

CMICOMMISSIONEDREPORT

Political corruption and the role of donors (in Uganda)

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Executive summary

On political corruption and political will

- Political corruption is corruption that takes place at the high levels of politics. It is when those entrusted with the authority to make the rules are corrupt, in order to increase and sustain their power, status and wealth.
- Bureaucratic corruption takes place at the implementation end of politics, in service delivery and rule enforcement. This aspect is largely out of the scope of this report, and we believe administrative, service-delivery corruption cannot be rooted out as long as high-level political corruption continues.
- Political corruption is a *political* problem that calls for political solutions. Political corruption cannot be tackled by a technical/bureaucratic approach (alone).
- Political corruption is fed by authoritarianism, economic opportunities, lack of institutional controls, and high levels of social inequality.
- Political will (to fight corruption) can be defined as the sum of political statements and actions, congruent with a sound (anti-corruption) strategy, made by the political leaders of a given country or institution.
- Political will (to fight corruption) must, however, be understood and analysed as a *quality of the relevant political actors* and political institutions, and as a phenomenon dependent on political *interests* and *incentives*.

On corruption trends in Uganda

- Corruption in Uganda is systemic and endemic, it is political and it is bureaucratic.
- Bureaucratic corruption in Uganda is probably being controlled better, but still on a high level (The NRM government has sought to control corruption in public administration and service delivery systems). Uganda has taken a number of steps in the right direction that displays a relative (conditioned) political will to fight bureaucratic corruption. This includes the establishment of basic control institutions and legal framework, a National Anti-Corruption Strategy and the signing of international conventions. Progress is also under way on some other issues.
- Political corruption for the purpose of self-enrichment and for the purpose of power preservation (the main political corruption *incentives*) is taking place in Uganda. High level political corruption has become entrenched and systemic in Uganda.
- Political corruption trends are impossible to establish, but the number of scandals and a recognised, increasing lack of political will to fight it are indicators of an entrenched problem that is possibly increasing.
- The main political corruption drivers in Uganda are corruption in military procurement and in the election processes.
- A number of cases are demonstrating a lack of political will to take the anti-corruption drive into politics. There are examples of ‘political untouchables’, family members of the president, party loyalists and businessmen who are above the law and above institutional control mechanisms.
- Given the neopatrimonial and increasingly illiberal character of Ugandan politics, the institutions of control and institutions of checks and balances will continue to have a limited bearing. They can possibly restrict the excesses of corruption on the lower levels of administration and in service delivery, but political corruption cannot and will not be

curbed through a strategy of institution building alone. Only a deepened and broadened process of democratisation can reverse the corruption problem in Uganda.

On donor responses

- Political corruption and the lack of political will to fight it represent serious challenges to aid in general as well as to donor support for anti-corruption in Uganda.
- We are offering two perspectives on donor strategies in support of anti-corruption efforts; one maximalist and one minimalist. These perspectives are not mutually exclusive, as some donors may want to pursue minimalist approaches whereas others may prefer maximalist approaches.
- The two should be coordinated, however, and converge in a common understanding of the problem and a common minimum acceptance level of human and political rights.
- The donors in Uganda should agree on a minimum acceptance level of human and political rights in Uganda, that can be based on the UN Human Rights Convention and other internationally accepted standards, and agree on what (kind of gross) human and political rights abuses the donor community cannot accept (before pulling out).
- This tolerance level should be communicated clearly and repeatedly both internally within the donor community, to the Government of Uganda, and to the wider population (including the political opposition, civil society organisations, the media, etc.).
- One minimalist approach will be to accept and work with the current NRM government, with the aim of restricting low-level administrative corruption in the service delivery sectors and in donor funded projects and programmes.
- There will be substantial risks with this approach (alone). It will not address the main drivers of corruption in Uganda, and these will comprise a continuous pressure for corruption also in the service delivery sectors.
- With a maximalist perspective the aim is addressing the main drivers of political corruption in Uganda. This is a political issue, requiring political solutions.
- Maximalist approaches include supporting long-term democratisation processes, as well as a more radical attempt at stemming corruption in military procurement and the electoral process.

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Naming names

This report is naming a number of Ugandan individuals that have allegedly been involved in corruption. Although system factors and institutional trends are our study object, we have found it necessary to name key persons for the purpose of documenting Uganda’s neopatrimonial tendencies/problems of political corruption when, in such cases, the persons have previously been named and blamed and the allegations have been made public either in newspaper articles in Uganda, in international academic journals or in Government of Uganda public reports (Commissions of Inquiry Reports, White Papers, etc.; all references are given). Transparency International Uganda is furthermore in the possession of all original material (newspapers, journals and review articles, Government White Papers, official letters, court rulings and commission of inquiry reports) in which these names were dropped in the first place.

Inge Amundsen

January 2006

Introduction

Background for the study

Political leadership and commitment to fight corruption at the highest levels is one of the most important preconditions for success in the fight against corruption. However, in some cases, anti-corruption reform processes with initial national political backing and donor support have come to a halt, because of domestic political opposition to it. In the case of Uganda, there was a tangible progress in establishing the legal and institutional framework to tackle corruption, but now political corruption scandals and the *lack* of political will to fight corruption is increasingly visible.

For instance, the corruption problems in military procurement and other unresolved political corruption cases, the suggested cuts in funding to oversight institutions, the corrosion of the Leadership Code and the reinstatements of corrupt officials has undermined donor confidence in the willingness of the Government of Uganda to tackle corruption in a serious way. Just as political corruption trends are correlated to political development trends, there is reason to believe that the perceived decline in political will to counter corruption in Uganda is connected to broader, negative developments in the political sphere.

The recent constitutional amendment that allows the President to stand for more than two terms, the increase of the budget deficit because of excessive defence spending, and the lack of a resolution of the violent conflicts in the North are raising doubts about the democratic development in Uganda. The third term issue can possibly block the emergence of a true opposition, as can the illiberal opening of the election campaigns for the 2006 presidential elections. The opposition and civil society can be marginalised, the expression of dissent can be restricted, and consequently the necessary transparency and checks and balances to counter corruption in Uganda can suffer setbacks. The use and misuse of money in politics, and in particular in the electoral process, is particularly important in this respect. Indeed, the 2006 presidential elections will be a litmus test on the democracy in Uganda.

The development partners in Uganda have therefore decided to commission this study on the specific obstructions and limits that the anti-corruption process has recently met in Uganda, and what can be done about it from the donors' side.¹ The study is organised in two sections.

The first section explores governance and corruption problems in Uganda. It presents the concept of political corruption and provides concrete examples of political corruption. This leads to a discussion of political will and efforts to address what is perceived as a rising trend of political corruption.

The second section explores the response of international donor agencies. It offers a brief assessment of the current Government-donor partnership in Uganda, which leads to a discussion of strategic options available to the donor community when responding to the 'lack of political will' on the part of Government

¹ See ToR enclosed (appendix 3).

Section 1

Governance and corruption in Uganda

Governance and corruption trends in Uganda

Because of the extensive powers of the President, the domination of the NRM, the late introduction of multipartyism and the manipulation of elections, Uganda ranks low on the *Freedom House* 2004 Freedom in the World index. Uganda is ranked only “partly free”, with a ranking of 5 on a scale from 0 *highest degree* to seven *lowest degree* of political rights. This is quite low, on the level of Ethiopia, Mozambique and Gabon.²

Partly for the same reasons, Uganda ranks 2.5 on *Transparency International's* 2005 Corruption Perceptions Index, which ranges from 10 *highly clean* to 0 *highly corrupt* (or rank 117 of 158 countries). This score is indeed low, on par with countries like the Sudan, the Democratic Republic of Congo and Zimbabwe, and significant of a deep-rooted corruption problem. Even when the figures did show some improvements over the last few years, it has fallen again lately.³

Using the 2004 World Bank Institute “Governance Indicators” dataset, countries can be ranked on several indicators on governance of which “control of corruption” is one indicator. The rank of Uganda has fallen on all governance indicators, except for a slight increase in corruption control.⁴

From Figure 1 below we can find three important messages. Firstly, between 2002 and 2004 there has been a negative trend on all governance indicators, with the exception of ‘control of corruption’. Secondly, Uganda scores best on aspects most closely related to the functioning of the public administration (‘government effectiveness’ and ‘regulatory quality’, as compared aspects related to the political system (‘voice and accountability’ and ‘political stability’). Finally, we note a remarkably decline on the ‘rule of law’ indicator while at the same time the control of corruption indicator improved. To the extent that the background data, based on perception surveys, can be relied on, these three messages indicate that, in Uganda, control of administrative corruption (for instance in service delivery, health and education) has improved somewhat whereas political corruption is on the increase.

Furthermore, a number of background factors (listed below) are pointing in the same direction. In political terms, free and fair elections with a real alternative are still not institutionalised in Uganda. Although the Supreme Court in March 2003 declared unconstitutional two sections of law that prevented political parties from operating, and the referendum of June 2005 opened for multipartyism, the “Movement System” is still strong in Uganda, formally and informally, and there are restrictions on political activity, particularly for opposition parties.⁵

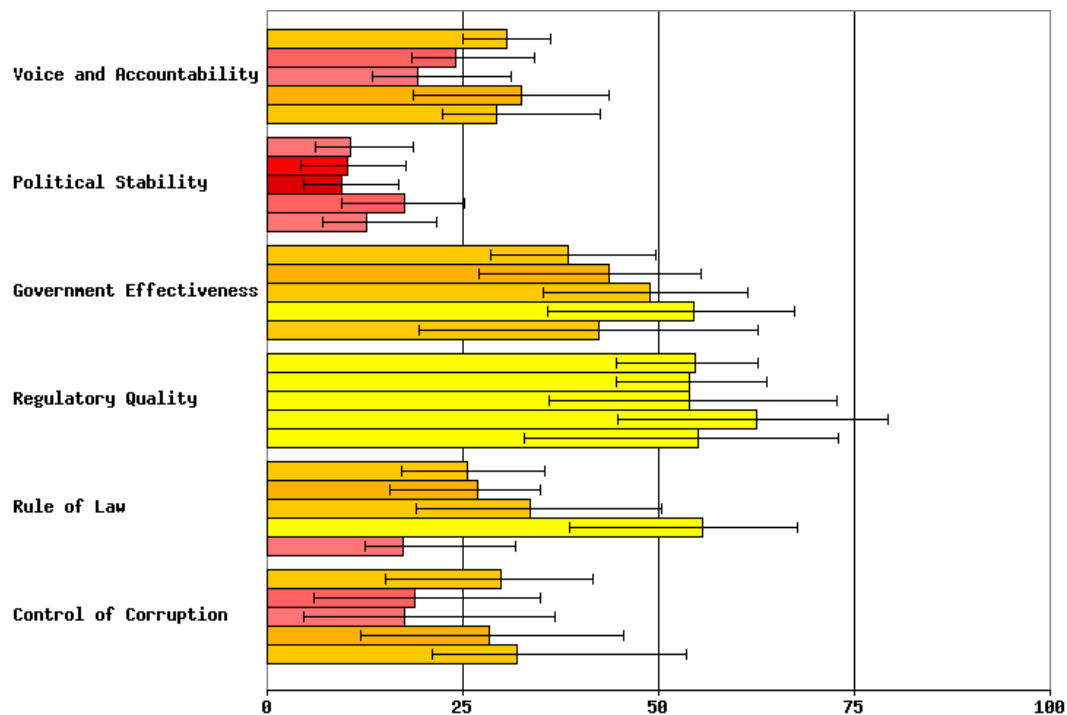
² <http://www.freedomhouse.org/template.cfm?page=22&year=2005&country=6854>

³ http://www.transparency.org/policy_and_research/surveys_indices/cpi/2005. Every caution must be taken in the interpretation of the scores, which are based on perceptions. However, the scores were in 2001: 1.9; 2002: 2,1; 2003: 2,2; 2004: 2,6 and in 2005:2,5.

⁴ http://info.worldbank.org/governance/kkz2004/sc_chart.asp

⁵ The arrest of the Forum for Democratic Change leader and presidential candidate Kizza Besigye is a strong lesson in this respect. See for instance *New Vision*, January 31 2006 (Kampala); <http://allafrica.com/stories/200601310382.html>) and *Africa Confidential*, Vol 46 Number 23, 18 November

Figure 1



Source: Kaufmann D., A. Kraay, and M. Mastruzzi 2005: Governance Matters IV: Governance Indicators for 1996-2004.

http://info.worldbank.org/governance/kkz2004/sc_chart.asp

Ranking: The above bar chart is depicting the percentile ranking for Uganda in 2004, 2002, 2000, 1998, 1996 (top-bottom order). Ranking in the second best quartile (over 50th) is in yellow, the third (over 25th) is in orange, and the fourth is in red (with bottom 10th in darker red). The Country's Percentile Rank (0-100) signifies estimates from no (bad) governance (0) to high (good) governance (100).

The state institutions of checks and balances, the horizontal accountability institutions, are not operating well in Uganda. The Parliament is dominated by the ruling NRM and by informal politics, making it into a subservient body to the government.⁶ The judiciary is relatively

2005: "An ill wind had blown tear-gas past the Court, where the strongest opposition leader, Colonel (retired) Kizza Besigye, faced charges of treason, concealment of treason and rape. Representatives of the United States, Japan and five European Union countries had waited for four hours in the sweltering courtroom; the donors, who contribute around half of Uganda's budget, are disappointed by the arrest but are keeping mum for now. Human Rights Watch, a US-based non governmental organisation, has called for Besigye to receive bail and a fair trial. Ugandans charged with a capital offence such as treason can be held for up to twelve months without bail".

⁶"The Ugandan parliament and committees appear to be better capacitated to follow up on audits. Its oversight committees, particularly the Uganda public accounts committee (PAC), appear to have exploited the opportunities to hold the executive accountable to a greater extent than in Malawi and Tanzania. An explanation of this may be the considerable openness of committee proceedings. PAC sessions are open to the press, officials from the supreme audit institution, the accountant general's office, and the criminal investigation department. The Uganda PAC and to some extent the Tanzania PAC, have gained a modicum of strength in acting upon the SAI reports. However, party discipline and executive dominance constrain the accountability function of parliament in all three countries. [...] While we find that the parliaments increasingly show commitment to the oversight process serious problems exist on the follow up side: The legislatures in all three countries are mostly unable to check and ensure that their recommendations are taken into account and acted upon. At the moment there are few incentives for the executive to follow up on committee recommendations. There are numerous instances of audit findings which never have been acted upon in the three countries. The same problems are

independent, but remains understaffed, weak, and inefficient, and is largely incapable of serving its role as a control institution. Violence is a part of political life, as the Government are at times restricting the freedom of speech, the press, and association, and there are restrictions on the freedom of assembly.⁷ Thus, the accountability function of free and fair elections (vertical accountability) is not yet a reality in Uganda. The current NRM government has little to fear in terms of electoral challenges and challengers to its hold on power.

In economic terms, there are strong and direct links between high politics and business in Uganda. The Uganda army, UPDF, is playing a prominent role in politics as well as the economy. Not only is the President of the Republic a military man, and the ruling party (NRM) based on the armed forces (National Resistance Army), the national army UPDF and its top brass are heavily involved in businesses as well as in politics.⁸

Understanding political corruption

The term "political corruption" is conceptualised in various ways in the literature on the subject. In some instances, it is used synonymously with "grand" or high-level corruption, and refers to the misuse of entrusted power by political leaders. In other cases, it refers specifically to corruption within the political and electoral processes. In both cases, political corruption not only leads to the misallocation of resources, but political corruption also perverts the manner in which decisions is made.

Political corruption generally takes place at high levels of the political system, and it involves political decision-makers. Political corruption is when politicians and state agents, who make and enforce the laws in the name of the people, are themselves corrupt. It is political corruption when they use their political power (and especially monetary means) with the principle objective of sustaining their own power, status and wealth.

Thus, political corruption can be distinguished from bureaucratic or petty corruption, which occurs at the implementation end of politics. Even if the distinction between political and bureaucratic corruption is rather ambiguous (since it depends on the separation of politics from administration, which is unclear in most political systems), the distinction is important in analytical and practical terms.

Political corruption not only leads to misallocation of resources, but it also involves the manipulation of political institutions and rules of procedure. Laws and regulations can be more or less systematically abused, sidestepped, ignored, or even tailored by the rulers to fit the interests of the rulers and their allies.

The institutional and legal framework of the state is therefore an insufficient terms of reference to assess and judge the problem of political corruption. Moral, normative, ethical and indeed political benchmarks are also required to distinguish legality from legitimacy. Besides, whereas bureaucratic corruption normally can be dealt with through auditing,

repeated in the reports year after year underscoring the limits of enforcement mechanisms and lack of incentives to impose sanctions" (Wang & Rakner 2005:4).

⁷ From US Department of State (2005), Uganda Country Reports on Human Rights Practices 2004.

<http://www.state.gov/g/drl/rls/hrrpt/2004/41632.htm>

⁸ See for instance Kiiza 2004 and Tangri & Mwenda 2003.

legislation and institutional arrangements, the degenerative effects of political corruption cannot be counteracted by an administrative approach alone. Endemic political corruption calls for radical political reforms.

One of the basic forms of political corruption is the use of money and favours to access (undue) resources within the political-business nexus, in particular in public procurement. It is political corruption when businesses are buying monopoly situations and rent-seeking opportunities by bribing high level public officials (the supply side problem), and vice-versa when ministers and senior politicians are using their political power, influence and information to enter into (private) business relations (break of conflict of interests principles). This can for instance take place when political decision-makers are favouring their own companies or the companies of their political supporters in granting public contracts, guarantees, loans, and in making business regulations (the demand side of the problem). Military procurement is known to be particularly vulnerable to corruption, because of the involvement of senior politicians, national interests and secrecy.

Another basic form of political corruption takes place in the political and electoral processes. It is political corruption when incumbents and ruling parties and politicians are bribing voters and certain constituencies (using money and favours), when parties are putting pressure on companies to finance their campaigns, and when bribes are used to secure the support of certain political parties and politicians. It is political corruption when parliamentarians and parliamentary decisions are bought, and when judges and other people of government control agencies are bought off.

Political corruption is restricted or facilitated by a number of structural factors. We do not believe much in the “corruption of greed” argument; the phenomenon of political corruption is more a reflection of structural conditions, as “opportunity makes the thief”. And there is a number of important background or environmental factors that is known to have a strong bearing on political corruption levels.⁹ These background factors can be grouped in three categories; political, economic and socio-cultural factors, and they are listed below in their negative variant (as background factors known to *increase* the political corruption levels).¹⁰

Political background factors

Certain regime types are known to have a negative impact on corruption, and in particular on political corruption. Authoritarian and one-party regimes have a negative impact on corruption in general (statistical) terms, and regimes with a military domination are remarkably (but not exclusively) corrupt. Authoritarian control of corruption is possible. The most corrupt countries in the world are, however, the neopatrimonial regimes (characterised by embedded clientelism, presidentialism and the lack of distinction between public and private) and regimes in transition (early in a process of democratisation) in particular.

We know that these regime types first of all have a weak system of vertical accountability. They have few checks and balances through the electoral system, the political parties do not have a functioning internal democracy, alternative programmes and alternative policy visions; and the elections are frequently manipulated. Secondly, these regimes have a weak system of

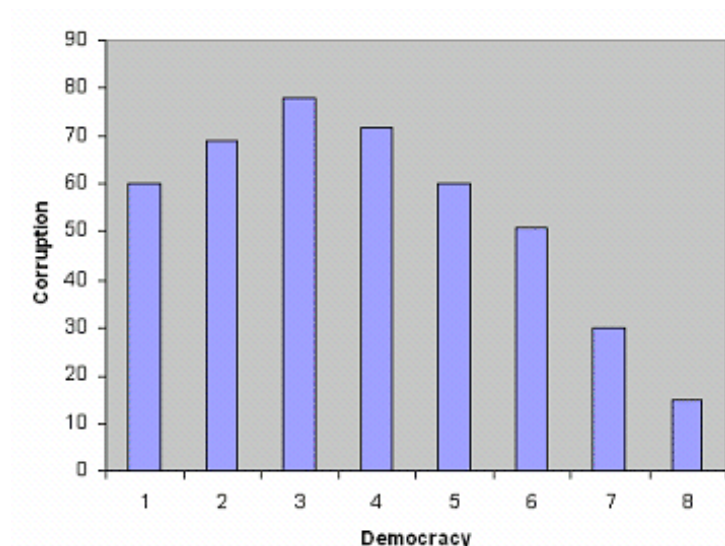
⁹ This section draws largely from Andvig, Fjeldstad and Amundsen 2001 and Amundsen 1999.

¹⁰ However, as human self-determination and willpower can – under the right circumstances – surmount structural impediments, these background variables will have little prediction power. In other words, the existence of significant structural factors does not necessarily preclude the honesty and integrity of individuals, who can, under certain conditions, defy the system.

horizontal accountability. The system of checks and balances between institutions is underdeveloped, and particularly weak is the judiciary and the special institutions of control.

The relationship between corruption levels and levels of democracy is displayed in figure 2 below. It demonstrates a strong (but not linear) correlation between corruption and (the lack of) democracy.¹¹

Figure 2



The neopatrimonial mode of rule, and how it breeds corruption (and reduces the government's political will to combat the problem), is particularly relevant for this study. Uganda is a country firmly placed in the neopatrimonial regime category by most prominent Africanists.¹²

Economic background factors

Poverty is in itself a driving force for corruption ("corruption of need"), as are high levels of socio-economic inequality. Furthermore, hurried privatisation processes are known to create incentives that increase the level of corruption, to invite old and new political leaders to graft and rent-seeking.

Also, easy access to a single state revenue like oil income, mineral resources, and aid (called the "resource curse") will make regimes independent on tax revenues from the broader economy, and thus reduce the inroads of popular accountability. Easy resources will make the ruling elite relatively independent from the local economy, and relatively immune to popular demands. It will furthermore give it the economic strength to buy off rivals, to accommodate vital supporters in the clientelist networks, and to buy the military hardware and security necessary for its survival. This is the curse of oil, probably also aid when levels are high, and countries with easy access to such resources are known to be chronically hard to democratise.

¹¹ The democracy levels are according to Freedom House index and the corruption levels according to Transparency International Corruption Perceptions Index. Table adapted from Amundsen 1999 and updated with the 2004 figures.

¹² See for instance Bratton & van de Walle 1997.

Another factor is the existence of monopolies (lack of competitive markets) and excess earnings (rent possibilities) in the economy. A relatively state dominated economy will make strong incentives for politicians to use their political capital to seek (politically protected) business opportunities, and private businesses will seek political protection through corruption. And politicians and politicians/businessmen with vested interests in protected and preferential markets will defend their privileges. Likewise, closeness (social and cultural collusion) between the political elite(s) and the economic elites (politicians and businessmen) will in itself be a corruption driver.

Socio-cultural background factors

One general lesson from anthropology and sociology is that deeply fragmented countries (ethnically or religiously) - and even federal states – will be more corrupt in general terms than unitary countries. Besides, anthropologists have pointed to the existence of alternative norm systems that emphasize mutuality, obligations and the morality of kinship; and that the bending of rules for your kin is completely different from taking bribes in the form of money from a stranger. The notion of public office is essentially a Western concept. It does not proceed from an *a priori* assumption that Weberian rationality is or can be the norm, and in most countries a public servant or a politician will be confronted with a wide range of pressing demands for actions that are not described in official rules and regulations.

The idea of cultural relativism is quite common in anthropology and sociology. They argue that a (corrupt) transaction's legitimacy depends on its social and cultural context. Active networking as an accepted activity and the ambivalence of “gift giving” and reciprocity are important in exploring corrupt behaviour. Some social norms and behavioural logics will indeed facilitate corruption, for example fluid and always negotiable 'rules of the game', multiple norm systems, the many brokers and middlemen, gift-giving practices, networks of solidarity and collusion, extended family solidarity and predatory (neopatrimonial) forms of authority.

Among the stronger corruption driving factors identified within this perspective, we will find factors like high levels of social inequality, low levels of interpersonal trust, low levels of social capital, low levels of social stigma on corrupt acts, obligations for extended families and the need to invest financially in political careers and constituencies, which brings money into politics in a very different way than what is the case in more regulated polities.

Political corruption in Uganda

Self-enrichment and the use of political corruption and patronage for power preservation purposes are two basic forms of political corruption that are also taking place in Uganda. The securing of private/family/cliq ue commercial and pecuniary interests, as well as the securing of political power motivation, are incentives present in the political economy of the country. We have seen instances of corruption both in military procurement and in the political process, and there are other examples of political corruption in the country.

Self-enrichment

In terms of wealth incentives, the private business and economic interests of the ruling elite of Uganda are taken well care of through Museveni and the Movement's hold on political power. For instance, senior government officials (the President himself, first family members, military officers, cabinet ministers, permanent secretaries etc.) are owners of businesses that

get government contracts, guarantees, and favours. The involvement of political figures (and their families, family businesses and partner businesses) in state contracts, in blatant disregard of conflict of interest principles, are frequently reported in the media.

Business-political linkages in Uganda

Patronage and personal interests are key factors in business-politics linkages in Uganda. Senior military officers and their civilian business associates have profited from military procurements largely because of their personal ties with the powers that be (including the President). This crony capitalism has been worsened by the absence of effective institutions to check the excesses of corrupt officials (page 2).

Compounding the corrupt military procurement practices has been the rise of profitable “civilian” businesses (such as Speke Resort, Munyonyo and Mosa Courts) owned by individuals who are connected to leading members of the Movement (page 2).

Business investors are not given equal treatment. [...] Big local businesses are preferred over small-to-medium enterprises. Government’s preference for certain companies – which underpins the Movement’s “interventionism” – stifles competition (page 2).

Vast donor support for privatization, liberalization and institutional reform has been used to reward loyalists, recruit new supporters and/or buy off opponents. Local capacity clean, accountable governance has not been developed (page 2).

The cosy relation between foreign business and local political elites is evident in the case of Sudhir Rupharelia, a real estate tycoon of Asian origin. Sudhir reportedly has strong connections with leading members of the movement government (The Monitor, 2001). The controversial Tri-Star company (a “manufacturer” of textiles for export to the USA under the African Growth and Opportunity Act – AGOA) is also important. The company obtained unusually generous favours from the Movement government – start-up capital, tax holidays, labour commitments, and an assured external market access – leading some Parliamentarians to suggest that Kananathan, the *formal* owner of Tri-Star is perhaps a mere *front* of President Museveni (The Monitor, March 2004) (page 6-7).

Most key informers suggested that it is difficult to isolate the role of “technocratic connectedness” vis-à-vis political connections in the allocation of state resources. Individuals or firms that are related to influential technocrats or bureaucrats tend to have the real or potential access to *political* power-holders as well (page 11).

The second example mentioned by our informers is Zimwe Construction Co. Ltd., one of the most successful bidders for government construction work (under the Movement regime). The Company is successful because its owners have important connections with technocrats (eg. Sebaana Kizito, Mayor of Kampala City Council and the Permanent Secretary, Ministry of Works). However, the company’s technocratic connections would probably have little effect *without* its political ties with high-level politicians (such as the President). [By some accounts, Zimwe Construction Co. Ltd is the “official” contractor of State House] (page 11-12).

[...] there are glaring cases where the businesses of Movement allies-turned-foes have faced political harassment (page 13).

Excerpts from Julius Kiiza: “Business-Politics Linkages in Uganda”, a Medium-Term Dynamics Consultancy Report, commissioned by DFID. Kampala March 2004

Also, state enterprises and parastatals are used by the political elite to award themselves with high positions, remuneration and fringe benefits as directors and managers of these companies. “The evidence available suggests that many decisions within the purview of the government (especially those relating to contracts, credits and concessions) have been made in the favour of those with close political and personal ties to the political leadership” (Mwenda and Tangri 2005:454-455).

The process of privatisations has also been favouring Movement supporters and government figures. Closeness to power has given certain Ugandans huge profits on a non-competitive basis. In 1998, a World Bank report criticised Uganda’s privatisations for “non-transparency, insider dealing, conflict of interest and corruption”, and many privatisations were indeed favourable to those with political connections (Mwenda and Tangri 2005:454).¹³

The most important single source of revenue for the political elite in Uganda is probably within military procurement. We know from comparative international research that military procurement is one of the most corrupt sectors in the world, and it is reason to believe this is also the case in Uganda.¹⁴ With the background of the regime in the National Resistance Army, security and military politics are employed in order to ensure profits for the top military brass and government politicians. There are several accounts of this, for instance on military-political corruption in Uganda (see text box below) and the recent judgement by the International Court of Justice in The Hague, where the Court has ruled that Uganda must pay compensation to the Democratic Republic of Congo for looting during the 1998-2003 war.¹⁵

Military-political corruption in Uganda

One of the most notorious areas of corruption everywhere is that concerned with the procurement of military equipment and defence supplies. In the case of the NRM Government, in power in Uganda since 1986, it has been mainly since the late 1990s, when the government began acquiring more and larger military hardware mainly through third parties that the buying of arms became so seriously tainted with corruption. A number of major tenders were entered into for aircraft, guns, and tanks as well as items such as food rations and uniforms. These deals invariably involved bribes and kickbacks and also massive overpayments from which many officers, top government officials, and middlemen profited (page 539).

Senior military officers and their civilian business associates have also profited whenever military operations have had to be concluded to combat insurgencies threatening Uganda’s security. For

¹³ Allegedly, there is an established cartel of untouchable individuals whose business is the president and who use his name to seek business opportunities for their gratification while at the same time seeking to perpetuate the regime that provides them with the opportunity to enrich themselves. A list that includes some of the president’s relatives and close friends would include, Sam Kuteesa, Salim Saleh, Odrek Rwabwogo (who is married to one of the president’s daughters), Moses Byaruhanga (who is married to a relative of the first lady), Bob Kabonero (the proprietor of Kampala casino), Haji Habib Kagimu (a business man and close friend to President Qaddafi), Noble Mayonbo, Jim Muhwezi and a few others. These people practically decide what to do, and then the president calls in the ministers to sign. These people constitute part of the group that is commonly referred to as the *kitchen cabinet*. It could actually be possible to do a power mapping in Uganda that identifies the power brokers in the country. (Interview with the Director for Economic Affairs at ISO, Mr. Cheeye, October 2005).

¹⁴ “The large amount of expenditure labelled ‘classified’ and kept outside the jurisdiction of the SAI, is a greater concern in Uganda than in Tanzania and Malawi” (Cited from Wang and Rakner 2005, p.v).

¹⁵ <http://news.bbc.co.uk/1/hi/world/africa/4541126.stm>

instance, Ugandan soldiers have been deployed in neighbouring Democratic Republic of Congo since August 1998 in order to clear the border areas of hostile rebel forces intent on destabilizing the NRM government. But Ugandan military involvement in the Congo was extended well beyond the border security zone. By most accounts, the Uganda Peoples Defence Force (UPDF) advanced into areas of eastern Congo to profit financially from the plunder of natural resources. Indeed, the Congo has proven to be a veritable treasure trove for a small number of high-ranking army officers who, together with their civilian business partners, have become rich from smuggling and resource plunder (page 539).

We argue that the prevalence of military corruption has been the result of government and army leaders not being subject to public accountability. Not a single leader has been faced with prosecution or punishment for corrupt military behaviour (page 539-540).

In 1996, the RNM Government decided to buy Russian helicopter gunships because of their potential effectiveness against the Lord's Resistance Army (LRA) [...]. The gunships have, however, remained grounded at Entebbe airforce base, and the Government has lost over \$12 million on the deal (page 540-541).

[...] in December 1998 the Ugandan army took delivery of a consignment of 62 tanks which were to be used to intervene against Sudan. They turned out to be obsolete Russian T-55s, all but eight of which were not operational on arrival in Uganda. [...] In early 1998 they arranged the sale with the defence ministry and reportedly received \$4 million in commission payments while the total cost of the deal was \$28 million, at least four times above the market price for outdated tanks (page 542).

In 1975 the Ministry of Defence bought a C-130 Hercules plane which was hardly used over the next twenty years. [...] In a report to the President, they provided details of the 1995 fire, the inflated costs of repairing the plane, and the current technical problems it was experiencing. In particular, they showed how senior defence officials had acted against the national interest by allowing hugely inflated repair charges. The President did not respond to the report. [...] the transportation of military personnel and supplies from Uganda to the DRC was a lucrative business earning the transporters huge profits. Top defence ministry officials and Salim Saleh were in competition for this air transport business. Then the Hercules C-130 was grounded, Saleh's Air Alexander which had a Boeing 707 made large profits ferrying soldiers and equipment (page 542-543).

Top military commanders [...] have had a history of using war situations for private profit. While in charge of operations against the LRA rebels in the north, Major-General Salim Saleh is alleged to have awarded his own company a Ushs 400 million (\$400,000) monthly tender to supply UPDF with commodities in Gulu. [...] And senior Ugandan army officers have been involved in smuggling resources – timber, coffee, diamonds and gold – from the DRC to Uganda. [...] In an April 2001 report by a United Nations panel of experts (as well as in a second revised report in October 2002), the Ugandan military was accused of plundering Congo's wealth (page 544).

Serious cases of military corruption occurred in Uganda in the late 1990s. These were prevalent predominantly in the procurement of defence equipment and army supplies but occurred also where the UPDF was deployed in war situations. Most of those involved in diverse corrupt military behaviour were army officers, but senior defence ministry officials and civilian business people also participated. Many of these military and political figures were closely connected – at times related – to President Museveni and his wife. And indeed, it was President Museveni who was responsible for permitting an environment to emerge conducive to much military corruption by a handful of his relatives and supporters (page 546).

[We conclude] by arguing that military corruption has been used to maintain the NRM regime in power. Corrupt military procurement and economic plunder have benefited key UPDF officers as well as promoted their loyalty to the regime (page 540).

Excerpts from Tangeri & Mwenda (2003)

Retaining political power

The second use of political corruption that we have seen in Uganda is for the purpose of securing and maintaining power. This is in line with many other studies on African political economy, that finds that patronage politics – using the state and its resources to maintain themselves in power – is a key mechanism for purchasing allegiance and maintaining support.¹⁶ It is, however, somewhat difficult to distinguish from manipulations of legal instruments and institutions of control for the purpose of securing pecuniary interests of (individual) members of the ruling elite, but we will interpret some cases in this perspective.

The push for money in party and parliamentary politics is well known. We note that Ugandan MPs are to a large degree indebted because of the costs of running campaigns, convincing electorates and build alliances, and they expect to get the opportunity to reclaim this money and more.

The way the third term issue was pushed through the Parliament is the strongest demonstration of the use of political corruption to sustain and strengthen the hold on power. Unverifiable rumours – what “everybody knows” but impossible to proof – is that individual members of parliament received around 1000 US\$ each to vote for the change of the constitution in Museveni’s favour.

Political corruption on the rise?

Problems of data

Political corruption is a phenomenon that defies any direct measurement. There are several reasons for this. There is disagreement on the exact definition, and the meaning of the term varies between cultures. Furthermore, it is an illegal action, and generally, the agents involved want to keep their activity secret. Obviously it is difficult to measure a phenomenon that is both vague and usually concealed.

Data on corruption are hard to get, but several serious efforts have been made to assess the level of corruption across countries. These assessments are mainly based on perceptions, ranking countries according to how people estimate the level of corruption, like for instance Transparency International's Corruption Perception Index (CPI).¹⁷ The perception-based

¹⁶ For an early study of this, see Sandbrook (1985) and for an excellent study on Uganda on this, see Mwenda and Tangri (2005). “Patronage government remains prevalent, and as we attempt to show in the following case study on Uganda, donor reforms have reinforced rather than reduced the propensity of political leaders to use the state and its resources to maintain themselves in power” (ibid, page 451).

¹⁷ See http://www.transparency.org/policy_and_research/surveys_indices/cpi

indices do not distinguish from the various forms of corruption, like political versus bureaucratic corruption.

An objective measure would of course be ideal. One objective figure could be the number of judicial decisions on corruption, or the number of press reports on corruption. The problem by using such measures is that these representations of corruption are only the tip of the iceberg: they fail to capture the majority of cases not taken to court or mentioned in the media. Moreover, the number of reported cases may be influenced by political priorities, efficiency in police forces, freedom of the press, or corruption within the judiciary system, etc.

The data problem is also a weakness of this study. It is impossible to get anything but perceptions and anecdotic based indications on the political corruption problem in Uganda. The interpretation of these indications will therefore vary, greatly. Not only can the indicators chosen be interpreted in several ways, but indicators not chosen can be equally relevant for a reader's interpretation of the trends.

Two interpretations of trends

The indications of increasing political corruption, as we have reported above, can lead observers to different conclusions about likely future scenarios. In which direction is Uganda moving? The answer offered will obviously influence strategic decisions made by donor agencies and their governments. We will forward two interpretations (or scenarios), which we will revert to in section II when discussing strategies for donor response.

The first interpretation reflects the statement by one of our informers in Uganda: “-*What the international community does not understand, is that we are living in an African dictatorship here!*” It is the Zimbabwe scenario, in which the trends described are interpreted to signify a hardening of the political climate in Uganda, and an increasing willingness of the ruling elite to secure its hold on power (and through this its economic interests) by all means necessary. It is based on an interpretation of power and wealth as the main incentives of the Museveni government. It is also based on the fear that insecurity, threats to the ruling elite's hold on power and their economic opportunities, and even coherent and consistent pressure from the outside, can trigger even more unconstitutional and violent responses. This scenario excludes the possibility of eradicating the political corruption problem and the possibility of a sound economic development policy and true democratisation, as well as sustained poverty alleviation in Uganda, with the current government, its incentives and practices in place.

The second interpretation is premised on a more positive appraisal of President Museveni and his government. It emphasises the positive trends of good governance in certain state institutions in Uganda, the increasingly transparent and sound budget process, the statements and actions of the government taken to display a true political commitment to poverty alleviation and service delivery, positive trends in economic development, and the good working relations between donors and the GoU on these issues. This interpretation leads to a scenario based on incremental reforms, which does not exclude the possibility of sustained poverty alleviation, economic growth and (perhaps) even deepened democratisation in Uganda, in cooperation with the current government.

Understanding political will

‘Political will’ is an intuitively understandable concept, and it is frequently forwarded as a necessary prerequisite for any meaningful anti-corruption strategy and policy, both in academic and more action-oriented literature, and in donor strategies. It is held that political will is the single most critical starting point for effective and sustainable anti-corruption strategies, and that without it, government statements to strengthen transparency and accountability remain mere rhetoric and donor support will have no effect.¹⁸

Understanding ‘political will’

When confronted with problems of *political* corruption, a simplistic notion of political will as a prerequisite for anti-corruption strategies does not hold, for the simple reason that the perpetrators rather unlikely will direct anti-corruption efforts onto themselves. “Political will” is closely related to and largely dependent on political *interests*, and *incentives* structures. Interests and incentives are largely stemming from characteristics of the political economy, from power constellations, and the relative powers of various interest groups. Political will is a phenomenon that must (partially at least) be explained by structural and background factors. Political will is dependent on the incentives of political leaders, as these are played out in the political economy.

In political science, statements and actions of political leaders can to some extent be deduced from the motives, incentives and opportunities of political leaders. For governments and ruling elites, the most vital (primary) political interest is *power preservation*. Additional or secondary interests are *influence, status and wealth* in general terms. To some degree, also conviction and ideology can be counted as (secondary) political interests.

The basic political interests of power, status and wealth are varying across regimes according to various institutional and political opportunities and constraints. Well-established liberal democracies will have strong restrictions on the possibility of generating personal wealth from political office, which make the incentives stemming from status and power more important than wealth. In semi-authoritarian and neopatrimonial African regimes, with a small and foreign dependent economy, the wealth factor is looming large as the main incentive for entering into politics and for the hold on political power.

It is impossible to read only one ‘political will’ from the statements and actions of the political leaders of a given country. First, there is not only one interest at play at the top. Even

¹⁸ In DFID’s anti-corruption strategy, political will is not mentioned but political *leadership* is: “*Political leadership and/or popular support is essential*”. (Anti-Corruption Strategy for DFID, September 2002, page 10). The German strategy reads: “*German development cooperation supports systemic institutional change with prophylactic nature, in which self responsibility and the political will to change on the part of partner institutions are essential prerequisites*”. (Combating Corruption in German Development Cooperation. Federal Ministry for Economic Cooperation and Development, BMZ, June 2002, page 18). NORAD’s strategy states that “*It is only through carefully selected preventive and repressive measures, political will backed up with socio-political reforms which are all tailored to local conditions, that corruption could be significantly reduced*.” (NORAD’s Good Governance and Anti-Corruption Action Plan 2000-2001, page 18). See also a Dutch internal report on Uganda: “*However, an issue that needs to be addressed in relation to government’s efforts to curb corruption is political will. Even though the government is signing and most probably ratifying the United Nations Convention against Corruption, there is still a serious lack of political will to fight corruption*” and “*As long as the Government of Uganda shows a lack of political will in curbing corruption, anti-corruption initiatives by other actors, such as donors and Civil Society, will most probably remain fruitless*”. (Royal Netherlands Embassy Kampala: Uganda: The Fight against Corruption. A case study on the prevalence of corruption in Uganda. December 2003, page ii and a).

a single ruler of the most hierarchically organised and autocratic system will have inconsistent and changing priorities, private interests can be at odds with the ideology, and preferences can be changing over time. Besides, the political leadership of a country is always a mixed bag of constellations, groups and factions. Not even a single ruler of the most hierarchically organised and autocratic system can take every decision alone.

This notwithstanding, “political will” is by and large a product of the political economy of a country. A politician’s political will is based on his basic incentives, which is conditioned on political and economic opportunities and restraints, among other factors for instance the opportunities for political corruption. The challenge is to identify the relevant opportunities and incentives as given by the political economy. Such analyses can be developed on the basis of the following types of indicators of political will or interests to fight corruption:

The first indicator is the *distance* of political leaders to corruption and to the benefits of corruption. Political leaders, who are the direct and active parties in corruption and/or the main beneficiaries of corrupt systems, are likely to have a very limited political interest in fighting it. Political leaders will have no intention of bringing about their own bankruptcy or downfall. The willingness to fight corruption therefore declines in direct proportion to the proximity of corruption to the political elite.

A second set of indicators is *insight and initiative*. A demonstrated political will to fight corruption must include a relatively high degree of analytical rigour in order to understand the context and causes of corruption, or at least a willingness to acquire this insight. Knowledge is inspiration and a powerful instrument in itself. Besides, it must include some initiative. Is there a locus of initiative for anti-corruption efforts? Is the actor in question a source of ideas, plans and programmes for fighting corruption?

A third set of indicators is the way anti-corruption *action* is undertaken, whether it is done with integrity, transparency and partnership. Is the actor in question submitting his strategy to public discussion and criticism? Is he willing to publicly report on progress, successes and failures, and to revise strategies according to received feedback? Does he invite and mobilise constituencies, stakeholders, organisations and institutions in support of his anti-corruption reforms?

A final set of indicators is whether the actor in question is willing to bear the *risks* and the costs of fighting corruption; it is a sustainability question. To engage in the fight against corruption can at worst be deadly. The fight against corruption will meet resistance, obstruction and perhaps outright conflict with strong groups with vital, vested interests. A determined fight against corruption will have to imply negative sanctions and punishments, to take the risks and bear the costs, also financially.

Indicators of lack of political will in Uganda

For the case of Uganda, more in-depth studies of this are certainly needed, but some evidence can be given based on the indicators above.

First of all, it is demonstrated that there is no distance between the current Movement government and documented cases of political corruption. The ruling elite is directly involved in high-level, grand political corruption. President Museveni’s family, cabinet ministers, and top military and Movement leadership have business interests that are protected by and thrive under the current government. There are significant conflicts of interest at the top level of

politics, which implies that narrow pecuniary interests of the ruling elite of Uganda is undermining the national good (including possible restrictions on political corruption).

Evidently, the vital interest of the Museveni government is to stay in power. This necessitates the protection of his strongest and most important allies, friends and family, through for instance protection of their private businesses and protection of their hold on constituencies. It has also made the government willing to resort to corrupt means to secure the tenure of power. The way the third term issue was pushed through the Parliament demonstrates this, and the way certain core constituencies of the government (individuals, groups and regions) are “irrigated”.

A closer look at the other indicators mentioned above on the political will of the Museveni regime to fight corruption in Uganda, will also mostly come out on the negative. First of all, there is no reason to believe the government as such has no knowledge of what corrupt practices are going on and benefiting whom. With the President’s networks of informal information, coupled with a number of formal institutions that report directly to his office on corruption cases, the President is most likely well informed. The Inspector General of Government (IGG), the attorney and auditor general, and the police all report to the President, and we know that the Internal Security Organisation of the President’s Office regularly investigates and reports on concrete political corruption cases.¹⁹

This insight is not used to counter political corruption in any systematic way, only occasionally to bring down or to allow the downfall of certain individuals, for political reasons. Take the National Anti-Corruption Strategy (“Government Strategy and Plan of Action to Fight Corruption and Rebuild Ethics and Integrity in Public Office”, GoU 2003) for instance. This strategy does not give much emphasis on political corruption and crony capitalism, nor on political solutions to the problem. It does not even mention military procurement, it mainly blames corruption on poor pay of civil servants and recommends administrative reforms.²⁰

The initiatives taken by the Museveni government in the early years (the establishment of the IGG, the establishment of the Ministry of Ethics and Integrity, and certain administrative reform processes and legal reforms) have largely been pushed for by the donors, and implemented only to the extent that they have addressed the administrative and low-level forms of corruption. It can be argued that the legal and institutional framework for fighting corruption in Uganda was established not out of a deep committed desire on the part of the President and government to fight corruption, but because they wanted to project an acceptable image to the donor community. The anti-corruption legislation in Uganda is now

¹⁹ A contradictory view was presented to us by Mr Cheeye. He said it is important to note the corruption problem has gone out of control in the last couple of years because the president’s priority is now retaining power and the presidency. Many people close to him know this and they are using this knowledge to lure the president into all sorts of corrupt circumstances with the promise of helping to keep his grip on power. There is now a fight for what Mr. Cheeye described as the *ear of the president*. He explained that the president’s time is controlled by a cartel of people who does not give him an opportunity to talk to other people, making him unaware of how corrupt they are and how they are using him to enrich themselves. He said this cartel determines the president’s schedule and generally sets the agenda for what the president and government will do on major issues and even determines which businesses should get the large government contracts. He noted that while there is no politically designed agenda or programme to perpetuate corruption in Uganda, the cartel that surrounds the president is very powerful and largely determines what goes on in the country. (Interview with the Director for Economic Affairs at ISO, Mr. Cheeye, October 2005).

²⁰ Republic of Uganda: National Strategy to Fight Corruption and Build Ethics and Integrity in Public Office. July 2004.

quite good, with a few minor exceptions. The problem is knowledge about it and subsequently the implementation of the legislation. One such example is the Freedom of Information Act, a first class document, but still not in use.

There is also reason to question the commitment of the highest echelons of state to the anti-corruption plan. At the launching ceremony in April 2005 the President used the occasion to distance himself from the corruption problem putting the blame on Permanent Secretaries and on Chief Administrative Officers. It was also evident from his presentation that the President had not read the plan or knew of its content.²¹

It is indeed noteworthy that, so far, only lower-level bureaucrats and state employees (like school teachers and some policemen) have been sentenced and punished for corruption crimes. No senior officer or politician-businessman has yet been sentenced or punished, making the anti-corruption initiatives seemingly limited to low-level, bureaucratic corruption only.²²

Furthermore, higher level politicians, important and powerful supporters of the regime, and presidential nominees are now, for all practical purposes, exempted from the institutionalised mechanisms of corruption control, as seen from the following example on the Leadership Code.

The Leadership Code

The 1995 Constitution and the 2002 Leadership Code Act mandate the Inspectorate of Government to enforce the *Leadership Code of Conduct*. The code requires that a leader submits a written declaration of his/her income, assets and liabilities as well as those of his/her spouse, child or dependant, to the Inspector General of Government (IGG). This is a form of assets declaration that has become a popular anti-corruption tool, and implemented as a part of the anti-corruption strategy of quite a number of other countries.

However, in 2004 the Uganda Leadership Code Act faced a legal challenge in courts, which led to the nullification of three of its more important sections. Furthermore, the court ruling created uncertainty and more difficulty in the implementation of the act.

In May 2003, a report by the Inspector General of Government recommended that Major Rowland Kakoza Mutale, a presidential advisor on Political Affairs, should be sacked for refusing to declare his wealth (Government of Uganda, Inspectorate of Government, Report, May 2003). He was relieved of his post as advisor by the President soon afterwards, according to the IGG's recommendations.

However, this was but the start of a widening rift between the IGG and the government. Senior officials were already disgruntled to find their wealth and possessions published in the media in 2002, and Major Mutale took the matter to court and got President Museveni to swear an affidavit in his support. The president in his affidavit pledged that he did not have any problems with Kakooza Mutale even though he had not abided by the Leadership Code, and that if it had not been for the

²¹ Anti-Corruption Donor Group (2005), appendix 2.

²² In an interview with Miria Mtembe (October 2005), former Minister of Ethics and Integrity, she explained that no prosecutions for corruption of high-powered people have ever taken place, even after commissions of inquiry recommended prosecution, because the President protects these people and that the legal and institutional framework that has been put in place to combat and prosecute corruption has been spoiled.

IGG he would not have relieved Mutale of his duties as presidential advisor.

The case against the IGG by Kakooza Mutale took an interesting turn when the presidential legal advisor Fox Odoi (with funding from the President's office) instituted a case in the High Court contending that the Leadership Code had given the IGG more power than the president, by giving the IGG the power to direct the president to sack public officials.

The High Court proceeded to rule that the IGG cannot have more power than the president, and even made an award of 12 million against the state in favour of the presidential advisor. The president promptly reinstated Kakooza Mutale. It is important to note that the Attorney General never invited the IGG to participate in the defence of the case, and even when the IGG expressed his desire to be part of the government defence he was denied the opportunity.

By March 2004, the High Court ruling expressed in Mutale's favour actually contrived to render parts of the Leadership Code null and void (More precisely the sections 19 (1), 20 (1), 35 (b) and (d), which include the duty of the Inspector General to communicate his or her decision in his or her report to the authorized person with a copy to the person in breach of this Code, and to require the authorized person to implement his or her decision; the duty of the authorized person to effect the decision of the Inspector General, in writing and within sixty days after receipt of the report; and of the person in breach of this code (subsections 6 and 8) to be dismissed from or to vacate office).

The nullifications imply that the Inspector General of Government no longer has the powers to order or even recommend to the president to sack his appointees, and that the president is no longer obliged to sack people who are not reporting their assets, and that all Presidential appointees are now practically exempted from the Leadership Code Act of 2002.

Since the nullifications, no appeal has been made to reinstate the important sections of the Leadership Code Act of 2002. Even when the IGG has continued to require leaders to declare their assets and wealth, all Presidential appointees are now practically exempted from it. This is a serious blow to the anti-corruption strives in Uganda, and it demonstrates that there are certain "untouchables" of the political system and that the government is unwilling to address the political corruption issue.

Seen from this brief analysis of general indicators on political corruption in Uganda, one can exclude the possibility of a genuine political interest on behalf of the GoU to fight political corruption.

Section II

Donor responses

The donors have seen good results for some time in Uganda, on the back of a unique donor-government relationship. Recently, however, the government is increasingly turning its back on the donors, following its own (internal) political logics and incentives. Worse still, some indicators of economic and political development failure are coming in. Indeed, some observers have even argued that Uganda is on its way to become a new failed state in Africa, a new Zimbabwe case.

In this section, we are addressing the basic question of what international donor agencies can do to change, not uphold, the current negative tendencies. We are suggesting two possible strategies for aid to Uganda and for donor support to anti-corruption efforts; one maximalist and one minimalist. These are not mutually exclusive and need to be concerted, but rest on different interpretations of the seriousness of the tendencies observed.

For those who believe that the negative tendencies are moderated by a series of positive tendencies, and consider the latter can be positively strengthened even within the current political climate, we will point to a series of weakness in the way donors harmonise and engage with the government, and we will present a series of minor modifications to the framework that is currently in place. For instance, the donors should agree on a minimum acceptance level of human and political rights in Uganda, that can be based on the UN Human Rights Convention and other internationally accepted standards, and agree on what (kind of gross) human and political rights abuses the donor community cannot accept before pulling out. However, the possible costs, given a more negative scenario, must be spelled out.

For the more ambitious, we will point to a series of measures that can at least restrain and possibly democratise the NRM government. This is a more radical plan with the ultimate aim of addressing the main corruption drivers in Uganda. A comprehensive and sustainable corruption control will have to be based on the rule of law, government transparency and accountability. What is needed is well working horizontal and vertical control mechanisms. The risks are high also in this scenario, however, and will also be spelled out.

Uganda as a showcase

A partnership model evolved between donors and the Government of Uganda in the late 1980s/early 1990s, and as trust grew, Uganda opened up for donor priorities like structural adjustment, the PRSP model, and budget support; and the donors and the GoU found common ground on development policies.

According to the official line taken by the IMF and the World Bank, Uganda is by and large a success story built on good donor-government relations, large scale budget support, a professionalized Ministry of Economy and Planning, a *Poverty Eradication Action Plan* (PEAP), and consultation with stakeholders. It has thus been argued that aid has brought economic and political stability to the country, and that Uganda fares well on social indicators, HIV/AIDS statistics etc. Peter Allum, IMF resident representative boasts of Uganda's macroeconomic achievements. Growth has averaged 6 % and the proportion of the population living below the national poverty line has been reduced from 56 to 38 %. He thus

concludes that “Uganda highlights the difference that improved policies and institutions can make”.²³

Uganda was the first country to receive debt relief under *HICP II* and to qualify for *Direct Budget Support* under the *Poverty Reduction Support Credit* (PRSC) mechanism of the World Bank. The special relationship with the donors payed off, and Uganda has since 1986 received more than 11 billion US\$ in development aid. In fact, the donor trust in Uganda has been such that overseas aid now makes up 48% of Uganda’s annual budget and 80% of its spending on social sectors (Piron and Norton 2004).

In terms of aid modalities, the international financial institutions and a few bilateral donors now provide *Direct Budget Support*. Of the smaller actors, most align their support to *Sector Wide Support* programmes in the social sectors and in water, energy and agriculture. However, some donors are most comfortable with providing project assistance only, or they employ a mix of project and sector support. But regardless of modality we find that the bilateral and multilateral donors’ assistance is largely in line with the priorities of the *National Development Framework* and the *Partnership Principles*, a unique set of recommendations to ensure that donor support is consistent with national priorities.

Unlike most other countries, Uganda has a largely home-grown national poverty reduction strategy – the *Poverty Eradication Action Plan* (PEAP), which has been adopted by all bilateral and multilateral actors. Since its inception in 1997 the PEAP has been modified to take into account several studies which have pointed to the importance of governance and security issues. Now the second of four pillars is named “good governance and security”, which encompasses the issues of legislative reform, transparent and efficient public expenditure, access to information and combating corruption. (Piron and Norton 2004; IMF 2005). Anti-corruption is thus embedded in the country’s anti-poverty plan.

In addition, Uganda has also an *Anti-Corruption Strategic Plan* (ACSP), running for the years 2004-2007. The plan is truly multi-pronged as it seeks to strengthen enforcement, reform legislation and procedures, encourage public engagement, raise awareness and build capacity of management systems. This anti-corruption plan does not contradict, but rather strengthens the PEAP in a positive way, which makes it a useful reference document for the development partners. It is a document they can turn to if they want to hold the government to its promises. It is worth noticing that at the time of the launch of the ACSP, the OECD released a survey on the anti-corruption activities and systems of 10 developing and transitional countries, which indicated that the Ugandan framework was best one, both in terms of content and process (OECD 2005). A key factor in this positive assessment is the setup for donor coordination (see the box below).

The donor harmonisation framework

In 2002 the donors in Uganda coordinated their approaches through the establishment of a high level donor consultative group named the *Donor Democracy and Governance Group* (DDGG). The DDGG appointed a *Donor's Technical Group* (DTG) to develop a matrix to monitor the government's progress regarding the second pillar of the PEAP (good governance and security) and the National Strategy to Fight Corruption (hva er det offisielle navnet????). The Ambassadors and Heads of Mission in the DDGG group now met with the government twice a

²³ <http://allafrica.com/stories/200508170618.html>.

year to assess progress, based on reporting done by subgroups of the DTG.

In 2005 the DDGG was comprised of the following countries: Austria, Belgium, Canada, Denmark, EC, France, Germany, Ireland, Italy, Japan, the Netherlands, Norway, Sweden UK, USA, UNDP and Norway. The World Bank is not part of the DDGG, and they do not always agree with the analysis and views expressed by the DDGG.

The subgroup on Anti-Corruption which meets monthly has been able to include the World Bank and USAID, and it is quite energetic. The group has been able to coordinate donor support, share information, monitor benchmarks in the Governance Matrix, and divide responsibilities for reporting on progress. The donor framework has been successful in establishing a dialogue with government and identifying the needs in terms of technical assistance. It has also aligned itself to the World Bank through the participation in the PRSC missions. Donor harmonisation is thus more sophisticated than we have seen in other countries where coordination is regarded as a success (including Zambia, Tanzania, Mozambique, Vietnam, Cambodia and Nicaragua).

It is very positive that the donors have been able to integrate the PEAP, PRSC and the national anti-corruption strategy into its governance framework, thus not fragmentation the efforts. The donor groups should also be saluted for their willingness to fund Uganda's anti-corruption efforts.

Critical voices

In spite of the quite positive picture outlined above, voices critical to the modalities and practice of donor involvement in Uganda are increasingly raised. According to Piron and Norton, for instance, there is no evidence that the increased spending on social sectors has led to a general raise in the effectiveness of public services, that it has actually converted expenditures into outcomes. That means what while the GoU has met its pro-poor expenditure targets, there are still enormous poverty problems and redistribution problems in Uganda. Growth has only benefited the richest 10 per cent of the population, and the market oriented policies has led to extremely small gains for the chronically poor (Piron and Norton 2004).

According to Mwenda and Tangri, the donor reforms have only partly undermined the system of state patronage. "In providing aid, both the IFIs and the bilateral Western donors have paid little attention to the nature of the political system prevailing in Uganda since 1986. They have backed a quasi-authoritarian government with cascades of cash. (...) While carrying out reforms, senior personnel, both political leaders and civil servants, have used their access to state resources as well as weak accountability and governance mechanisms to serve their personal interests as well as to enhance the political dominance of the regime" (Mwenda and Tangri 2005:452).

Also in terms of the donors' anti-corruption engagement, critical voices are being heard.²⁴ And there is reason for scepticism. Although it is positive for Uganda that the donor framework here is held up as a best practice in donor internal documents, and that Uganda scores positively on some indicators of anti-corruption practice, a more in-depth analysis will

²⁴ For instance expressed in the latest IMF Staff Note, where the validity of the governance policy matrix attached to the PEAP is questioned. The note questions in particular the speed of implementation as well as the effectiveness of some of the proposed measures to reduce corruption. (IMF 2005).

probably demonstrate that this framework will be unable to bring about meaningful change. Too much focus is spent on legislation and “getting systems right” and too little is moving in terms of attacking the political nature of the problem.

So far, the preference of both the GoU and the donors’ consultative group (DDGG) has been to transfer the corruption issue to the working group/technical experts’ level, which is insufficient in terms of leadership and insufficient to address the political character of the problem.

Another issue is that the ACSP has not become the rallying point for constituencies outside national politics. The consultation process prior to the drawing up the Plan was similar to that of the PEAP: expert-led and technically conceived, and it is our impression that local stakeholders like civil society organisations and universities have developed no ownership to the document.

We will also argue that the current, cautious (or modest) approach of the Plan, based as it is on a positive assessment of the Museveni government and its willingness to anti-corruption reform, is inadequate. It will only, at best, bring about some reduction in corruption levels in the mid to long term, and only in service delivery sectors (on the level of bureaucratic corruption). It addresses the implementation aspects of corruption, but it avoids the political incentives for grand and political corruption. The main corruption drivers in Uganda are not addressed through this approach.

Donor dilemmas

There are several serious dilemmas or challenges facing the donors in Uganda, as elsewhere, when attempting to address the corruption issue. Corruption is a huge problem that dwarfs development aid and makes it more expensive and complicated. Aid can also in itself be a part of the problem; when donors are ignoring the corruption problem, supporting ‘white elephants’; when aid relieves governments from prioritising social expenditures; and when donors are using corrupt local service providers. Besides, the more recent emphasis on direct budget support, decentralisation and privatisation is highly problematic from an anti-(political) corruption perspective.²⁵

The basic donor dilemma is that the corruption problem is deeply political. The logical framework approach that is used for aid programming reinforces the tendency to focus on capacity building interventions, whereas the political dimensions of the corruption problem are being avoided. The activities of the consultative group are too vague on this point. While the group identifies the lack of political will as a major problem, it does not exert much pressure on the government. The performance indicators developed are too vague and there is a lack of clear benchmarks with timelines for expected delivery by the GoU. Furthermore, for the performance indicators matrix to become an effective document it will have to have a clearly stated set of actions points on the part of the donors, if the GoU does not fulfil its obligations. So far, despite the many negative tendencies and the sluggish (at best) implementation of the Plan from the GoU’s side, few concrete actions have been taken by the donors. And the country is negotiating its fifth PRSC, and funds will be released early 2006.

²⁵ This list draws largely upon Bailey (2003).

When reviewing donor responses to political corruption in Uganda one question became all too pressing; why are the donors spending so much time and effort on institution building and capacity development when the political will to change is so limited? There seems not be any overall strategy related to the political context of the country guiding the various technical assistance projects.

Donor harmonisation is another challenge. With the current membership it is doubtful if the DDGG will be able to put pressure on the government. How can one expect coordinated action when the level of ambitions is so unevenly distributed within the group? Furthermore, when the Head of Missions at their meetings with the government has let their concerns on the corruption issue slip down the agenda, the government takes the message. Some members of the working group have even questioned whether all Ambassadors are even reading the findings of the *Governance Matrix Progress Reports* (sic).

A review of strategic options for donors

The strategic options available to donors can be analysed within the framework of either a *maximalist* perspective aiming, over the long term, at societal change that constrain or remove drivers of political corruption, or a *minimalist* perspective that merely is intended to guide donor response to concrete incidences of political corruption. This can also be seen as a distinction between proactive vs. reactive strategies.

The two most important political corruption drivers in Uganda are found in military procurement and in the political process. The two factors are pushing up political corruption to intolerable levels, and they are making the anti-corruption strategies of the Uganda government ineffective.²⁶ The donors' challenge is to address these two political corruption drivers in a coherent, sustained and well-resourced way, coupled with donor policy coordination and policy determination, if political corruption is to be rooted out from Uganda.

Approaches based on a maximalist perspective

The famous anti-corruption investigator and anti-corruption campaigner Eva Joly once put it simple when she said *follow the money*. A radical strategy for addressing the political corruption problem in Uganda would be to make it impossible for ruling elite members to enrich themselves through shady military procurement deals, and impossible to use government money for power preservation purposes. This can be pursued down two avenues. The first one is a broad, long-term strategy of democratisation. The second one is medium-term and narrowly focussed on the main political corruption drivers. These should be pursued in tandem and be coordinated.

Strategy of democratisation

The broad democratisation strategy is well known to donors and political actors alike. We believe that in cases of systemic political corruption, like Uganda, this is the only long-term

²⁶ Please remember our distinction between political and administrative corruption. The GoU can very well be willing to address (and get donor support to) its attempts at addressing the administrative corruption that takes place in service delivery. This will not jeopardize their hold on power (on the contrary) or infringe on the ruling elite and their (private and corporate) politics-business interests (read: political corruption practices). This is just like the issue of budget support; the GoU has few problems with letting the donors finance social sectors and infrastructure.

sustainable strategy available. At the same time, there are no examples of successful democratisation brought to a country by donors. We know that accountability to external agencies only can be a supportive factor to domestic political processes. These include two basic processes, namely increased horizontal accountability (deepened popular control through voice and participation), and increased vertical accountability (efficient and credible institutional checks and balances).

Horizontal accountability refers to a system of institutional checks and balances, of constitutional and institutional controls in-between elections. These include among others the executive (government and state administrative agencies), the judiciary and the legislature, and the various special institutions of oversight and control like ombudsmen, investigators, attorneys and auditors. Most political systems include at least some formal rules and procedures meant to restrain the exercise of political power (and the possible excesses of political power) and to safeguard human and political rights, but the formal establishment and existence of institutions of horizontal accountability does not in itself mean that they are efficient. In developing countries with embedded political corruption these institutions are particularly weak, undermined by weak capacities and the strengths of informal and clientelist politics.

There are some well-known challenges to donor support to horizontal democratisation processes. These are beyond the scope of this study, but a few challenges can be listed. For instance, how can the two most important checks-and-balances institutions (the parliament and the judiciary) be supported, to strengthen their accountability, oversight and control functions, when the government has no political will to address the issue of political corruption, or to share their political power? What can the donors do when the constitutional checks and balances are weak and/or subjected to informal political structures, when the parliament is the political stronghold of the barons? What can donors do when high court judges are nominated by the president²⁷ and subject to his influence?

Regarding the parliament, the approach would be to push for constitutional reforms that could secure its autonomy. Parliamentary autonomy refers to its independence from the executive branch. It is its ability to carry out its mandate, to interact with and not be subjected to pressure from the presidency, and to play the vital democratic role of checks and balances. In practical terms, it is about constitutional guarantees, and personnel and financial autonomy. This is a long and cumbersome process, but should nevertheless be the ultimate aim of any engagement with the parliament.

Furthermore, we believe there are some medium-term possibilities in terms of support to specific parliamentary committees, research and evaluation capacity, administrative capacity and issues like the disclosure of parliamentary votes and better communication between legislators and their constituencies. One example is the Vietnamese parliament, which is weak in terms of its mandate and in terms of one-party rule. Still, with some donor assistance it has become a relatively proactive institution, fulfilling some of its accountability functions.

We also believe there is room for better support of the judiciary. Courts do have a core role in preventing abuse of political power, in holding rulers accountable and in sanctioning actions contrary to constitutional and legal provisions. To fill their accountability function and to serve as an institution of (political) checks and balances, the approach would also here be to

²⁷ See appendix 1 for a list of positions nominated by the president

push for constitutional reforms that could secure the autonomy of the courts. A main aspect of this autonomy would be autonomy of choosing personnel (judges are now nominated by the president), and financial security.

One should also demand transparency, and justification for court decisions and actions (answerability). Even within presidential systems with little autonomy, the accountability function of courts can be strengthened through improvements in infrastructure (library, computers, court records), court administration, education of judicial personnel and support staff, legal aid and literacy, and research assistance, in addition to reforms of the appointment procedures and budgetary autonomy.²⁸

The two core institutions of checks and balances need thorough reforming in Uganda, as the two main pillars of horizontal accountability. In a democratic development perspective, it is extremely important to secure the autonomy of these institutions. But also the various special institutions of oversight and control, like the Directorate of Ethics and Integrity, the Directorate of Public Prosecutions, the Police, the Inspector General of Government and the Office of the Auditor General is in need of comprehensive reforms in their mandate and autonomy, as well as in their capacity.

Without going in detail on the modality of this, the principle is simple; without these institutions, accountability and democratisation is impossible.²⁹ Even when they cannot perform and cannot deliver on political corruption control at the moment, and the investigators and prosecutors are deeply frustrated about this, these institutions are needed for support when there is a change in government, when a reform oriented minister takes over, and they can perhaps even impose some counter-balancing weight in the current political climate. Only the donors can ensure their survival at this stage.³⁰

The institutional support outlined above may have very limited effect in the current political climate of Uganda, and the risk is that donor support for accountability institutions like anti-corruption commissions, for instance, is wasted if the institution starts to bite and the regime retaliates. It can become impaired or decapitated overnight, by presidential decree. A maximalist perspective is required to justify the risks and costs of a long term democratisation strategy through meticulous institution and competence building.

Vertical accountability is citizen influence through the election channel (electoral processes) and through direct political action. It entails giving voice to the people and creating the conditions for political change from below. It requires real opportunities for citizens to exercise their basic civil liberties like the freedom of assembly, association, freedom of speech and the press; it also requires basic political freedoms like free and fair elections (with

²⁸ Siri Gloppen (2003): "Building the Rule of Law in New Democracies: Challenges and Opportunities for Judicial Reform". CMI *Policy Brief* Vol. 2 No. 2, September 2003.

<http://www.cmi.no/publications/policybrief/2003/cmipolicybrief2003-sept.pdf>

²⁹ See the U4 Anti-Corruption Resource Centre website for practical advice on donor support to parliaments, courts and special agencies like anti-corruption committees. <http://partner.u4.no> and www.u4.no.

³⁰ This was the straightforward answer to a question raised in an interview with the former minister of Ethics and Integrity, Ms Miria Mtembe, who asserted that the IGG had never prosecuted any 'big fish' or 'political untouchables' in Uganda, and expressed doubts that it ever could under the current government. On our question if the donors should then simply withdraw all funding for the IGG on these grounds, she said "-Oh no, the institution will be needed one day! Better to have it, even with a weak mandate and no impact on political corruption, than to re-invent it when the day comes and it is needed again".

a level political playing field, real alternatives and elections with a possible impact on the composition of government). It includes the right of citizens to change their government.

The formal side of vertical accountability is the election channel. Free and fair elections are essential, but so are the legal provisions and functioning of political parties. Although support for political parties are now increasingly on the donor agenda because they are understood as an essential part of a representative, constitutional democracy, it is still unclear how political parties can be made accountable and democratic. Multilateral and bilateral donors have been supporting democratisation processes and the vertical accountability channel mainly through support to the practical sides of election systems and of arranging elections, somewhat through assistance to the enactment of legislation on party and campaign finance, and more support to civil society and non-governmental organisations and the media.

There has been much less focus on the ‘political’ side of vertical accountability, on the election channel and on the political parties in particular. Although the donors have put the political parties increasingly on the agenda because political parties are understood as an essential part of a representative, constitutional democracy, it is still unclear how the donor can support political parties without interfering in sovereign national politics. How can party financing become transparent, how can the ‘vote for me’ one-man party organisations without a programme, membership base or internal democracy be reformed, how can political competition be enhanced, how can the political playing field be levelled, and how can the democratic function of the political parties be guaranteed? Can basic political rights be used as a benchmark? Can other benchmarks be set on the basis of international norms and standards?³¹

Given the close relationship between political corruption, the lack of will to fight corruption, and the level of democracy, could it be possible for donors to agree on a common denominator, a minimum acceptance level of political liberty and rights in Uganda? Can the Universal Declaration of Human Rights be a leading tool in this? The Declaration does contain provisions of political rights, too, like for instance the right to peaceful assembly and association, to take part in the government of his country (directly or through freely chosen representatives), and that the will of the people shall be the basis of the authority of government.³² Thus, is it possible to reach an agreement of what is not tolerable, for instance lack of elections (for how long), gross human rights violations, harassment and bans on political opposition, electoral fraud, etc.?

Vertical accountability, including the necessary pressure or demand for political reform, can also be voiced through other channels like the media, direct political action (manifestations, petitions, etc.) and NGOs. Business, traditional and religious communities and a number of different organisations can also raise political demands, when they are well-organised and not subject to clientelist capture. History has demonstrated how the trading companies and economic elites (‘the city bourgeoisie’) of pre-industrial Europe managed to reduce the power of the absolutist kings and rationalise the state. One question is thus what it will take for business communities and economic elites in weak, corrupt states to demand the rule of law

³¹ Drafts have been developed by a number of institutions, including the European Council, the Carter Center and Transparency International.

³² Article 21 reads: (1) Everyone has the right to take part in the government of his country, directly or through freely chosen representatives. (3) The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures. <http://www.un.org/Overview/rights.html>

and institutional guarantees instead of seeking protection from some ‘big men’ within the system?

It is still an unresolved question how the donors can support these non-electoral channels of vertical accountability. What interests groups, business organisations, civil society organisations, religious and ethnic organisations, media can constitute counter-balancing powers and positive change factors?

In a maximalist perspective, donors should consult a range of national stakeholders and seek opportunities for interventions from outside as well as from inside of the regime, in the governing party, or wherever reform-minded individuals are located. There will always be groups within a power structure, and within sectors and institutions, who can ‘champion’ anti-corruption. Donors should give special support to these reform-minded people to ensure that they are not seen as untouchables by the regime. In Uganda, the strategic donor thinking around ‘drivers for change’, ‘promoters of change’ and ‘islands of integrity’ fall in line with this perspective, although there is a need of further development of these approaches.³³

A series of smaller NGO initiatives can be implemented which in isolation might seem to have little effect but which in tandem can raise awareness of people and get the attention of the political leadership. We mention of a few cheap but effective examples:

- An NGO in the Philippines took pictures of the cars and houses of regime dignitaries and published the pictures on the internet.
- Support to media organisations who give out prizes for “the best piece of investigative journalism of the year”.
- Tracking of the spending of political parties during elections. Counting minutes of TV airtime, posters, rallies etc an aggregate figure can be made for the spending of each party and compare that to what has been made available. Results can be published weekly in newspaper and radio.

However, one should not underestimate the problems of mobilising discontent into voting coalitions and political pressure. But, as demonstrated by the Albanian example below, external pressure can facilitate a positive outcome.

³³ For an example of thinking along these lines (although not on democratisation and anti-corruption, but on pro-poor policies), see Mark Robinson (2004): “Pro-poor change in Uganda: drivers, impediments and opportunities for engagement (ODI) and Ng’ethe, Katumanga, and Williams (2004): An analysis of drivers of change in Kenya Strengthening the Incentives for Pro-Poor Policy Change (commissioned by DFID Kenya). The latte is downloadable at <http://partner.u4.no/training/incountry/Kenyamaterials/driversofchange.pdf>).

Pushing Albania

An interesting case for the donors and Government of Uganda to consider is the actions of the international community in Albania. Even though Albania is not aid dependent the international community had a carrot in its toolbox as the political leadership wanted the country to be accepted into Euro-Atlantic structures. After the Kosovo conflict calmed down, the corruption issue moved up on the diplomatic agenda. The international actors in Tirana were telling everyone, including the electorate, that the lack of progress was due to the government's unwillingness to address this issue in a real way. Even though the combination of diplomatic means and public shaming did not enticed the government to change its position in the short term, the electorate became aware of the fact that their lacking living standards was linked to 1) corruption 2) the sitting government. In July 2005 the governing party lost power in a campaign that was fought by the opposition on an anti-corruption ticket. Conditionality alone would not have yielded such a positive outcome, but in combination with a pressure from below, the situation was improved.

Strategy of targeting the main political corruption drivers

In addition to the broad approach of democratisation outlined above, we will now turn to more narrowly focussed anti-corruption efforts directed at the main political corruption drivers.

We have in this study identified wealth maximisation and power preservation as the main motives of political corruption in Uganda, and identified military procurement and the political process as the main political corruption drivers. Although this is debatable (one could argue that the pillage of Eastern Congo is an equally important political corruption driver in Uganda), and although more systematic studies could be done to identify the main corruption drivers in Uganda, we will take this as the situation and as an illustration of the second radical approach to the political corruption problem.

Military procurement is only marginally different from other public procurement systems, and the corruption problems and mechanisms within it are largely the same. The donors have been supporting reforms of public procurement systems in quite a number of partner countries for quite some time, also in Uganda, and the principles and mechanisms are well known. The difference is the national security and secrecy issues, and the seniority of the people involved. These are also the main challenges.

How can the donors address this politically sensitive issue, which includes national security issues and vital national priorities? How can an issue be addressed that is blocked from insight, control and transparency because of secrecy and security concerns? How can the donors address high politics, and the vested, pecuniary interests of senior power-holders?

The guiding principles must be the same as in procurement processes in general, like for instance competitive bidding, bench-marking and simplification of rules and supplementary work to get the prices right; inspections, controls and an independent procurement board to get the discretionary powers reduced. One should and could insist on these principles, despite the sensitivity of the issue, and suggest some adaptations to these principles in order to safeguard secrecy concerns, just like the established Western democracies are doing. For instance, the control function of the independent procurement board can be conferred to a parliamentary committee.

Although the donors are now beginning to introduce guidelines for the procurement of military hardware (Mwenda & Tangeri 2005:466), this should be made a priority issue with significant and coherent donor policy support, an issue of repeated policy consultations at the Ambassadors and Heads of Mission and DDGG level, and trustworthy donor leverage.

The political process and money in politics is a broader issue of concern, broader than the donor approach on political party financing. It includes political corruption problems all through the electoral process, from the establishment of the ‘rules of the game’, which includes election dates, election systems (proportional or plurality systems) and delineation of electoral districts (“gerrymandering”), to the registration of voters, the nomination (and acceptance) of candidates and party lists, voter education and electoral campaigns, to the voting procedure, counting and announcement of results.

Again, partial solutions to this can be suggested on the basis of experiences in other countries, of which the established Western democracies of course constitute the ‘ideals’. Fraud can be countered by insisting on transparency and control principles. Gerrymandering and other political rights violations can be countered by an independent electoral commissions that is truly independent, well resourced and efficient, as well as parliamentary, political party and civil society controls.

There will, however, be substantial risks with these approaches. The NRM government will probably defend itself, with unconstitutional and perhaps violent means, against a perceived danger to its hold on power and to its means of accumulation, and individual regime heavyweights will defend themselves unconstitutionally and even violently against any threats to their vital and pecuniary interests.

Another risk is that the donor community will have to withdraw completely from working with the Uganda government (when minimum conditions are not met or violated), or that the aid agencies will be thrown out by the Uganda government, with possibly much damage to social and economic sector development projects and programmes, poverty alleviation, HIV/AIDS, etc.

Approaches based on a minimalist perspective

As indicated in Section I, for those who believe that the negative tendencies in Uganda are moderated by a series of positive trends, and who have a more positive appraisal of President Museveni and his government than presented in this study, we will now point to some challenges and principles that could guide minimalist or moderate approaches. This involves continued working relations between donors and (parts of) the GoU on a large number of priority issues and even some technical corruption issues, but with the aim of improving the anti-corruption effects.

Basically, this is what the donors in Uganda are pursuing for the time being (notwithstanding the latest, demonstrative cuts in spending), and a minimalist perspective involves minor modifications in the framework currently in place on issues of minimum standards and donor coordination and leadership.

Minimum standards

For donors' approach to political corruption in Uganda to be credible, the donors need to agree on a minimum acceptance level. As mentioned, minimum standards can be based on the UN Human Rights Convention and other internationally accepted standards. The Convention includes provisions of political rights, including the right to peaceful assembly and association, freedom to take part in the government of the country, the right to life, liberty and security of person, and freedom from arbitrary arrest, detention or exile, etc. Other quite clear and unambiguous international standards can also be found on election processes, transparency and freedom of information issues.

To refer to these standards in various donor policy documents is not enough. A minimum acceptance level of human and political rights should be based on internationally acknowledged minimum standards; it should be discussed and agreed by the donors beforehand, and have a jointly accepted verification procedure. Furthermore, this minimum standard, with concrete examples of what cannot be accepted, should be communicated, very clearly and transparently, to the Government of Uganda, and to the broader public in Uganda. For instance the non-provision of a level playing field for the opposition, massive use of state resources to secure re-election, large scale election fraud, and violence used against political opponents are issues to be covered.

It is important that the general public is aware of the donors' reasons for withdrawing support so that they have the opportunity to counter such steps through the ballot box and through organised political action. Setting a minimum acceptance level on different forms of political corruption would probably require diagnostic studies to establish the relevant principles and standards, as well as an analysis of possible monitoring mechanisms.

Co-ordination and leadership

We have indicated that the current minimalist and moderate approach of donor agencies is insufficient, as it does not address the political origins of the main corruption drivers in Uganda. This affects as well effort to curb administrative or bureaucratic corruption. Political and bureaucratic corruption tends to reinforce each other. One cannot expect lower level bureaucrats to be clean when their bosses are not. Hence, a radical approach of addressing the political corruption drivers can substantially reinforce efforts taken against bureaucratic corruption. The two approaches can be mutually reinforcing, adding up to a substantial, positive pressure. This, however, will depend on donor information exchange, co-ordination, harmonisation, and leadership.

The current framework for donor harmonisation has not lived up to its expectations. For the donors to regain momentum a few changes in the co-operation and harmonisation framework can be considered:

- Donors should integrate the issues of internal conflict, democratisation and corruption. (As a modest start, in the matrix point C "Transparency and Accountability" should thus be merged with point A, "Democratisation process").
- The work of the different subgroups to the DDGG must be better integrated. Anti-corruption should not become an isolated, technical issue, with different other tracks running on governance, procurement, etc. One cannot "fight corruption by fighting corruption", in isolation.
- Making governance and anti-corruption count is the task of the DDGG. The donors should mandate a small group of major donors to take the lead in the discussion with the

government on corruption. For instance could the World Bank, DFID, and the EU Commission coordinate their stance and voice on the corruption and democratisation issues, and hold the GoU to account under a preceding agreement on the minimum standards.

- Pursue cases systematically. There is not enough following-up on concrete corruption cases. People not declaring their wealth under the Leadership Act, people committed for corruption (but enjoying immunity in Uganda) and other offenders can for instance be restricted from travel abroad. Cases where individuals are recommended for prosecution on corruption charges by the IGG, commissions of inquiry and the media, should the donors ask for at every occasion.

The donors should also prepare for a future time when the government is more willing or able to address corruption. One starting point may be to identify anti-corruption needs likely to emerge after an election, for example, and plan for the necessary follow-up action and support for any new anti-corruption commitments that may emerge. For example, once political change takes place demands are likely to arise rapidly for legal action against the previous regime and for the recovery of stolen assets. Donor countries with major financial sectors may want to outline a contingency plan for how they will assist when these demands are made.

The donor agencies should also utilise their respective comparative advantages better. Collective action allows donors to leverage their relative strengths, and this should be made explicit and utilised. Some donors may have more money available, for instance, others expertise, technical experience or inroads to negotiations. See for instance the text box example below.

The role of OSCE in Coordinating Anti-Corruption Work

In Armenia it was the *Organisation for Security and Cooperation in Europe* (OSCE) that led AC work. Many donors highlighted corruption work as “leaderless”, so when the mission started, it “listened for a role” where it could “use its capacity to best effect”.

The nature of the organisation meant it had appropriate characteristics and “less to lose” than if individual donors led the work on a sensitive, political subject like corruption. OECD was recognized for its

- ✓ Wide-ranging mandate
- ✓ “Cooperative approach”
- ✓ Multinational membership where decisions are based on the consensus of all members
- ✓ Highly-respected Head of Mission holding the rank of Ambassador - with access to, and taken seriously by, senior government/donor officials.

The Government of Armenia supported the OSCE and its role in establishing and coordinating a joint Task Force to develop an AC strategy. The cooperation with the government was based partly on the President's commitment to address corruption and partly on a pressure to work sincerely with OSCE, as Armenia was in the process of applying for Council of Europe membership.

The OSCE-led Task Force has:

- ✓ Reduced duplication
- ✓ Used forums to engage in joint planning
- ✓ Presented a ‘united front’ of donors - which has greater leverage with government than individual donors would have

- ✓ Benefited from the OSCE Mission's position in gaining high-level access to government
- ✓ Increased the effectiveness of donor activities at minimal cost of TF participation.

An assessment of the Task Force noted that OSCE's success in coordination and advocacy on corruption might not necessarily be replicable elsewhere as these specific roles did not conflict with the mission's wide-ranging mandate. In countries where OSCE has a mediation role or human rights abuse monitoring role, such a conflict is much more likely.

Green, Lara, Hubbard, Michael, and Larbi, George: "Cooperating Against Corruption: A review of in-country donor coordination in Africa against corruption" (DFID: 2005)

Appendix 1

Officials appointed by the President of Uganda

a) Constitutional office Holders

1. Cabinet Ministers
2. Secretary to Cabinet
3. Presidential Advisors
4. The Chief Justice and Deputy Chief Justice
5. Justices of the Supreme Court and Appeal
6. Principal Judge and all Judges of the high Court
7. Inspector General of Government
8. Governor and Deputy Governor of Central Bank
9. The Clerk to Parliament
10. Nominated members of Parliament (10)
11. Attorney General
12. Auditor General
13. Army Commander
14. Inspector General of Police
15. Commissioner General of Prisons
16. Chieftaincy of Military Intelligence
17. Director, Criminal Investigations Department
18. Director Internal Security Organization
19. Director External Security Organization
20. Director of Public Prosecutions
21. The Registrar General
22. Chairperson, Uganda Human Rights Commission
23. Chairperson, Uganda Law Reform Commission
24. Chairpersons of Commissions of Inquiry
25. Chairperson of Electoral Commission and its Commissioners
26. The National Political Commissar at the Movement Secretariat
27. Heads of Service Commissions
28. Resident District Commissioners

b) Non-Constitutional Office Holders

29. Ministers without Portfolio
30. Prime Minister
31. High ranks of Army, Police, Prisons and Security Agencies
32. Ambassadors, Consuls and Diplomatic Representatives

Note

The President has powers to reappoint, suspend and/dismiss most of his appointees except for the Chief Justice and other Judicial Officers and the Inspector General of Government. He also has the powers to pardon or reprieve offenders.

The President has powers to create and abolish offices in the public service and to create and abolish government ministries at his discretion without approval of Parliament.

Appendix 2

Abbreviations and acronyms

ACC	African Anti-Corruption Commission
ACWG	Anti-Corruption Working Group (donor technical group)
AG	Attorney General (Uganda)
APRM	African Peer Review Mechanism
DEI	Directorate of Ethics and Integrity
DPP	Director of Public Prosecutions (Uganda)
DRC	Democratic Republic of the Congo
GGWG	Good Governance Working Group (donor technical group)
GoU	Government of Uganda
IC	International community
IGG	Inspector General of Government (Uganda)
LC	Leadership Code
LRA	Lord's Resistance Army
NGO	Non-governmental organization
NRM	National Resistance Movement, the 'movement', ruling party
OAG	Office of the Auditor General (Uganda)
PRSC	Poverty Reduction Support Credit
PEAP	Poverty Eradication Action Plan (Uganda's PRSP)
PSFU	Private Sector Foundation Uganda
SAI	Supreme Audit Institutions
TI	Transparency International
UDN	Uganda Debt Network (Uganda NGO)
UMA	Uganda Manufacturers Association
UPDF	Uganda Peoples Defence Force

Appendix 3

Terms of Reference

Terms of Reference Main Project

Study on corruption, lack of political will and the role of donors (in Uganda)

Background and purpose

Political leadership and commitment to fight corruption at the highest levels is one of the most important preconditions for success in the fight against corruption. Reform processes can be supported by donors, but a successful, comprehensive anti-corruption strategy needs to be founded on a national political will to fight corruption, to have a national ownership and political champions.

In some cases, anti-corruption reform processes with initial national political backing and donor support have come to a halt, because of political opposition to it. The anti-corruption platform was a handy political tool in the hands of some presidents in need for popular legitimacy and a means to get rid of rivals, but they never intended it to bring about structural change that would eventually undermine the president's hold on power and wealth. In other cases, anti-corruption reform processes have been met with substantial resistance from ruling parties, national assemblies and parastatal businesses, when the vested interests of various political figures have been targeted.

In the case of Uganda, it is recognised that while there has been a tangible progress in establishing the legal and institutional framework to tackle corruption, there is a continued absence of a clear demonstration of political will to fight corruption. In some respects, there has even been resistance to and obstructions of the anti-corruption process, actions that may demonstrate a lack of political will to bring the process further.

Development partners in Uganda have therefore decided to commission a study that will look at the specific obstructions and limits that the anti-corruption process has met in Uganda. The study will also, through a comparative look at the formal and informal approaches that have been used by donor agencies elsewhere to leverage or influence positive change, suggest strategies to overcome this lack of political will to fight corruption.

Scope of work

Uganda will be the case country of the study (main focus country and the only field visit, to search out concrete examples of obstruction of the anti-corruption reform process). The study will concretise and exemplify the theoretical notion of 'lack of political will', using Uganda as a case study, and the study will use the comparative experiences and good practices of similar situations elsewhere to suggest practical solutions for Uganda. With our focus on political will and political factors, we will restrict ourselves from any analysis and debate of corruption problems and drivers that are originating in low politics and from the international economy.

That is, we will not go into any details on issues like foreign investment and corrupt international businesses, of low-level public service corruption (including corruption in service delivery and decentralised government), except in situations where these factors have a direct bearing on political corruption.

For Uganda, we will select a number of cases of political corruption and of political decisions and actions that have been in clear contradiction to the government's stated anti-corruption policies and strategies. We will also search for examples of political decisions and actions that are contradictory to a sound, long-term anti-corruption strategy. We will try to identify the particular actors who were involved in these cases, and what their interests are, that led them to take this action.

From the identification and description of cases in which there is a demonstrated lack of political will in Uganda, we will search for similar or comparable cases from other countries. Given the Uganda cases, we will in particular search for comparable cases where the problem of political resistance has been lessened or overcome, preferably with the support of the donors. What do these examples say about the possibilities for donor support to leverage or influence positive change?

Kenya is a relevant comparative country. Kenya passed its "Public Officer Ethics Act" in 2003 (similar to Uganda's "Leadership Code", but although it requires public officials to declare their wealth, doing so in secret as stipulated in the act. Thus the October 2003 deadline was silently observed, it has been difficult for the media or any other independent agency to access information, and no government official has been prosecuted as yet.

Furthermore, fresh scandals in Kenya show that corrupt networks persist, despite many anti-corruption efforts. As a new political order struggles to establish itself, the old guard fights to retain its old constituencies, and patronage networks continue to exist both within and outside mainstream politics and bureaucracy.

The study will include, but not necessarily be limited to the following questions, in the following order of priority:

'Lack of political will', Uganda:

- ✓ How does the lack of political will manifest itself? What are the recent, concrete examples of resistance to and obstruction of the anti-corruption reform process in Uganda? What are the means used by power holders to circumvent the legal and administrative reforms under way (reform processes partly supported by the donors)? The few chosen examples should be distinguished from bureaucratic incompetence, delays and other difficulties of reform implementation, and point to clearly identifiable and deliberate actions.³⁴
- ✓ Who are the particular actors that were involved in these cases (and thus demonstrated a lack of political will to address the corruption problem, or at least certain anti-corruption measures)?³⁵

³⁴ Possible obstructions include for instance the nominations of new, loyal officers to key positions in anti-corruption institutions (anti-corruption commission, Auditor General, Inspectorate of Government, police investigation units, High Court, etc.); the non-allocation and non-payment of allocated resources to these institutions; the non-approval of relevant laws and regulations; blocked or circumvented processes of investigation, prosecution and punishment; the withholding of information on concrete cases (grounded on security or confidentiality); re-nomination of convicted or deposed corrupt officials; and the misuse of immunity.

³⁵ A lack of political will is by definition exercised by political power holders; from the president and president's office via members of parliament and the judiciary, the leaders of the ruling party, to senior officers of various

- ✓ What are the vested interests behind these actions? Which are the reasons for any absence of political commitment to tackle corruption? What is the background for the (possible) obstructions identified and listed above? What are the vested political and economic interests (of status quo, that may be changed if the anti-corruption process goes further) that have triggered these actions?³⁶

Comparative lessons, international

- ✓ Given the examples listed above, what are the similar or comparable cases from other countries in Africa, Asia, and Latin America, cases where the problem of political resistance has been lessened or overcome?
- ✓ To what extent and with what success were these cases supported by donors?
- ✓ What does these examples say about the possibilities for donor support to leverage or influence positive change?

Donor approaches, Uganda

- ✓ What are the existing donor strategies or approaches to address the problem of lack of political will and political resistance in Uganda? What are the existing approaches and discussions among donors on the specific cases listed above?
- ✓ Do the international comparative cases indicate that there are possibilities for donors to influence positive change in the level of political will? Under what conditions, circumstances, costs and benefits?
- ✓ What could possibly be the elements of a successful donor strategy in Uganda?

Related questions (conditions, circumstances and instruments)

- ✓ Is there in Uganda a risk that international pressure might have generated a political commitment that is not genuine? Can too much donor activism have an adverse effect on reform processes?
- ✓ How can the donors use the UN Convention against Corruption to push for more political will to fight corruption? What is the role of World Bank (and PRSCs)? What is the role of international perception indexes (e.g. TI CPI)
- ✓ Does conditionality work, based on a demonstrated political will to fight corruption as a condition? Experiences from elsewhere? How can political will be measured? Has it been tried (where and with which results)? What are the recommendations for Uganda?
- ✓ Is development aid an incentive to introduce anti-corruption measures? Does it work better at technical than political level?
- ✓ What forms and how much donor co-ordination and mainstreaming is a condition? What is the role of information sharing and “early warning systems”?
- ✓ What kind of donor support is prospective? Support for capacity and institutional building (financial and moral support)? Support for development of legislation?

state institutions and businesses. These should be distinguished from medium and low level officials, civil servants and bureaucrats who obstruct certain reforms for the fear of their status or position.

³⁶ The vested interests are usually political interests (fear of losing power and position, perhaps also of prosecution and punishment) and economic interests (business relations and private revenues).

Appendix 4

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