured and distributed

Contracts worth Ug shs 3.9bn were signed in May 2020 with various service providers to procure PPEs. By September 2020, the items were procured and delivered. Service providers included: JMS at 2.3bn, SA Field Industrial Logistics at Ug shs 136.3million, and N2M Company Ltd at Ug shs 1.5bn.
Concern: The contract to supply PPEs by SA Field Industrial Logistics was signed on 06th May 2020. However, review of the contract document indicated that there were no witnesses to contract signing. Errors in expression of the contract currency were also noted. Review of the N2M Company Ltd contract document indicated that there were no witnesses to contract signing..

Spray pumps procured

Spray Pumps Procured: The contract was awarded to M/s N2M Company Limited at a sum of Ug shs 530millon in June 2020. The pumps were meant to aid disinfection of places, materials of COVID-19 confined places, treatment centers, homes, ambulances among others. These included: 80 mist sprayer, 99 power sprayers and 19 transport jet pump. By August and September, none of the treatment centers had received the spray pumps except Entebbe Regional Hospital.

20 sleeper tents procured:

Sleeper tents worth Ug shs 3.8bn were procured from M/s Lumious Uganda Limited. Each of the 100 capacity tents was procured at a sum of Ug shs 163million. Although the contract stipulated 20 tents, only 13 were signed and installed at Namboole by September 2020.
Concern: All the tents procured failed and could not be used to accommodate patients as earlier anticipated due to their weak specifications and capacity. The users and stakeholders at Namboole questioned the suitability and quality of tents procured by the MoH.