



UGANDA DEBT NETWORK

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**BRIEFING PAPER ON THE MANAGEMENT AND FLEET OF GOVERNMENT
VEHICLES IN UGANDA**

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1.0 PREAMBLE

The agenda for Uganda's socio-economic development is highlighted upon in development efforts such as the Poverty Eradication Action Plan (PEAP) framework and the global Millennium Development Goals (MDGs). The PEAP 2004/05-2007/8 acknowledges that public expenditure has risen sharply in the last 10 years. The positive aspect about this expansion in regard to delivery of increased funding to Poverty Action Fund priority programme areas such as Rural Feeder Roads, Universal Primary Education, Primary Health Care, water and sanitation and some components of Plan for Modernization of Agriculture.

The priorities for increased support for the implementation of the PEAP 2004/05-2007/8 include; Agricultural research, Agricultural advisory services, Disease control, Support to agricultural marketing cooperatives and District and community forests. Others are Business development services, Industrial parks, Rural financial services, Rural electrification, as guided by sectoral strategy, Community roads (perhaps supported by local government funds) and Urban and community infrastructure improvement.

The Mandate for Citizens Participation in influencing government Policies and programmes

In the 1995 constitution of Uganda, Article II of the National Objectives and Directive Principles of State Policy provide that:

(i) The State shall be based on democratic principles, which empower and encourage the active participation of all citizens at all levels in their own governance;

(ii) Civic Organizations shall retain their autonomy in pursuit of their declared objectives.

Article X of the National Objectives and Directive Principles of State Policy provide that "The State shall take all the necessary steps to involve the people in the formulation and implementation of development plans and programmes which affect them".

Article XXVI of the National Objectives and Directive principles provide that:

- (i) All public offices shall be held in trust for the people
- (ii) All persons placed in positions of leadership and responsibility shall, in their work, be answerable to the people.

Article 17 (1) (i) of the Constitution provides that, "It is the duty of every citizen of Uganda to combat corruption and misuse or wastage of public property".

An article 38 (1) provides that "Every Uganda citizen has the right to participate in the affairs of government, individually or through his or her representatives in accordance with the law".

Article 38 (2) provides that “Every Ugandan has a right to participate in peaceful activities to influence the policies of government through civic organizations”.

The aspirations of the PEAP, MDGs and the Ugandan constitution are construed in the broad context of promotion of the citizens’ rights, socio-economic development and averting the misuse and wastage of public resources in Uganda. This is aimed at contributing to public accountability, transparency and prudent utilization of public resources, in the quest for equitable development and improving the citizens’ socio-economic livelihood and situation in Uganda.

2.0 Problem statement

Through the PEAP, as a national framework for poverty reduction, Uganda has registered substantial progress in meeting her objectives. In spite of the successes of the PEAP, poverty remains a major challenge to the citizens of Uganda. 31% (over 9.9 million) of Ugandans remains under the yoke of absolute poverty¹, a factor that is attributed to the process of the Central Government propagating new administrative structures contrary to the well-laid guidelines under the Local Governments Act, 1997², to the detriment of service delivery. The big numbers of political appointees (e.g. Presidential Advisors and Resident District Commissioners) further compounds the poverty problem as well as private bailouts³ to private business people/ enterprises and flouting of the procurement procedures leading to outright theft of public resources.

The above situation is further worsened by the amount of funds incurred by the taxpayers in the purchase, maintenance and bonding off of government vehicles. This has been manifested through the following aspects;

- a) The government vehicle purchasing processes which continue to undermine the government’s Establishment Notice No. 1 of 2003 that updated the Circular Standing Instructions No. 1 of 1999 on Standardization of vehicles for government officials, for example, that a Prime Minister and Permanent Secretaries should drive official vehicles of engine specifications of not more than 3500 and 2800 engine capacity, respectively.
- b) A big fleet of 6,571 government vehicles and 5,433 motorcycles to the tune of 12004⁴ by December 2005 characterized by some government institutions and individual officers having more vehicles than actually is necessary to conduct official business, at the expense of those institutions that are more deserving (e.g. the police patrol unit).

¹Uganda Bureau of Statistics, 2002 Uganda Population and Housing Census, Analytical Report, Abridged Version, October 2006

² Uganda Debt Network, Policy Review Newsletter, Vol. 7 Issue 2, February, 2007

³ Bassajabalaba, Rift Valley Railways, etc

⁴ Parliament of Uganda, Annual Expenditure on Government vehicles, Oct. 2005

- c) No clear fleet management system in government institutions, which perpetuates uncontrolled movement and usage of government vehicles, leading to abuse through non-official work, such as ferrying of building materials and taking individual officials' children to and from school.
- d) Use of government vehicles contrary to the Standing Orders of Public Service on the use and care of government vehicles, e.g. that, "Vehicles are used for official duty and they are parked and secured after working hours (i.e. 8.00 am-5.00 pm)⁵.
- e) Increased wasteful expenditure through fleet repairs, lubricants and general maintenance⁶. This has increased the budgetary allocations and execution in the fleet management, at the detriment of more deserving yet under-funded programmes and projects that have a direct positive impact on poverty reduction in Uganda.
- f) The practice of bonding off government vehicles that is not aligned to the Public Procurement and Disposal Act (PPDA), 2003.

3.0 Situational Analysis on government vehicles versus PEAP priorities

- **Government vehicles;** A study commissioned by the Parliament of Uganda called the, *Annual Expenditure on Government Vehicles, October, 2005*, revealed that government owns a fleet of 6,571 government vehicles and 5,433 motorcycles totaling 12004 by December 2005. The numbers excluded project vehicles and motorcycles. Such a big size of government vehicles places a huge burden on the taxpayers through purchases, maintenance (garage costs, fuels, oils and lubricants) and bonding off the fleet.

For example, the Office of the President, for example, already received UGX 13 billion shillings during the Financial Year (FY) 2006/07, State House received the following budget allocations in same FY, excluding the Office of the Vice President as follows;

Table 1: Budgetary expenditure for Office of the President & State House for the FY 2006/07

No.	Item	Amount (bn shs)
1.	Expenses on vehicle oils & lubricants, fuel and maintenance.	3,840,000,000 (3.8)
2.	Allowances expenses	6,648,264,000 (6.7)
3.	Telephone expenses	1,5560,000,000 (1.6)

Source: Ministry of Finance

Table2: Government expenditure on Fuel, Oils & Lubricants and Maintenance (in billion shillings)

Item	FY 2004/05	FY 2005/06	FY 2006/07
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⁵ Ministry of Public Service, Circular Letter No. 1 of 2003, dated 18th July, 2003

⁶ Auditor General's Report, June 2006.

Maintenance	17,596,302	22,492,709	68,538,035
Fuel, oils & lubricants	19,045,48	25,391,211	23,454,685
Total	36,642,185	47,884,254	91,993,9006

Source: Ministry of Finance

In the meantime, government purchase of vehicles during the Financial Year 2006/07 has earmarked a sum of 221 billion shillings compared to, for example, 14,510,696 that will be spent on the district roads for the whole country. This, therefore, translates into poor service delivery in the rural communities where the majority of Ugandans live and derive livelihood.

- **Government policy instruments on vehicles;** The government policy instruments on vehicles provide for the standardization of vehicles for government officials. The policy instruments, nonetheless, continue to be disregarded and suffer abuse. This is evident in the high caliber of fuel-guzzling, costly vehicle purchases and maintenance used by the government officials to maximize their luxury, at the cost of the majority taxpayers that have to meet their tax obligations and still receive poor service delivery in return.

Even if government has financed some of the vehicle schemes through external borrowing, it is the Ugandan citizens who are staked, a factor that worsens the country's debt burden through debt repayment. The Table below gives a highlight of the specifications of government vehicles, under the Establishment Notice No. 1 of 2003 that updated the Circular Standing Instructions No. 1 of 1999 on Standardization of Government Vehicles.

Table 4: Specifications for Government Vehicles in Uganda

Official	Type of Vehicle	Engine capacity	Remarks
Prime Minister	Toyota Land Cruiser 105 VX	3500 cc	4WD 5 Door Diesel
Cabinet Ministers	Toyota Land Cruiser 105 VX	3000 cc	4WD 5 Door Diesel
Minister of State	Toyota Prado STD	2800 cc	4WD 5 Door Diesel
Head of Public Service	Pajero GLS	2800 cc	4WD 5 Door Diesel
Deputy Head of	Pajero GLS	2800 cc	4WD 5 Door Diesel

Public Service			
Permanent Secretaries	Pajero GLS	2800 cc	4WD 5 Door Diesel
Directors	Executive Mid-Range Station Wagon	2500 cc	4WD 5 Door Diesel
Pool Vehicles	Pickup Double Cabin	2500 cc	4WD 5 Door Diesel
	Salon/ Estate	1800 cc	2 WD 5 Door Petrol
	Omni-bus	2000 cc	2 WD 5 Door Diesel

Source: Ministry of public service 2003

In whose interest are such provisions as noted above flouted and what motivates the culprits? Who should ensure that the guidelines on the purchase and allocation of government vehicles are adhered to?

- *Funding priorities of the PEAP*; The PEAP provides for strategies and programmes for poverty eradication in Uganda through expenditure rationalization and prioritization. Key in this aspect are the Priority Programme Areas (PPAs) that should progressively be funded within the Medium Term Expenditure Framework (MTEF). However, due to the persistent increment in the cost of public administration, which partially is manifested in the purchase and maintenance of the government fleet of vehicles, there has been decreasing allocation to poverty eradication sectors. Cases in point are the Health and Agricultural sectors that have continued to suffer under-funding and unprecedented budget cuts, as indicated in the table below.

Table 3: Table showing Budget cuts for Health and Agricultural Sector in Uganda

Sector	FY 2005/06 (bn shs)	FY 2006/07 (bn shs)	% Reduction
Health	508.66	375.38	26
Agriculture	148.85	137.21	5

Source: Uganda Debt Network, Budget Policy Brief, The 2006/07 National Budget: Shortfalls in Pro-Poor Spending, No. 1, 2006

The reversals of government's commitment to improving the sectors that are critical to the needs of the majority Ugandans as reflected in the budgets trends dictate a strong call for a shift in the state of affairs. The apparent budget cuts have resulted into a worsening situation where 81 infants out of 1,000 die before reaching the age of five and merely the equivalent of 50 billion shillings in the FY 2006/07 was allocated to the operations of Mulago, Butabika and all District hospitals. The hospital wards experience inadequate basic supplies and equipment, such as gloves, syringes, cotton wool, detergents and sterilizers.

According to the Director of Mulago, the Hospital receives about 30%⁷ of the budget requirements in a given FY.

References

1. The 1995 Constitution of the Republic of Uganda
2. Uganda Debt Network, Budget Policy Brief, The 2006/07 National Budget: Shortfalls in Pro-Poor Spending, No. 1, 2006
3. The Establishment Notice No. 1 of 2003, Ministry of public service 2003
4. Establishment Notice No. 1 of 2003 that updated the Circular Standing Instructions No. 1 of 1999, Ministry of Finance.
5. Poverty Eradication Action Plan 2004/5-2007/8.

⁷ HUSSEIN BOGERE & GRACE NATABAALO, in an Article, Mulago Hospital critically sick, Sunday Monitor, 25 March 2007, pp. 1-2.