



BRIEF OF THE COST AND EXTENT OF CORRUPTION IN THE EDUCATION SECTOR

The study was conducted between February 2021 and December 2021. The report provides a detailed estimation of costs of corruption in the Education Sector for the calendar year 2019. Independent studies were conducted to estimate the Cost and Extent of Corruption in the Education and Health sector because these sectors were deemed the most essential and regularly accessed services to citizens

The total cost of corruption was estimated at **UGX 1,963.5 Billion**. The study established three broad categories on which the Cost of Corruption in the Education Sector impacts. The costs are characterized as either being Direct or Indirect. The following are the three broad costs of corruption in the education sector.

Costs directly accrued to the Public Budget estimated at **UGX 424.5 Billions**

Costs accrued directly to Citizens estimated at **UGX 1,539.1 Billions**

1. Net social cost due to dead-weight loss (indirect cost)

The table below is a summary of the measurable costs attributed to corruption in the Education Sector.

COST	ACTOR BEARING THE COST (Ugx Billions)		TOTAL (UGX Billions)
	Public Budget	Citizen	
Bribery		39.1	39.1
Loss to the budget due to absenteeism, ghost workers or abuse of recruitment	180.5		180.5
Loss of learning due to absenteeism		1,500	1,500
Loss of public education funds through embezzlement	244		244
TOTAL COST	424.5	1,539.1	1,963.5

The study on the cost of corruption in the Education Sector discussed other costs that were not precisely estimated due to lack of relevant literature. These were:

1. Costs to physical and mental wellbeing of students due to abuse and sextortion
2. Costs of corruption in procurement of school infrastructure and inputs
3. Loss of education quality for students due to corruption
4. Loss of income/earning potential due to lower quality and attainment
5. Lost productivity and economic growth due to low quality of corruption
6. Costs of positive attitudes towards corruption among students gained through observing corruption in the school system



BRIEF OF THE COST OF CORRUPTION IN THE HEALTH SECTOR

The study was conducted between February 2021 and December 2021. The report provides a detailed estimation of costs of corruption in Health Sector for the calendar year 2019. Independent studies were conducted to estimate the Cost and Extent of Corruption in the Education and Health sector because these sectors were deemed the most essential and regularly accessed services to citizens.

The total cost of corruption was estimated at **UGX 672.7 Billion**. The study established three broad categories on which the Cost of Corruption in the Health sector impact. The costs are characterized as either being Direct or Indirect. The following are the three broad costs of corruption in the education sector;

Cost directly accrued to the public budget of **UGX 498.6 Billion**

Cost directly accrued to citizens of **UGX 174.1 Billion**

Net social cost due to dead-weight loss (indirect cost). These costs were not measurable.

The table below is a summary of the measurable costs attributed to the cost of corruption in the Health Sector.

COST DESCRIPTION	ACTOR BEARING THE COST (UGX Billions)		Total (UGX Billions)
	Public Budget	Citizen	
Costs of giving bribes or gifts to healthcare providers		140.8	140.8
Loss of treatment because of bribery and unofficial fees		33.3	33.3
Losses owing to absenteeism	495.1		495.1
Losses owing to procurement corruption	3.5		3.5
TOTAL COST	498.6	174.1	672.7

Recommendations:

- Improve the collection and sharing of data from healthcare providers about the need for medicines, to reduce the scope for manipulating demand and supply in ways that create artificial stock outs etc.
- Empower citizens to know their rights about which medicines should be available to them free of charge, so that they can challenge healthcare providers who claim that no medicines are available.
- Improve public procurement tenders for medicines, making them more open and competitive breaking up closed networks of collusive companies and officials.
- Improve post-award monitoring of procurement contracts, involving local communities receiving the goods and services procured.

SUMMARY OF THE COST OF CORRUPTION IN UGANDA

The study was conducted from February 2021 to December 2021. The report provides a detailed estimation of costs of corruption in Uganda for the calendar year 2019. The Total Cost of Corruption was estimated at **UGX 9,114,158,342,330 (UGX 9.1 Trillion)** as lower bound estimate, the upper bound estimate is **UGX 20 Trillion**.

Costs were categorized in three categories as follows;

Costs of Corruption directly incurred by the **Public Budget** estimated at **UGX 4,363,639,206,842 (UGX4.4 Trillion)** Costs directly incurred by **Citizens** estimated at **UGX4,252,309,188,510 (UGX 4.3/= Trillion)** Costs of Corruption incurred by the **Society** estimated at **UGX 347,741,946,978 (UGX 348/= Billion)** Fully eradicating corruption in Uganda is estimated to result in savings of at least **UGX 9,114,158,342,330 (UGX 9.1 trillion)** or 44% of Total Government Revenue in 2019.

In other words, Corruption cost each Ugandan in 2019 at least 200,000 UGX

The table below gives a detailed estimate of the costs. Note that some costs were not measurable due to the absence of reliable data.

SECTOR	ACTOR BEARING THE COST			TOTAL
	SOCIETY	CITIZEN	PUBLIC BUDGET	
Taxation		26,772,719,937	108,905,277,778	135,677,997,715
User Fees		53,699,851,718	424,529,391,990	478,229,243,708
Natural Resources	8,797,508,547	859,208,000,000		868,005,508,547
Education		1,504,116,943,590	425,081,871,795	1,929,198,815,385
Health Care		174,149,313,354	495,103,123,932	669,252,437,286
Security		90,940,512,532		90,940,512,532
Environmental Protection		536,794,619,080	2,281,377,131,090	2,818,171,750,170
Permits and Certificates		243,720,615,540	14,227,880,342	257,948,495,882
Procurement			614,414,529,915	614,414,529,915
FDI	18,453,867,521			18,453,867,521
Interest rates				0
Labor market	320,490,570,910			320,490,570,910
Rule of law		762,906,612,759		762,906,612,759
GRAND TOTAL COST	347,741,946,978	4,252,309,188,510	4,363,639,206,842	9,114,158,342,330

The element estimated to have the highest Cost of Corruption was the Environmental Protection Sector accruing about **UGX 2,818,171,750,170 (UGX 2.8 trillion)** per year.

Targeted interventions to tackle the most costly forms of corruption could yield substantial financial benefits for the public budget and society at large in addition to diminishing corruption. These cost estimations help select areas for targeted anti-corruption interventions.