

UGANDA DEBT NETWORK

A Call for a Comprehensive Strategy to Combat Corruption in Uganda

Statement of members of Civil Society attending a Workshop on

Transparency and Accountability

Organised by Uganda Debt Network At Pope Paul VI Memorial Conference Centre, Kampala 13th –14th September 2004

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Preamble

We members of Civil Society in Uganda gathered here at Pope Paul VI Memorial Centre, Kampala and having deliberated on the issues of corruption affecting our country,

AWARE that corruption undermines, democracy, development and human rights,

CONCERNED that corruption has adverse effects on the poor and marginalized and the entire population in general,

DISAPPOINTED that Government of Uganda has up to now failed to decisively and strongly deal with corrupt public officers, stop wastage, misuse and abuse of public resources thereby betraying the public trust and confidence,

WE ARE COMMITTED to lead the way as "foot soldiers" to keep the struggle against corruption, and promote good governance.

The Problem of Corruption in Uganda Corruption has broadly manifested itself in Uganda in terms of such actions or omissions as embezzlement, nepotism, favouritism, self-dealing, insider trading, influence peddling, or the use of public office or assets for personal and selfish gain or political advantage. "Corruption" implies that the resources and authority of public office are used for private purposes rather than public interest.

Uganda has been ranked by Transparency International as one of the most corrupt countries in the world. The effects of corruption are diverse and have far-reaching impact on the poor.

Economic Consequences of Corruption According to various reports such as Auditor General's reports, over shillings 200 billion is lost through corruption acts such as embezzlement, diversion and lack of accountability, misappropriation, fraud and outright theft. Some of the money is meant for provision of social services such as construction of classrooms for UPE to cater for over 6 million children in primary schools, health and maternity centres and others.

The various reports by the Inspectorate of Government indicate that a larger amount of money is lost through grand corruption in form of procurement contracts, commissions and projects. Although investigations and commissions of inquiries that have unearthed massive corruption have been carried out, with the exception of the Commission of Inquiry into the Police Force, the rest have not been acted upon hence no action to bring the culprits to book. Some of the people allegedly involved are senior public officers and highly placed politicians. The Commissions of Inquiry include;

The commission of inquiry into the Junk Helicopters purchases in which government lost over \$7 million, the exploitation of DRC natural resources that implicated senior military and government officials and the inquiry into URA whose report was recently expunged by the High Court merely on technical grounds.

Sad to note that most of the money lost in corruption is borrowed for development projects intended to improve the livelihoods of poor people. Examples include money borrowed for the Valley Dams project to provide water to over 2 million herds of cattle in the cattle corridor and the \$34 million for the failed Early Childhood and Nutrition project meant to benefit under 5 year old children in 25 districts. As a result of this mismanagement of borrowed resources, Uganda continues to sink deeper and deeper into unsustainable debt, which, remain a yoke not only on us but the future generations.

Therefore, we recommend the following:

a) The government should make public the findings of all these commissions of inquiry into corruption

- b) Prosecute and punish all the culprits implicated in the various commissions of inquiry
- c) Government should institute a mechanism to recover monies lost in corruption
- d) Award of procurement contracts at all levels should be made more open and transparent

Political Consequences of Corruption Uganda's politics has been characterized by violence, nepotism, patronage and misuse of power. Consequently and by default such people have become a) politically powerful and are able to influence the course of political events in the country, b) a role model to be emulated thus undermining the moral fabric of society and national integrity

Over time a small elite group of people related to each other through marriages, ethnicity, religion education who monopolize the political spheres has been created thereby undermining the values of democracy and democratic governance. For instance ministers censored by Parliament were re-appointed and promoted; others involved in various corruption scandals at national and local levels are, neither reprimanded, sacked nor made to resign their positions.

Because leaders use bribes and coercion to perpetuate themselves in power, this has tended to undermine the integrity of the state institutions including the army, the courts of law, the police, the judiciary and the legislature among others.

Corruption fuels internecine conflict leading to massive loss of life, displacement, human rights violations, repression, deprivation etc. Corrupt leaders in turn use this conflict as a pretext to perpetuate themselves in power.

Consequently corruption, conflict and political instability continue to become the country's national and international trademark. This makes it difficult therefore for the country to attract viable investments. Instead persons of dubious economic and financial background are fronted as investors. Unfortunately their contribution in terms of new jobs created, increased incomes and improved livelihoods ordinary citizens is neither seen nor felt.

We therefore recommend that:

- a) The country moves fast on the political road map so as to expand opportunities and increase choices for selecting persons with integrity and high morals.
- b) Corruption should be put high on the national agenda and comprehensive measures should be taken to restore the image of this country in the international community.
- c) A National Integrity System should be put in place based on the following core values: accountability, transparency, tolerance, commitment, patriotism, dedication, openness, trustworthiness, unity in diversity, promotion of good governance, and respect for rule of law.

5 Legal and Institutional Framework The legal, institutional and policy framework for combating corruption, abuse of office and wastage of public property exists. For instance Article 17(i) of the 1995 Constitution provides that it is the duty of every Ugandan to combat corruption.

The institutions like the Ministry of Ethics and Integrity, the Inspectorate of Government, the Auditor General and the Parliament are among others mandated to stop the scourge of corruption.

However, in spite the presence of these institutions, corruption continues unabated partly because the institutions do not have adequate human and financial resources to execute their mandate and partly because the powerful individuals in pursuit of their political and economic interests undermine them.

The legal framework empowering the Inspector General of Government to enforce the Leadership Code Act, 2002 was put to question by the decision of the high court that nullified sections 19(1), 20(1) and 35(b) and (d) thereby rendering it largely ineffective as a disciplinary code of conduct since many of the corrupt officials are also senior government officials and leaders appointed by the presidency.

It is the duty of government to provide human and financial resources that are adequate to enable the various Anti-Corruption institutions to perform their role. For instance the IGG's office employs close to 400 officers to investigate cases of corruption countrywide which number is simply too low to cope with the workload.

Therefore we recommend that:

- a. Government should appeal against the decision of the High Court to ensure that the mandate of the IGG in implementing the Leadership Code Act, 2002, is reinstated.
- b. The Leadership Code Act, 2002, should be amended to provide for a separate schedule of constitutionally established offices in the Code.
- c. The Constitution should be amended to make parliament responsible for the appointment of the Auditor General and the Inspector General of Government for purposes of upholding their independence.
- d. The Constitution should be amended to make it mandatory for the appointing authority to dismiss the holders of such offices if found guilty of such misconduct.
- e. Budgetary provisions be made to increase financial resources available to Antigraft institutions such as the IGG, Auditor General.
- f. Government should establish an Anti-Corruption Tribunal as a specialised court to try corruption cases
- g. Government should promote the Principles in the 1995 Constitution as a National Code of Conduct for all Ugandans.

International obligations to Combat Corruption Uganda is a signatory to the African Union Convention Against Corruption, the UN Convention Against Corruption. For instance the UN Convention provides that:

"The prevention and eradication of corruption is a responsibility of all states and that they must co-operate with one another with the support and involvement of individuals and groups outside the public sector such as civil society, non-governmental organizations and community-based organizations, if its efforts in this area are to be effective".

In addition, Uganda is a subscriber to the NEPAD good governance principles. The Uganda Parliament is member of African Parliamentarians' Network Against Corruption Association – Uganda (APNAC-U) that was formed to enable and encourage parliaments to be at the forefront of fighting corruption in government. Therefore, Uganda cannot ignore the grave implications of corruption given the concern of her citizens and the international community.

We therefore recommend that:

- a) Uganda Parliament ratifies the UN Anti-corruption Convention
- b) Uganda Government should domesticate the provisions of the convention into Uganda law.
- c) The Government should subject itself to a NEPAD Peer Review for good governance

The Obligations of Citizens to Combat Corruption

Article 17(i) of the Constitution of Uganda (1995) provides that *it is the duty of every Ugandan to combat corruption and misuse or wastage of public property*. However, the efforts of the citizens to perform this oversight role is undermined by lack of an enabling law in a form of Public Litigation Act, Access to Public Information Act and an Anti-Corruption Court. This therefore means that ordinary people are denied services by service providers without them being challenged in a court of law by the beneficiaries.

We therefore recommend that:

- a) The Public Litigation Act to enable citizens to seek redress when they do not receive services should be enacted by parliament as soon as possible.
- b) Government should urgently enact the access to public information act to enable citizens to access information in public offices to facilitate the establishment of open, transparent and accountable systems in government.
- c) An anti-corruption court should be put in place so as to expedite the prosecution of people suspected to be corrupt.
- d) Civil Society Organisations should develop linkages and network with other to contribute effectively to combating corruption.

Decentralization and Corruption The policy of decentralization is meant to enhance people's participation and democratic control in decision making, ensure full realization of good governance at the local level and ensure improved service delivery to the people. However, and to a large extent people's participation is still poor and due to high levels of corruption in local governments, the quality of such services remains very low. Local government officials and councilors have engaged themselves in corrupt acts such as;

Interfering with the tendering process thereby violating procurement regulations, manipulating the recruitment process and interfering with the work of the district service commissions, diversion and misuse of public property.

Decentralization has also become a tool to be used to reward cronies and supporters of the political establishment regardless of their integrity, academic standards and competence. Some of these have abdicated their duties and responsibilities. Instead, they use their positions to suppress public interests and have become a hindrance to the democratization

processes. This has resulted in: poor and low quality of services; shoddy construction work especially for UPE classrooms; wastage of public resources; high levels of incompetence by local government employees.

We therefore recommend that:

- a) The Local Government Act, 1997, should be reviewed so that local government officials are also accountable to the beneficiaries.
- b) Stringent regulations and rules to punish those who interfere with the national and local tendering and procurement regulations should be put in place.
- c) Adequate resources should be availed to local governments to recruit competent officers to manage public resources efficiently and effectively.
- A mechanism should be established for Local Governments to be subjected to regular peer reviews for their conformity to the principles of Good Governance, Transparency and Accountability

Civil Society efforts to fight corruption The Civil Society and the media have made efforts to fight corruption through mobilisation of communities, sensitisation and education, monitoring of government programmes and advocacy. The efforts of civil society and the media have had some impact, albeit limited to raising awareness.

Despite all these efforts, the role of civil society and the media has not been acknowledged by government as important to the extent of being referred to by the executive as "a confused and uninformed group", "security risk" etc. To this effect we are concerned and detest the spirit of the NGO Registration Amendment Bill 2001 that projects CSOs in this country as a security risk rather than a development partner. The Bill if passed in its current state into law, is likely to hinder the gains made by civil society in the fight against corruption.

Members of Civil Society also note that to be effective anti-corruption crusaders, there is need be role models in upholding the ideals of transparency, integrity, honesty, knowledgeable, upright, patriotic and committed to the rule of law.

We therefore recommend that:

- a) Government should establish an enabling legal and policy framework for CSOs to operate effectively as partners in development.
- b) The government should scrap the NGO Registration Amendment Bill that intends to stifle the operations of the NGOs in the Country
- c) Parliament should expedite the process for enacting the enabling laws namely: the Access to Public Information Act, and the Whistle Blower Protection Act.
- d) Civil Society should initiate and support a partnership with government, the media and the private sector, to undertake a country wide civic education aimed at mobilising the citizens to understand their rights and become active participants in the fight against corruption

Public Finance Management & Corruption Public Finance Management is a shared responsibility between various arms of Government, most especially the parliament and the executive. It is also important to note that the government is a mere trustee and not the owner of the public resources. The resources belong to the citizens. Unfortunately, the practice to date has not respected this principle. We appreciate the role played by PAC in the promotion of transparency and accountability in public finance management. However we also note the constraints PAC and other committees encounter, namely: inadequate capacity in terms of personnel and other resources; an overbearing executive that has for long abused and misused the public funds leading for instance to the unaccounted for Ushs.108 billion from the Consolidated Fund Account; the absence of a culture of accountability; access to classified expenditure; inability to enforce compliance with recommendations of PAC, IGG and OAG.

We therefore recommend that:

- a) PAC should be adequately facilitated with human, and financial resources and skills.
- b) The Executive should respect the principle of separation of powers
- c) PAC recommendations and Parliament's resolutions should be published to attract civil society action and follow-up
- d) Government as measure of good practice should require all service providers to develop and display a <u>Client's Charter</u> that clearly informs the citizens what services they should expect and at what cost.

Public Leadership and Corruption As members of civil society we appreciate the government efforts to increase citizens' participation in their governance especially through the decentralization process. However, we also note that the majority of the leaders are not leading by example. Many of them stubbornly refuse to declare their assets while others under-declare. We are convinced that such leaders cannot uphold principles of good leadership, transparency and accountability.

The other challenge to public leadership is political interference in the discharge of legal mandates by public leaders. Instances of state protection to public officials in default have

been soaring. Such actions frustrate the efforts of the few public leaders that are accountable and transparent.

We therefore recommend that:

a) The Constitution should be amended to oblige an appointing authority to cause removal from office of public leaders who refuse to declare or underdeclare their assets and liabilities

- b) The political leaders and state machinery should not use their position to protect public officers who are not accountable to the citizens.
- *c)* Parliament should use its prerogative in Article 107, of the1995 Constitution in the event of the President's breach of the Leadership Code, and failure to take appropriate action in case of refusal to punish those in breach of the Code.

This statement has been developed and endorsed by 93 members of civil society attending the National Consultative Workshop on Transparency and accountability, at Pope Paul V Memorial Conference Centre, from $13^{tb} - 14^{tb}$ September 2004, as per the attendance list attached.

List of Participants who attended and drafted the Statement of members of Civil Society during the National *Consultative Workshop on Transparency and accountability*.

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