SUSTAINABLE PUBLIC SECTOR PROCUREMENT: THE CASE OF UGANDA

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SESSION HIGHLIGHTS

INTRODUCTION AND BACKGROUND

WHY THE CONCERN?

THE POWER OF PSP

HOW PSP CAN BE USED AS A POLICY TOOLS

CHALLENGES AND LIKELY SOLUTIONS

CONCLUSION
INTRODUCTION

• Public procurement wields enormous purchasing power, accounting for an average of up to 30 percent of GDP in many developing countries.

• Leveraging this purchasing power by buying more sustainable goods and services can help drive markets in the direction of sustainability.

• One of the main avenue is having an efficient and effective Public Sector Procurement [PSP] system. In Uganda, crafting a National Public Sector Procurement Policy [NPSPP] is part of the ongoing Public Finance Management reforms in government aimed at tapping into the purchasing power of the government.
BACKGROUND

- One of the objects of any Government, is to promote social and economic development.

- In 2007, Cabinet approved the National Vision Statement, “A Transformed Ugandan Society from a Peasant to a Modern and Prosperous Country within 30 years”

- To operationalize this Vision statement, Vision 2040 was launched on 18th April 2013.

- There are a number of projects, programmes that have been lined up by Government to achieve the above vision that are implemented through Five year National Development Plans
BACKGROUND

- Public Sector Procurement is one of the key avenues through which the above aspirations can be attained.

- Many countries today are using PSP as one of the process of planned social change designed to promote the well being of the population as a whole in conjunction with a dynamic process of economic development.

- The Functions’ role in fostering a country aspiration and moreso sustainable growth has been acknowledged in the Sustainable Development Goals (SDG 12.7).
Unemployment is a huge concern in Uganda and many locals find work with local cottage industries. According to the World Bank, in 2015, Uganda had 84% of its population living in the rural areas. Uganda is the world's second most populous landlocked country after Ethiopia. Uganda has the world's youngest population with over 78% of its population below the age of 30.
State of the Economy

Uganda’s economy is not in recession but growing moderately.

Per capita income has been growing at only 2% annually compared with population growth of 3% per annum.

These challenges among others, require immediate redress by Government and Ugandans at large.
Power of Public Sector Procurement

Huge potential to drive the development of sustainable solutions

5 – 50% market share for most goods, services, and works – in certain areas much higher

Huge range of spend areas – from paper pins to huge infrastructure projects like Entebbe Express Highway

PDEs spend approx. 55% – equivalent to 7Trillion of 2018/19 FY budget
Strategic Direction for PSP – Purpose, values, etc for the function

Why the need for conducive Policies? A case of NPSP?

Policies provide strategic intentions of governments. The Direction to take in a selected area – PSP

Re-engineer and adopt good practices in PSP processes with a view of enhancing efficiency and effectiveness

Balancing compliance with performance/outcome or results

Strategic use of PSP as a tool for socio-economic transformation and promotion of innovative and sustainable policies
Protection and development of national industry
Protection of the environment
Promotion of Inclusive growth
An Instrument to promote Innovation
Market for Green products, Services and Works
Widening Tax Base

How can PSP be used a Policy Tool?
Conducive Policy Framework

What is Required by the PSP Policy Department

Legal framework, i.e. Act, Reservation and preference Schemes

Human Resource

Market Readiness

M and E Framework
Sustainable Procurement is Smart Procurement
PSP AS AN ECONOMIC TOOL ILLUSTRATED

A number of Economic Activities are started and owned by Private Sector e.g. MSMEs, Contractors.

Promote Local Content

- Employment for Local
- Widens Tax Base
- Improved Welfare
- Improved Entrepreneurship
NPSPP has been discussed by a no. of Stakeholder Cabinet Inclusive

Sensitisation and Implementation

Amending Legal Framework PPDA Act - New section on Sustainable Procurement

Government is Looking for Support to Implement Sustainable Procurement

Greening the NPSP policy

Re-tooling of Practitioners, Gree

Change Management

STATUS AND WAY FORWARD
Compromise value for money

Lack of standardisation

Exposé public bodies to unacceptable risks;

Sustainable Financing

Compromise the efficiency and effectiveness of the public sector in their ability to deliver.
The use of procurement is “a valid and valuable tool for the implementation of social policies; and one which should not be denied to government[s] without convincing justification” (Arrowsmith).
Thank you for listening!