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COVID-19: MORALS OVER EMPATHY IN THE MISUSE OF PUBLIC FUNDS. A CASE OF UGANDA IN COMPARISON WITH SELECTED EAST AFRICAN STATES

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ABSTRACT

This paper investigates the extent to which public resources, allocated for addressing the adverse effects of the COVID-19 pandemic, were misappropriated despite the dire need to combat the effect of the pandemic in Uganda. Using a qualitative approach, it employs a multipronged technique to analyse relevant documentation such as newspaper reports, audit reports, case studies and written sources to examine the different responses and perspectives. Inevitably, the novel coronavirus pandemic has had a significant impact on Uganda's economy with unprecedented levels of deterioration in socio-economic systems like healthcare, education, poverty and hunger. However, widespread concerns have emerged citing trends of corruption exemplified by embezzlement and fraudulent practices purportedly orchestrated by relevant government authorities in the form of undermining public procurement processes, under the guise of addressing an emergency.

The COVID-19 pandemic brought to light the weakness and challenges manifested by the lack of adequate measures to instil accountability mechanisms, ineffective lapses in systems, outright allegations of inability to produce payment evidence such as receipts, flouting procurement procedures, and provision of substandard food items. The paper highlights the fact that many of the shortcomings of the state to manage the pandemic can be attributed to the culture of corruption and impunity over misuse of public resources that have continued to adversely impact the social-economic rights of the citizens throughout this period of the COVID-19 pandemic.

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1. INTRODUCTION

Uganda is on the long list of African countries that have struggled to address the pandemic due to high levels of corruption.¹ According to Elamin, corruption is one of the greatest obstacles to development,² it also results in the wastage of scarce resources that leads to failure to fulfil basic social needs.³ Corruption has invariably discouraged efforts to improve the provision of social amenities such as healthcare and education, which in part, has put a dent in the socio-economic development of the country. For example, due to the endemic corruption, the healthcare and education systems have since grappled with issues like low and poor remuneration, inadequate staff, poor and dilapidated infrastructure, lack of adequate medicine and equipment etc. Notwithstanding, the emergence of the novel coronavirus pandemic has also escalated the levels of corruption in Uganda. Emerging evidence indicates that there are evolving trends of corruption exemplified by embezzlement and fraudulent practices purportedly orchestrated by the relevant government authorities.

This mainly manifests in the form of undermining the public procurement processes especially by evading usage of the e-government business services platform for public procurements, under the pretext of addressing an emergency of the pandemic. These forms of corruption emanated from the weaknesses and challenges in the legal regime that have accounted for the huge leap decline? in the country's development over the years. Further, the pandemic has brought to light these weaknesses and challenges, manifested by the lack of adequate measures to instil accountability mechanisms, ineffective lapses in systems, outright allegations of inability to produce payment evidence such as receipts, flouting procurement procedures, bribery, failure to procure Personal Protective Equipment (PPE), provision of substandard food items among others.⁴ Against this backdrop, the paper investigates the extent to which public resources allocated for addressing the adverse effects of the COVID-19 pandemic were misappropriated in Uganda.

This paper is unique in three respects: First, the paper examines how the COVID-19 pandemic has been a catalyst for corruption and corruptive tendencies in a developing country like Uganda. Second, the paper examines the socio-economic effects of corruption amidst the COVID-19 pandemic in Uganda, and third, the paper highlights the lessons from Rwanda and

1 Mironga N (2022) "Corruption and Its Negative Governance Output in Africa: An Analysis of the Drivers of Corruption" 27(12) *IOSR Journal of Humanities and Social Science* 12 – 21 at 2.

2 Elamin N (2019) "A Theoretical Analysis of Corruption in Sudan: Causes, Diagnostics, Consequences, and Remedies" 13(2) *African Journal of Political Science and International Relations* 4 – 16 at 6.

3 Murphy K, Shleifer A & Vishny R (1993) "Why is Rent-Seeking so Costly to Growth?" 83(2) *American Economic Review* 409 – 414 at 409.

4 Ladu I (16 December 2021) "Prosecute Thieves of COVID-19 Cash" *Daily Monitor*, available at <https://www.monitor.co.ug/uganda/news/national/prosecute-thieves-of-covid-19-cash-report-3231244> (visited 9 February 2021).

Tanzania on how they have managed to notably reduce corruption in the recent past. The rest of the paper proceeds as follows: Section 2 presents the overview of anti-corruption laws and institutions in Uganda; Section 3 discusses the methodology employed; Section 4 provides results and discussions and Section 5 presents conclusions.

2. OVERVIEW OF ANTI-CORRUPTION LAWS AND INSTITUTIONS IN UGANDA

The rise to power by the National Resistance Movement (NRM) government in 1986 after a civil war⁵ led to significant strides in policy formulation that shaped anti-corruption laws in Uganda. The government expressed political will and commitment toward the fight against corruption and misuse of power under the Ten-Point Programme.⁶ This was the backdrop against which the legal and regulatory frameworks for anti-corruption laws were later established. Several anti-corruption laws existed, but many of them were developed under the NRM Government, to ensure a strong legal regime for fighting corruption in Uganda. These laws include the Constitution of the Republic of Uganda (1995 as amended), Penal Code (Amendment) Act of 2007, Anti-Corruption Act of 2009, Whistleblowers Protection Act of 2010, Inspectorate of Government Act of 2002, Leadership Code Act of 2002, Leadership Code (Amendment) Act of 2018, Public Finance Management Act of 2015, National Audit Act of 2008, Computer Misuse Act of 2011, Anti-Money Laundering Act of 2013, Police Act of 1994 (as amended in 2006), Local Government Act of 1997, Access to Information Act of 2005, and Public Procurement and Disposal of Public Assets Act of 2003.

While at the international and regional levels, the key frameworks that the Anti-Corruption Policy is consistent with are the United Nations Convention Against Corruption, 2003; United Convention Against Transnational Crime, 2000; African Union (AU) Convention on Preventing and Combating Corruption, 2003; New Partnership for African Development (NEPAD) / African Peer Review Mechanism (APRM); East African Community Treaty, 1999; East African Community Protocol on Combating Corruption; and the East African Anti-Money Laundering Group.

On other hand, the Government of Uganda established several institutions to ensure efficient and effective utilisation of public resources and promote transparency and accountability, these include the Directorate for Ethics and Integrity (DEI) in the Office of the President; Inspectorate of Government (IGG); State House Anti-Corruption Unit (ACU); State House Health Monitoring Unit (HMU); Internal Auditor General (IAG); Public Service Inspection Unit

5 Barkan J (2011) "Uganda: Assessing Risks to Stability" *A Centre for Strategic & International Studies (CSIS) Report* at 2 – 4.

6 Hitchen J (2016) "Steady Progress? 30 Years of Museveni and the NRM in Uganda" *Africa Portal*, available at <https://www.africaportal.org/publications/steady-progress-30-years-of-museveni-and-the-nrm-in-uganda/> (visited 12 June 2022).

(PSIU); Public Procurement and Disposal of Public Assets Authority (PPDA); Office of the Auditor General (OAG); Uganda Revenue Authority (URA); Financial Intelligence Authority (FIA); and Internal Security Organisation (ISO) – Office of the President.⁷

3. METHODOLOGY

To achieve the objectives of the study, the paper adopts a qualitative approach which will involve the analysis of existing data. Specifically, the paper employs a multipronged technique in the analysis of relevant document reviews, such as newspaper reports, government audit reports and queries, and oral and written sources to examine the different responses and perspectives pertaining to the study. On the other hand, the paper draws on lessons on the management of corruption from case studies of Rwanda and Tanzania to guide on improving the existing legal framework or approach towards reducing corruption in Uganda. As such, focus on these two countries is for the following reasons. Since its independence, Tanzania has gradually strengthened its state machinery in ensuring greater accountability of public offices. The government has made a range of efforts toward good governance and anti-corruption through its National Anti-Corruption Strategy and Action Plan. According to Transparency International's 2021 Corruption Perceptions Index, Tanzania is the 87th least corrupt country out of 190.⁸ On the other hand, Rwanda ranks 38 globally out of 190 countries, and is the leader in the East African region, in the Ease of Doing Business, this implies that they are efficient and effective in public procurements,⁹ and third, Rwanda has shown an impressive improvement in World Governance Indicators (WGI) on the control of corruption index.¹⁰

4. RESULTS AND DISCUSSIONS

4.1 How the COVID-19 pandemic has catalysed corruption and corruptive tendencies in Uganda

It has become apparent that corruption and emergencies feed on each other, creating a vicious cycle of mismanagement. The large sums of money required to deal with emergencies, and the need for urgency in disbursing aid or economic stimulus packages form a perfect storm for corruption as they can increase opportunities for it to occur while weakening the mechanisms in place to prevent it. This, in turn, undermines fair, efficient and equitable

7 Inspectorate General of Government (2019) "The Zero Tolerance to Corruption Policy" *Inspectorate General of Government*, available at www.igg.go.ug (visited 5 March 2021) at 7 – 13.

8 Transparency International (2020) "Corruption Perceptions Index 2020" *Transparency International*, available at www.transparency.org/cpi (visited 9 February 2021).

9 World Bank (2020a) "Doing Business 2020: Comparing Regulation in 190 Economies" International Bank for Reconstruction and Development / The World Bank 1818 H Street NW, Washington, DC 20433.

10 World Bank (2020a) at 2.

responses to crises.¹¹ For example, in Uganda, the novel coronavirus pandemic has had a significant impact on the economy with unprecedented levels of deterioration in socio-economic systems like healthcare and education. It has equally exacerbated the levels of poverty, hunger and frustration leaving a significant proportion of the Ugandan population more vulnerable than ever before. To address this, the Parliament of Uganda passed a resolution made by the Executive Arm of the government to provide social safety nets like food items and face masks to the urban poor households. Further, the health and education sectors were allocated a budget to procure Personal Protective Equipment in hospitals, vehicles for surveillance of the disease at the district level, and procure Television sets, Radios and print and distribute learning materials to learners, respectively.¹²

More so, there were significant donations from development partners, agencies, private sector companies, and even affluent well-wishers, meant to help mitigate the socio-economic problems caused by the COVID-19 pandemic. For example, the Government of Uganda received to the tune of over UGX.8 Trillion to fight Covid-19 from the US Government, USAID, International Monetary Fund, the World Bank, Ireland, Denmark and local donations.¹³ However, there were several shortcomings in implementing the COVID-19 pandemic measures to address the adverse effects on the populous and the healthcare and education systems. The Auditor General's report unearthed emerging trends of corruption and corruptive tendencies manifested by: under absorption of public funds, use of cash at source, noncompliance with procurement laws, unaccounted for funds, diversion of funds, inadequate valuation of in-kind donations and poor management of quarantine centres.¹⁴

Additionally, it also emerged that funds earmarked for the procurement and distribution of food to the urban vulnerable people were allegedly misused, insufficient amounts of food were procured, poor quality food was distributed and the procurement procedures were flaunted.¹⁵ The Auditor General's report alludes to this, quality checks by the Uganda National Bureau of Standards (UNBS) on a sample of 14,069 metric tonnes of maize flour and 8,547 metric tonnes of dry beans established that 2,615 metric tonnes (18 per cent) of maize flour

11 Vrushi J & Kukutschaka RM (28 January 2021) "Why Fighting Corruption Matters in Times of COVID-19" *Corruption Perceptions Index 2020: Research Analysis*, available at www.transparency.org/cpi (visited 9 June 2022).

12 Nambatya P (2020) "Uganda's Covid-19 Supplementary Budget: Pandemic Response or Cash Bonanza?" (*CMI - Chr. Michelsen Institute*), available at <https://www.cmi.no/publications/7279-ugandas-covid-19-supplementary-budget-pandemic-response-or-cash-bonanza> (visited 11 June 2022).

13 Transparency International Uganda (2020) "Press Release: We Call for More Transparency in the Utilisation of COVID-19 Funds" *Transparency International*, available at: <http://tiuganda.org/wp-content/uploads/2020/07/Press-Release-Accountability-for-COVID-19-Funds.pdf> (visited 7 June 2022).

14 Auditor General Report (2021) "Thematic Audit Report on COVID-19 Pandemic Government Interventions" *Ministry of Finance*, available at <https://www.finance.go.ug> (visited 20 February 2021).

15 Transparency International Uganda (2020) at 2.

and 2,017 metric tonnes (23 per cent) of dry-beans intended for distribution by the Office of the Prime Minister did not pass quality checks. More so, while funds for personal protective equipment (PPE) had been allocated, there was a surge in the number of health workers contracting COVID-19, it came at a time when health workers had persistently complained about insufficient PPE.¹⁶ Equally, a Company was awarded a contract worth Shs530m to procure spray pumps, meant to aid disinfection of places, materials of Covid-19 confined places, treatment centres, homes, and ambulances, among others. These included 80 mist sprayers, 99 power sprayers and 19 transport jet pumps. However, none of the treatment centres had received the spray pumps except for Entebbe Regional Referral Hospital.¹⁷

4.2 The socio-economic effects of corruption amidst the COVID-19 pandemic in Uganda

The devastating effects of corruption on the well-being of people cannot be overstated.¹⁸ Corruption diverts funds from essential services such as healthcare, leaving countries vulnerable and under-prepared to deal with a public health crisis.¹⁹ The COVID-19 pandemic has further exposed the good and bad accountability practices, the least corrupt countries having earlier enhanced their healthcare systems moderately coped well with managing the pandemic, unlike the most corrupt countries.²⁰ For example, the pandemic found a deplorable healthcare system exemplified by an acute shortage of medicines and Intensive Care Unit (ICU) beds, poorly paid medical staff who had become disgruntled over the years, and poor infrastructure among others.²¹ On the other hand, the pandemic also found the education still grappling with its challenges, and has since muted it further.

Most rural public schools face challenges of poor-quality education outcomes, understaffing and poor remuneration, and lack of adequate educational facilities and equipment to aid learning.²² According to Magumba, despite the progress of the Universal Primary Education (UPE) in enrolment rates, there are still challenges holding Uganda's education sector back.²³

16 Ibid.

17 Ladu (2021) at para 8.

18 Ackerman R (1999) *Corruption and Government: Causes, Consequences, and Reform* Cambridge University Press at 20.

19 Vrushi & Kukutschaka (2021) at para 10.

20 Amin HL (31 January 2021) "Corruption Index Leaves Uganda in the Dark" *Daily Monitor*, available at www.monitor.co.ug/uganda/oped/letters/corruption-index-leaves-uganda-in-the-dark-3275244 (visited 9 February 2021).

21 Association of Anesthesiologists of Uganda (2020) "Kampala COVID-19 ICU Bed Dashboard" *Association of Anesthesiologists of Uganda*, available at <https://anesthesiaug.org/kampala-covid-19-icu-bed-dashboard/> (visited 11 June 2022).

22 Monitor (2020) "Uganda's Education Poor – WB Report" *Monitor*, available at <https://www.monitor.co.ug/uganda/news/national/uganda-s-education-poor-wb-report-1804962> (visited 11 June 2022).

23 Magumba M (2018) "Strengthening Uganda's Education system" *SSRN Electronic Journal* DOI:10.2139/ssrn.3525146 at 2.

In the recent past, the government of Uganda closed most places that draw crowds including schools. Notwithstanding, to ensure continuity of learning, the government of Uganda proposed home-based learning, and, in this regard, it guaranteed to provide Radios, Television sets and printed learning materials, especially for students in the rural communities that could not afford e-learning. However, a study by the Economic Policy Research Centre found that students were less prepared for home-based learning due to a lack of the necessary gadgets (TVs, Radios, internet, phones, computers etc).²⁴ The study noted a rise in learning inequality because the government had not effectively implemented the proposal (providing TVs, Radios and printed learning material) for the education sector. Further, the study noted that the closure of schools due to the COVID-19 pandemic had interlinked adverse challenges on not only the schools but also the households of teachers, because of financial hardship. For example, salaries and wages of school staff in private schools were cut resulting in coping strategies such as reducing food consumption, which negatively affected their welfare. It is important to note, that while the government provided a pandemic relief fund called in the local dialect, “*Emyooga*” to help address the plight of those who had become vulnerable, like teachers, it has been marred with corruption scandals such as, “Ghost groups”, created to pillage the money.

4.3 Lessons from Rwanda and Tanzania’s approach in the fight against corruption

Rwanda’s anti-corruption efforts succeeded because they simultaneously tackled three dimensions: transforming social norms about corruption and expectations regarding acceptable official behaviour (the foundation). Preventing corruption from taking place (Pillar 1) and sanctioning individuals and institutions for corrupt practices (Pillar 2, Figure 1). This approach made integrity an imperative while establishing a strong institutional and legal framework that was fit for purpose. Further, to complement this approach, three factors have proved how anti-corruption has been pursued: the leadership of reform, the coordination of engagement, and complementary investments in building state capacity. Presidential leadership was central in fostering an enabling environment for reforms through providing and protecting the political space for institutions to innovate, the government has not only created relevant institutions and laws to fight corruption; it has also made them work together; and anti-corruption measures have also been successful because they did not occur in a vacuum. They have been part of a larger reinforcement of the state that provides an extremely supportive environment for such measures to succeed.²⁵ It is not surprising that

24 Sunday N, Sserunjogi B, Kahunde R & Lakuma PC (2021) “The Plight of Micro Small and Medium Enterprises Amidst COVID-19: A Post-lockdown Analysis Based on Business Climate Survey” *Institute of Development Studies*, available at <https://opendocs.ids.ac.uk/opendocs/handle/20.500.12413/16717> (visited 11 June 2022).

25 World Bank (2020b) *Republic of Rwanda, Rwanda’s Anti-corruption Experience: Actions, Accomplishments, and Lessons* Report No. ACS29873 at 13, 29, 31, 34.

even while corruption has worsened during the pandemic in most developing countries, Rwanda continues to perform well regarding anti-corruption. The 2020 Corruption Perceptions Index (CPI), scores Rwanda at 54 and ranks her 49th out of 180 countries globally in combating corruption and corruptive tendencies.²⁶ Furthermore, the pandemic has exposed good and bad accountability practices, the least corrupt countries having earlier enhanced their healthcare systems moderately coped well with managing the pandemic, unlike the most corrupt countries.²⁷ According to Dzinamarira et al, Rwanda has a robust and coordinated national health system that has effectively contained the pandemic.²⁸

Similarly, Tanzania's case of fighting corruption has been remarkable. The incidence of corruption was very high in the periods from 2012 to 2017, and 2018 was the turning point, there was a drastic fall in the global ranking of the Corruption Perceptions Index (CPI) to 99 up from 103.²⁹ This signalled that corruption and corruptive tendencies were beginning to subside in Tanzania, which was mainly attributed to the controversial leadership style of the then President John Pombe Magufuli because of his crackdown and purges on government officials involved in corruption and corruptive tendencies. When John Pombe Magufuli became President in 2015, the perceptions among Tanzanians on corruption issues that used to plague the country's government improved drastically.³⁰ For example, through his anti-corruption efforts, he dismissed hundreds of civil servants who allegedly forged academic documents and arrested those involved in economic corruption scandals.

More so, it was apparent that President John Pombe Magufuli was waging a war on corruption. He began to impress just days after his inauguration when he made an impromptu visit to the Ministry of Finance on his first day as President, then pulled funds intended for Independence Day Celebrations and re-directed them to anti-cholera operations. He began to shake up the Tanzania Port Authority, extending to the Tanzania Revenue Authority as he launched a tax collection drive and also carried out an audit of the public payroll leading to a purge of ghost workers.³¹

26 Transparency International (2020).

27 Ladu (2021) at para 7-13.

28 Dzinamarira T, Mapingure MP, Rwibasira NG, Mukwenha S & Musuka G (2021) "COVID-19: Comparison of the Response in Rwanda, South Africa and Zimbabwe" 23(15) *MEDICC Review* 15 – 20 at 15.

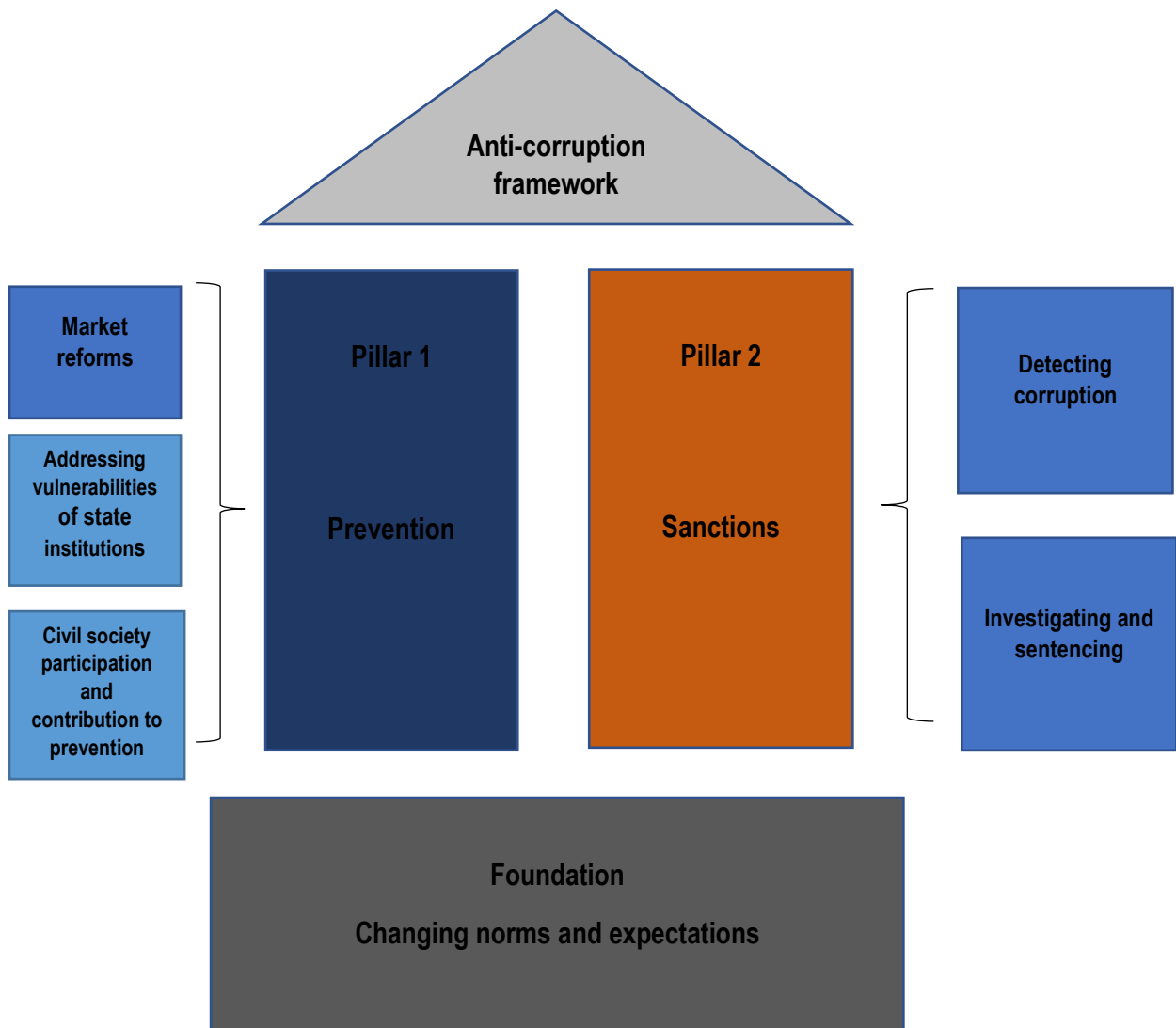
29 World Bank (2020b) at 29 – 31.

30 Sadeque S (2018) "Tanzanians Think Corruption in Their Country has Declined. The Reality is Very Different" *Quartz Africa*, available at www.qz.com/africa/1168677/tanzanians-think-corruption-in-their-country-has-declined-the-reality-is-very-different/?utm_term=mucp (visited 9 February 2021).

31 Paget D (7 November 2017) "Tanzania's anti-corruption crusader cracks down on opponents" *CNN*, available at www.cnn.com/2017/11/07/africa/magufuli-crackdown/index.html (visited 9 February 2021).

These anecdotes justify the remarkable performance of the Tanzanian government to bring down corruption and corruptive tendencies, which could be the reason for the fall in the incidence of corruption in Tanzania hence making the country the second least corrupt, after Rwanda in the East African Region. Although the management of the pandemic was largely marred by open denial by then-President John Pombe Magufuli, there is still minimal information with regards to the misuse of public funds earmarked for addressing the negative effects of the pandemic. However, we can all argue that if the current President continues with this leadership style and anticorruption policies of addressing corruption and corruptive tendencies earlier in Tanzania, then the wrongdoing amidst a pandemic will be very minimal.

Figure 1: Holistic framework for fighting corruption in Rwanda



Source: World Bank, 2020

5. CONCLUSION

The COVID-19 pandemic has ravaged the world at large, however, it has found developing countries grappling with so many socio-economic problems and corruption might be leading the pack. Since this is still a novel issue, research on corruption and emergencies such as a pandemic is still trivial, and yet corruptive tendencies exemplified by embezzlement and fraudulent practices, purportedly orchestrated by the relevant government authorities in the form of undermining the public procurement processes especially by evading usage of the e-government business services platform for public procurements, under the guise of addressing an emergency have been on the rise. It is against this backdrop that the paper examined the extent to which public resources allocated for addressing the adverse effects of the COVID-19 pandemic were misappropriated in Uganda. Using a qualitative approach, the paper employed a multipronged approach to inquiry into relevant documentation such as newspaper reports, audit reports/queries, case studies and written sources to examine the different responses and perspectives.

The paper found that the COVID-19 pandemic brought to light the weakness and challenges in Uganda's legal regime which have been known to account for a decline in the country's development over the years. These weaknesses and challenges are manifested by the lack of adequate measures to instil accountability mechanisms, ineffective lapses in systems, outright allegations of inability to produce payment evidence such as receipts, flouting procurement procedures, and provision of substandard food items, among others.

The paper foregrounds the fact that many of the shortcomings of the state to manage the pandemic can be attributed to the culture of corruption and impunity over misuse of public resources that has continued to adversely impact the social-economic rights of the citizens throughout this period of the COVID-19 pandemic. The paper further found that actors have exploited the loopholes in the public legal structures and used them as conduits for corruption and mismanagement of public resources.

Therefore, in the spirit of addressing the COVID-19 pandemic, the paper articulates the significance of understanding these gaps if current and future practices are to be able to minimise the mismanagement of public resources.

Equally, the paper prays that the government of Uganda adopts the anti-corruption approach/framework of Rwanda (See Figure 1 above) if they are to avert corruption because Rwanda itself came from a worse state of corruption following the civil war but through this model, they have been able to change their corruption story to a resounding one in a short amount of time. More so the paper also hopes that the President of Uganda could pick up some of the effective anti-corruption approaches of former Tanzanian President, the late John Pombe Magufuli to tackle corruption that has infested his public structures and legal regime

if he's to achieve the 7th strategy of the National Resistance Movement (NRM) Ten Point Programme that focuses on fighting corruption in the country.