

**STRENGTHENING WORLD BANK GROUP
ENGAGEMENT ON GOVERNANCE AND ANTICORRUPTION
CONSULTATION FEEDBACK**



UGANDA

(DECEMBER 15 & 18, 2006 - JANUARY 15 & 16, 2007)

Participants: A total of seventy three (74) participants attended the face to face consultations which were done in four major groups. In addition, some key individuals within the four categories were consulted individually in order to get more candid and deep feedback. The groups included 15 representatives of local development partners, 27 representatives of government institutions, 16 representatives of civil society, private sector, academia and media, and 16 members of parliament (see attached list).

How did the process fit into ongoing country dialogue?

The consultations on the World Bank GAC strategy were conducted as part of the on-going policy dialogue with our counterparts in Government and other non-government stakeholders on issues of governance, anti-corruption and public sector reforms. The Uganda Joint Assistance Strategy (Uganda's current CAS) provides for support to improved governance as one of the World Bank's key areas of focus.

Government has established the key institutions required to fight corruption and prepared a National Anticorruption Strategy (NACS). The World Bank is working with Government and development partners to support the implementation of the NACS and its related action plan, in conjunction with public service reform measures. The second Economic and Financial Management Project and Local Government Development Project, and Uganda Public Service Public Enhancement Program complement these efforts, together with the Poverty Reduction Support Credits (PRSCs) as the main channels for policy dialogue.

Through the Poverty reduction Support Credits, the World Bank is supporting the Government in its renewed efforts to improve governance, fight corruption, and increase efficiency of the public sector. In the scope of the latest Poverty Reduction Support Credit, dialogue on governance has been broadened to support Government in tackling corruption from multiple angles, including:

- strengthening of the legislative and institutional set-up
- development of practical measures to remove investigative and enforcement bottlenecks
- improvements in access to information and civil society empowerment

At the same time, work is underway to build stronger linkages between anti-corruption programs and the ongoing programs such as the Public Service Reform Program, the procurement and audit reforms, and the public financial management framework. With a view to strengthen the demand-side measures against corruption, consultations were undertaken under the sixth PRSC process focusing on civil society empowerment through (i) monitoring the budget formulation and execution; (ii)

follow-up of procurement irregularities; (iii) monitoring of efficiency and effectiveness of resource flows for poverty reduction initiatives; (iv) and on strengthening parliamentary oversight and engagement during budget discussions and follow-up of statutory audit reports.

What were the key issues/themes raised by participants?

Discussions tended to focus on the three country specific questions with less time spent on the global issues. In many of the discussions, the definition of governance was discussed. While the World Bank's definition of governance was appreciated, some participants felt that the definition contained in Uganda's Poverty Eradication Action Plan (PEAP) was more comprehensive. The PEAP states: "It is generally agreed that good governance implies democracy; respect for human rights; non-sectarian government; a legal system that is accessible, affordable, efficient, and transparent; a competent and adequately remunerated public service; a strong sense of partnership between Government and other agents; and a positive contribution to international peace and security"

There was also a general understanding that governance is fundamentally a political matter, and therefore, Ugandans themselves would have to take responsibility for building the kind of systems and structures needed to achieve the standard of good governance that Uganda could be proud of. However, the consensus was that the development partners, including the World Bank, had a major role of providing advice, and helping the country achieve its development goals, while building up institutions and systems to underpin good governance to sustain development. While recognizing the limits to World Bank intervention, participants encouraged the World Bank to continue leverage its influence and relationships with key people to improve governance.

Among the different groups there was general consensus on the governance challenges that Uganda faces and how to address them. The key challenges were:

- weak institutional and human capacity across all sectors, especially in the public service and social accountability institutions
- maintaining a healthy balance of power between the Executive and other branches of Government
- lack of resolve on the part of the leadership to ensure that those implicated in corruption are punished
- a weak value system which tolerates corruption
- lack of transparency exemplified in poor and un-integrated information systems

Key suggestions to address the above governance challenges included: the World Bank engaging more with and providing support to social accountability institutions. For example, the media, parliament and civil society can help raise awareness and promote debate on governance issues if they are given analytical, research, and organizational capacity. The World Bank was also encouraged to continue to develop capacity of anticorruption institutions; enhance synergies with other development partners and ensure alignment with government systems and process, as well as working more closely with the legislature. Participants appreciated the role the World Bank is already taking in supporting institutional reforms as part of a network of development partners working on governance issues and it was recommended that this donor co-ordination be enhanced, consistent with the principle of comparative advantage.

Respondent Type	Consultation Reply
1. Top governance challenges in country	
[Government]	<ul style="list-style-type: none"> • Maintaining the balance of power between the Executive, Legislature, and Judiciary • Weak capacity throughout the public sector, both institutional and human • Apparent tolerance of corruption in society • Inadequate funding, and little follow-up on accountability institutions, resulting in weak capacity • Insufficient linkage between stated development priorities and actual government expenditures • Inadequate remuneration for public servants • Laws not updated, inconsistently applied, and weakly enforced • Lack of strong civil society to demand accountability from government
[Legislature]	<ul style="list-style-type: none"> • Weak analytical capacity of Parliament and Parliamentary Committees • Insufficient commitment by the State to follow up corruption cases • Power of the Executive and arbitrariness of decisions • Inadequate capacity of Auditor General to prepare timely audits of public expenditure • Lack of honesty among political leaders • Perception of impunity by foreign firms and local leaders involved in corruption
[Civil Society, Private Sector, Academia, Media]	<ul style="list-style-type: none"> • Lack of appreciation that government resources belong to the people and should be used effectively • Public acceptance of corruption • Weak laws affecting investment climate • Weak public institutions • Inadequate follow-up on identified corruption cases

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Insufficient public understanding of government processes • Lack of information-sharing among government agencies and between Government and the public
[Development Partners]	<ul style="list-style-type: none"> • Public tolerance of corruption • Weak public institutions • Lack of leadership in following up corruption cases • Insufficient alignment and synergy among donors on GAC issues
2. Promising areas of governance and anticorruption reform and potential obstacles	
[Government]	<ul style="list-style-type: none"> • The Poverty Eradication Action Plan [PEAP] already incorporates a pillar on governance • Agents of restraint already exist like the IGG, PPDA, Auditor General, Public Accounts Committee [PAC] of Parliament, Bank of Uganda • The Constitution guarantees the independence of certain institutions such as the Central Bank, the Inspectorate of Government, and the Auditor General. They now need to be provided with financial independence • Legislation to tackle corruption largely exists but needs to be operationalized • Additional draft legislation is ready and needs to be adopted with urgency
[Legislature]	<ul style="list-style-type: none"> • Public accountability institutions exist but need strengthening • Commissions of Inquiry have potential to address corruption but recommendations must be implemented
[Civil Society, Private Sector, Academia]	<ul style="list-style-type: none"> • Commissions of Inquiry are helpful but their reports need to be published and recommendations implemented in a timely manner • The Constitution provides for the creation of an anticorruption court as a division of the High Court but this is yet to be created • Where public records exist, there is scope for computerization to facilitate quick retrieval, transparency,

Respondent Type	Consultation Reply
	<p>efficiency, and financial control</p> <ul style="list-style-type: none"> • Increased public interest in GAC issues provides an opportunity for stepping up public awareness • The Inspector General of Government is legally empowered to investigate and prosecute corruption cases but lacks human and financial resources • Civil society institutions could do social accountability work but are constrained by technical, financial and human resources
[Development Partners]	<ul style="list-style-type: none"> • There is increasingly effective collaboration among local Development Partners [DPs] on GAC, and ongoing programmes with government, but these need greater alignment and harmonization based on DP's comparative advantage • Uganda's relatively free press and electronic media [FM radios] offer opportunities for increasing public awareness of GAC issues
3. How the Bank should engage where governance is weak, and circumstances under which to disengage	
[Government]	<ul style="list-style-type: none"> • Direct engagement with other non-government partners for greater social accountability • The Bank should prioritize improved procurement systems and involve non-government partners in the procurement process • The World Bank should prioritize support to the anticorruption agencies in its programs. • Do not provide funds beyond the absorptive capacity of the Government • Support public-private partnerships in promoting good governance
[Legislature]	<ul style="list-style-type: none"> • Where there is weak governance, the World Bank should not pull out, but should remain engaged and strengthen social accountability institutions • The World Bank should consider other options for delivering development assistance to Uganda outside budget support

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Target the opinion leaders, not necessarily Government officials
[Civil Society, Private Sector, Academia]	<ul style="list-style-type: none"> • Increase support to social accountability monitors • Use World Bank instruments to demand action against corruption • Publish more detailed information on World Bank operations
[Development Partners]	Continue working with other DPs on the building blocks of good governance while using its leverage to push for greater political commitment from the top leadership
4. How to ensure fair and consistent treatment across countries	
[Government]	<ul style="list-style-type: none"> • Transparency and disclosure of policies in both developing and donor countries • Monitor the behavior of multinationals and take appropriate action • Apply standard diagnostic tools to all countries, based on objective criteria • Discourage and fight export of corruption from developed to developing countries by applying similar standards across the board • Sanctions and rewards should be applied objectively across countries.
[Legislature]	Promote non discriminatory international trade policies
[Development Partners]	<ul style="list-style-type: none"> • Have a consistent framework for assessment of GAC issues across countries • The World Bank should be consistent in its response to governance issues within a given country • Have country specific policies, provided that there is a minimum acceptable standard • The World Bank should be more open with other partners about its relationship with governments

Respondent Type	Consultation Reply
5. How to strengthen the Bank's work with champions of reform outside the executive branch of government – parliament, judiciary, civil society, media and the private sector	
[Government]	<ul style="list-style-type: none"> • Support civil society organizations to develop the capacity for effective partnership with the Bank and better social accountability • Build capacity of the media to promote objective and analytical reporting • The World Bank should support the Judiciary in establishing a specialized court to deal with corruption cases • The World Bank should have a consistent and regular engagement with Parliament to promote greater ownership and enhance analytical capacity on development issues • Involve non-government players in the design of development projects and programmes • The World Bank should work more closely with faith-based organizations and other non-governmental organizations to support development objectives
[Civil Society, Private Sector, Academia]	<ul style="list-style-type: none"> • Invest in greater public access to electronic information and promotion of e- government • Do more on improving the investment climate • Support training for enhanced private sector corporate governance and professional associations; promote acceptable 'codes of conduct' • Strengthen professional bodies for lawyers, accountants, bankers, etc. • Involve civil society in defining and monitoring measures of good governance • Interact more with civil society on project design and monitoring • Set up a specific network to sustain the interaction between the World Bank and civil society
[Development Partners]	<ul style="list-style-type: none"> • The World Bank should use its leverage with agencies it works with to get them to be more transparent and accountable • The World Bank should extend its communication outreach to all segments of society regarding its role and

Respondent Type	Consultation Reply
	programs it support
6. How to mitigate fiduciary risk in Bank operations?	
[Government]	<ul style="list-style-type: none"> • Institute risk management and mitigation policies and processes • Increase resource allocation to the Judiciary and the IGG to facilitate timely prosecution of corruption cases • Strengthen public sector management at all levels • Conduct regular expenditure tracking studies • Provide adequate skills of financial resources for auditors • Engage with and strengthen government institutions that help provide fiduciary assurance, e.g. Auditor General's office
[Legislature]	National Planning Authority should be empowered to guide budget allocations to avoid piecemeal planning and co-ordinate development programmes.
7. The Bank's role vis-à-vis other donors in supporting governance reform	
[Government]	<ul style="list-style-type: none"> • Improve donor coordination to improve effectiveness and reduce duplication of efforts • The World Bank should use existing mechanisms [e.g. Sector Working Groups] to deepen dialogue on good governance with partners
[Development Partners]	Continue to complement efforts of other DPs by focusing on areas where the World Bank has strong comparative advantage (public financial management, procurement systems etc.)
8. How to monitor progress in governance and anticorruption at the country level	
[Government]	<ul style="list-style-type: none"> • Put in systems to ensure value for money and effective management of public expenditures • Consistently apply suitable M&E systems

Respondent Type	Consultation Reply
	<ul style="list-style-type: none"> • Agree with Government on measurable indicators and attainable targets
[Legislature]	Involve civil society, citizens' groups, and the media in promoting public accountability
[Civil Society, Private Sector, Academia]	Capacity building for civil society groups for monitoring resource use
9. Areas for improvement in GAC strategy and country-level support	
[Government]	<ul style="list-style-type: none"> • GAC strategy should incorporate measurable outcome indicators • GAC strategy should incorporate appropriate timing and sequencing of actions • Strengthen the analytical and policy making capacity of Parliamentary Committees • Ensure that Government increases the financial resources allocated to the IGG, the Auditor General, the Solicitor General and the Commercial Division of the High Court • The World Bank's anticorruption teams should have presence at Government ministry level
10. Other key issues	
[Government]	<ul style="list-style-type: none"> • Scale up donor assistance to ensure countries reach MDG targets • Incorporate GAC issues in the education curriculum • Help to strengthen the revenue collection agencies of aid recipient countries • Work with religious institutions in changing social values on corruption and in delivery of development programs