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**PROCUREMENT PLANNING AND ACCOUNTABILITY OF LOCAL
GOVERNMENT PROCUREMENT SYSTEMS IN DEVELOPING
COUNTRIES: EVIDENCE FROM UGANDA**

Benon C. Basheka*

ABSTRACT. The contribution of planning in facilitating an efficient and effective performance of public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management. This article examines the relationship between procurement planning and accountability of local government procurement systems in Uganda. The findings arose from a study that was conducted among 99 local government stakeholders selected from 11 Districts of Uganda, using a correlation research design. The data was analyzed using principal component factor analysis that aimed at identifying the critical components of procurement planning and accountable local governments systems in Uganda. Consequently, correlation analysis to establish the direction and magnitude to which the two variables were related was conducted and results are presented. The findings revealed a significant positive relationship between procurement planning and accountable local government procurement systems in Uganda. These results are compared to international research findings, and suggestions are offered for management, policy making, future research and efficient accountable local government operations.

INTRODUCTION

There is now very limited doubt among policy makers, managers, professionals and academics about the importance of public procurement in facilitating government operations in both developed and developing countries. Purchases for goods, services and works continue to exceed 20% of the local government expenditure in a

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number of countries. Since the 1970s, there has been a growing, albeit sporadic, interest in strategic approaches to the procurement process, with an emphasis on the scope of pro-activity (Goh, Lau & Neo, 1999). Public procurement is increasingly recognized as a profession that plays a significant role in the successful management of public resources and a number of countries have become more aware of the importance of procurement as an area vulnerable to mismanagement and corruption, and have thus instituted efforts to integrate procurement in a more strategic view of government efforts (OECD, 2007). As part of the efforts to adopt a long term and strategic view of their procurement needs and management, most countries have resorted to turning to their annual procurement plans as a possible 'problem-solver.' Public procurement, at the local government level, is believed to be one of the principle areas where corruption in Uganda takes place ("National Public Procurement Integrity Baseline Survey," 2006). Corruption is disastrous to the sound functioning of any government department. Corruption has been an intractable problem in many developing countries; especially where it has become systematic to the point where many in government have a stake. It diverts decision-making and the provision of services from those who need them to those who can afford them (Langseth, Kato, Kisubi & Pope, 1997).

Good public management and administration, with emphasis on accountability and responsiveness to customer needs; against the backdrop of serious accountability scandals, has been seen as an aspect of good governance by donor agencies supporting reforms in developing countries (Economic Commission for Africa, 2003). Accountability in the conduct of public affairs has been a major problem in a number of African countries (Therkilsden, 2001) and highly centralized forms of governance have been blamed for the generation of administrative pathologies (Friedman, 1992). But these administrative pathologies can as well be within decentralized systems. That is why; mechanisms of ensuring accountability are necessary within decentralized governance systems. An important element of the promise of decentralization is the ability to tailor local public sector policy and service delivery to the needs of local populations, while at the same time providing incentives for an effective, efficient and locally accountable public sector (Mullins, 2003).

With the trend towards decentralization of government functions, it puts the decision-making on procurement in the hands of those responsible for delivery of services. It has been argued that in such a scenario, accountability is established, and at the same time, public visibility into how public funds are being spent is enhanced (African Development Bank, 2000). In Uganda, an estimated 34% of the government expenditure takes place at the local government level (Agaba & Shipman, 2007). Proper planning for this huge expenditure is therefore an essential element of good procurement in Local Government systems of the country. The procurement objective is to provide quality goods and services through open and fair competition in the exact quantity and proper quality as specified; and has to be delivered at the time and place where needed. Therefore, to secure such goods and services at competitive prices requires accurate planning and involvement of a number of stakeholders. The literature on decentralization and local governance has long ignored the essential contribution of effective public procurement systems in ensuring accountability in local government management. The objective of this paper is to help fill this gap by focusing on procurement planning in relation to creating accountable local government systems and identify the key elements of procurement planning critical for accountability. Upon the results of the study, the paper concludes that procurement planning significantly contributes to accountability but this depends upon how the entire planning process is managed by all stakeholders. The paper recommends that local governments must ensure that the core steps of procurement planning are managed exceptionally well, the core procurement planning practices are embedded in all local government procurement systems, the core departments are carefully involved in procurement planning, and the importance of procurement planning must be rigorously shared among the multitude of stakeholders taking into account the prevailing political, social, economic and cultural circumstances. It is only then that full benefits of accountability in the local government procurement systems can be achieved and improved. Local governance and poverty reduction could then be achieved at minimum costs, the paper argues.

BACKGROUND

In both developed and developing countries, local governments are instituted as channels of ensuring effective service delivery. The

powers of local authorities differ from country to country but in all cases, the powers include the procurement of certain types of goods and services necessary for providing the services they are responsible for (Jones, 2007). In Africa, public procurement is generally managed and its planning in particular takes place in an increasingly complex political, economic, social, cultural, and technological environments. Uganda's procurement management cannot be an exception. At a national level, local government procurement systems in Uganda do operate in a rather challenging and complex political, economic, cultural, religious and technological contexts. Lack of accountability in the use of public resources and more so in the conduct of public procurement with a hefty budget allocation has become a major challenge to policy makers, academic and researchers; and this is partly due to the above complex environment. Different disciplines like political science, economics, public choice theorists, moral specialists approach it from number of perspectives. Procurement is a perspective that touches each of the perspectives given its now undisputed position in facilitating government operation through making the efficient and effective availability of financial, material and human resources. Whereas the management of public procurement may range from planning to it's monitoring, this paper concentrates on the planning stages of procurement and its implications for ensuring accountability in a local government procurement system.

Key Stakeholders and their Responsibilities

In Uganda, procurement planning is part and parcel of the traditional planning already familiar in local governments:- notably, development planning and budgeting. The mandate for planning in local governments is derived from Regulation 62 of the Local governments (PPDA,2006): user department to prepare an annual work plan for procurement based on the approved budget, which shall be submitted to the procurement and disposal unit to facilitate orderly execution of annual procurement activities. It is also stated that a procurement plan should be integrated into the annual sector expenditure program to enhance financial predictability, accounting and control over procurement budgets and that a procurement and disposal unit is required to use the combined work plan to plan, organize, forecast and schedule the procuring and disposing entity's procurement activities for the financial year. The combined work plan

for the procuring and disposing entity will include details of activities of works, services or supplies to be procured; a schedule of procurement requirements in order of priority; a statement of required resources supported by a schedule of the projected funding; a plan of the likely method of procurement for each requirement and the likely time required for each stage in the procurement cycle.

Article 190 of the Ugandan constitution states that district councils shall prepare comprehensive and integrated development plans incorporating the plans of lower level governments for submission to the National Planning Authority and Article 194 of the constitution mandates the central government to transfer funds in form of grants to local governments in order to implement decentralized services. Procurement is one of the core functions critical for achieving this objective in all local governments and it has to be planned under this constitutional mandate. Different stakeholders play different roles (Table 1).

TABLE 1
Key Stakeholders in Procurement Planning and their Responsibilities in Local Governments

Stakeholders	Responsibilities
User Department	<ul style="list-style-type: none"> - Recognizes needs/demands - Describes and initiate procurement requirements - Prepares an annual and quarterly procurement work plan based on the approved budget - Submits procurement work plan to the procurement and disposal unit for implementation - Seeks technical assistance in procurement planning activities where necessary - Recommends statement of requirements to the PDU (Regulations 26)
Procurement and Disposal Unit (PDU)	<ul style="list-style-type: none"> - Advises user departments on individual procurement methods and practices - Consolidates procurement work plan for the entity - Implements procurement plan - Advises on procurement lead time and costs - Carries out market survey on technological trends, availability and price trends - Updates the Procurement plan

TABLE 1 (Continued)

Stakeholders	Responsibilities
Technical Planning Unit	<ul style="list-style-type: none"> - Formulates the Districts Corporate needs - Consolidates work plans/strategic plan - Costing procurement requirements
Council	- Approves planning framework, budget & procurement plan upon which procurement plans are prepared by users
Finance	<ul style="list-style-type: none"> - Provides budget ceilings to facilitate development of procurement work plans - Confirms budget availability - Advises on cash flow over a period of time

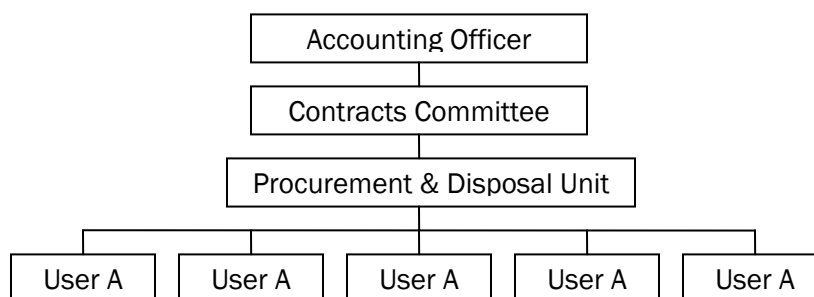
Source: Public Procurement and Disposal of Public Assets Authority (2006).

The Local Government Procurement Framework

The terminology surrounding procurement process signifies the stages or steps or phases that organizations or government departments follow in the acquisition of goods, services and works necessary for the performance of the various functions for which they are established. This process can be simple or complex depending on what is being procured. In simple processes such as the case of micro procurement all the stages may not have to be followed to the latter as is the case in complex procurements unless special waivers have been granted by regulatory authorities. The process can also be described taking into consideration whether pre-qualification is applied or whether it is not applied. Given the public procurement and public assets disposal framework set up in Uganda, it is necessary to understand the procurement cycle as it is the basis for proper execution of roles and responsibilities by the various key stakeholders in an entity. The Procurement cycle summarizes the process through which a local council procures any requirements (works, services and goods). The process is managed through a new legal and institutional structure, which is summarized in Figure 1.

The various stages in the local government procurement culminate into culminate into a procurement plan that should guide the local government in the acquisition of goods, services and works for a particular financial year. The procurement plan contains useful information including the method of procurement for each or group of requirements, total time the procurement process will take (lead

FIGURE 1
Uganda Local Government Procurement and Disposal Entity (PDE):
Institutional Framework of Procurement Uganda



time), realistic time (date) when each requirement will be required by the user, latest date when each procurement will be initiated by the user, financial year of initiation and financial year of payment of the procurement. The plan can be for user departments or a consolidated procurement plan and is the major output of the procurement planning process.

Local government procurement is currently managed under a new legal framework; a set of laws that govern procurement and disposal activities. Such laws can be internal (municipal laws) as well as external (international laws). The internal laws govern procurement within the national boundaries of Uganda while the external ones govern procurement beyond borders. Only examples of municipal laws are summarized in (Table 2).

TABLE 2
Legal Framework of Procurement in Local Governments of Uganda

<ul style="list-style-type: none"> - The 1995 constitution of the Republic of Uganda - The Public Procurement and Disposal of Public Assets Act, 2003 - The Public Procurement and Disposal of Public Assets Regulations of 2003 - The local Governments Public Procurement and Disposal Regulations of 2006 - The Local Governments Act of 1997 as amended - Local Governments Financial and accounting Regulations of 1998 - International procurement Laws e.g. World Bank Guidelines - Local Governments (Public Procurement and Disposal of Public Assets) Guidelines of 2008

The Constitution. The 1995 constitution of the republic of Uganda is the supreme law of the Country. Article 206 of the constitution provides for the parliament to make laws regarding Local Governments while Article 176(2) empowers Local Government to plan, initiate and exercise policies affecting them among which is Public Procurement and Disposal. The overall planning for procurement therefore has to be done within this supreme law of the country.

The PPDA Act, 2003. This is the principle law governing Procurement and Disposal in both Local governments and central government Procurement. It prevails over all regulations and guidelines relating to Procurement at all levels of the public sector in Uganda. It was enacted by the Government of Uganda as 'The Public Procurement and Disposal of Public Assets Act' and it came into force on 21 February 2003. It replaced and repealed Statutory Instrument No. 64 of 2000. The act is made up of 99 sections and 5 Schedules. The PPDA Act applies to: All public finances; All Resources such as: Counterpart transfers and co-financing; and Non-governmental entities which benefit from public funds.

The Local Governments Act of 1997 (as amended). Local government Act, Cap 243 specifies sections that have been amended and relate to Public Procurement. These are captured in the Local governments (amendments) (No. 2) Act 2006, where specifically they include the following;

- Section 91 - There shall be a contract committee in every higher Local council or municipality which shall consist of the chairperson, a representative of the Town Councils and three other members all of whom shall be nominated by the Chief Administrative Officer from among the officers of the District Council and will be approved by the Secretary to the Treasury.
- Section 92 - The district Contracts Committee will be performing the functions specified in section 28 (adjudication of recommendations from the PDU and award of contracts, approving the evaluation committee, approving bidding and contract documents, approving procurement and disposal procedures, ensuring that best practices in relation to procurement and disposal are strictly adhered to by procuring and disposing entities, ensuring compliance with the Act, and liaising directly with the public procurement authority on matters within its

jurisdiction) and 29(authorise the choice of procurement and disposal procedures, solicitation documents before use, technical, financial, or combined evaluation reports, contract document in line with the authorised evaluation report and any amendment of the award contract; recommend for the delegation of a procurement or disposal function by the Accounting officer whenever need arises; and award contracts in accordance with applicable procurement or disposal procedures as the case may be) of the Public Procurement and Disposal of Public Assets Act, 2003.

- Section 93- Every district shall have a Procurement and Disposal unit staffed at the appropriate level and shall be headed by a Procurement officer who shall be secretary to the Contracts Committee but without voting rights.
- Section 94 - Municipal Councils will also have municipal Contracts Committees. These committees will be nominated by the Town Clerk and approved by the Secretary to the Treasury and will perform the same functions as the District Contracts Committees.
- Section 94C - The following persons shall not be qualified to be members of the District Contracts Committees:(a) A Chief Administrative Officer of a District, (b) A Chief Finance Officer of a District,(c) A Town Clerk of a Town Council or of a Municipality; and (d) A Finance Officer of a Municipality

Local Government (Procurement and Disposal of Public Assets) Regulations, 2006. These regulations explain the intentions of the Act, 2003 and where they conflict with the Act, the Act must prevail. It is worthy noting that there is a different set of PPDA regulations that are applicable to Central government

Local Governments (Public Procurement and Disposal of public Assets) Guidelines of 2008. In accordance with the Local Governments (Public Procurements and Disposal of Public Assets) Regulations of 2006, these guidelines issued in January 2008 cover 10 regulations. Regulation 1(2008) deals with thresholds for procurement methods, Regulations 2(2008) deals with minimum bidding periods, Regulation 3(2008) deals with reference numbers for procurement and disposal transactions and regulation 4(2008) deals with bid and performance securities. Other remaining

regulations in their corresponding order deals with administrative review fee, format for procurement and disposal quarterly reports, procedures for evaluation methods, procedural forms for procurement and disposal transactions, records to be kept by the procurement and disposal unit and finally standard notice formats.

Procurement Planning and Responsible Local Governments

Within the public sector, there is a broad range of accountabilities (Heeks, 1998) including managerial accountability to senior managers within the organization:- political accountability to those institutions that provide legitimacy of the organization, financial accountability to those institutions that provide the financing for the organization and public accountability to citizens outside the organization. Interestingly, the decentralization literature posits three general forms of decentralization; which inherently mirror the types of accountability above-political decentralization, administrative decentralization and fiscal decentralization (Braun & Grote, 2000; Gurger & Shah, 2000, Rondinelli, 1999). But the same literature indicates that only a few developing countries have adopted comprehensive political, fiscal and administrative decentralization (Elhiraika, 2006). Accountability of the local government procurement system could thus also take the three dimensions but emphasis is normally given to financial accountability. The above writings do not offer any steps on how a careful procurement planning exercise can help enhance accountability of the local government procurement system. Meanwhile, a significant number of African countries have over the years adopted measures aimed at decentralization of government, together with development planning and administration; a fashion that became popular in the 1980s (Livingstone & Charlton, 2001).

By the late 1990s the failure of the existing procurement systems in Africa to cope with the expansion in government procurement requirements and to delivery value for money had become generally accepted among government and donor partners (Agaba & Shipman, 2007). But the 1990s saw a wave of procurement reforms which were aimed at creating a sound public procurement regime that was to be accountable, transparent, encouraging open competition, non-discriminative, and one which emphasized value for money. While decentralization of service delivery may be justified on a number of grounds, the literature seems to suggest that improving service

delivery has been a common factor (Ahmed et al., 2005; Mullins, 2003; Shah & Thompson, 2004). Decentralized governance has been advocated by donors and development agencies as an instrument to ensure broader participation of citizens as well as to prove local governance leading to poverty reduction from the bottom up (Jutting, et al., 2005). In a number of African countries, decentralization has been embraced with the hope of cracking open the blockages of an inert central bureaucracy, curing managerial constipation, giving more direct access for people to the government and the government to the people, stimulating the whole nation to participate in nation development plans (Mawhood, 1983). In many developing countries however, decentralization has not been able to achieve the benefits of effective service delivery because of many challenges confronted by local governments. Lack of commensurate revenue assignments, inadequate access to financial markets, and lack of necessary administrative capacity on the part of local authorities have been some possible explanations (Elhiraika, 2006). In all this debate, the role of public procurement systems remain silent; and yet public procurement is increasingly recognized as a central instrument to ensure efficient and corruption-free management of public resources (OECD, 2007, p. 19) where countries has devoted efforts to ensure that:

- Public procurement procedures are transparent and promote fair and equal treatment;
- Public resources linked to public procurement are used in accordance with intended purposes;
- Procurement officials behavior and professionalism are in line with the public purposes of their organization; and
- Systems are in place to challenge public procurement decisions, ensure accountability and promote public scrutiny.

At every stage of public procurement, there are risks of integrity. During the pre-bidding period; starting from needs assessment, common risks include lack of adequate needs assessment, planning and budgeting of public procurement, requirements that are not adequately or objectively defined, an inadequate or irregular choice of the procedure and a timeframe for the preparation of the bid that is insufficient or not consistently applied across bidders (OECD, 2007). All these concern the function of procurement planning. Should local

government's procurement system fail to manage these risks, accountability and eventual service delivery is seriously threatened.

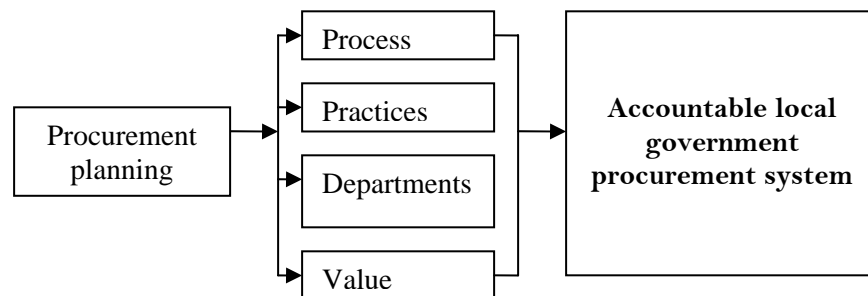
In a decentralized context, mechanisms must be established to effectively link national and sub-national planning processes; to assure that national priorities are appropriately reflected in regional and local policies. Vehicles must be in place to ensure that plans are realistically linked to resource constraints, and that, once developed; plans are effectively incorporated into sub-national budgets (Mullins, 2003). Mullins has previously argued that procurement planning is a process of determining the procurement needs of an entity and the timing of their acquisition and their funding such that the entities operations are met as required in an efficient way. As a function, procurement planning endeavors to answer the following questions: (a) What do you want to procure? (b) When do you want to procure it? (c) When are you to procure and when will you use the procured goods, services and works the procurement? (d) Where will you procure them? (e) When will resources be available? (f) Which methods of procurement will you use? (g) How will timely procurement or failure affect the user of the item(s) and the public procuring and assets disposal entity? (h) How can you be more efficient in the procurement process? and (i) Who will be involved in the procurement? (Basheka, 2008). It has been argued that planning is not concerned with future decisions but rather with the future impact of decisions made today and thorough planning is critical as agencies are always facing budget constraints that cannot satisfy all capital acquisition needs (Drabkin & Thai, 2003).

Elsewhere, it has been argued that accountability of public officials is critical in deterring corrupt practices and it creates an enabling environment for vibrant private sector activity (Kabaj, 2003); and problems of accountability arise when governments ignore or transgress social ethics and constitutional and legal provisions in conducting public affairs, administrative systems are fragmented, tasks to be performed are so complex or unspecified that it is difficult to identify who is responsible for what, activities are underfunded so that implementation is very difficult or impossible (Therkildsen, 2001). Whenever; there is accurate forecasting of what goods, services and works local governments should procure (through procurement planning), the benefits of efficient utilization of resources are obvious. The officials who are involved in the acquisition process will be aware of the items that are required, the

time when they are required, the methods that will be used, the people who are to be involved, the approval levels, etc. This will make all the processes transparent. It cannot create serious room for corrupt tendencies as it would have been the case where planning was lacking.

By far, there is no documented empirical evidence suggesting the relationship between procurement planning and accountability of local government procurement systems in Uganda, a situation that leaves most debates on the two subjects to be treated as hearsay in the scholarly literature. To deviate from this lack of empirical documentation, this study was undertaken with the aim of establishing the direction and degree of relationship between procurement planning and accountable local government systems in Uganda. The conceptual model that was adopted in the study is illustrated in Figure 3.

FIGURE 3
Conceptual Framework



A conceptual framework in Figure 3 linked the four elements of procurement planning (procurement planning process, practices, departments that should get involved in procurement planning and the value or importance of procurement) with accountability of local government procurement system guided the data collection, an analysis and reporting processes of this study. Bailey, Farmer, Jessop and Jones, (1998) have argued that while top management must accept a large share of the blame for the lack of effective procurement activity, part of the fault often lies with the purchasing

people. Presumably, if the function is seen as being of sufficient importance to the long term operation of the company, then relevant staff would be involved at the right level. Involvement in planning necessitates a grasp of the operation of the business as a whole as well as a clear understanding of the complex relationships within the company with regard to materials, and what information is required by whom. This study aimed at examining the relationship between elements of procurement planning and the creation of procurement systems that are accountable in a local government context. Some questions guided the data collection and analysis exercise.

Research Question: Is there a significant relationship between procurement planning and accountable local government procurement system in Uganda?

The above question can be translated into four following specific research questions (RQ):

- RQ 1. Can effective procurement planning process contribute to creation of accountable local government procurement systems?
- RQ 2. Which procurement planning practices can contribute to the creation of local government procurement systems which are accountable?
- RQ 3. Does the involvement of particular departments in procurement planning have a contribution on creating accountable local Government procurement systems?
- RQ 4. How related is the recognition of the value of procurement planning with accountable local government procurement systems?

METHODOLOGY

Respondents in this study were stakeholders from 11 different district local governments of Uganda attending two separate workshops organized by PPDA one in Masaka District held in June, 2007 and another held in Ntungamo District (September, 2007) in the Western part of the country. The study group included men and women, rural and urban local government representatives, political and administrative staff, senior and junior personnel, professionals and non-professionals. A total of 99 respondents out of the expected

150 respondents returned the survey instruments, a response rate of 66%. A questionnaire that was closed-ended was administered to the respondents and eventually a variety of analyses were conducted to explore the hypotheses postulated above. First, we conducted factor analysis on both the dependent and independent variable items upon which reliability analysis for the retained items were computed. Second, we calculated correlation coefficients between the procurement planning and local governance elements retained from factor analysis, to explore possible strengths and direction of relationships. Third, we conducted multiple regression analysis which gave us various outputs like the model summary, the ANOVA Table, and coefficients results among others that were used to make interpretations and discussions of the study and upon which empirical conclusions were made. Procurement planning and local governance can be measured differently. In this study, procurement planning was measured at four major levels-processes of procurement planning, procurement planning best practices, departments to be involved in procurement planning, and value in procurement planning. On the other hand, local governance was measured using two indicators of community participation and accountability.

This study was conducted in the western region of the country and it attracted a total of 11 district local governments' participants in two separate workshops organized by the PPDA (one in Masaka and another held in Ntungamo). Ntungamo District had the biggest number of respondents at 56 (56.6%), Lyantonde 8 (8.1%), Mityana 7 (7.1%), Hoima 6 (6.1%), Bundibugyo 4 (4.0%), Sembabule 3 (3.0%), Rakai 3 (3.0%), Kasese 3 (3.0%), Kibaale 2 (2.0%), Kabarole 2 (2.0%). Another 3 respondents (3.0%) did not indicate the district local governments they belonged to and were treated as non-response cases. Of the all the total respondent categories, 87 (87.8%) were males compared to only 12 (12.1%) who were females. The respondents included both technical and political stakeholders. Among the technical staff were chief administrative officers, members of the contracts committee, heads of departments, staff from the accounts or finance department and other sectoral groups at the district. The political class includes local council chairpersons at both district and sub county levels. It was also found through descriptive analysis that of the study respondents, about 28.2% of the respondents had over ten years of working experience, a total of

about 49.8 had over three years of working experience in local governments and the remaining category of respondents were below three years working experience. This generally implies that the majority of the respondents had useful knowledge on the dynamics of local government operations and was in a better position to gauge the effects of procurement planning on the creation of local government procurement systems which are accountable.

Participant responses to the 50 items comprising procurement planning and local governance elements were subjected to principal component factor analysis and after careful rotation of the items using varimax technique, a number of components were retained and were selected based on a combination of approaches: the Scree plot, communality, total variance and KMO approaches. For the procurement planning variables, the KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) was 0.913 and Bartlett's Test of Sphericity being 2348.932 (sig.-000). For the local governance items, the corresponding values were at 0.916, 1195.672 (sig. 000), respectively.

RESULTS AND DISCUSSION

Any procurement begins with the planning decision to make the purchase. This will involve deciding whether there is a need for the particular goods or services and will equally involve ensuring that the purchaser has the legal powers to undertake the transaction, obtaining any relevant approvals within the government hierarchy and arranging the necessary funding (Arrowsmith, Linarelli & Wallace, 2000). These planning tasks require the involvement of a number of stakeholders following prescribed legal procedures. Local government procurement systems are likely to enjoy benefits from systematic and accurate planning efforts. Guided by this hypothetical grounding, factor analysis was used to establish the critical variables of procurement planning likely to affect accountability of local procurement systems.

The Local Government (Public Procurement and Disposal of Public Assets) Regulations of 2006 identifies about 20 steps that should be followed by local governments in the process of procurement planning (Table 3). But contrary to this perception, this study identified only 14 of the steps that local governments should

follow in their procurement planning. This implies that the remaining 6 steps that the law considers to be stages are actually planning practices. These were retained in the second component which we labeled procurement planning practices. The above stages: going by their factor loadings indicate that the most critical stages of local government procurement planning include consolidation of the procurement plan of all organizational departments, preparation of a combined work plan, matching procurement to funds or cash flow and reviewing and updating the procurement plan.

TABLE 3
Principal Component Factors on Procurement Planning Processes

Items	Loading
Panel A. Component Factor 1: Procurement Planning Processes	
1. Consolidation of the procurement plan	.825
2. Preparation of combined work plan	.822
3. Matching procurement to funds or cash flow	.806
4. Reviewing and updating the procurement plan	.804
5. Forwarding Procurement planning to PDU	.798
6. Circulate approved procurement plan to users	.775
7. Prioritize the procurement requirements	.770
8. Agree with other departments/finance on cash allocation	.769
9. Obtain approval of the procurement plan	.760
10. Write down the procurement plan	.751
11. Determine total time of the procurement process	.751
12. Planned expenditure is realistic and achievable	.746
13. Determine method of procurement to use	.698
14. Carry out market research for prices, etc.	.674
Cronbac's $\alpha = 0.97$	
Total variance of 54.1%	
Panel B. Component Factor 2: Procurement Planning Practices	
15. Involving and consulting key stakeholders	.796
16. Making budgetary proposals and seeking approval	.737
17. Identifying sources of funding for the procurement	.720
18. Clear assignment of responsibility	.706
19. Make clear TOR or SOW of requirements	.699
20. Determine departmental work plans	.672
Cronbac's $\alpha = 0.94$	
Total variance = 8.5%	

The second principal component that was retained was labeled procurement planning practices. Factor analysis generated six principal components for this element. It is apparent from the Table 3 that the most important procurement planning practice in local government procurement system is involvement and consultation of key stakeholders. Contrary to the provisions in the local government procurement regulations that involve and consult key stakeholders, make budgetary proposal and seek approval, identify sources of funding for the procurement, clear assignment of responsibility, make clear terms or scope of work and determine department work plans (Local Government Procurement and Disposal of Assets Regulations 2006), this study has revealed that these six aspects are instead indicators of procurement practices expected of local governments in the process of procurement planning.

In a decentralized environment, there is a danger that different practices, and possibly different regulations will proliferate but ideally bidders should not face different procedures when bidding on contracts in different parts of the country. This calls for consistent national standards and for a central body to set, update, and monitor compliance (The ADB Governance brief, 2000). In agreement with this argument, the results have revealed six common procurement planning practices that could be applied by local governments in Uganda and these have been found to be significantly related to accountability of local government procurement systems. Common procurement planning practices as identified in the above table when applied can yield a common yardstick of monitoring and compliance among local government procurement systems in Uganda.

In this study, factor three was retained related to the departments that should be involved in procurement planning. A ranking order of the three departments retained revealed that the accounts department was the most critical department while making procurement plans in local governments followed by the users of the respective departments. The procurement and disposal unit plays the least role. This finding is probably not surprising since the PDU should be playing a coordination and guidance role in the planning of procurements. The summary of the results are presented in Table 4. The factor analysis results generated the fourth component as an indicator or measure of the procurement planning variable. This component retained three major items that were effectively loading

TABLE 4
Procurement Planning Departments

	Loading	Cronbac's α
Accounts or finance departments	.882	0.74
Users of the respective departments	.717	
Procurement and Disposal Unit	.683	
Total variance = 5.5%		

on it. All three items were pertaining to the usefulness of the procurement planning process and we labeled the component procurement planning importance. It was evident from the results that from a local government context, stakeholders believe that procurement planning is necessary as a key decentralized governance principle with opinions arguing that it adds value to the processes receiving an impressive response. The third major response on its value was that it led to compliance which in turn affects accountability of the system. The summary of the results and the reliability of the component are presented in Table 5.

TABLE 5
Importance of Procurement Planning

	Loading	Cronbac's α
Procurement planning is key for decentralized governance	.787	0.71
Procurement planning adds value	.719	
Procurement planning results into compliance	.716	
Total variance = 5.1%		

We set out to examine the relationship between procurement planning and the creation of local government procurement systems which are accountable in Uganda. Table 6 gives a summary of the factor analysis results for the accountability component.

These findings are in agreement with the existing literature on the subject. Accountable procurement systems are essential in the effectiveness of service delivery in the local government.

TABLE 6
Factor Analysis for Accountability

	Loading	Cronbac's α
Absence of accountability creates uncertainty	.877	0.93
The liberalization of press increased awareness of citizens	.861	
Corruption is rampant where level of accountability is low	.827	
Improved accountability needs to be recognized	.810	
Public resource management systems provide basic structure	.787	
Accountability by public officials is critical	.719	
Total variance = 58%		

Procurement and its management is a core function of public financial management and service delivery (Harmonizing Donor Practices for Effective Aid Delivery, 1999). And effective and efficient public procurement systems are essential for the realization of the Millennium development goals (MDG's) and the promotion of sustainable development. Unfortunately, the procurement systems in many developing countries are particularly weak and serve to squander scarce domestic and foreign resources. Public Procurement has always been a big part of the developing countries economy accounting for an estimated 9-13% of the developing nations GDP and it is therefore an area that needs attention since resources are not being used properly (Witting; 1999).

CORRELATION RESULTS

Maintaining integrity in Public Procurement is one of the most important pillars of national procurement systems (Arrowsmith, Linarelli & Wallace, 2000); and the public interest requires that government business be conducted in a manner guaranteeing that expenditures are made in an economically rational way (Soudry, 2007). In this section, we present results on the relationship between the elements of procurement planning and accountable procurement systems in Uganda.

Four independent variable measures were used to establish the relationship between procurement planning and accountability of local government procurement systems: [1] procurement planning stages/processes; [2] procurement planning practices, [3] departments to be involved in procurement planning, and [4] the value of procurement planning. All the four factors were found to be positively related to accountability of local government procurement systems. The above results indicate that procurement planning processes are significantly and positively related to accountable local government procurement systems in Uganda ($p=000, 621^{**}$). An increase in efficiency of the processes of procurement planning will lead to corresponding improvements in the accountability of local government systems. This implies therefore that accountable local government procurement systems are most accountable where there is accurate and timely procurement planning. The results portray a statistically significant positive relationship between the procurement planning practices and accountability of local government procurement systems ($p=000, 553^{**}$). At 99% confidence level, the results portray a significant positive correlation between departments involved in procurement and accountability of local government systems ($p=000.404^{**}$). It was further revealed that the recognition of the value of procurement planning alone in local governments of Uganda was also statistically significant and related to accountability of local government procurement systems in Uganda ($p=000.,.381^{**}$) (Table 7).

From the results shown in Table 7, it is evident that the function of planning procurements measured at four levels is significantly related to the creation of local government accountable procurement systems in Uganda. For practice, this implies that local government personnel and regulatory bodies like PPDA must consider adequate financial, human and material resources for the procurement planning task. There is a need for investing time in training the various actors on the critical stages of procurement planning essential for any local government procurement system. It is worthwhile noting that despite the efforts local governments in Uganda make to improve the planning of their acquisition processes, there are numerous challenges that they face and these have to be countered if procurement planning is to play a significant role in contributing to the creation of accountable systems. Local

TABLE 7
Correlation Analysis Results (N = 99)

Variables: Four Procurement Elements		1	2	3	4	5
Planning Practices	Pearson Correlation	1	.448 ^a	.480 ^a	.780 ^a	.553 ^a
	Sig. (2-tailed)	.000	.000	.000	.000	.000
Planning departments	Pearson Correlation		1	.351 ^a	.396 ^a	.404 ^a
	Sig. (2-tailed)			.000	.000	.000
Planning Value	Pearson Correlation			1	.366 ^a	.381 ^a
	Sig. (2-tailed)				.000	.000
Planning process	Pearson Correlation				1	.621 ^a
	Sig. (2-tailed)					.000
Local Government Procurement Systems						
Accountable Procurement systems	Pearson Correlation					1

Note: ^a Correlation is significant at the 0.01 level (2-tailed).

governments are usually different because of geographical and political differences among others. However, they are likely to face the same challenges when it comes to procurement planning which is governed by a uniform legal framework. Respondents were asked to indicate the first greatest challenges which they thought affected procurement planning in their districts. Table 8 summarizes major challenges.

These challenges are comparable to those identified at the international level. OECD (2007) identified risks in pre-bidding (which are essentially planning oriented); grouping them into:

- (a) Needs assessment, planning and budgeting (lack of adequate needs assessment, deficient business cases, poor procurement planning, failure to budget realistically, procurements not aligned with the overall investment decisions, interference of high -level officials in the decision to procure, informal agreement on contracts;
- (b) Definition requirements (technical specifications, selection and award criteria and unqualified companies;

TABLE 8
Major Challenges Affecting Procurement Planning in Local Governments in Uganda

1. Delayed appointment of PDU and Lack of functional & effective PDU
2. Problems in carrying out market survey
3. Collusion in preparation of bids to inflate price among staff of the district
4. Communication from Secretary Contracts committee to lower levels is poor
5. Corruption
6. Delay of funds from central government
7. Delays in confirmation of availability of funds
8. Failure to meet the entity administrative time "EAT"
9. Failure to present proc requirements in time by departments
10. Influence peddling by bidders
11. Interference by politicians
12. Lack of clarity of roles by stakeholders
13. Lack of enough consultation
14. Poor facilitation to planning officers
15. Lack of proc & Disposal guidelines
16. Lack of sensitization and Low capacity building for members of CC
17. Lack of skills in user departments to accurately state their requirements
18. MOFPED delays to send IPFs to districts
19. Most posts are not filled since recent restructuring
20. Not considering time
21. Poor monitoring of activities by responsible officers
22. Poor Prioritization of requirements

- (c) Choice of procedure (lack of procurement strategy for the use of non-competitive procedures based on the value and complexity of the procurement which creates administrative costs, abuse of non-competitive procedures on the basis of legal exceptions through contract splitting, abuse of extreme urgency, abuse of other exceptions based on a technically or exclusive rights and untested continuation of existing contracts;
- (d) Timeframe (a time frame that is not consistently applied to all bidders and one that is not sufficient for ensuring a level playing field).

Asked to present the secondary challenges, several of them were again identified with the summarized list being indicated in Table 8.

TABLE 8
Secondary Challenges Affecting Local Government Procurement
in Uganda

<ol style="list-style-type: none"> 1. Absence of procurement specialist in the district 2. Budgeting process starting late 3. Change of work plans by user departments 4. Community & suppliers look at politicians as influential in the process 5. Conforming to likely time for procurement is not easy 6. Delays or failure to make & communicate the procurement time frame 7. Identification of items to be procured is sometimes a problem 8. Identifying sources of funding for procurement 9. Inadequate consultations is a major hindrance 10. Interpretation of the law governing procurement need to be simplified 11. Lack of qualified staff in the right numbers to man the unit 12. Low levels of education of some members of C. C. 13. Low sensitization for political leaders & service providers 14. Neglect of responsibilities by stakeholder 15. One firm being always evaluated as the best in most of the works 16. Lack of participatory involvement in planning 17. Procurement plan objectives are not well defined 18. Lack of Procurement planning guide 19. Unclear TOR/SOW

CONCLUSION

It has been observed from the results that the necessity of a well functioning public procurement system is critical for the improved delivery of decentralized services. The procurement system that is envisioned to contribute to effective service delivery is expected to be accountable and transparent. Accountability of the local government procurement system as derived from the results of this study should entail having a liberalized press intended to increase awareness of citizens on how well the local governments are utilizing public resources, a deliberate effort to address corrupt tendencies as they pertain and occur during the various stages of procurement, various stakeholders recognizing efforts of improved accountability as a motivator for others to follow as examples, establishing clear public resource management systems that are transparent to a variety of stakeholders and a policy emphasis on making all public officials accountable for whatever they do during the process of procuring for their local governments. To achieve all these features of an

accountable procurement system, the paper has argued that procurement planning plays a significant role. The contribution of the proper planning processes, the consideration of appropriate planning practices, the involvement of the 'right' departments in planning and a realization of the value of procurement planning are critical parameters of ensuring accountability. On the basis of this study's findings, it is suggested that:- (1) all policy makers at central and local government level should devote considerable time and resources considering the importance of procurement plans in service delivery and the policy of enforcing compliance to development of procurement plans must be supported; (2) the local government stakeholders should also invest in training the technical staff on how to prepare an accurate procurement plan ;(3) the policy makers at local government level should consider while approving procurement plans how the plan will enable them deliver the services to the people who elect them; and finally; (4) the procurement regulatory authorities in collaboration with ministries of local governments must ensure compliance through rigorous monitoring and application of punitive measures to those entities that do not comply with the legal requirements.

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