

The Role of Public Procurement and Disposal of Public Assets Authority Capacity Building in Combating Corruption in Kabale Municipal Council, Uganda

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ABSTRACT

The study assessed the influence of the capacity building role of PPDA Authority on combating corruption in Kabale municipal council. The main objective was to establish the influence of capacity building role of PPDA Authority on combating corruption in Kabale municipal council. A descriptive correlational research design was used to get information from a cross-section of respondents using census and simple random sampling techniques; a sample size of 147 respondents was selected from a target population of 233 subjects. Data was analyzed using SPSS and the results were as follows. The average of results of the claims set in the questionnaires obtained indicate that PPDA's training role to procurement stakeholders found to be significant on combating corruption in Kabale municipal council. Basing on correlation co-efficient between PPDA capacity building roles and corruption, the study thus concluded that PPDA capacity roles can significantly combat corruption especially through its capacity building roles. In recommendation, there is a need for PPDA to develop and or support exhaustive capacity building programs for procurement and disposal units (PDUS) that cut across all procuring and disposing entities under its mandate and to ensure that such programs are disseminated out to all stakeholders. There is need for a uniform salary structure for all civil servants with similar qualifications, whether artists or scientists

Keywords: Public procurement and disposal of public assets authority (PPDA), capacity building, Corruption

INTRODUCTION

Public Procurement has undoubtedly become an increasingly important factor in economic and business circles globally. This is evidenced by the growing interest in the procurement sector by donors, governments, civil society, professional organizations, the private sector and the general public. After decades of messy Public Procurement systems, a majority of developing countries, Uganda being no exception, are now reforming the legal, organizational and institutional frameworks for public procurement. Government procurement contracts are a significant part of many economies, often amounting to 15-20% of Gross Domestic Product [5]. In the United states, for example, federal government procurement amounts to more than \$450 billion; while the figure is even higher exceeding \$2 trillion in in the European Union [11]. This usually comes with procurement reforms which should reflect a range of models from developed and developing countries [1]. By the late 1990s, the failure of the existing procurement system to cope with the expansion in government procurement requirements and deliver value for money had become generally accepted among government and donor partners with campaigns by politicians not enough to effect

procurement reforms [14]. In December 1997, a National Public Procurement Forum was held in Uganda to bring together key decision makers to discuss procurement reform [17]. Until 2014, Public Procurement in Uganda was governed by the Public Finance Act, supported by the Public Finance regulations of 1997. With the entering into full force of the Public Finance Procurement regulations, the Central Tender Board was transformed into the Reformed Central Tender Board (RCTB) with a policy making and monitoring role. Actual performance of procurement was decentralized to individual contract committees in the procuring entities. The concept of a central body (Tender Board) approving and directing procurement was thus abolished. (CPAR 2004) The Public Procurement and Disposal of public Assets Act (PPDAA / the procurement Act) was passed by Parliament and assented by the president on December 19, 2002. The procurement Act entered into force on February 21, 2003 by a statutory instrument issued by the Minister of Finance Planning and Economic development. The donor community contributed substantially to the development of the new legislation. The supporting regulations were published in the Ugandan gazette on September 5, 2003. (CPAR 2004) 2002 (PPDAA 2003). The act has 8 parts and these are again divided into sections (99) in total. In the act are also schedules (5) and they are at the end of the act. Issuance of procurement regulations, reporting forms and guidelines to supplement the act. The regulations consist of 351 regulations divided into 9 parts, which again are divided into divisions. They include 10 schedules and these insist of letter templates, formulas and forms. Some of them are mandatory to use.

The Ministry of Finance established a task force on public procurement reform, which commenced operations in May 1998 to study the possible procurement models and identification of blueprint for reform. The report of the task force was published in January 1999. Among its principal recommendations was the replacement of the Public Finance (Tender Board) Regulations 1977 by a legal framework that would decentralize responsibility to each procuring entity while defining the procurement procedures to be followed, giving preference to competitive methods [24]. This saw the Public Procurement and Disposal of Public Assets Act (PPDA Act) passed into law in 2003 [1]. In 2003, the PPDA Act 2003 established an autonomous regulatory body, the Public Procurement and Disposal of Public Assets Authority (PPDA). The work of the PPDA is carried out under the direction of a Board of Directors by a Corporate Office headed by the Executive Director and by four departments that are responsible respectively for – Training and capacity building; – Legal matters and compliance assessment; – Procurement audits and the investigation of complaints; and Finance, administration, human resources and information technology.

Capacity Building and Advisory Services, one the departments of PPDA is dedicated to capacity building, by developing training modules, by conducting training programs directly or through other agencies and by promoting professional development. Modules have been prepared on various aspects of the law and good practice and most procurement practitioners and some other stakeholders, including suppliers, have been made familiar with the procedures to be followed and the purposes they serve. To address the need for greater professionalism, higher education institutions have been encouraged to develop programs in purchasing and legal and other measures have been prepared to establish a national professional body that would control entry to the purchasing profession and regulate the conduct of its members [8] Combating corruption therefore refers to the direct and indirect approaches and compliance programs that tackle the root causes of corruption through prevention of unethical practices within an organization and promotion of anti-bribery and anti-corruption principles and measures into the society. Strategic solutions such as anti-corruption conventions [13] creating opportunities for oversight and participation; helping civil society organizations to build effective capacities and enabling the development of independent and competitive media that can investigate and report on public procurement processes have been proposed and suggested [22]

Over last decade, Kabale Municipal council has prioritized the procurement function as a key cost-cutting unit, but has instead experienced incessant service delivery shortfalls, with public complaining of corruption in construction projects, shoddy works in executed projects by managers and technical staffs [2] An

improvement in PPDA roles was perceived to be influential in combating corruption in public procurement through improving advisory services, capacity building and compliance monitoring activities with Procuring and disposing entities.

LITERATURE REVIEW

PPDA Capacity building and combating corruption

Trainings

A central theme in any procurement reform is the commitment to high standards of professional conduct for public officers involved in procurement. Professionalism which is defined as standards which guide the behaviour and action of personnel in all institutions regardless of type. Professionalism comprises principles and standards that guide behaviour in the world of business and failure to observe highest ethical values and standards constitutes a challenge. Ethics refer to well based standards of right and wrong, and prescribe what humans ought to do. Ethics are continuous efforts of striving to ensure that people, and institutions they shape, live up to the standards that are reasonable and solidly based. [25] The PPDA has made some achievements in enhancing professional procurement particularly in the areas of audit and investigation, capacity building [24] building the capacity of personnel responsible for the management of the procurement function [5] agitating for the registration of membership at the Institute of Procurement Professionals of Uganda (IPPU) [23]. This includes technical support to lower local government authority to improve procurement skills [7] especially for entities, which may be having unique circumstances especially those that relate to capacity building [11]. It can also be through staff motivation and implementation of performance incentives such as rewards and sanctions [9] so as to reduce on the bribes by service providers who want contracts and tenders [7], or the award of contracts without formal bid invitations and award notification letters [20]. [18] as bribery turns out to be very difficult when bureaucrats hold high ethical standards [12]. It has also been observed that a professional procurement cadre is essential for the realization of effective procurement governance [14] where effectiveness is not only looked into from the perspective of compliance but also on the expected results of a procurement transaction [17]

Procurement summits

Many studies from other jurisdictions have also indicated that high levels of non-compliance are partly attributable to inadequate knowledge of the law [16]. The PPDA Authority therefore has regularly invited entities and public procurement officers attend refresher courses in order to be abreast with the present procurement situation [17]. This is due to the fact that effective dissemination of standards of conduct to participants and stakeholders is also an aspect of transparency [19], where transparent procurement procedures reduce corruption-caused distortions of competition [14], with bids evaluated on merit thus reducing the possibility of bribery and kickbacks [10]. The strategy has policy implications as the more professional the purchase organization is, the better it will be able to adapt to changing circumstances, and the more effective and efficient the supply chain will be [22] It has also been noted that workshops with the procurement team can help to streamline the processes and encourage mutual benefit [12], especially in situations where among others, clarifications are made in favor of a certain bidder or are not share with all bidders [25]. Additionally, these have been credited for being platforms and retreats of sharing procurement experiences among the procurement practitioners especially on how fellow members tackle the political pressure from the governors of entities.

Retooling Procuring Disposing Entities;

Local contracts committees have also been known to award contracts to themselves, increased contract sums

for no justifiable reasons or alter bid documents and evaluation reports to favor or disqualify some bidder not known or not willing to collaborate with them [14]. Hence, the public procurement professionals need the requisite combination of skills and competencies to develop into a coordinated, well equipped and informed profession [4]. Recognizing that many local government authorities in Uganda do not have essential modern office equipment, such as computers with Internet connectivity, PPDA with support from government and donor agencies is sponsoring a program of retooling in selected local government districts [11]. This is because of the fact that facilitation of procurement managers is deemed to be of paramount importance in ensuring service quality among User Departments [13]; as well as other civil servants and politicians who would connive to award contracts to themselves [15] One of the least funded areas however is the officers' welfare in PDUS. With recent studies showing high levels of corruption in procurement offices, there is an undeniable need too, to increase on salaries and wages of procurement cadres

METHODOLOGY

The study used a descriptive correlational research design with a population of 233 respondents comprising of 18 Politicians, 04 Town clerks including Division Principal Assistant Town clerks, 05 Contracts committee members, 113 Civil servants, and 05 Opinion leaders who are directly or indirectly affected by the Municipal procurement process. Opinion leaders. Opinion leaders were selected because they are external change agents, provide feedback to agencies that implement programs, act as role models, convey messages and they can act as the "Capital" left after the agency has withdrawn from the community [15] A sample size of 147 was determined using Sloven's formula for determining the sample size is given by:

$$n = \frac{N}{1 + Ne^2}$$

Where

n= corrected sample size,

N = population size, and

e = Margin of error (MoE),

e = 0.05.

The study utilized Simple Random Sampling technique to collect data from politicians and civil servants. The main tool of data collection were questionnaire, interview and documentary analysis. All data in questionnaires collected, were serialized, entered and analyzed by SPSS to extract descriptive and inferential statistics.

FINDINGS

PPDAS' capacity building roles

The researcher used percentages to describe the extents of PPDA'S capacity building roles among the participants investigated. Likert scale scores for strongly disagree and agree were aggregated and reported as 'disagreement' while strongly agree and agree were aggregated and reported as 'agreement'

Table 1 showing Descriptive statistics for PPDA’s capacity building roles

Variable List	Disagreement (%)	Not sure (%)	Agreement (%)
1. PPDA conducts training to public procurement stakeholders	1.8	4.4	93.8
2. PPDA organizes procurement summits, seminars and workshops and for PDUS	1.8	7.9	90.3
3. PPDA supports retooling of PDU in Kabale Municipal Council	18.4	50.9	30.7
4. PPDA rewards compliant officers in Procurement and Disposal Units	67.5	24.6	7.9
5. PPDA sponsors professional courses for procurement officers	70.2	23.7	6.2
6. PPDA audits and reports the welfare of procurement officers	68.4	18.4	13.2
7. PPDA motivates and supports the promotion of lower cadre officers	68.4	19.3	12.3
8. PPDA supports study tours and procurement benchmarks in your entity	12.3	14.0	73.7
Average	38.6	20.4	41.01

The study sought to determine the influence of PPDA’s capacity building roles on combating corruption in public procurement in Uganda. The findings of the study however established an insignificant and negative correlation of PPDA’s capacity building services on corruption. This was perhaps because of a multiplicity of claims that the researcher set so as to establish the relationship that combined professional and welfare attributes of procurement officers. Although participants agreed on the significance of training and benchmarks, they differed and disagreed on majority of the claims on retooling, rewards, sponsorships, welfare and promotion of procurement officers. For instance, the studies summed up with a negligible difference in opinions whereby for every ten participants investigated, four agreed (41%), three (38.6%) disagreed while two (20.4%) neither agreed nor disagreed. This to some extent supports [9] who found out that public procurement professionals need the requisite combination of skills and competencies to develop into a coordinated, well equipped and informed profession. This means that entities which are prone to corruption could be having other gaps other than skills in procurement related functions.

The study also reveals that whereas the findings of the study on PPDA’s trainings (93.8%) and workshops (90.3%) support [8] who found out that professionalism is one of the means of controlling corruption, an investigative visit to the PDU showed that PPDA has not retooled the Unit with any gadgets since its establishment. This contradicts [10] who established that PPDA with support from government and donor agencies is sponsoring a program of retooling in selected local government districts. Perhaps Kabale municipal council was not among and this might explain why majority of the participants (50.9%) were not sure if the Unit has received any retooling.

In the same way, it was found that Authorities with successful anti-corruption capacities that show better performance in entities usually develop capacity building plans, evaluate them, and monitor and give reports and are usually prioritized in their respective governments [13]. Capacity building services therefore appeared insignificant in determining the level of corruption possibly because of budget complications in building, evaluation and monitoring of capacity building programs, the different unethical behaviors and bad characters.

The findings also disagree with [11] on PPDA rewards for compliant officers where 67.5% of the participants disagreed on rewards for compliant officers. 70.2% of the participants investigated also disagreed with [13] on sponsorship of courses saying that perhaps these could be routine informal courses with a minor impact on technical and career development. Here, participants cited discrimination in sponsoring of civil servants in professional courses by governmental Authorities and departments more so with the Ministry of Finance Planning and Economic Development (MOFPED) under which PPDA falls. The participants interviewed cited the Ministry's FINMAP program under which all Central government employees under the Ministry are sponsored for professional courses unlike their fellows in Local government;

"Imagine an officer who wants to study CPA, CIPS, etc; he or she yet receives peanuts of salary and professional course sponsorships ring-fenced for central government employees"

Members interviewed said that the problem has been worsened by absence of political will from the central government. One of the participants had these remarks,

"...every time the president appears on television praises scientists and the problem has been worsened by this pandemic (COVID). All other technical staffs are demotivated because of the 'problem' of scientists. Every time he comes, my scientists, my scientists; even if they joined the service yesterday, they will triple the salary of any artists at the entity, accounting officers inclusive. Where's the equality in public service and with these imbalances in salaries how can you avoid corruption?"

The above situation perhaps also describes why margins of around 68.4% disagreed on PPDA audits and reports on the welfare of procurement officers. Some of the participants interviewed also castigated the selective salary increments for scientists, judges, teachers with whom other technical officers share the cost of living in forms of social amenities like schools, hospitals, markets among others, claiming that procurement stakeholders too, bridge two sensitive ends in the procurement process, that is, connecting User departments to Service providers saying;

"We all want and long to take our children in same schools, treat in same hospitals and purchase household items in the same markets. It's very tempting for a weak bridge to support the passage of trucks and containers with heavier merchandise worth billions of shillings. For sure, it becomes very challenging and we need strong well facilitated units if we are to avert corruption"

The findings further contradicts [12] on staff motivation and implementation of performance incentives where 64.8% did not believe that PPDA motivates and supports the promotion of lower cadre officers. These could perhaps be in other entities and not at Kabale Municipal Council. Building from participants claims on the importance of motivation and promotion of lower cadres in entities, motivation was found to offer the following benefits:

"...Motivation of stakeholders across the procurement cycle helps entities to see the future ahead of time and prepare accordingly. Motivational incentives and rewards instill self-initiatives for creativity and adoption of new ideas among the technocrats and committee members through which the entities have to run, realigns and strengthens benchmarks and technologies that help procuring and disposing entities to have leverage and remain competitive for years..."

PPDA capacity building services appeared to be insignificant in combating procurement corruption in Kabale municipal council perhaps due to absence of measures to efficiently reward procurement stakeholders and possibly the nature of causes of corruption. Most of the factors investigated that induce corruption were more of behavioral than technical causes. In this pursuit, PPDA fails perhaps to recognize the existing internal environment, which is much hidden beyond their capacity. This position agrees with [6] who found that this corruption in public procurement is generated from problems across the entire procurement process from the definition of the needs and preparation of solicitation bidding documents to a

lack of transparency and competition at the invitation for bids, bidding, evaluation and award of contracts, to poor contract supervision and management.

On average therefore, for every ten participants investigated, four agreed (41%), three (38.6%) disagreed while two (20.4%) neither agreed nor disagreed. The statistics imply a negligible difference in opinions as related to the impact of PPDA’S capacity building roles in Procuring Inferential statistics.

Inferential statistics is the technique of analysis in which conclusions about the population are made on the basis of sample results. To examine the strength of the relationship between PPDA’s roles and corruption in Kabale Municipal council, a Spearman correlation analysis was conducted so as to determine the relationship between the dependent and independent variables used in the study. Correlation is the statistical technique for testing for the relationship between two numerical variables. Correlation uses the correlation coefficient to measure the degree of the strength between the variables. Correlation coefficients closer to 1.0 indicate a strong relationship while those close to zero indicate a weak relationship between the variables. A positive correlation coefficient indicates a positive relationship while a negative correlation coefficient indicates a negative relationship between the variables.

Correlation between two variables is measured by applying the correlation coefficient which ranges from -1 to +1, where -1 indicates a strong negative correlation, +1 indicates a strong positive correlation and zero (0) indicates lack of correlation [14]. Spearman correlation coefficient was used to determine the relationship between PPDA’s roles and combating corruption in Kabale municipal council. and Disposing Entities

Table 2: Regression Coefficients

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.579	.167		3.477	.001
	PPDA Advisory role	.333	.038	.404	8.800	.000
	PPDA capacity building role	.044	.030	.055	1.479	.142
	PPDA Monitoring compliance	.467	.034	.624	13.593	.000
	R	.921 ^a				
	R Square	.848				
	Adjusted R Square	.844				
	Std. Error of the Estimate	.16207				
Predictors: (Constant), Independent variables: Advisory role, PPDA capacity building roles, Monitoring compliance						
Dependent Variable: Corruption						

Results from table 2 clearly show that there is a significant relationship between PPDA roles and corruption ($r = .921$; $sig. < .05$). The statistics indicate that a change in PPDA roles is associated to a change in combating corruption in the public procurement. The significant value, which is less than 0.05 suggests that the PPDA roles and corruption are linearly related.

The study also found that PPDA roles contributes about 84.4% as indicated by (Adjusted R Square = .844). This is a significant contribution, which suggests that PPDA roles significantly influence the combating of corruption in public procurement through its practices. The remaining 15.6%, which is unaccountable by

PPDA practices suggests other set of other factors that account for the variations in the combating of corruption in public procurement in Kabale Municipal Council.

Results also indicated that there is a significant relationship between PPDA capacity building role and corruption as indicated by ($\beta = 0.055$; sig. $> .05$). Since its significant value is greater than 0.05, it means the PPDA capacity building roles are not significant in combating corruption in public procurement in Kabale Municipal council.

RECOMMENDATIONS

The study found that most of the participants investigated did not believe that PPDA capacity building programs are significant in combating procurement corruption. There is need for a uniform salary structure for all civil servants with similar qualifications, whether artists or scientists. There is a need for PPDA to develop and or support exhaustive capacity building programs for procurement and disposal units (PDUS) that cut across all procuring and disposing entities under its mandate and to ensure that such programs are disseminated out to all stakeholders. PPDA should develop programs to monitor the welfare of all procurement officers and ensure that they are sponsored irrespective of whether they central or local government staffs. This will improve motivation and skills and will too enable entities to improve their transparency and value for money.

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