

The crusade against corruption:

A review of the legal and institutional framework, and planned interventions to curb corruption in Uganda

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Acronyms

ACCU	Anti Corruption Coalition Uganda
AG	(Office of the) Auditor General
CID	Criminal Investigation Department
CPI	Corruption Perception Index
DEI	Directorate of Ethics and Integrity
DANIDA	Danish International Development Agency
DPP	Directorate of Public Prosecution
IAF	Inter Agency Forum
IG	Inspectorate of Government
IGG	Inspector General of Government
IPRA	Institute of Policy Research and Analysis
LGs	Local Governments
NGO	Non-Government Organisation
NIP	National Integrity Action Plan
NSSF	National Social Security Fund
MFPED	Ministry of Finance, Planning and Economic Development
PAC	Public Accounts Committee
PAF	Poverty Action Fund
PEAP	Poverty Eradication Action Plan
UDN	Uganda Debt Network
UIA	Uganda Investment Authority
URA	Uganda Revenue Authority
VAT	Value Added Tax

Executive Summary

Since 1995 the Government of Uganda has taken a number of far-reaching initiatives relating both to legislations/policies and operational focus, which in the long-term are expected to eliminate widespread corruption and improve social and economic welfare. The paper explores these initiatives, including the activities of anti corruption bodies instituted by Government and finds that the various responds and efforts by Government to the problem of corruption are supported by comprehensive legislations. The institutional base/arrangement in place is very diverse and is (by design) capable to provide the essential (or necessary) support needed for the campaign against corruption, including providing political leadership, legal advice, investigation and prosecution of corruption cases, enforcing accountability in public offices, drafting of laws, and enforcing compliance, etc.

The laws in place are fairly well formulated, and broad in the outlook in issues related to corruption. Government has provided 'appropriate' legislative provisions such as the Leadership Code, the Inspectorate of Government (IG) Statute, the Penal Code Act and Prevention of Corruption Act - all meant to strengthen anti-corruption legislation. However, the paper found that the legal and institutional framework as they stand now are encumbered by a number of problems/ shortcomings, which diminish their potential to effectively play their roles in the fight against corruption.

Shortcomings of the legal and institutional framework

- **Ownership, and platform for Government/Civil society contact**

The sense of ownership of legislative provisions and process from the point of view of the general public does not seem to be very strong, partly because Government has not paid enough attention to the potential role of the civil society, the media and the private sector in informing and stimulating engagements. This is easily noticeable in the representation in the Inter Agency Forum (IAF), national machinery for coordination of anti-corruption effort - which leaves out other anti-corruption actors like the civil society e.g. Anti Corruption Coalition Uganda and the media. In the process of drafting the laws the involvement of the civil society was very limited. If they were for example involved in the Leadership Code Bill, their contribution was not taken forward. However, it is prudent in terms of strategy to always involve all anti-corruption actors for an effective anti-corruption campaign.

- **Lack of institutional integration of agency roles**

Roles of Inspectorate of Government, Office of the Auditor General, and the Judiciary and the procedures (within these institutions) in handling corruption cases are not well integrated. The Inter Agency Forum has helped to forge a link between the agencies, but still this helps in coordination mostly. Will the Judiciary feel that certain cases would better be handled by the IG, and will the DPP feel the view of the IG would matter in certain prosecution? You may note that while the IG Act 2000 empowers the Inspectorate to carry out prosecution of the person suspected of corruption or abuse of public office, section 83A of the Penal Code Act restrains the Inspectorate from carrying out such prosecution without the explicit consent of the Director of Public Prosecution.

The Inspectorate of Government Act 2000 that seems to give the IG too much power also restrains the same IG from questioning or reviewing the decision of the judiciary or its officers or tribunal concerning any case, including corruption cases. Obviously, this makes enforcement of the Inspectorate of Government Act 2002 difficult. Again, what the law calls a criminal case; corruption case and the intersection between these two offences, and the power 'boundaries' between the IG and the DPP on matter of prosecution remain to be defined.

- **Institutional betrayal and relying on good will of other agencies**

The institutional system is such that agencies like the Public Account Committee and the Local Account Committee of Parliament, and the Office of the Auditor General must rely on other agencies to take action on their behalf (to enforce their recommendations). There is no clear provision in the law or institutional arrangement that oversees the action of the agency entrusted with enforcement of these recommendations to ensure that the case is pursued to logical conclusion. Office of the Auditor General may feel betrayed after revealing cases of embezzlement against certain public officers and no step is taken. The Directorate of Public Prosecution will also be frustrated by the court's interpretation of the 'defective' law in favour of serial embezzlers. Besides, there is allegation that some of the agencies are riddled with corruption themselves. These include the police and judiciary. It obviously dents the trust that the public have in these institutions and hampers the fight against corruption.

- **Institutional capacity constraints**

Government has tried to increase budgets to anti corruption such as the Office of the Auditor General, the DPP and the CID and to protect them from cuts. While this is a well come effort, the resources received by these agencies are still very inadequate compared to the tasks they handle. The anti-corruption bodies work within very limited budgets, and lack sufficient manpower, transport, and office facilities because of this they do not implement some of their planned programmes.

For example, the amount of resources the Inspectorate of Government has been receiving as non-wage component of the recurrent budget (in recent years) have been in the region of Ushs 1 billion to about 2 billion annually. The Office of the Auditor General gets slightly below Ushs 2 billion annually as non-wage recurrent budget allocation, while Judiciary gets over Ushs 3.5 billion. Electorate Commission gets over 30 billion certain years and not below 6 billion in low expenditure years. ISO/ESO receives slightly over Ushs 8 billion, while State House receive as much as 21 billion and above.

From this simple analysis we are able to see that some areas are better provided for than others. Still being mindful of the current resource envelope, there are areas where current provisions are inadequate and increases are clearly justified, for example, the Inspectorate of Government and Office of the Auditor General, even police and the DPP needs more resources. From discussion with Inspectorate of Government a substantial part of the work plan is not implemented because of lack of adequate funds.

“There is also need to create public awareness about corruption. My office has held a number of workshops and seminars on corruption, but because of scarcity of funds, these workshops have been few and far between”.

Mr. Jotham Tumwesigye, Inspectorate of Government

- **Incompatibility of the law with the changing technological sophistication of corruption**

The law was designed to handle method of corruption that are of simple nature, for example, fraud or embezzlement where signature or paper of some sort can be used as evidence. But now such paper work is no longer used in advance corruption where technology is used. Money can be remitted electronically without involving movement or paper work or signatures and may be the language used in the communication may be coded and can only be understood by the two parties. The law as it stands now is not able to respond to the changing technological sophistication of corruption related crime, involving e-commerce, electronic transfers and related cross-border transactions.

- **Too complicated and too bureaucratic legal system**

Generally, our laws are too complicated, they require too many papers too many hands, which increase bureaucracy, time wastage and corruption. The inconsistencies resulting from such poor laws just discourage investors. It is not uncommon to find a case dragging on for years before passing judgement. By the time judgement is passed, if it was a monetary loss where compensation is being sought, the affected business will have collapsed or completely run bankrupt. This doesn't help investment.

What happens in the government procurement and tender process is the exact reflection of the bureaucratic nature of our legal instrument. It takes so long for suppliers to obtain payment from Government departments. Where the system is very water tight it is the one that tend to be abused most. People beat it by bribing their way through as it is said to happen in Uganda procurement system.

- **Weak dissemination of legal information and limited public awareness in the anti corruption campaign**

Dissemination of information or education of the public about the law is poor. While it is acclaimed that 'ignorance is no defence', it is clear that written regulation on licensing, customs procedures, commercial dispute settlement, etc. are rarely circulated outside official circles. Where it concerns the private sector, it is advertised in the press when a new scheme or rule/regulation or law is established. If one misses the announcement or the gazette, there is no document to refer to.

Recommendations

- **Raising public awareness in the existing laws related to procedure(s) of reporting corruption cases, and about the existing tax laws and requirements**

Government could join hand with the civil society, and donors to raise awareness of the public (mobilising and involving the public in the campaign) in order to win their support and to make people to appreciate the danger and consequences of corruption. This way, those who acquire wealth through corruption will increasingly become socially unacceptable. People will also become much aware of procedure of reporting corruption cases. This is where Government-NGO/donor joint effort is very crucial.

NGOs like ACCU would lead the crusade by putting up a proposal or an action plan to the Government detailing how they would want to undertake the project, who they will work with and so on. The Government could then sell the idea to donor for funding. When funding is secured Government, donors and ACCU would then nominate members into 9-15 member consultative working group that would oversee the implementation of the dissemination work.

First, a mechanism for recording, documenting, and disseminating information on existing laws, policies and procedures would be established with joint cooperation of all the stakeholders in the anti-corruption campaign, including the media. Civil society organizations such as Anti Corruption Coalition Uganda, MS Uganda, Transparency Uganda, the media groups and collaborators would then take the responsibility of translating or simplify these laws and regulations into simple or local languages that can be understood by the local people and business communities. They would use financial support from Government/donor contribution to do this, and proceed to disseminate and explain these laws and procedures to the local people and businesses, and working closely with private sector lobby groups.

Among other things, the public would be sensitised on how to approach the agencies and on the different aspects of the procedures followed by the agencies in handling cases that are brought to their attention. This can be done through schools and colleges as well as public sensitisation seminars. Useful experiences can also be drawn from other countries by sharing best practices on how they have managed to eliminate or minimise the nemesis called corruption.

- **Creating a wider platform for Government/private sector contact or strengthening partnership with civil society**

The present Inter agency forum is a very good basis to build on. IAF can provide an opportunity for the Government to present its policies and strategies, achievements and present an assessment of overall anti-corruption efforts and to learn from the experiences of the other anti-corruption groups like the civil society organisations.

Civil Society Organisations (NGOs) can help in this process of soliciting, strengthening and consolidating public support in the anti corruption campaign. Introducing Advisory and Review committee (ARC) in the structure of IAF, which includes representation of the civil society, can strengthen the coalition. The private sector, the different arms of government, the various professional bodies, the civil society and other interest groups could then nominate members to ARC in IAF. IAF can advise the government on the various recommendations to deal with the various systems in the accountability cycle and other core functions of government so as to curb corruption. With time, ARC could legally be formalised through appropriate legislation.

- **Translating political will into reality**

A very important landmark in the anti corruption effort is the effort by Government to provide the legal and institutional framework, including setting up of a ministry/ Directorate to provide

political leadership in the fight against corruption. Donors have also come in to provide financial support.

My impression is that donor community could do more to work with Government to improve impact of the anti corruption campaign by increasing budgetary allocation to anti corruption agencies. With improvement in the budget, agencies (e.g. IG, AG, DEI, DPP, etc) will be in position to recruit more and well-trained staff and pay them well. Funding programme can be for a designated period of say, five years to achieve a certain target of impact. There are other ways that Government can make its will a reality is strengthening link with civil society providing it the necessary support it needs to perform their roles in the anti corruption campaign, including political support, and maintaining favourable environment for operation of civil society organizations.

Anti-corruption agencies would be allowed their independence in the execution of their duties and should be more accountable to the people. But in order to ensure that this happens, there is need for better facilitation, better pay and capacity building within the institutions.

- **Continuous monitoring of agencies and system**

Experience shows that, for example, in revenue (URA) corruption, it is not enough to clean up a corrupt revenue collection agency. Unless a mechanism is established for continuous monitoring, sooner or later the agency will backslide once more into the old stealing habit and require yet another extraordinary effort to try to rehabilitate it. It is not enough to 'fire' corrupt officials without reforming aspects of the system that provide opportunities for stealing and ensuring that honest officials are being appointed in position of trust. Where personal contact is necessary, the introduction of elements of unpredictability as to which particular official may handle a matter or certain category of clients, and routine transfers reduce the potential for bribery.

- **Legislating the amendment and consolidating of anti-corruption laws**

To consolidate the existing laws on anti-corruption focusing on the review and revision of remaining obsolete legislation and law. This may involve streamlining procedures and regulations in decision-making, tendering, procurement, conflict management, and implementation of code of conduct. It may also necessitate provisions for independent oversight and operations of institutions.

1. Introduction

1.1 Background

The recent surge of interest in anti-corruption campaign has often been founded on the premise that corruption traps the whole nations in poverty and hampers prospects for sustainable development. The crusade to eliminate corruption has been exemplified, locally and internationally, in such efforts as the African Governance Forum, the Bamako Initiative, the Arusha Declaration, and the Lome IV Convention as revised by the agreement signed in Mauritius on November 4, 1995. The commitment is also worked into varied sub-regional communiqués that have characterized regional dignitaries' meeting in the country in the last decade.

Domestically, the Uganda Government has taken a number of far-reaching initiatives relating both to legislations/policies and operational focus, which in the long-term are expected to eliminate corruption and improve social and economic sectors through private sector growth. This is not surprising in the case of Uganda where the level of corruption has become a problem of public concern.¹ Newspaper articles and integrity surveys offer very important insights into the level of corruption in Uganda. In the Transparency International Global Corruption Perception Index (CPI) 2002 released in Berlin on August 28, 2002, Uganda ranks 93rd among the 102 countries (covered in the survey) thus becomes the ninth most corrupt country. In 1997 when the same survey was conducted in 85 countries around the world, Uganda took the 73rd position in the CPI, and was among the fifteen most corrupt counties then. The upward trend in corruption level was confirmed by the recent National Integrity Survey, which disclosed that corruption was on the increase. Even in the absence of official statistics, cases of corruption frequently occupy local newspaper headlines and discussions on some FM local stations. The cases presented in Text Box 1 are only illustrative.

1.2 Defining Corruption

Legal definition of the concept, 'corruption' has gone through metamorphosis over the years as attention to the problem increased. The Prevention of Corruption Act 1970 is one of the earliest legislations against Corruption. *In defining corruption, the Act prohibits the soliciting, receiving by one or on behalf of another as well as giving, promising and offering any gratification as an inducement or reward to a member, officer or servant of a public body.* In essence, this Act seems to look at corruption from the point of view of bride payment.

The Inspectorate of Government Act, 2002 tries to define corruption in a more broader and comprehensive manner.

S.2 defines corruption as “ the abuse of office for private gain and includes but is not limited to embezzlement, bribery, nepotism, influence peddling, theft of public Funds or assets, fraud, forgery, causing financial loss or property loss or false accounting in public affairs”

The difference in these two definitions lies in the changing nature of corruption that now covers a wider spectrum that it was previously the case thirty years ago. What appear in many literature and Government documents are essentially the general way of looking at corruption. In the general sense, corruption can be defined as the abuse of public position (or use of public

¹ The President and his cabinets has publicly admitted at various fora that there is a lot of corruption in Uganda

office) for personal gain or for benefit of an individual or group to whom one owes allegiance such as family member(s), friends, certain ethnic group, Religious or political affiliation.

Recent literature views corruption as a two-way process, involving public official who may accept, solicits, or extorts a payment; and the private sector agents who may offer a payment, to circumvent the law for competitive or personal advantage.² Corruption takes a variety of forms, including bribery, that is, payments used by private agents, or sought by public officials, in turn for the supplying of favours such as government contracts, lower taxes, trade licenses or legal outcomes.

The theft or misuse of state assets and embezzlement are also corruption, as is the evasion of taxes, nepotism, patronage, self-dealing, influence peddling, diversion of revenues or electoral fraud (regarding campaign finances and voting). While some analysts have laboured to make a distinction between “petty” corruption, which is practiced by officials who may be grossly underpaid, and “grand” corruption, practiced by senior officials who obtain large benefits for themselves, the end result is the same because the level of corruption cripples the economy and denies the poor their rights to basic services.

It is easy for such distinction to obscure the complex web of connecting forces behind corruption, for example, the linkage between domestic and international sources of corruption. Otherwise, it may as well be asked: how petty is petty? In fact in a country like Uganda where petty corruption is so rampant, the consequences for the country’s political, social and economic life can be severe.

BOX 1: NEWSPAPER ARTICLES RELATING TO CORRUPTION

MONITOR

- i) June 06, 2002 Shs 400m goes missing at curriculum center
- ii) June 07, 2002 Top URA men in Shs 54bn theft
- iii) June 07, 2002 Court summons church employee [*an accountant with Uganda Ecumenical Church Fund ... faces 150 counts of embezzlement, forgery and theft*].
- iv) June 07, 2002 IGG orders Mbale officer to refund stolen money
- v) June 07, 2002 Hotel worker jailed for fraud
- vi) June 14, 2002 Three on trial for Shs 300m fraud in Defence Ministry
- vii) June 17, 2002 Shs 1.5bn goes missing in Mbale
- viii) June 18, 2002 Kiggundu jailed for Shs 630m debt

- ix) June 27, 2002 Advocate on theft charges
- x) July 02, 2002 Movement director faces arrest over Shs 9m.
- xi) July 03, 2002 Shs 69bn stolen in 2001 – police
- xii) July 11, 2002 Are our laws killing business? [*Almost half of firms that pay bribes find that they pay more in corruption than total investments*]

- xiii) July 11, 2002 Canadians wanted for NSSF’s Shs 2bn theft
- xiv) July 15, 2002 Shs 660m missing in Sironko – AG
- xv) July 18, 2002 Shs 2bn missing in Busia
- xvi) July 21, 2002 URA probe closes on big tax cheats
- xvii) July 23, 2002 Shs 3.7bn missing in Tororo, says AG
- xviii) July 25, 2002 Ex-UCB boss under trial over Shs 900m
- xix) Aug 16, 2002 Police cashier charged with Shs 65m fraud
- xx) Aug 23, 2002 World Bank wants dam bribe fully probed
- xxi) Aug 28, 2002 Sebutinde pins URA officials on fuel fraud
- xxii) Aug 28, 2002 Fox, Mutale named in bus park tender fraud
- xxiii) Aug 29, 2002 Uganda 9th most corrupt country
- xxiv) Aug 30, 2002 MP Yiga faces prosecution over EC money

NEW VISION

- xxv) July 27, 2002 – URA staff vanish over 300m/- loss

1.3 Economic, and social consequences of corruption

Endemic corruption has severe consequences for the country's political, social and economic development. Bribing and rent seeking affect economic productivity, result into additional business costs, create a burden to small enterprises, and result in misallocation of resources – both financial and human capital. Furthermore, bribery distorts public procurement of goods and services. Money spent on bribes raises the general cost of procurement, while quality of goods/services is compromised as less reputable firms are selected and eligible ones are denied tender. As competition becomes a focused on the highest bribe, the public is denied the advantage of a competitive marketplace. Corruption in legal system, law enforcement and judicial system encourages illegal businesses to flourish, makes prosecution difficult, and undermines commercial dispute resolution. In the end, it retards the growth of a modern private sector, and slows the flow of investment because intended investors perceived this as another form of tax.

Studies indicate that countries perceived to be corrupt attract less investment. The 1998 survey of foreign investors on Uganda confirm these fears. The survey has shown that high level of corruption, poor quality of infrastructure, the lack of skilled labour force, the weak financial system, and the uncertain situation in the legal system, have slowed the flow of long term investment in Uganda. In the Institutional Investor's survey published in March 2000 foreign investors were as much worried by the inadequate legal infrastructure (both in terms of the existence of legal framework for business operations and of law enforcement), as they were with rampant corruption in the country. This probably explains why Uganda appeared as the 17th most preferred investment location (out of the 39 African countries covered by the survey), and the 101st most preferred location globally. This is not very encouraging position given all the campaign and efforts by Government to attract foreign direct investment.

Corruption in the Customs Department causes delays in the trade flows, which translates into high costs of production. This is worst for a country like Uganda, whose manufacturing sector depends heavily on imported inputs and raw materials. Corruption in the public utilities raises business operation costs and discourages investment. Corruption results in tax evasion, and significant losses of revenue for the state. Combined with fiscal indiscipline, this can lead to a lower quality of infrastructure and social services in the short term, and adverse budgetary and monetary implications in the long term. Where programme meant to benefit the poor are administered in a corrupt manner, the poor continue to suffer because the money is eaten away or the provision of services are shifted from those who need them most to those relatively better off. Corruption also results in the diversion of foreign aid thus making them less effective, often resulting in inappropriate capital projects that only increase the country's debt burden. It is not surprising that donor countries and organizations are increasingly reducing their assistance or entirely withdrawing their support from counties where corruption has become endemic.

Moreover, the efforts to build competitive private sector has not been helped by the wide spread corruption in Uganda. The existence of rampant corruption implies that granting investment incentives and removal of official trade barriers such as tariffs, regulatory and procedural obstacles alone may not spur private sector investment unless all "non-official tariffs" (bribes) and other forms of corruption are eliminated or at least brought to a manageable level. At this point certain important questions are in order. Is there any concerted effort to rid the nation of corruption? Yes, Government has taken a number of far-reaching initiatives relating both to legislations/policies and operational focus (aimed at eliminating corruption), which provides an interesting case for considering how legal/institutional framework, for example may have implication for the success of the anti-corruption campaign. The purpose of this paper, therefore, is to provide insights into the fundamental question, *whether these initiatives can indeed achieve its goal or should be expected to achieve its goals of curbing corruption in Uganda.*

1.4 Objective of the paper

The paper specifically attempts to analyse the current legal framework in the context of private sector investment: how it supports or protect the interest of businesses in Uganda, including protecting it from corruption. The private sector will traditionally not thrive in a society where there is legal uncertainty, and private sector investment is always premised upon a strong legal framework and the existence of strong and ethical institutions (as was once observed by the Chief Justice of Uganda, B.J. Odoki). To this end, the paper maps out the activities/roles played by key institutions and actors in anti-corruption campaign, and explores the various reform initiatives that have been implemented by Government as well as the ongoing and planned interventions in the fight against corruption. This review paper is mainly intended to provide background information for the country research case study, but it also aims to contribute to the ongoing anti-corruption campaign by providing background analysis that can be used to inform policy and current programmes of Government.

The paper is structured into 4 main parts. After the general introduction, the second section analyses the legal and institutional framework in place in the anti-corruption campaign, whether they offer a firm basis for the success of the campaign. The third section focuses on the reform measures that are under way or implemented; and the last section (Section 4) is the conclusions and recommendations.

2. Legal and institutional framework

For the purpose of this report, the key question is whether the existing legal and institutional framework is effective in fighting corruption.³ The first section looks at the laws relating to corruption in Uganda, and the second section looks at the institutions that have been put in place to fight corruption.

2.1 Legal framework

Principle Legislation

Constitution (consequential Provisions) Statute 1996
The Constitution of the Republic of Uganda 1995
The Leadership Code Act 2002
The Inspectorate of Government Act 2002
The Penal Code Act (cap 106)
The Prevention of Corruption Act No.8/70

Other Laws

The Local Government Act No 1/97
The Public Finance Act Cap 149
The Rules of Procedures of Parliament of Uganda (2002)

³ This does not involve review of court proceedings to assess the effectiveness of the law as it falls outside the scope of this study.

2.1.1 The Constitution

The National objectives and directive principles of state policy, as stipulated in the Uganda Constitution 1995 is for the state and citizens of Uganda to preserve and protect and promote a culture of preserving public property (XXV) and that all lawful measures should be undertaken to eradicate corruption and abuse of office or misuse of power by those in public office. It makes all public offices and those in position of leadership answerable to the people of Uganda. One of the cornerstones against corruption is the right of access to information as guaranteed under Article 41 of the Constitution but this is weighed down but the provision that such access can be denied, *inter alia*, if it is likely to prejudice security or sovereignty of the State.

The Constitution goes further not only to create institutions that fight corruption but guarantees their autonomy.

Article 223-232 spells out the powers, functions and jurisdiction of the IGG and specifically provides for its independence under Art 227.

Article 163 created the Auditor General and spells out functions and duties of the office...both offices must be of high moral character and proven integrity.

Article 163 (3) empowers Parliament to monitor all the expenditures of public funds. In order to bring this into effect, Parliament has created a number of committees, including the Public accounts committee and the Local Government Account Committee.

Article 164 (1) makes the Permanent Secretary (PS) in every ministry or Department accountable to Parliament for Funds. It also makes any holder of public or political office who directs or concurs in the use of public Funds contrary to existing Institutions, accountable therefore for any loss arising from such use and requires him/her to make good the loss even if he/she has ceased to hold that office.

Article 223(1) provides for the Leadership code to ensure the promotion and maintenance of honest and impartial leaders and the protection of public Funds and property.

The Constitution also reaffirms the role of the Directorate of Public Prosecution (DPP), police and Parliament as anti corruption agencies

2.1.2 The Prevention of Corruption Act 8/70

This is arguably one of the earliest legislations against Corruption. *In defining corruption, the Act prohibits the soliciting, receiving by one or on behalf of another as well as giving, promising and offering any gratification as an inducement or reward to a member, officer or servant of a public body.*

The Act prohibits corrupt acts that may ensue between agents and principle, against the corrupt withdrawal of tenders, the corrupt interface in voting at any meeting of a public body and against any abstinence or delay in the performance of any official act.

It also provides CID with special powers of search seizure and arrest. It empowers the CID to investigate any bank account, inspect documents (S2) of a public servant, spouse, child or other person believed to be a trustee/agent of such public servant (S13)

The CID is also empowered, under the Act, to require any public servant to enumerate all property movable and immovable owned by such public servant, by their spouse, children plus date and manner of acquisition of such property.

Under S10 of the Act it is provided that evidence of a pecuniary source or property that is not proportionate to ones known source of income and for which one cannot satisfactorily account, can be used as collaborative evidence to prove corruption. The Act further vests a public servant with powers to arrest anyone who offers them gratification.

The Act also protects informers, by providing that witnesses in criminal/civil cases are under no obligation to disclose the name or address of an informer in a corruption case or any matter that may lead to the discovery of such informer, but S 21 makes it an offence punishable to give false information!

An amendment to the Act introduced *inter alia* a provision granting the DPP powers to restrict the operations of a Bank account or disposal of any property of a person suspected or accused of having committed an offence for purposes of ensuring the payment of compensation to any victim of the offence. It further provides for payment of compensation out of resources of convicted persons to make good any suffering of a principle by agent. It further reinforces punishment for corruption by providing for compensation in addition to other sanctions.

2.1.3 Shortcomings of the Prevention of Corruption Act 8/70

Words such as “gift” that are included in the definition of what amounts to “gratification” are not defined and poses problems especially as regards the specific categories of “gifts” that the Act addresses.

The Act is restrictive in the sense that it is only applicable to members, officers and servants of a public body and does not encompass private companies and corporations. This inadequacy is however cured by the Penal Code to the extent that it expands its ambit for abuse of office to include banks, churches and other private institutions.

The requirement for the appointment of a special investigator by the CID makes it impossible to react to emerging cases.

2.1.4 The Penal Code Act (Cap 106)

Herein is found a very wide range of offences aimed at fighting corruption, these include embezzlement, causing a financial loss, false accounting by public officers, fraudulent false accounting, conspiracy to defraud, uttering false documents and statements by directors and officers of companies, corporations and other related offences (sections 293 304, 305, 306, and 330)

S.257 punishes employees, servants or officers of govt or public bodies director, officer or employee of a company or corporation, a clerk or servant employed by any person, association or religious organisation...who steals any money or property belonging to his employer master or association (embezzlement). This is wider than the Prevention of Corruption act as it widens the scope and refrains from restriction to govern and public bodies alone.

S 258(1) defines with perimeters for officers that may be charged with causing a financial loss and these include anybody employed by the govt, bank, insurance company credit institution or

public body...and provides that in addition to imprisonment or fine such person is liable at the discretion of the court to pay compensation to the aggrieved party

2.1.5 The Inspectorate of Government Act, 2002

Was enacted to give effect to the provisions of Chapter 13 of the Constitution as required by Article 225, 226 and 232 thereof as well as repeal The Inspectorate of Government Statute 1998

S.2 defines corruption as “ the abuse of office for private gain and includes but is not limited to embezzlement, bribery, nepotism, influence peddling, theft of public Funds or assets, fraud, forgery, causing financial loss or property loss or false accounting in public affairs”

S5 of the IG act provides that the IG or Deputy IG can only be removed from office by the President on recommendation of a Tribunal Instituted by Parliament. This is to ensure security of tenure as well as independence from the whims of the executive.

Functions

S.8 Outlines the functions of the IG and include the following:

- To promote and foster strict adherence to the rule of law and principles of natural justice in administration
- To eliminate and foster the elimination of corruption, abuse of authority and public office
- To enforce the Leadership code of Conduct
- To investigate the conduct of any *public* office which may be connected with or conducive to:
 - i. Abuse of his/her office or authority
 - ii. The neglect of his/her official duty
 - iii. Economic malpractices by the officer

Under S.8 (2), The IG is empowered to investigate any matter on its own initiative or upon complaint made to it by any individual or body or persons. It is immaterial whether that individual has suffered any injustice by reason of that matter.

S.8 (3) may investigate into actions of any person that may have been done while that person was serving in a public office, even when the person has ceased to hold that office.

S10 emphasises that the IG will be Independent and not subject to direction or control of any person or authority and is responsible to Parliament. In order to enhance this independence, S.19 (2) provides that the IG is not bound to give reason in case he declines to get seized of any matter. While S.21 ensures that proceedings before the IG are not subject to challenge, review etc in any court of law.

Jurisdiction of the IG

The jurisdiction of the IG is limited to the following organs or state agencies: Government Department undertaking or services; Statutory Corporation or authority; the cabinet; Parliament; Courts of law; Police; Prisons; Government aided schools, UPDF; Local Defence Forces, Council Boards; Society or committee established by law for the control and regulation of any

professional; a public commission, association or similar body whether corporate or not, established by or under the law; national security organisations and any other person, office or body that administers public funds on behalf of the public.

S14 (8) provides that notwithstanding any law the IG shall not require the consent or approval of any person or authority to prosecute or discontinue proceedings instituted by the Inspectorate. This was meant to cure the anomaly that previously authorised the DPP to discontinue proceeding initiated by the IG.

2.1.6 Shortcomings of the IG Act, 2002

Although Section 13 generally gives power to the IG for search and seizure, this power is subject to the provisions of other law, moreover, under S13 (5) the president may stop the IG from searching premises, vessel or air craft or vehicle if its prejudicial to security, defence or international relations etc...or would be injurious to the public interest or relates to cabinet deliberations on matters of secret or a confidential nature.

Under S.24 (4) a complaint should be brought within 2 years from the date on which the facts giving rise to the complaint or allegation arose. The IG has discretion however to receive and entertain any matter after the expiry of the prescribed period and there is no limit for criminal proceedings.

The IG also lacks powers to review any of the following matters:

- a) Decisions of any court of law or any judicial officer in the exercise of his/her judicial functions
- b) The decision of any tribunal established by law in the exercise of its functions
- c) Any civil matter before court
- d) Any matter relating to the prerogative of mercy
- e) Any matter the review of which has been certified by the President as likely to be prejudicial to security, defence or international relations of Uganda. Involve the disclosure of proceedings and deliberations of the cabinet relating to matters of a secret or confidential nature and would be injurious to public interest.

2.1.6 Leadership Code Act 2002

The 1995 Constitution Article 233(1) reaffirms and recognises the role and the need for the Leadership Code of Conduct and stipulates that it should focus on persons holding such offices as were eventually specified under the second schedule of the Code. The code requires specific officers, their spouses, children and dependants to declare their income, assets and liabilities from time to time and how they acquired them.

Prohibited conduct includes conduct likely to compromise the honesty, impartiality and integrity of specified officers, conduct that is likely to lead to corruption in public affairs and conduct which is detrimental to the public good, welfare or good governance. The Code prescribes penalties for breach thereof and powers, procedures and practices to ensure effective enforcement thereof.

Established as per Chapter 14 of the Constitution, this is an Act to provide for a minimum standard of behaviour and conduct for leaders, to require leaders to declare their incomes, assets and liabilities, to put in place an effective enforcement mechanism and to provide for related matters.

According to S.3 (1) the Inspectorate of Government (IG) is vested with power to enforce the Code and is mandated to receive and examine declarations lodged with it under the code.

The Code came into force on July 12 2002 and it requires those that were leaders as at that time to declare their statements of income, assets and liabilities within 3 months after the commencement date, within 3 months of one becoming a leader and thereafter every 2 years during the Month of March.

A leader is required to submit to the IG a written declaration of the leaders' income, assets and liabilities, the names, income, assets and liabilities of his/her spouse, child and dependant in the prescribed form and is applied without prejudice to the rights of the leaders, spouse, child and dependant to independently own property.

S4 (a) &(b) are to the effect that any failure to declare properties by a leader amounts to a breach of the Code. The leaders to which the Code is applicable are outlined in the second schedule to the Code.

Sections 8-13 spell out the prohibited acts as well as the conduct expected of a leader. A leader is prohibited from asking for or accepting any property or benefit of any kind, or any other person in respect of anything done or not done by him/her in the discharge of his/her duties or in his official capacity. "Benefit" is defined under the Code to include any gift loan, payment, commission, forbearance, gratuity or favour whether in form of money or kind, or another gain of a personal nature.

Any gift or donation (S10) to a leader on any public or ceremonial occasion is treated as a gift to the government or the institution for which the leader works. Donations or gifts to a leader are only allowed in accordance with custom. This provision attempts to prohibit and minimise incidences of bribery among leaders.

A leader is prohibited from entering or getting involved in any foreign contract that may injure public interest or may compromise his official position. In the event that such leader should get involved the Code requires prior written approval from the IG. Leaders are also required to protect and to reasonably use government property. A provision that aims at preventing misuse of public property

S14 prohibits leaders from divulging official information to the public for promoting their private interests unless such information is to be used for educational, literary scientific, research or other lawful purpose.

S15 (2) prohibits leaders set out in Third schedule from holding any shares or other proprietary interest in any foreign business organisation or to hold office in such organisation, except with prior written approval of the IG. Etc.

On the whole, Section 8 to 13 of the Code prohibit leaders from misuse of public funds, improper use of their positions to enrich themselves using official time and facilities to promote private business, behaving in a disgraceful or un becoming manner, evading taxes and failing to fulfil other financial obligations to government. It also prohibits leaders from advancing the interests of a foreign country at the detriment of Uganda. It admonishes nepotism favouritism and other forms of self-aggrandisement.

It further contravenes the Code if any leader causes to be done through an agent, any act contrary to the provisions unless cause is shown that he/she had no prior knowledge/consent to the said act or did everything within their powers to prevent such breach.

S 18 provides for the manner in which the complaints can be lodged as well as the procedure for investigating such complaints. A report emanating from such investigation will be public under section 19 which will state the nature of the breach committed by a leader, the circumstances of the breach, a brief summary of the evidence gathered during the inquiry, and the Inspector General's findings and recommendation.

Under S23, the IG is empowered under the Code to compel the attendance, swearing/examination of witnesses and to receive any additional evidence, as it considers necessary to prove allegation. S26 the IG in its proceedings to observe rules of natural justice. This implies that unlike ordinary courts, the IG proceedings are not lost in a maze of technicalities and should therefore be easy to follow and less time consuming. S 22 gives special powers to the IG to put restrictions on the operation of bank accounts or disposal of properties of a leader or any person being investigated.

S37 requires the IG to include a report on its enforcement of the Code while submitting its statutory report to Parliament under article 231 of the Constitution.

Under Constitutional Article 234 and S.6 of the Constitution (Consequential Provisions) Statute and the Code itself, enforcement thereof is vested in the IG, which under section 29 of the Code shall, when enforcing the Act have all the powers conferred upon it by Chapter 13 of the Constitution or any other law. The Code provides *inter alia* for dismissal or removal from office of a person who has breached its provisions.

2.1.7 Shortcomings of the Leadership Code Act

The Code has just come into force and it is only 3 months old. It is yet to be realised as to what extent its provisions have been complied with by the leaders and what will happen in case of breach thereof especially none compliancy thereto.

Though S. 7 provides that the contents of the declaration are to be treated as public information, this information is only accessible to the members of the public upon application to the IG in a form prescribed under the code. The practicality of this provision, given the level of literacy in this country is self-defeating since it is unlikely that the majority of the population will be familiar with such procedure.

2.1.8 The Local Government Act 1997

Following the implementation of the decentralized system of governance, this Act is intended to tackle corruption at district level. The Act provides for the removal from office of the District Chairperson for amongst other reasons, abuse of office, corruption, misconduct or misbehaviour (S15) Furthermore, the Local Government Financial & Accounting Regulations 1998 have provisions that are crafted to combat corruption at the local government level. It also provides for the establishment of Local Government Public accounts Committee and institution of internal audits. This is inline with the Constitutional article 185.

Conclusion

From the foregoing, it is apparent that there is in place a comprehensive legal framework to fight corruption in Uganda. However the law seem to overlap each other with powers vested in

different agencies under the different legal instruments. The Powers of the DPP, CID and IG are not clearly defined under each of the Acts address issues of corruption.

2.2 The institutions

In the previous section we observed that Government responded to the problem of corruption by putting a number of laws in place, but would not be effective in fighting corruption because of deficiencies that have been highlighted. In this section we have shown that, the creation of the legal framework was accompanied or soon followed by establishment of a number of institutions to combat corruption.

These include the Presidency; the Parliament of Uganda; the Directorate of Ethics and Integrity; the Inspectorate of Government (IG); Office of the Auditor General; the Judiciary; the Directorate of Public Prosecution; and the Criminal Investigation Department (CID) of the Uganda police force. The paper has tried to examine these institutions, pointing out the strengths, weaknesses and areas that still need to be attended to in order to have the institutional framework working effectively.

2.2.1 The presidency

Article 99 of the Uganda Constitution (1995) vests the executive authority of Uganda in the President. The President therefore, has the duty to uphold, safeguard, execute and maintain the Constitution and the laws of Uganda as well as to promote the welfare of its citizens. In essence, this gives the president general powers to act in respect of corruption laws. The President is also empowered to delegate these functions to subordinate officers.

It is from the same principle that the President (by virtue of Article 90 and 108 (a) and (b) of the Constitution) assigned the Vice President the role of overseeing and coordinating efforts against corruption. This was done through the establishment of an Anti-corruption Unit under the office of the Vice President.

It is within the unit that a number of strategies were identified to fight corruption, including the need to develop a sector approach to coordinate all anticorruption activities, avoid duplication and unnecessary overlaps as well as to improve resource mobilization and effectiveness of all agencies. This was the precursor to that establishment of the Directorate of Ethics and Integrity, to provide political leadership in the fight against corruption.

2.2.3 The directorate of ethics and integrity

Government recognised that the campaign against corruption had neither reached the desired level nor had a significant impact on the incidence of corruption. In that context, H.E. the President assigned the Vice President the task of overseeing the fight against corruption, a responsibility that was supported by the Anti-corruption Unit in the office of the Vice President until the appointment of the Minister of Ethics and Integrity in 1998.

The Minister came to lead the new Directorate of Ethics and Integrity (DEI), in the Office of the President, as a successor to the Anti Corruption Unit in the Vice President's office, and to provide political leadership in the fight against corruption. The DEI was created in response to public outcry that the presence of specific anti-corruption bodies was doing little to control corruption in public offices. There was for example a concern that some of the anti-corruption bodies were becoming more corrupt than the ordinary public servants. Results of the National Integrity Surveys had portrayed the Uganda Police (supposed to enforce law and order) as the

most corrupt institution (even more corrupt than the public servants whom they were supposed to purge of corruption and criminality). The Police was ranked top on the corruption perception scale.

The DEI is mandated to coordinate an effective anti-corruption campaign, including coordination of the activities of the constitutional agencies mandated to fight and prevent corruption; receive, follow up and ensure enforcement and implementation of recommendations made by commissions of inquiry, the Auditor General and the Inspector General of Government. It acts as a contact point for the public to report corruption cases while playing the role of public relations with a view to enhancing public education and enlisting public support in the fight against corruption; and undertakes spot checks or monitors and identifies particular cases for deterrent purposes.

The Directorate has tried to work out a mechanism to facilitate close coordination between government agencies and other stakeholders, to work more closely in implementing anti-corruption programmes. The Inter Agency Forum (IAF) is one, such new innovations. But the Directorate still faces a challenge of developing a TOR for the various agencies and the structure of the IAF that benefits from the experiences of various stakeholders involved in the anti-corruption campaign. Another challenge is financial and manpower capacity constraints.

The Directorate has a staff establishment of eight people including the Minister, and the annual non-wage budget of only Ushs 492 million (in 1999/2000) the DEI is already a sign of weak financial base. Most of the staff consulted in the DEI suggested budgetary increase for the Directorate, and improvement in working environment including, better pay and more office equipment, which obviously I believe is the objective thing Government can do to make the Directorate more effective.

2.2.2 The parliament

Uganda Parliament comprises slightly over 300 member-assembly (Table 2.1), a Parliamentary Commission and ten standing committees, including the Public Account Committee (with membership of 15 people), which is responsible for financial accountability matters.

Table 2.1 Members of the National Legislative of Uganda, April 2002

Category of Members	Total	Article 79 of the Uganda Constitution and specific legislations empower the Parliament to make laws, and promote development and good governance. In particular, parliament is expected to enact good laws; approve government budget (revenue, loans and expenditure) and programs; and to initiate, monitor and evaluate government policies and programmes.
Directly Elected MPs	217	
District Women MPs	55	
MPs Representing the Army	10	
MPs Representing PWD	5	
MPs Representing Workers	3	
MPs Representing Youth	5	
Ex- Officio Member	9	
Total	304	

The 1995 Constitution (Article 15, section 1) stipulates that *the President, as the head of executive branch of Government will cause the budgetary estimates for each financial year to be prepared and presented to Parliament.* The Public Finance Act Cap 149, section 3 requires the Minister responsible for finance to ensure that a full account of finances is made to Parliament. The Parliament therefore, has a constitutional mandate with regards to government budget and financial accountability. The Budget Act 2002 has given Parliament more powers to

monitor the enforcement and control of the national budget and expenditure estimates. The Act established a Parliament Budget Office to provide Parliament with timely and apolitical technical advice.

In addition, Parliament performs an oversight function and serves as a watchdog over the executives, which involves checking and investigating misuse and abuse of authority and public office. Parliament performs the later functions (related to misuse and abuse of office) by liaising with Office of the Auditor General, the Inspectorate of Government, the Directorate of Ethics and Integrity, and the public (Chart 1). Parliament may be critical of the behaviour the executive in government but is not in position to oust the government or dismiss a corrupt civil servant. It can censure a minister, but the power to dismiss rests with the President. The Parliament may, however, withhold the approval of the government budget to effect compliance from the executive.

Shortcomings

Discussion with a number of legislatures helped to identify major reasons why Parliament has not been very effective in this area. They include, political interference, inadequate finances and manpower resources, inadequate transport and equipments (e.g. computers, photocopiers, etc.), lack of office accommodation, inadequate research and poor documentation centre. Parliament's decision is undermined by executive in most cases, like the two cases where corrupt Cabinet Ministers were censured in the 6th Parliament, but only to be re-appointed to more powerful ministries. The UCB saga is another example; where despite Parliament refusal to sell/privatise the bank, Government went ahead and sold the bank anyway.

Public Account Committee lacks power to punish those that it finds guilty and it is the judiciary to do so upon successful prosecution. It can only recommend to the DPP to prosecute the culprits.

Parliament is also empowered to constitute Select Committees for the consideration of such matters as the House may refer to the Committee and to report on any such matter to the House (R144). Under Rule 146, Parliament can also appoint a Special or Ad hoc Committee any time, to investigate any matter of public importance that does not come under the jurisdiction of any standing Committee or that has not been dealt with by a select Committee to investigate cases of corruption as they arise.

Despite these limitations, including several others that have not been mentioned, the legislative organ of government (Parliament) is still the most suitable institution to effect compliance and to prevent corruption tendencies in public offices. It therefore follows that the capacity of the parliament needs to be strengthened to enable it perform its oversight function effectively and to ensure that services are actually delivered to the beneficiaries effectively, promptly and in ethical manner. It is also important that the Parliament continues to enjoy autonomy so as to affect a system of checks and balances, with minimum or zero interference from the executive.

2.2.4 Office of the auditor general

The Office of the Auditor General (AG) is an autonomous public body established under article 163 of the Uganda Constitution of 1995. Law empowers the AG to conduct financial and value for money audit on the public accounts of Uganda, including those of public offices, government projects and organisations established by Acts of Parliament. Article 163, section 6 grants the AG autonomy and independence in carrying out its functions, while the Public Finance Act (1964) empowers the Auditor General (on behalf of the Parliament of Uganda) to examine, and

inquire into and audit the accounts of all the accounting officers and receivers of public revenue and all persons entrusted with the collection, receipt, custody, issue or payment of public money including the delivery, custody, receipt, sale or transfer of stamps, securities, stores or other government property.

Section 4 of Article 163 of the Constitution prescribes that the Auditor General shall submit to parliament every year, a report of the audited accounts (i.e. audited by the AG). The Inspectorate of Government normally receives a copy of the same report. And as the law requires, it can proceed to investigate areas in the report, which needs investigating.

The office of the Auditor General enhances or fosters accountability for public funds in a number of ways. One way it does this is through its publications (e.g. annual audit reports, special audit reports, and press statements on central government ministries, local authorities and statutory bodies). The reports usually result unto recovery of moneys, stoppage of wastage, disciplinary actions, investigations and prosecutions. The AG works closely with the Public Account Committee of Parliament and the Local Authorities Accounts, to secure accountability to the parliament and the public.

Other legal basis for activities of AG derives from Articles 153 of the Constitution, which provides for the creation of *Consolidated Fund*. The Auditor General is the sole authority to give approval for any money to be withdrawn from this account as well as the *general fund account* or any other district accounts (Article 83, clause 2 of the Local Government Act, 1997). This largely acts as a deterrent to parties who may wish to misappropriate funds, as the system is very stringent. Fraudulent bills, and bills, which have not passed through the recommended procedures like the tender authority hardly find their way to the payment table. What this section of the law has not been able to enforce concerns portion of foreign aid, which is sanctioned by the donors themselves (money under special account spent with the approval of donors). Such parallel system can be counter-productive.

From wide discussions with several departments of Government we came to conclude that the current legal framework intended to enforce financial accountability has some encumbrances. Although the office of the Auditor General may examine procedures of government departments and recommend changes, it does not have the authority to enforce sanctions for non-compliance in government public bodies. The law forbids AG from arresting and prosecuting suspect. Since implementation of the recommendations is voluntary, it is at the discretion of the accounting officer of a government department to enforce the recommendations. With political will they are committed to controlling corruption and are administratively and politically accountable for the actions in their institutions. To the extent that the decision concerning action to be taken related to the AG report lies with the Parliament, the AG cannot determine the nature of sanction, the speed of prosecution, etc. It is easy for the AG to feel demoralised if the case is not satisfactorily concluded.

Weaknesses with the present expenditure (financial) management system

From discussions with some accounting officers in Government departments and some members of the private sector who provide services to Government, it is known that processing of claims or receiving payment from Government takes exceptionally long time. The Auditor General is the final person to authorise such payment to the supplier, after the claim has passed through tens of hands.⁴ All the informants admitted that the exceptionally long and stringent procedure has helped to reduce frauds and misuse of funds, but a lot, however, remains to be

⁴ It is claimed that for certain payment, before a cheque is issued 67 signatures have to appear some where in the claim document/form!

done in fighting corruption, bureaucracy and other structural inefficiencies. The delay caused by long procedures has encouraged bribes as people seek alternative short cut (i.e. bribing their way in the name of 'facilitation'). There is also the complaint that the present finance management system is not well linked to the procurement process, and standard accounting procedures, for example, storage of vouchers and other accounting documents need to support the entries is very poor. If it is done, there is no systematic format, and it doesn't serve the purpose. It could be true from what we have gathered that, indeed, some officers have been implicated in such allegations as misappropriation of funds because of the weakness of the system.

2.2.5 The inspectorate of government

The Inspectorate of Government (IG) was formally established in 1988 by Statute No. 2 (1988) of the National Resistance Council, with a mandate to fight corruption and abuse of authority and public office.⁵ With the enactment of 1995 Constitution, functions of the IG were redefined to include the responsibility of enforcing the Leadership Code of Conduct.⁶ Other functions include: ensuring strict adherence to the rule of law and principle of natural justice in administration; eliminating corruption, abuse of authority and public office; and promoting fair, efficient and good governance in public offices. In addition, the IG has powers to investigate any act, omission, advice, decision or recommendation by a public officer or any other authority made or undertaken in exercise of administrative functions; and to stimulate public awareness about the values of constitutionalism in general and about the activities of the office.⁷

Under the Inspectorate of Government Act 2002 the Inspectorate can now arrest or cause arrest, prosecute or cause prosecution in respect of cases involving corruption, abuse of authority or of public office; or gain access to premises and documents including powers of injunctions or orders whenever necessary, whether during the process of investigations or after completion of investigations.⁸

The Inspectorate of Government Act 2002 is a good Act. But there are two major weaknesses. On one hand, the law bestows too much power to the Inspectorate; this power can potentially be abused. On the other hand, law restrains the IG from question or reviewing the decision of any Court of law, or of any judicial officer or tribunal irrespective of the nature of the case in question. Obviously, this makes enforcement of the Act (Inspectorate of Government Act 2002) a challenging task indeed. Two, although the IG is empowered to carry out prosecution of the person suspected of corruption or abuse of public office, section 83A of the Penal Code Act restrains the Inspectorate from carrying out such prosecution without the written consent of the Director of Public Prosecution.

By implication, the job to prosecute is the exclusive preserve of the DPP. Subsequently, independence of the IG to handle its own prosecution is "watered down" by this section of the law, which is further reinforced by section 14 (paragraph 8) of the Inspectorate of Government Act 2002, which states: *"Notwithstanding the law, the Inspectorate shall not require the consent or approval of any person or authority to prosecute, or discontinue proceedings instituted by the Inspectorate"*. The IG could maintain its current policy regarding prosecutions, but it would be

⁵ The Inspectorate is led by the Inspector-General of Government (IGG), appointed by the President with the approval of Parliament. The IGG reports directly to the Parliament as required by law thus provides for the independence of the Inspectorate.

⁶ Article 225, paragraph (d) of clause (1) of the Constitution of Uganda

⁷ According to Section 225, clause (2) the Inspectorate may conduct investigation on its own initiative or upon complaint made to it by any member of the public, whether or not that person has personally suffered any injustice by reason of that matter.

⁸ Section 13 (1,2), 14(5,7,8,9) of the Inspectorate of Government Act, 2002

important to amend certain section of the law to avoid duplication (conflict) of roles between the Inspectorate and the DPP.

Another problem in the current legal and institutional framework is the involvement of the police in corruption cases; the roles, which the Inspectorate of Government is capable of handling. There is, however, an attempt to streamline the anti-corruption efforts by reviewing the laws. Such efforts could consider a proposal to divest the Uganda Police of any responsibility of handling corruption cases, but to make them the exclusive preserve of the IG.

The boundaries can be clearly demarcated whereby, the IG would handle complaints involving corruption and other related offences, while disciplinary and non-corruption related offences can be referred to the police to handle. In fact, IG could remain completely independent of the police once it is sure of its capacity to handle its own investigations. Likewise, the attempts to consolidate all corruption-related laws could also consider proposing amendments to the laws that enable the IG to prosecute cases of corruption-related offences alongside the corruption cases.

Shortcomings

Although the Constitution makes appointment and dismissal of these officials subject to Parliamentary approval, the institution to a very large extent is not autonomous of the President

The IG lacks authority to review matters relating to the court proceedings, prerogative of mercy, or any matter viewed by the President as likely to be prejudicial to the security, defence or international relations of Uganda. Disclosure of proceedings and deliberations of cabinet or its committees that are of a confidential or secret nature and would injure public interest (not defined) cannot be reviewed by the IG. These so called “no go areas” are most times matters that may involve gross misuse of public funds and other corrupt tendencies.

Accessibility of IG reports to the public is not obvious. Though the reports are submitted to parliament and a copy to the president, it is not clear as to how the public can have access to the reports. The media initiatives aimed at informing the public about the dangers of corruption have only been a far cry as only those in urban areas have been reached.

There is lack of an established procedure to follow up on the report recommendations made by the IG. Action is left to Parliament and the President who cannot be compelled to take the desired action. Though the Constitution envisages the IG institution operating at District Level. The furthest it has gone is to open up branch offices at regional level due to lack of manpower and financial resources to expand any further.

Although the institutional Framework to fight corruption has been put in place, there is still need to strengthen it in order to eliminate problems of understaffing, under funding and ineffectiveness. The IG has been heralded as an institution that is free from the intricacies of the ordinary courts, but the independence of the Institution remains suspect. It is recommended that overlaps in the mandate of the various anti-corruption agencies should be minimised in order to optimally utilise the limited human and financial resources.

Other constraints face by the IG

Through various discussions and reading of reports of the Inspectorate, we discovered a number of structural problems that have severely affected the work of the Inspectorate. Top among them is financial constraints. The IG operates with a budget of less than Ushs 4 billion

annually, which cannot support the activities of the secretariat and the nine regional offices across the country. Financial constraint has limited the number of workshops and seminars IG can conduct in a year. Inadequate logistical support: transport, computers and other operational facilities has imposed limit to what the Inspectorate can achieve.

Efficient complaint management would require well trained, and specialized team to speed up investigation and prevent accumulation of backlog cases as work is assigned and handled as soon as it is received. The Inspectorate is far from achieving this ideal due to understaffing and skill deficiency in its staff ranks.⁹ Close to this, the IG is facing challenges from the new technological advancement. The rapidly changing nature of corruption would require the IG has to be well equipped with modern computer software and equipment not only for efficiency, but to handle transactions such as the ones done electronically and across the borders. This too needs resources.

2.2.6 Directorate of public prosecution

The Directorate of Public Prosecution (DPP) was set up under article 120 of the 1995 Constitution to institute and control all criminal proceedings (in the country), against any person or authority before any court, other than a court marital, in respect of offences alleged to have been committed. The Penal Code of 1964 provides for a range of criminal offences such as forgery, uttering false document; conspiracy to commit an offence, fraudulent false accounting and other related offences. The amendment Statute (No. 5 of 1987) provides for the offences of embezzlement and causing financial loss by employees or officers of Government or public bodies.

In addition to the Penal Code 1964, the Prevention of Corruption Act (Act 8 of 1970) also empowers the DPP to prosecute cases of corruption and bribery and further confers on the department to search, seize, arrest and interrogate suspects. Law requires the DPP to advise the Criminal Investigation Department, in particular, and other government departments in general on matters of criminal investigation.

Shortcomings

Some of the shortcomings debilitating against the effectiveness of the DPP include understaffing, inadequate training and knowledge of accounting skills, which seriously affect the successful prosecution of corruption related cases. There is also lack of adequate logistical support as well as lack adequate geographical spread of resident State Attorneys. This is indicative of the chronic under funding that contributes to the insurmountable backlog of cases that is experienced in the judicial system.

2.2.7 Criminal investigation department (Uganda Police Force)

The Police Act 1994 and 1995 Constitution set out the functions of the Police to include (i) ensuring public safety and order; (ii) prevention and detection of crime in society; (iii) protection of life, property and other rights of the individual. Within the Uganda Police Force, the Criminal Investigation Department (CID) is charged with prevention and detection of crime.

⁹ The IG is currently understaffed, having only three hundred staff both at the secretariat and the 9 regional offices to handle a population of over 20 million. Most of the officers are young in the legal professional and yet the corrupt officials engage the most professional/senior lawyers in the country. This leads to the corrupt officials being exonerated in courts of law.

2.2.8 The judiciary

Article 126 of the Constitution provides for the administration of justice through the Judiciary to ensure that the people receive the protection of law and that justice is administered promptly and fairly, irrespective of a person's social or economic status. The judicial power is exercised by the Courts of Judicature and Subordinate courts such as the Magistrate Courts and Local Council Courts. The Judiciary helps Government in handling cases of embezzlement, abuse of office, fraud, etc. Judiciary provides the mechanism and procedure to investigate and judge cases of alleged corruption.

With assistance of the Danish International Development Association (DANIDA), the judiciary has undergone major transformation - translated in increase in the number of functional courts in all parts of the country; and the number of judicial officers, from magistrates to judges. This is a significant step towards improvement in the administration of justice. Separate commercial division of the High Court has also been set up (with its own registry), to hear and dispose off commercial cases. This development has significantly reduced backlog of cases and improved the delivery of justice. Generally, the public has confidence in the Uganda judicial system.

Shortcomings

Like any other public institution, the judiciary cannot be said to be free of corrupt elements, which obviously not only hinder effective implementation of the laws against corruption, but also undermines the moral authority of the institution. Moreover the courts are too formal and far removed from the reach and perception of the majority ordinary persons in Uganda. Successful prosecution of corruption cases is made even more difficult by the adversarial court system as well as the technical rules of evidence.

2.2.9 Central tender board

The process of tendering public goods and services poses the biggest challenge to the anti-corruption campaign. The establishment of the Central Purchasing Corporation and the strengthening of the Central Tender Board were meant to streamline the procurement process in the country. It was to ensure that procurement is economical and results in getting the best quality goods and services for the price paid; fair and impartial, promoting non-discriminatory standards; transparent by ensuring that all requirements, rules and decision making criteria are readily accessible to all potential suppliers; and efficient with respect to encouraging simple and relatively fast processes with minimum bureaucratic interventions. These seem not to have worked, given the various complaints (media reports) concerning the award and administration of government tender both at the centre and the districts. The Public Finance (Procurement) Regulations, 2000 has exceptionally prolonged the tendering process creating more rooms for manoeuvre. On technical ground, the procurement system is not well linked to the financial management system, which makes it difficult to enforce accountability. Ayoki and Obwona's (2000) report on the public expenditure management system noted inadequate guidance on incorporating measures for accountability and transparency in the use of funds. Agencies managers are not always familiar with effective mechanism and rarely receive adequate support.

2.2.10 Civil society and the media

The involvement of the civil society, private sector and the media is important in the fight against corruption. Uganda should be commended for the positive steps in according the press some level of freedom in carrying out their activities. The Press Law Act of 1995 and Article 41 of the

Constitution, give the media freedom to access information from the state. The Print Media Act 1995 and Broadcasting Act 1995 have also helped to encourage freedom of the press. Various media associations have been formed to foster good journalism and relationship with Government has reasonably improved in the recent past.

Through its educative and investigative reporting, the media has in the recent past effectively engaged public initiatives to informed scrutiny thereby raising people's consciousness to evils of corruption and sensitising the public about its role in the society, suggesting ways in which corruption could be controlled. In the absence of an active civil society, a strong mass media campaign is capable of putting sufficient pressure on all actors in anti-corruption campaign. Public views on the anti-corruption programmes on impartiality and confidence levels could then be solicited for analysis of the impact of anti-corruption programmes.

Available evidence, however, shows that civil society too, has been instrumental in the anti-corruption campaign although it is not represented in the national Inter Agency Forum (IAF). Transparency International (with support of the donors) have conducted a few workshops aimed at creating awareness concerning the rights of the people to public services and their obligations, generally. Several professional associations (in the private sector) have equally joined hand in the anti-corruption campaign. These include the Uganda Law Society – drawing on the expertise of its lawyers and academicians - have always raised critical issues concerned with abuse of office, demanding that a step be taken against the defaulter(s).

Civil Society Organisations (NGOs) can help in this process of soliciting, strengthening and consolidating public support in the anti corruption campaign, a proposal for improved collaboration of government and the and civil society (NGOs, professional groups, private sector) would be the formation of task forces comprised, among others, the professional associations to identify professional unethical and criminal concerns whenever complaints arise. Introducing Advisory and Review committee (ARC) in the structure of IAF, which includes representation of the civil society, can strengthen the coalition.

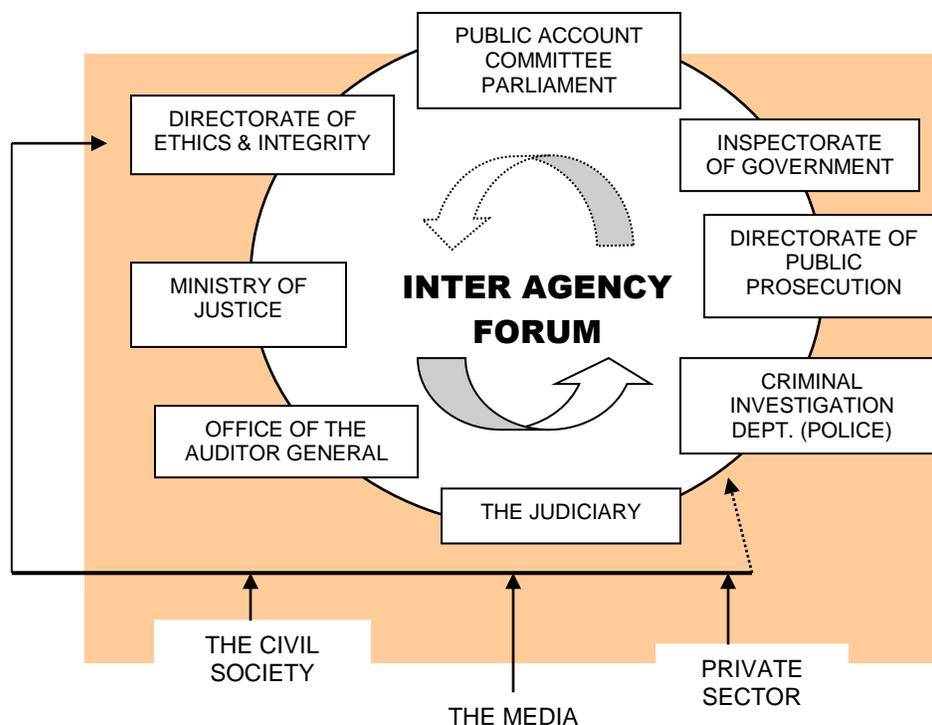
2.2.11 Inter-agency forum: Principal forum for policy discussion

The viable mechanism of coordination between Government and other anti-corruption agencies is the Inter Agency Forum of Uganda (IAF). See Chart 1. IAF can provide an opportunity for the Government to present its policies and strategies, achievements and present an assessment of overall anti-corruption efforts and to learn from the experiences of the other anti-corruption groups like the civil society organisations.

Shortcomings

Apparently, representation in the IAF is very exclusive and restricted to only selected Government institutions (Chart 1). However, it is prudent in terms of strategy to involve all anti-corruption actors for an effective anti-corruption campaign, which is after all, the motivation for creating IAF. The Directorate of Ethics and Integrity could consider introducing Advisory and Review committee (ARC) in the structure of IAF for a start to incorporate a cross section of different levels of people in society. The private sector, the different arms of government, the various professional bodies, the civil society and other interest groups could then nominate members to ARC in IAF. IAF can advise the government on the various recommendations to deal with the various systems in the accountability cycle and other core functions of government so as to curb corruption. With time, ARC could legally be formalised through appropriate legislation.

Chart 1. Overview of the inter-relationship and information flow between anti-corruption agencies



Source: Author's formulation

3. Reform measures and ongoing programmes

3.1 Legal reform

3.1.1 The law reform process

The reform of the law is a fundamental pillar in development of the private sector thus the social and economic advancement of Uganda. This is even more urgent now that weaknesses in the law have often been cited as one of the impediments to private sector development in the country.

The Government's commitment to the process of law reform has been ably demonstrated in the establishment of the Uganda Law Reform Commission in 1990. The Commission was established by Statute 7 of 1990 (and elevated to a constitutional body by Article 248 of the 1995 Constitution). Its role is to propose new laws and legal mechanism, including reforming the existing laws so as to create an environment, which is conducive to private sector led growth. The reform is also perceived within the objective of providing an enabling environment in which government's social programmes such as Poverty Eradication Action Plan and the Plan for Modernisation of Agriculture could be implemented.

Under the auspices of the Law Reform Commission, the commercial laws requiring reform or entirely new enactment have been identified and categorized into various clusters such as business associations, insolvency, secured transactions and others. The Justice Law and Order Sector Reform Programme, is concerned with reform in administration of the justice, criminal justice reform and commercial justice reform, among others. Commercial justice sector reform in particular has been identified as the most critical component of the justice system that concerns the investing public. In addition to fostering greater public confidence, reform of the commercial sector will enable the country to keep abreast of other developments in the law, in the field of technology and in the arena of original integration.

3.1.2 Deregulation programme

The Deregulation Programme is a programme in the Ministry of Finance, Planning and Economic Development, concerned with improving the environment in which Uganda businesses can operate. It intends to achieve this by streamlining regulations and procedures in key constraint areas such as trade licensing, customs, and tax collection. This involves reforming trade licensing system, the legal and tax appeal process; financial leasing reform, and so on. Under these assignments, it is only trade licensing reform that has been tried, the rest are in plan.

- i) **Reforming trade licensing system** Trade licensing reform is in line with Government's objectives of eradicating poverty as outlined in the Poverty Eradication Action Plan (PEAP). The reform is envisaged to foster an environment for rapid and sustainable private investment, and increase revenues for local authorities to ensure better service delivery. Major components of the reform include computerization of the licensing system, adopting/designing simpler forms, collection of useful statistical data, and providing more information to businesses at the time to registration.

Work completed so far include drafting the technical components of the system, including the new registration forms; arrangement with Entebbe Municipality Council to pilot the implementation of the new system; preparing training materials as well a set of performance indicators, as a basis for evaluation of the pilot scheme. The project has also developed a communications/outreach strategy to inform the business community and other key stakeholders of the system and the standards they need to comply with.

- ii) **Reforming the legal process** by limiting the range of business activities for which special approvals are needed to those that impact on security, health, safety, and the environment. The reform also aims at cutting business cost by requiring that all business activities be registered in their local authority; and emphasises educating businesses to ensure greater compliance; and introducing a fee structure that is fairer across the board.

Subsidiary to the (ii) above is **Introducing "best practice" standards** into Uganda law making to encourage stakeholder consultation in law making process (especially those likely to be affected by the new law). And by encouraging proper cost-benefits analysis of the law being proposed, business are protected from potential consequences of implementing the law.

- iii) **Reforming the tax appeals process** whereby a time frame (time limit) is provided for decision making within the URA; in case of dispute over a duty assessment, all goods are released upon payment of the amount of tax not in dispute and provision of a surety.

- iv) ***Altering the tax treatment of financial leasing*** to increase availability of leasing in the country, to increase the chance for businesses to access leasing to acquire the necessary machinery and equipment for business operation.
- v) ***Amending the Workers' Compensation Act*** to make payment of compensation to affected employees more affordable to business firms.
- vi) Ensuring that the proposed labour laws are not detrimental to business progress, and ultimately, their workers and the society.

3.2 Civil service reform

Civil servants are expected to conduct their businesses or serve the public with integrity and uncompromising ethical standard. However, due to political and economic upheavals of the 1970s and 1980s, the Uganda Civil Service 'fell out of grace' – became oversized, inefficient, ill-equipped, and demoralised, but worst of all, deteriorated considerably in its ethical standards.

Consequently, the Government through the Parliamentary Session Paper No. 1 of 1991 established the civil service reform programme under the Ministry of Public Service, to develop a high quality, efficient, well motivated and effective public service to support national development, create good governance and encourage growth of wealth creating public sector. The public service reform has since focused on right sizing of the service; restructuring and streamlining Government ministries, pay reform, job grading and development of code of conduct for the service; strengthening management systems; establishing separate personnel systems as opposed to the unified personnel system, as well as establishing District Service Commissions.

3.3 Tax reforms

Government initiated/implemented a number of reforms in the tax administration with aims of maximising revenue collection. These include:

- i) Strengthen the monitoring of the revenue collection performance based on targets set for improved tax administration
- ii) Strengthen the management of Uganda Investment Authority and to ensure its independence in the delivery of improved revenue performance;
- iii) Establish a tax investigation mechanism to ensure greater accountability on the part of revenue collectors and also strengthen existing procedures for investigating allegations of corruption;
- iv) Establish the Tax Appeals Tribunal, as an independent mechanism for handling tax appeals geared towards enhancing the credibility of transparency of the tax administration;
- v) Restructure the tax system, including establishment of VAT and abolishing Tax exemptions. Tax exemption was perceived as a major leakage element in the tax administration. The initiative was an attempt to improve efficiency and transparency in the entire tax system.

The Government has, however, not yet addressed UMA's specific proposal for the reform of the Tax Appeals Tribunal, but has pledged to reform the commercial justice system through the commercial justice reform programme. This would include reforms to the commercial court system, reforms of land and company registries, amendment to commercial laws, upgrading

legal professional and amending the Advocates Act in order to improve transparency of commercial legal services. The business community also expects Government to abolish business capital gains tax. Government ratified double taxation agreements with South Africa, Norway and Denmark, and is continuing to negotiate double taxation treaties with other countries. The objective of these tax treaties is to protect the taxpayers against double taxation and to ensure that the tax system does not discourage direct foreign investment.

Income Tax Act 1997- There has been an effort to address weaknesses in the Income Tax Act 1997. The business community would wish to have section 23 (g) of the Act amended so as to make housing benefits/allowances deductible as business expenses – this would remove double taxation of housing allowances paid to employees. The business community has generally insisted that the provisions of the Act especially those relating to taxation of individuals, which tend to undermine the investment promotion and increased overall cost for businesses be amended.

Pre-shipment Inspection – Government also adopted the business community's proposal to abolish pre-shipment inspection because it was no longer necessary with the introduction of the GATT valuation system.

3.4 Budget reform (budget process)

Government has initiated a more participatory approach in the budget process as a mechanism to increase transparency in the management of public funds. The preparation of the budget for the financial year 1998/99 marked the start of a process, which has since involved open discussion with the main stakeholders and the donor community (e.g. the Budget Conference/consultative meetings and Sector Working Groups). The preparation and presentation of budgets to the Parliament in the case of the Central Government and that of Local Governments (LGs) to their Councils is a requirement under the Constitution and the Local Government Act, 1997 respectively and the Finance Act. As well, there are constitutional provisions (e.g. Article 54) and Appropriation Act, which require Government to seek approval of Parliament concerning its (Government) expenditure and revenue plan. All these reflect Government efforts to increase transparency in resource planning and management. Other related reforms include standardization of the coding systems, improvement of expenditure monitoring; introduction of output, an effort to link budgeting to output; as well as privatisation and financial sector reforms.

3.5 Financial decentralization

Unlike in the past when the Central Government would be the one to approve Local Government's budgets (revenue and expenditure estimates), with the decentralisation, all District Councils can now approve their budgets. This move was initiated to make the budget management transparent. The commitment of having the budget drawn and approved enables all parties at both the centre and the districts to have a full picture of what is approved and therefore be able to monitor and evaluate the budgetary and financial management performance of Local Governments. The allocation of block grants to LG is done using objective criteria to reduce occasions for skewed intra-district resource allocation. In addition, all the financial transfers from the centre are well documented for every district and monthly releases are published in the print media. Institutional arrangement to carry out financial auditing and to promote compliance with rules and regulations of financial management and control is also in place. Internal Audit and the Local Government Accounts Committee have been given a greater role to bring about greater accountability. The existing challenge is the capacity of LG

institutions to effectively carry out its roles. Local Governments are constrained by lack of adequate staff with the requisite skills as well as inadequate logistical support.

3.6 Ongoing programme

3.6.1 Public awareness and education programme

The programme was launched in 1995 with the objective of enhancing public awareness and understanding of the causes and consequences of corruption. The Inspectorate of Government is implementing the program (both at national and district levels), and through a variety of communication channels namely, radio and TV-spot programmes in selected local languages as well as publication of brochures and articles on requisite messages. Workshops and seminars have also been organised for interest groups on various themes, including programmes on investigative journalism for the media group to improve their capacity to provide well-researched information and messages.

Owing to financial constraint, however, these workshops have been few and have targeted only a small cross section of the public and the civil servants. The programme has reached mainly the district civil servants and opinion leaders, and a relatively small proportion of the population, which has access to radio. Government has the challenge to mobilise adequate financial and manpower resources to ensure an intensive (public awareness) programme countrywide.

3.6.2 National integrity programme

The principle instrument for the implementation of the National Integrity Programme (launched in 1994) is the National Integrity Action Plan (NIP). The NIP is reviewed annually, and covers three major activities: raising public awareness – being implemented by the Inspectorate of Government; information dissemination (production of information materials by relevant institutions); and institutional capacity building for various institutions working with the IG. An awareness raising activity has been running annually since 1994 with the objective of bringing together all stakeholders to review the progress of the programme, to identify challenges and suggest way forward.

In 1998 the first National Integrity survey was conducted, covering 45 districts of Uganda; and the second survey is underway. The aim of the survey is to deepen an understanding about people's perception of, and their experience with corruption in service delivery. It equally endeavours to investigate the views of service workers about corruption; and to gather views on the public service workers about how they think the problem could be, best tackled.¹⁰ Through the output of the survey the Government became aware of the dimension of corruption, which has infiltrated the law enforcement system (the police force appeared as the most corrupt institution in the perception scale), and is able to act from a well-informed position.

3.6.3 Enforcement of the 'Leadership Code'

The enforcement of the Leadership Code started since 1997. The Code requires specified officers to declare their assets (including they are acquired) and, liabilities. By June 1998 an estimated 2,500 leaders had declared their assets. It was not possible to establish the precise number of officers who have so far complied with this requirement, but information from the IG indicates that the process was slowed down by lack of funds and loopholes in the previous

¹⁰ The survey is organised by the Inspectorate of Government. The first survey was carried out by an international NGO in collaboration with the Institute of Statistics and Applied Economics – Makerere University.

Code, and efforts to amend it (a new Leader Code 2002 has been enacted recently). It is hoped that enforcement will be more successful and effective with the new Code.

3.6.4 Investigation on corruption cases

Government has established machinery (role assigned to the Inspectorate of Government) to investigate complaints of corruption cases. There has been significant output from the Inspectorate on investigation of cases of fraud, embezzlement, improper payments, mismanagement of resources and abuse of office as reported in its biannual reports to parliament. Further discussion with the Inspectorate, however, indicates that some cases have neither been investigated nor taken to court due to financial and manpower constraints. It is recalled that between 1995 and 1998, with financial support from DANIDA, 4234 cases were investigated and disposed of within less than three years (October 1995 - June 1998). Similar to early recommendation, Government needs to step up budget allocation (to the Inspectorate of Government) to ensure successful investigation at national and district levels.

4. Conclusions and implications for policy

This paper has demonstrated that corruption has attracted wide-ranging measures and response from Government, civil society, private sector and the public. Government commitment to rid the country of corruption is exemplified in the establishment of the Directorate of Ethics and Integrity to provide political leadership in the fight against corruption, and various anti-corruption bodies such as the office of the Auditor General and the Inspectorate of Government, among others. Government has taken a number of far-reaching initiatives relating both to legislations/policies and operational focus, and reforms, with the objective of reducing corruption and ultimately, poverty in the country.

4.1 Conclusions

Analysis of the various efforts above, in the context of legal and institutional framework led to the following conclusions: (i) the anti-corruption effort is supported by comprehensive legislation and various provisions in the law, which justifies the current state intervention into the issues of corruption, and for other institutions which collaborate with Government in the campaign. Law provides sufficient basis for existing institutional arrangement and procedural guidance for agencies. Laws seem 'relevant' and supportive in this pursuit. (ii) the accompanying reform measures and programmes pursued over the last five to seven years are appropriate, reasonably well targeted and relevant to the complex problem of corruption in the country. While underscoring that other factors may play a greater role in explaining the persistent level of corruptions, we noted the following weaknesses with the law:

Dissemination of the law is weak. Written laws and regulations on various aspects e.g. licensing, customs procedures, commercial dispute settlement, etc. are rarely circulated outside official circles. Where it concerns the private sector, it is advertised in the press when a new scheme or rule/regulation or law is established. If one misses the announcement or the gazette, there is no document to refer to. Investors (entrepreneurs and traders) are often unaware of the legal requirements and incentives provided by Government. In the case studies of importers, exporters and manufacturers we noted that the difficulties in tax administration are partially a result of failure to educate the public about the basic requirements of the tax law. Majority of

firms surveyed are not aware of the requirements of Tax Laws and procedures, leave alone interpreting the law. Also the legal processes are too long and do not facilitate investment.

Other weaknesses concern lack of consistency of the various constitutional provisions and laws on corruption and failure to harmonise the functions of various agencies handling corruption, including that of the judiciary, which has resulted into duplication of efforts, conflicts and confusions and wastage of public resources. Some laws are very narrow in focus e.g. the Leadership Code, which maintains a very narrow perspective on “code of conduct” – basically to assets and liabilities, and forgetting other dimensions of corruption such as social and ethnical behaviour that are self-gratifying, which one exploit because of his superior public office e.g. immoral behaviour. Also, the national machinery for coordination of anti-corruption effort (such as the Inter Agency Forum, IAF) is weak and doesn't give a sense of ownership by the public.

Policy guidelines, systems and procedures in conduct of Government business e.g. the financial system; procurement system, licensing system, etc. are encumbrance and only encourage corruption rather than controlling it. The high opportunity cost of waiting, as papers ascend and descend through countless layers of ranks and bureaucracies to have a simple payment approved has led to people to seeking alternative short cut. The 1964 Public Finance Act is outdated and exhibits a number of weaknesses in the management of public funds. The Act does not facilitate the management of public resources in the manner associated with international best practice. Mechanism to appropriately link procurement to financial system in the accountability cycle is apparently lacking.

4.2 Recommendations

- **Raising public awareness in the existing laws related to procedure(s) of reporting corruption cases, and about the existing tax laws and requirements**

Government could join hand with the civil society, and donors to raise awareness of the public (mobilising and involving the public in the campaign) in order to win their support and to make people to appreciate the danger and consequences of corruption. This way, those who acquire wealth through corruption will increasingly become socially unacceptable. People will also become much aware of procedure of reporting corruption cases. This is where Government-NGO/donor joint effort is very crucial. NGOs like ACCU would lead the crusade by putting up a proposal or an action plan to the Government detailing how they would want to undertake the project, who they will work with and so on. The Government could then sell the idea to donor for funding. When funding is secured Government, donors and ACCU would then nominate members into 9-15 member consultative working group that would oversee the implementation of the dissemination work.

First, a mechanism for recording, documenting, and disseminating information on existing laws, policies and procedures would be established with joint cooperation of all the stakeholders in the anti-corruption campaign, including the media. Civil society organizations such as Anti Corruption Coalition Uganda, MS Uganda, Transparency Uganda, the media groups and collaborators would then take the responsibility of translating or simplify these laws and regulations into simple or local languages that can be understood by the local people and business communities. They would use financial support from Government/donor contribution to do this, and proceed to disseminate and explain these laws and procedures to the local people and businesses, and working closely with private sector lobby groups.

Among other things, the public would be sensitised on how to approach the agencies and on the different aspects of the procedures followed by the agencies in handling cases that are brought

to their attention. This can be done through schools and colleges as well as public sensitisation seminars. Useful experiences can also be drawn from other countries by sharing best practices on how they have managed to eliminate or minimise the nemesis called corruption.

- **Creating a wider platform for Government/private sector contact or strengthening partnership with civil society**

The present Inter agency forum is a very good basis to build on. IAF can provide an opportunity for the Government to present its policies and strategies, achievements and present an assessment of overall anti-corruption efforts and to learn from the experiences of the other anti-corruption groups like the civil society organisations.

Civil Society Organisations (NGOs) can help in this process of soliciting, strengthening and consolidating public support in the anti corruption campaign. Introducing Advisory and Review committee (ARC) in the structure of IAF, which includes representation of the civil society, can strengthen the coalition. The private sector, the different arms of government, the various professional bodies, the civil society and other interest groups could then nominate members to ARC in IAF. IAF can advise the government on the various recommendations to deal with the various systems in the accountability cycle and other core functions of government so as to curb corruption. With time, ARC could legally be formalised through appropriate legislation.

- **Translating political will into reality**

A very important landmark in the anti corruption effort is the effort by Government to provide the legal and institutional framework, including setting up of a ministry/ Directorate to provide political leadership in the fight against corruption. Donors have also come in to provide financial support.

My impression is that donor community could do more to work with Government to improve impact of the anti corruption campaign by increasing budgetary allocation to anti corruption agencies. With improvement in the budget, agencies (e.g. IG, AG, DEI, DPP, etc) will be in position to recruit more and well-trained staff and pay them well. Funding programme can be for a designated period of say, five years to achieve a certain target of impact. There are other ways that Government can make its will a reality is strengthening link with civil society providing it the necessary support it needs to perform their roles in the anti corruption campaign, including political support, and maintaining favourable environment for operation of civil society organizations.

Anti-corruption agencies would be allowed their independence in the execution of their duties and should be more accountable to the people. But in order to ensure that this happens, there is need for better facilitation, better pay and capacity building within the institutions.

- **Continuous monitoring of agencies and system**

Experience shows that, for example, in revenue (URA) corruption, it is not enough to clean up a corrupt revenue collection agency. Unless a mechanism is established for continuous monitoring, sooner or later the agency will backslide once more into the old stealing habit and require yet another extraordinary effort to try to rehabilitate it. It is not enough to 'fire' corrupt officials without reforming aspects of the system that provide opportunities for stealing and ensuring that honest officials are being appointed in position of trust. Where personal contact is necessary, the introduction of elements of unpredictability as to which particular official may handle a matter or certain category of clients, and routine transfers reduce the potential for bribery.

- **Legislating the amendment and consolidating of anti-corruption laws**

To consolidate the existing laws on anti-corruption focusing on the review and revision of remaining obsolete legislation and law. This may involve streamlining procedures and regulations in decision-making, tendering, procurement, conflict management, and implementation of code of conduct. It may also necessitate provisions for independent oversight and operations of institutions.

- **Promotion of preventive programme(s)**

To intensify the prevention programme so as to reduce opportunities for corruption. Included under this objective is the need to initiate a system for integrity monitoring at all levels.

Overall, the economic environment – influenced by the economic policies will determine the success of these measures. Again, the political will to combat corruption must be reinforced by basic incentives that motivate political and economic participation over the long term. Perhaps most importantly, it should be realised that combating corruption is a means to achieving the broader goal of more effective, transparent and accountable governance.

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