

Infrastructure report reveals increase in disclosed projects

According to a report titled: 'Fair business practices', that provides an analysis of infrastructure in Uganda, currently, there is an increase in the number of projects being disclosed compared to the past. Prosper Magazine's Ismail Musa Ladu, spoke to Ms Olive Kabatwaire, the gender and public policy analyst about the report. Below are the excerpts.

You recently analysed existing Government Procurement Portal (GPP) whose data culminated in fair business practices report. Briefly, what did the report reveal?

The report provides a clear synopsis pertaining to infrastructure projects and the need for fair, ethical and competitive procurement processes.

In general, we observed an increase in the number of infrastructure projects being disclosed. This wasn't always the case. We noticed increased competition in government related business from four to seven bids per tender.

The report also showed that there is a growing national diversity of companies doing business with government on infrastructure-related projects. Despite the lack of compliance with disclosure requirements between Procuring and Disposing Entities (PDEs), we are progressively seeing commitments towards increasing transparency in infrastructure procurement processes.

Our analysis also reveals that when it comes to proactive disclosure, entities seem to focus more on procurement planning while paying less attention to planned activities. Yet, on a wider societal level, failure to implement the planned infrastructure projects undermines the achievement of the much sought-after socio-economic transformation of the country.

Ultimately, the proactive disclosure by the entities is generally less and therefore, insufficient to help inform stakeholders, notably the private sector to make business decisions.

According to the report, low time overruns is an issue which is a condition of failure to complete a project within the schedule. And revealing perhaps, about 98 per cent of projects did not disclose project timelines.

This is in addition to cost overruns also known as

cost increase or budget overrun. It is the amount by which actual expenditure exceeds the planned amount. Section 59(2) of the PPDA Act requires PDEs to initiate or continue procurement only once the total funding has been confirmed.

This provision underlines the need for entities to comply with the funding of projects and budget lines for the involvement of contractors. Delivery of projects within the contract amount enables on-time payments to contractors due to budget limitations.

As for transparency, the score is still low, suggesting low transparency in procurement and project delivery. Non-disclosure of over half of 41 proactive disclosure data points undermines transparency in procurement and project delivery.

What more stood out in the report that is of relevance?

The level of transparency amongst sampled Procurement Entities (PEs) is getting better compared to our scoping study of 2017, where disclosure was very low with only 12 data points recognised, now we see an increase to 20 data points as per our (CoST) Infrastructure Data Standard (IDS).

I think the submission of contribution to reforms on emergency procurement to guide and strengthen emergency procurement guidelines to Ministry of Finance is critical.

The recommendations which include; disclosure of available budgets and sources of funds, conduct of market surveys, disclosure of guidelines and recommended methods of procurement, address delays in pro-

urement, clarity on terms of reference, composition of evaluation committees, contract transparency and addressing delays in payments for service providers is not only long overdue but will be a game changer if implemented as we anticipate.

During the high level engagement, a commitment to popularize the reservations guidelines, training entities on disclosure, provision of clarity on the local content law and promotion of fair business practices was made by government through PPDA, we are yet to see action on these.

PPDA and Ministry of Finance have embraced the need to provide incentives to entities to promote compliance with disclosure requirements. PPDA will also be scaling up the CoST awards processes to recognise the most transparent entities starting this year.

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In terms of the roles of different players, how did the report summarize it?

We are seeing increased public awareness and advocacy for fairness and integrity in public infrastructure procurement. And this has always been our call.

The project has built capacity of media practitioners and as a result, we are noticing increased reporting on fair business practices and calls for integrity and fairness in infrastructure procurement.

The private sector too, is getting involved in advocating for fair business environment. For example, we have seen Uganda National Association of Building and Civil Engineering Contractors whose role is to promote and protect the shared interests of members, and the construction industry developed a paper and presented it to the

RESEARCH FINDINGS

What more needs to be done?

The report showed that there is a growing national diversity of companies doing business with government on infrastructure-related projects. Despite the lack of compliance with disclosure requirements between procuring and disposing entities, there is a commitment towards increasing transparency in infrastructure procurement processes.

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Economic Affairs Committee of Parliament calling for fairness to the contractors both during and after Covid-19 pandemic, Uganda Association Consulting Engineers (UACE) is working on a paper to PPDA on fair business practices for consulting engineers.

Previously, the business sectors were engaging in silos, and their issues were not well documented, in our report.

We recommended that government through PPDA commissions a study to identify issues affecting business to engage with integrity for action. PPDA committed to commission this study and we are delighted to work with the Authority on this.

Speaking of Covid-19 and the securities that tends to shroud procurement, isn't it set to get out of hand?

We are in a very trying time and that was evident in the report with low or no disclosure during the lockdown.

However, for the infrastructure sector projects to be impactful, especially in the Covid-19 situation, there shouldn't be any secrecy about projects. Fortunately, more projects are being disclosed and this contributes to creating more opportunities for the private sector to engage in the procurement processes whose final outcome will boost economy even in tough times like these that we are in.

What are the key challenges players vying for infrastructure projects encounter?

The analysis done by the experts notes that bureaucracies in decision making processes on disclosure of information, delaying in data retrieval through reactive disclosure for assurance and the slow or tardy nature of government commitments, exacerbated by the uncertainty surrounding the pandemic has affected budgets, finances, working conditions of public officials. The Covid-pandemic itself is a problem. For example it has delayed implementation of our intervention for nearly four months.

What are your thoughts about ownership issue which seems to be on the hands of non Ugandans?

Well, this is an important point and we are starting campaigns around joint ventures. We are encouraging government through PPDA to invite international firms to incorporate their business here in Uganda. But also put in place strict measures and sanctions to ensure compliance with sub granting, payments, knowledge and skills transfer and exit strategies.

The local firms are encouraged to start up joint ventures amidst themselves. Of course, this calls for high level of integrity amongst partners. This will attract more business and enhance performance, the private sector will be able to prepare bankable bids, but also, influencing policy implementation to address any forms of corruption in infrastructure procurement. Policies such as compulsory subcontracting, advance payment, the reservation of specific contracts should be enforced.

OPPORTUNITIES

Private sector

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Ms Olive Kabatwaire, gender and public policy analyst during the interview. PHOTO: BACHEL MABALA