



Civil Society Budget Advocacy Group



# CSO ISSUE PAPER

## ON FY 2016/17 FINANCING FOR THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

June 2016

with support from:



Governance, Accountability, Participation and Performance (GAPP) Program



**CSO Issue Paper on FY 2016/17 Financing For the Public Procurement and Disposal of Public Assets Authority** was produced by the Civil Society Budget Advocacy Group (CSBAG) with support from USAID|Uganda and UKAID Governance, Accountability, Participation and Performance (GAPP) Program. The contents of this publication are the responsibility of CSBAG and not of our development partners.

© June 2016

Civil Society Budget Advocacy Group (CSBAG)  
P.O. Box 660, Ntinda  
Plot 11 Vubya Close, Ntinda Nakawa Rd  
Fixed Line: +256-755-202-154  
E-mail: [csbag@csbag.org](mailto:csbag@csbag.org)  
Web [www.csbag.org](http://www.csbag.org)

|  @CSBAGUGANDA  CSBAGFacebook.com

All rights reserved. No part of this publication may be reproduced, or reprinted in any form by any means without the prior permission of the copyright holder. CSBAG encourages its use and will be happy if excerpts are copied and used. When doing so, however please acknowledge CSBAG.

# Contents

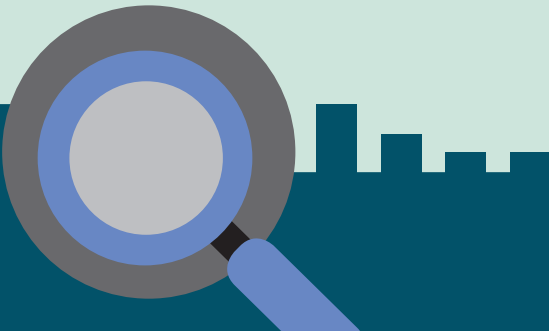
1.0	Background and rationale:	5
1.1	Objectives of the Report	5
<b>SECTION 1: PUBLIC PROCUREMENT AND DISPOSAL ACT (PPDA)</b>		<b>6</b>
1.1	PPDA Mandate	6
1.2	Budget performance and projections for PPDA	7
1.3	CSBAG Observations and recommendations on PPDA Budget FY 2016/17	9
1.3.1	Salary enhancement for staff.	9
1.3.2	Implementation of recommendations for the Authority.	10
1.3.3	Fully constituting the PPDA Board.	10
2.0	References	11

## List of Tables:

Table 1:	Half year financial performance FY2015/16 and Budget projection FY 2016/17	7
Table 2:	Intra Vote Allocation	8

# Acronyms

<b>CSBAG</b>	Civil Society Budget Advocacy Group
<b>FY</b>	Financial Year
<b>LG</b>	Local Government
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MFPEd</b>	Ministry of Finance, Planning and Economic Development
<b>MPS</b>	Ministerial Policy Statement
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NDP</b>	National Development Plan
<b>PBO</b>	Parliament Budget Office
<b>PPDA</b>	Public Procurement and Disposal Act (PPDA)
<b>UNRA</b>	Uganda National Roads Authority
<b>VF</b>	Vote Function



## 1.0 Background and rationale:

The Civil Society Budget Advocacy Group (CSBAG) is a coalition of civil society organizations (CSOs) formed in 2004 to bring together CSOs at national and district level to influence government decisions on resource mobilization and utilization for equitable and sustainable development. CSBAG has made important strides towards ensuring that the budget-making process in Uganda is participatory and citizens' concerns are prioritized in the budget allocations and implementation. Since 2004, CSBAG members have influenced the budget process ensuring that both the local and national budgets incorporate the views of the poor and that they are gender-sensitive through strengthening citizens' voices and promoting their participation in the budgeting process.

Over the years, CSBAG has undertaken a number of activities geared at strengthening the civil society budget advocacy and making tangible impact on the budget process. In this regard the CSBAG has prepared this position paper based on the FY 2016/17 Budget for the PPDA to ensure that the views of the citizens are incorporated in the final preparations for the FY 2016/17 Budget.

### 1.1 Objectives of the Report

The major objective of the position paper is to provide policy makers with key issues and recommendations on pro-poor and gender sensitive budgeting, which civil society would like to be addressed in the national budget for FY 2016/17. It will form part of the advocacy tools being developed by civil society to enhance pro-poor and gender sensitive budgeting in Uganda.

The report will be disseminated to all stakeholders including Cabinet Ministers; Ministry of Finance, Planning and Economic Development; Parliament; Donor Community and Civil Society.

#### The specific objectives of the position paper are:

- Provide a review and analysis of the policy options/proposals contained in the budgets for FY 2016/17 for PPDA.
- Provide key policy recommendations for policy makers on improving pro-poor and gender sensitive budgeting in Uganda.

# SECTION 1:



## PUBLIC PROCUREMENT AND DISPOSAL Assets Authority (PPDA)

### 1.1 PPDA Mandate

The mandate of Public Procurement and Disposal Assets (PPDA) is to ensure the application of fair, competitive, transparent, non-discrimination and value for money public procurement and disposals standard and practices; harmonise the procurement and disposal policies, systems and practices of the Central Government, local Government and statutory Bodies; set standards for the public procurement and disposal systems in Uganda; monitor compliance of procuring and disposing entities and build procurement and disposal capacity in Uganda.

## 1.2 Budget performance and projections for PPDA

During the FY 2015/16, PPDA's budget amounted to UGX 10.73 billion of which UGX 4.80 billion was released, indicating a release performance of locally finance development projects was at 47%. In FY 2016/17, PPDA will be allocated a total Budget of UGX 11.41 billion which is an increment by 6% compared to FY 2015/16 budget (UGX 10.73 billion). The increase is attributed to the increase in the wage bill by 24%.

The PPDA has one VF, Regulation of Procurement and Disposal System and the total allocation increased from UGX 10.73bn in the FY 2015/16 to UGX 11.409bn. See table below for details:

**Table 1: Half year financial performance FY2015/16 and Budget projection FY 2016/17**

	FY 2015/16			FY 2016/17	
Expenditure Category	Approved Budget (UGX Billions)	Half year Release (UGX Billions)	Perf	Budget Est	Yr-Yr Change
Wage- Recurrent	3.68	1.84	50.0%	4.55	0.87
Non-Wage	4.79	1.93	40.2%	4.64	(0.15)
Sub Total Recurrent	8.47	3.77	44.5%	9.19	0.72
Gou – Dev't	2.26	1.03	45.7%	2.22	
External	-	-	-	-	-
Total Dev't	2.26	1.03	45.7%	2.22	(0.04)
<b>Grand Total</b>	<b>10.73</b>	<b>4.80</b>	<b>44.7%</b>	<b>11.41</b>	<b>0.68</b>

Source: MPS FY 2016/17 for PPDA and PBO computations

During the FY 2015/16, PPDA's budget amounted to UGX 10.73 billion of which UGX 4.80 billion was released, indicating a release performance of locally finance development projects was at 47%.

In FY 2016/17, PPDA will be allocated a total Budget of UGX 11.41 billion which is an **increment by 6%** compared to FY 2015/16 budget (UGX 10.73 billion). The increase is attributed to the increase in the wage bill by **24%**.

The PPDA has one VF, Regulation of Procurement and Disposal System and thus the **total allocation** increased from **UGX 10.73bn** in the FY 2015/16 to **UGX 11.409bn**.

**Table 2: Intra Vote Allocation**

Programme/Output	FY 2015/16 ('000)	2016/17 ('000)
Head Quarters	8,465,048	9,189,380
Support to PPDA	2,257,500	2,220,000
<b>Total</b>	<b>10,722,548</b>	<b>11,409,380</b>

Source: Central Government Draft Estimates FY 2016/17



## 1.3 CSBAG Observations and recommendations on PPDA Budget FY 2016/17

### 1.3.1 Salary enhancement for staff.

The existence of an effective and efficient procurement system will enhance transparency and accountability in government procurement and reduce the waste in government expenditure which is a necessary condition for delivery of NDP II.

The authority has increased resource allocation in operational expenses of FY 2016/17 in comparison to FY 2015/16 from UGX 1.8 billion to UGX 2.1 billion to facilitate the opening up of Mbarara regional office and the recruitment of 15 additional staff to strengthen the staffing levels of the Authority. The consequence of this is that the cost of inland travel; and reliance on consultants for audits, compliance checks and capacity building has reduced.

However, the entities have a funding gap of UGX 3.7 billion to provide for salary enhancement, NSSF contribution and gratuity expense. In addition, the entity will require UGX 0.9 billion as counterpart funding for externally financed projects. The Government structure of the entity is inadequate and the board is not fully constituted. With the increasing procurement budget entrusted to entities, the Authority needs to fully execute its mandate professionally alongside other oversight agencies.

However, this required the dedication of a committed and professional staff yet the current staff strength of the Authority is lean at 75% of the established filled and under paid. Over the last 12 months, 11 experienced staff of the Authority resigned their jobs due to low pay to work with other government agencies such as UNRA. There is need for salary enhancement if the current experienced staff is to be retained.

## Recommendation:

Government should provide UGX 3.77 billion to enable PPDA recruit and enhance salaries for staff. This will improve performance and increase compliance with procurement laws which will save government from large sums of money which are lost through procurement.

### 1.3.2 Implementation of the recommendations of the Authority.

The implementation status of the recommendation of the authority by entities in FY 2014/15 declined from 77% in FY 2013/14 to 57% in FY 2014/15. The failure to implement most of the recommendations is as a result of laxity on the part of the accounting officers and the procurement and disposal unit and failure of the user departments in MDAs and local Government to play their roles in public procurement.

## Recommendation

All accounting officers who fail to implement recommendations to implement recommendations of the authority with regards to procurement should be held personally liable to any loss.

### 1.3.3 Fully constituting the PPDA Board.

Under S. 10 (1) of the PPDA act, 2003, the function and powers of the Authority are vested in the Board of Directors of the Authority. Owing the number of complaints/ suspension that are received, the board has to meet frequently to execute this mandate. There are 2 vacancies on the Board that need to be filled by the Minister

of Finance. The position could not be filed in FY 2015/16 since the Authority requires UGX 77 billion to facilitate the additional members and increase frequency of the meetings.

### Recommendation

We recommend that the Minister of Finance fully constitutes the Board and provide UGX 77 million to facilitate the board operation given the gravity of the job that entity is handling.

## References

- Ministerial Policy Statement, PPDA, 2016 ,Kampala Uganda
- Ministerial Policy Statement for FY 2016/17 Ministry of Finance Planning and Economic Development, Kampala Uganda, March 2016, Kampala, Uganda
- National Budget Framework Paper FY 2016/17, Ministry of Finance Planning and Economic Development, Kampala Uganda
- Background to the Budget FY 2016/17, Ministry of Finance, Planning and Economic Development, June 2016 Kampala Uganda

## VISION

A Uganda with a people centered budget that dignifies humanity

## MISSION

Working towards ensuring that budgets at local and national levels are financed, designed, implemented and monitored to promote prudent and transparent allocation of national resources for the benefit of marginalized groups.

## OBJECTIVES

1. To influence Government decisions on resource mobilization and utilization for equitable and sustainable development.
2. To advocate for increased transparency and accountability in national priorities, financing and public spending at all levels.
3. To build and strengthen the capacity of CSBAG to carry out its mandate



Civil Society Budget Advocacy Group (CSBAG)  
P.O. Box 660, Ntinda,  
Plot 11 Vubya Close, Ntinda Nakawa Rd  
Fixed Line: Mob: +256-755-202-154  
E-mail: [csbag@csbag.org](mailto:csbag@csbag.org)  
Web [www.csbag.org](http://www.csbag.org)

 @CSBAGUGANDA  CSBAG/Facebook.com