

MANAGEMENT REFORM OF STATE FLEET VEHICLES IN UGANDA

BACKGROUND.

The overwhelming poor are in Asia and Africa standing at 93% of the worlds poor. Since 1981 the number of extreme poor has risen in Sub-Sahara Africa, but fallen tremendously in Asia. Almost half of the population in Africa lives under extreme poverty and it's continuing to rise. Extreme poverty means households can not meet there basic needs for survival. The majority of these poor people live in rural areas.

Our generations' challenge as leaders is to see the end to this extreme poverty by the year 2025. This calls us to be more nationalistic, disciplined in management of state enterprise. Those in-charge of managing to focus more at the future and this poorest in Uganda.

Public service must not be seen as means of acquisition of power and wealth by office bearers but about service delivery and to cause noticeable change amongst our population still trapped up under extreme poverty brackets.

Embarking on the above requires us to build a capable nationalistic state anchored in good governance and increased social capital from within and without.

Our cost for public administration must be reduced and savings invested in critical areas like energy infrastructure, agriculture, education and health to enable the poor meet their basic needs and survive under the operation of market forces.

The NRM government which has the mandate of Ugandans for the next five years must give value to the voters by sacrificing the luxury of maintaining a huge fleet of government vehicles in facilitating public officials at the expense of what would go in to directly eliminate extreme poverty.

SITUATION ANALYSIS OF UGANDA'S STATE FLEET VEHICLES

The study carried out by Robert Matter and Wilberforce Kato October 2005 put the number of government vehicles at a total of 12004 excluding all those managed under government projects in the country including project vehicles the number would more than double. This puts a heavy burden in terms of the money used to purchase the vehicles, maintenance, buy oils and lubricants and fueling them save for the fact that each vehicle has a driver who has to be paid very month. This too increase government wage bill.

THE EXISTING GOVERNMENT POLICY ON ENTITLEMENT OF VEHICLES

This is provided for in the establishment notice No. 1 of 2003 which was up dating the circular standing instructions No. 1 of 1999 on standardization of vehicles to government officials. These include prime minister, all ministers, head of public service, deputy head Public Service, Permanent Secretaries, Directors, Senior Consultants and Heads of Government Projects.

TABLE 1. SPECIFICATIONS OF VEHICLES FOR GOVERNMENT OFFICIALS.

OFFICIAL	TYPE OF VEHICLE	ENGINE CAPACITY	REMARKS
Prime Minister	Toyota land cruiser 105 VX	3500cc	4WD 5 Doors Diesel
Cabinet ministers	Toyota land cruiser 105 GX	3000cc	4WD 5 Doors Diesel
Minister of state	Toyota Prado STD	2800cc	4WD 5 Doors Diesel
Head of public service	Pajero GLS	2800cc	4WD 5 Doors Diesel
Deputy head of public service	Pajero GLS	2800cc	4WD 5 Doors Diesel
Permanent secretaries	Pajero GLS	2800cc	4WD 5 Doors Diesel
Directors	Executive Mid Range Station Wagon	2500cc	4WD 5 Doors Diesel
Senior consultants	Executive Mid Range Station Wagon	2500cc	4WD 5 Doors Diesel
Project (Rural)	Pickup Double Cabin	2500cc	4WD 5 Doors Diesel
Project (Urban)	Pickup Double Cabin	2500cc	4WD 5 Doors Diesel
Pool vehicles	Pickup Double Cabin	2500cc	4WD 5 Doors Diesel
	Saloon /Estate care	1800cc	2WD 5 Doors Petrol
	Omnibus	2000cc	2WD 5 Doors Diesel

Source: Ministry of public service 2003

Note:

In reality there are many more officers in public service who are using government vehicles like commissioners, principle secretaries, senior secretaries and some times assistant secretaries. In Uganda its not strange to find an officer with more than one government vehicles.

Standing orders of public service prescribe the use of government cars to be official only. But here the situation is different its common to use government vehicles to ferry building materials, to take children to school, attend private ceremonies and even go to drinking places with them. All these activities are done using fuel from government and maintained by Government. This has put the cost of maintenance and fueling government cars to unbearable heights.

TABLE 2. GOVERNMENT EXPENDITURE ON FUEL, OILS AND LUBRICANTS AND MAINTENANCE

ITEM	2004/5	2005/6	2006/7
Maintaining	17,596,302	22,492,709	68,538,035
Fuel, oils, and lubricants	19,045,483	25,391,211	23,454,685
Total	36,642,185	47,884,254	91,993,006

Source: Ministry of Finance

NOTE.

Most government vehicles are always in garages some vehicles are highly cannibalized to repair other vehicles by garage owners well knowing that government will after all buy new spare parts to repair their vehicles.

On the other hand transport officers/ drivers connive with garage owners to inflate bills on the job cards some kind of corruption, which is difficult to eradicate.

It should also be noted that the amount used to purchase every year new vehicles was not indicated. However, for 2006/2007 financial year 221 billions has budgeted to buy new vehicles. Drawing from table 2 above one is attempted to compare government ministry budget versus what goes to local government in 2006/2007 for service delivery:-

TABLE 3: SHOWING COMPARISON BETWEEN MINISTRIES BUDGET AND SOME OF THE LOCAL GOVERNMENT SERVICES

Ministries budget	Amount	Local government services	Amount (000) shs
1 Maintenance of vehicles	68,538,035	District roads	14,510,969
2 Fuel & oils	23,454,685	Urban roads	4,404,595
3 Welfare & entertainment	2,258,836	Urban water	1,503,910
4 Grants to Ministries	7,764,203	Functional adult literacy	1,597,760
5 Grants to ministries	6,015,565	District equalization grant	3,494,160
6 Travel in land	10,043,703	Agriculture extension	3,060,225
7 Allowances to officials	10,926,500	PHC Development	6,095,700

Source: Ministry of Finance (Budget 2006/2007)

Note:

MOST poor people live in rural areas, which are targeted by local governments, but the budget does not cater for sufficient funds to enable these service centers reach out the poorest of the poor

More so government has an obligation to cut down on all these public administration costs to equip all hospitals and health units with facilities to handle our health needs .For instance as a country we urgently need 6 million us dollars to buy a heart machine for Mulago Hospital to save many lives who are dying in the country and save all that money that patients have to use in flying outside Uganda for treatment.

Size of Public Servants entitled to cars.

According to government policy Notice No. 1 of 2003, government cars should be used by the President, Prime Minister, cabinet ministers, permanent secretaries, Directors, Senior consultants, Heads of Government projects both rural and urban, then the other categories of staff use pool vehicles.

Table 4. SHOWING THE CURRENT STATUS OF PUBLIC SERVICE SIZE: 2007

No.	Category of office	Number of persons
1.	President	1
2.	Vice President	1
3.	Prime Minister	4
4.	Cabinet Minister	21
5.	State ministers	44
6.	Head of Public service	1
7.	Deputy head of public service	1
8.	Permanent Secretaries	28
9.	Under secretaries	28
10.	Directors	31
11.	Assistant/Deputy Directors	42
12.	Senior Consultant	87
13.	Heads of Projects (Rural)	91
14.	Heads of Projects (Urban)	182
15.	Judges	31
16.	RDC's	82
17.	Other officers who use pool	40009
Total		40,679

The cost of co-ownership and remnant government fleet;

1. Right away it would cut maintenance and fueling cost to 10%. Using the 2006/07 budget estimates, the cost of maintaining would come to 9.1 billion from the 91 billion. This would guarantee us a saving of 81.9 billion.
2. Co-ownership scheme.

A total of 670 officers using government cars would benefit from the co ownership scheme. Government will contribute 50% of the total cost and wave off taxes at buying.

Table 5(a): THE COST OF CO OWNERSHIP AND REMNANT GOVERNMENT FLEET

Office category	Number of people	Amount contributed by government (50%)	Total amount in billion shillings
Cabinet Minister	21	60,000,000/=	1,260,000,000/=
State ministers	44	60,000,000/=	2,640,000,000/=
Head of Public service	1	50,000,000/=	50,000,000/=
Deputy head of public service	1	50,000,000/=	50,000,000/=
Permanent Secretaries	28	40,000,000/=	1,120,000,000/=
Under secretaries	28	25,000,000/=	700,000,000/=
Directors	31	20,000,000/=	620,000,000/=
Assistant/Deputy Directors	42	20,000,000/=	840,000,000/=
Senior Consultant	87	20,000,000/=	1,740,000,000/=
Heads of Projects (Rural)	182	20,000,000/=	3,640,000,000/=
Heads of Projects (Urban)	91	20,000,000/=	1,820,000,000/=
RDC & Deputies	82	20,000,000/=	1,640,000,000/=
Judges	31	50,000,000/=	1,550,000,000/=
Total	670		17,670,000,000

TABLE 5(b). SHOWING RUNNING COST OF CO OWNERSHIP SCHEME.

Office category	No.	Monthly contribution in Millions	Total in billions
Cabinet Minister	21	1,800,000x12	453,600,000/=
State ministers	44	1,600,000x12	844,000,000/=
Head of Public service	1	1,500,000x12	18,000,000/=
Deputy head of public service	1	1,500,000x12	18,000,000/=
Permanent Secretaries	28	1,500,000x12	504,000,000/=
Under secretaries	28	1,200,000x12	403,200,000/=
Directors	31	1,000,000x12	372,000,000/=
Assistant Directors	42	1,000,000x12	504,000,000/=
Senior Consultant	87	1,100,000x12	1,044,000,000/=
Heads of Projects (Rural)	182	1,500,000x12	3,276,000,000/=
Heads of Projects (Urban)	91	1,000,000x12	1,092,000,000/=

Judges	31	1,000,000x12	372,000,000/=
RDC,s & Deputies	82	1,000,000x12	984,000,000/=
Total	670		9,884,800,000

Note:

In the first year alone when you add the cost of 10% remnant government fleet which is (9,100,000,000) 9.1 billion plus cost of co ownership for purchasing vehicles for 670 officers which is (17,670,000,000) 17.6 billion plus the running cost of monthly lump sum contribution which is (9,884,800,000) 9.8billion will come to 36,654,000,000/= This will make the country save 54,345,200,000/= only from funds meant for maintenance and fuel government cars that stood at 91 billion in FY2006/07

Table 6: Shows estimated revenue at Boarding off existing Government fleet of vehicles (90%)

Office category	No.	Monthly contribution in Millions	Total in billions
Cabinet Minister	21	20,000,000/=	420,000,000/=
State ministers	44	20,000,000/=	880,000,000/=
Head & Deputy of public service	2	20,000,000/=	42,000,000/=
Permanent Secretaries	28	15,000,000/=	420,000,000/=
Under secretaries	28	10,000,000/=	280,000,000/=
Directors	31	10,000,000/=	310,000,000/=
Assistant Directors	42	10,000,000/=	420,000,000/=
Senior Consultant	87	10,000,000/=	870,000,000/=
Heads of Projects (Rural)	182	8,000,000/=	1,456,000,000/=
Heads of Projects (Urban)	91	10,000,000/=	910,000,000/=
Judges	31	10,000,000/=	310,000,000/=
RDC,s & Deputies	82	8,000,000/=	656,000,000/=
Total	670		6,912,000,000/=

Note: The 6.9 billion that will be realized from the sale of the government vehicles will reduce the amount that would be spent in the first year of implementing this new scheme.

The figure from table 5 (a)&(b) and the cost of running of the remnant 10% government fleet puts the figure at 36.6 billion. After subtracting 6.9 billion as shown in Table 6, our cost in will come to 29.7 billion.

Note:

Drawing from the budget of 2006/07, funds might to fuel and maintain government vehicles stands at 91.billion. At a quick analysis of the existing budget and our proposed reform we shall make a saving of 61.3 billion.

RECOMMENDATIONS

1. Board off government vehicles to 90% only leaving institutional vehicles like police patrols, operational field vehicles for the army, hospital ambulances and school buses and trucks to rational levels.
2. The category of government officials entitled to Government vehicles be limited to the President, Vice President, Prime Minister, Speaker of Parliament and Chief Justice.
3. The specification of vehicles for government officials should be 3500 cc president and vice president and all other categories be facilitated with vehicles on engine capacity 3000 cc (Prime Minister, Speaker of Parliament and Chief Justice). This will enable government run vehicles whose fuel consumption is reasonable and affordable for this poor country.
4. Government puts in place the vehicle loan scheme for government officials who were originally entitled to vehicle facilitation. This should be implemented in phases, phase I from cabinet minister to the level of those who head government projects. Second phase will go to local Governments and the Government should support buying of vehicles in the range of 2800cc to 1200cc. movements.
5. Government implements the co-ownership scheme where it will provide to an officer seeking facilitation 50% funds equal to the cost of the vehicle and where the officer will also provide 50% of the funds balance through a bank loans scheme.
6. Government creates new modalities to manage well all the remnant government vehicles in key institutions like police, army, hospitals and schools.
7. The presidents to think of using a reasonable vehicle convey that is affordable by this country.
8. The government will under take to pay for taxes on vehicles bought by these government officials and also facilitate them with a lump sum of money per month equal to 50% of fuel, maintenance, insurance and for instance ministers across the board should be given the lump sum of about 1,800,000/= per month for maintenance fuel, and insurance. To government officials from the ahead of civil services should be given 1,500,000/= per month to cater for fuel, insurance and maintenance.

Note: on using this vehicle beyond 30km while on government duty, an indemnity of about 1040 Ushs per km would be paid (the government rates on mileage may apply here).

The district officials entitled to cars should also adopt 50% government contribution scheme. This will also apply to motorcycles who will be paid a Monthly lumpsum of 200,000/= Ug Shs

9. The Co-ownership of the vehicle / motorcycle will last for 5 years after which the vehicle /motorcycle is solely owned by the officer.
10. To ensure smooth running of government activities after boarding off vehicles, 3 private transport companies through bidding be selected to be hired for this purpose

Category 1: VIP vehicles fit to transport dignitaries in case of an International conference in the country at 300,000 per day

Category 2: Decent vehicles like RAV 4, GP Vitara, land cruiser at 200,000 per day

Category 3: Pick up, salon cars at 180,000 per day

NOTE: Fuel, driver, service are all catered for by the owner.

11. Officials who undertake the co-ownership scheme shall sign an agreement with government whose copy is hereby attached.

CONCLUSIONS

Parliament that will urge the executive to implement this reform will be seen as pro-poor and be praised by civil society. It will give government more credibility amongst the local population and the donor community. It will be a big challenge to other developing countries whose public administration has remained high denying the poor citizens critical services like health, education, improved infrastructure, energy and prosperous agriculture.