

Govt gives printing deal to German firm

Done. Finance minister Matia Kasaija wrote to the three bidding companies, confirming the deal to Veridos Identity Solutions GmbH.

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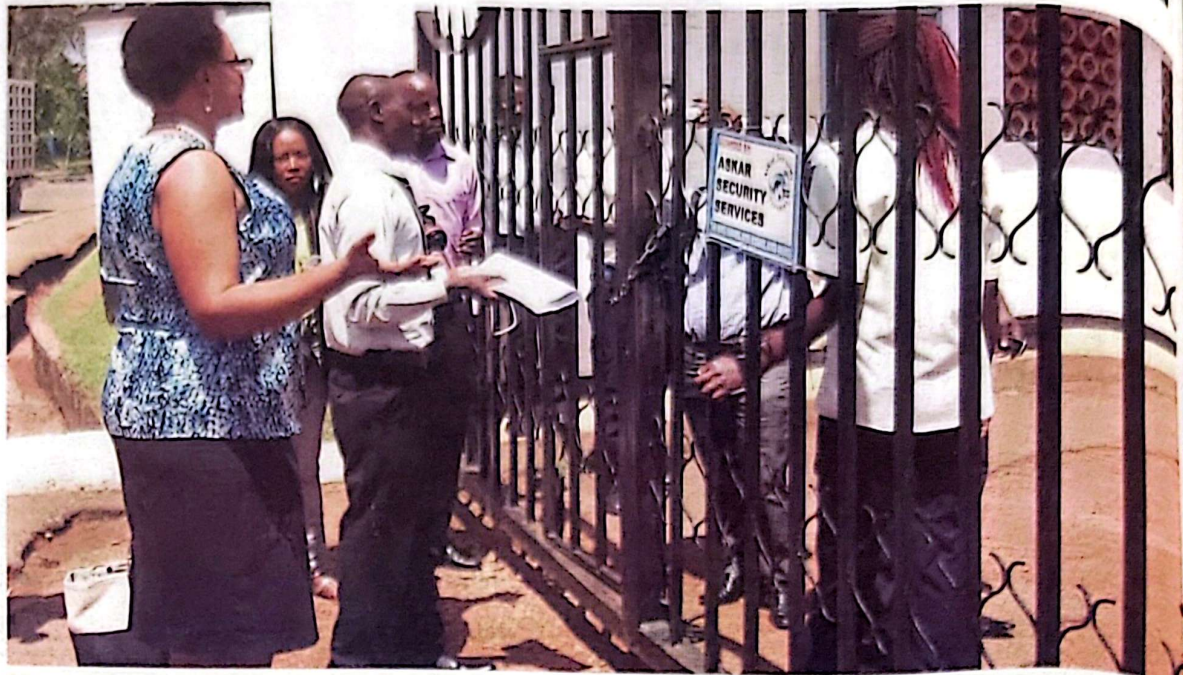
KAMPALA: A multi-billion security printing deal that last year pitted Bank of Uganda Governor against Ministry of Finance officials and President Museveni has been awarded to a German company.

Finance minister Matia Kasaija, who last year discarded the governor's counsel on a local money-printing factory that was being peddled under the security printing deal and called the fears of an economic crisis "foolish", on July 3, wrote to the three bidding companies, confirming the deal to Veridos Identity Solutions GmbH.

Unlike in the previous correspondences, in the latest letter, the minister does not mention the word "currency" anywhere and Bank of Uganda, the statutory body mandated to print money under the BoU Act, was not given a copy.

Mr Kasaija was in a meeting by press time, and when *Saturday Monitor* asked Mr Jim Mugunga, the Ministry of Finance spokesperson, about the new development, he said: "Security printing involves the printing of such things like banknotes, cheques, passports, etc, to prevent forgery, tampering and counterfeiting, among other things."

Mr Mugunga explained that the move is a response to government's need to boost its internal capacity to do security printing, among other things. He however, denied reports that the disputed contract had earlier been awarded to Veridos and insisted that the company, like other firms,



Blocked. Ms Irene Muwanguzi (left) accompanied by her lawyers ask the security guard to open the gate so she could access the UPPC premises after the IGG ordered for her reinstatement in office in September last year. PHOTO BY PAUL ADUJE

expressed interest.

Kasaija explains

According to Mr Kasaija, the company, Veridos Identity Solutions GmbH, which entered a joint venture with Uganda Printing & Publishing Corporation (UPPC) on June 11, 2016, beat De La Rue International Ltd and Muhlbauer GmbH and Co. KG, who submitted their bid jointly with Hungarian Banknote Printing Shareholding Company.

In the fresh bidding process ordered by the Finance ministry, Veridos GmbH partnered with Giesecke & Devrient GmbH to clinch the deal. Veridos Identity Solutions GmbH's scope of work is hinged on creating "secure and pioneering identification and identity solutions."

The joint venture between Giesecke and Devrient GmbH "pools the specialist expertise, the many years of experience and innovative power of the two largest German providers for high security technologies to serve the international market."

Although the Public Procurement and Disposal of Public Assets Authority (PPDA) says they did not handle this procurement, Mr Kasaija explained: "Veridos emerged the best evaluated bidder having looked at the technical, financial and indigenisation aspects of the bid. Accordingly, Government of Uganda will formally commence negotiations with Veridos GmbH."

Veridos Identity Solutions GmbH beat De La Rue International Ltd, a banknote printing, security printing and papermaking company with headquarters in Basingstoke, Hampshire, England. De La Rue plc has printed Uganda's currency for the

What is UPPC?



Uganda Printing and Publishing Corporation (UPPC), is a State Corporation established by the Uganda Printing and Publishing Corporation Act (Cap.330 of the Laws of the Republic of Uganda). It was a Government Printing department established in 1902 as a Government Printer. UPPC is an autonomous government corporation that handles both governmental and private sector printing and publishing.

last more than 50 years. The third contender was Muhlbauer Group, a one-stop-shop technology partner for the production and personalisation of cards and passports.

The fresh bidding happened after senior government officials, including Bank of Uganda Governor Emmanuel Tumusiime-Mutebile, questioned an earlier awarding of the lucrative deal to Veridos GmbH without due diligence and advertising.

"With specific reference to the company mentioned in the joint venture, kindly note that Veridos Identity Solutions are not a known banknote/

Key players



PRESIDENT MUSEVENI. Guided that Veridos Identity Solutions (GMBH) should also be tasked to print currency in the country and that the company had confirmed that it will be in position to do the said job, according to Mr Kasaija's letter.



FINANCE MINISTER MATIA KASAIJA. Says Veridos emerged the best evaluated bidder having looked at the technical, financial and indigenisation aspects of the bid. He adds that government will formally commence negotiations with Veridos GmbH.



JIM MUGUNGA, MINISTRY OF FINANCE SPOKESPERSON. He says: "security printing involves the printing of such things like banknotes, cheques, passports etc. to prevent forgery, tampering and counterfeiting among other things."



ACTING PPDA BOSS BENSON TURAMYE. Says he is not privy to the process, adding that "this procurement is yet to be reported to PPDA. I am not informed whether it was a PPP [Public Private Partnership] Act or PPDA Act applied."

currency printing company and from the publicly available information, this company specialises in identity solutions like passport and national identity cards," Governor Mutebile warned.

While the Governor rejected the proposal, Mr Kasaija, in a letter dated October 20, 2016 had made it clear to him that "His Excellency, the President guided that Veridos Identity Solutions (GMBH) should also be tasked to print currency in the country" and that the company had confirmed that

it will be in position to do the said job.

However, Mr Mutebile insisted that the current suppliers of the country's banknotes have extensive experience and capacity and are economically sound and reputable. He also warned those peddling the money printing deal that "Banknote printing is a very specialised activity that is complex, with high quality and security sensitivity which a handful of reputable currency printers under-

PAST ATTEMPTS AT PRINTING

German firm. In March 2010, the government signed a 64.2m Euros (more than Sh200b) contract with the German firm Muhlbauer Technology to produce IDs for 28m Ugandans amid protests that the company had been sourced in contravention of procurement rules. The contract had been awarded on the orders of President Museveni.

Govt sued. That time, the government was in court, having been sued for breach of contract by the South African data processing company, Face Technologies, which said it had an existing contract with the Government to implement the National ID project, having emerged winner in the bidding process in 2006.

Different actors. Dizzing back-and-forth followed, and the office of the minister of Internal Affairs changed occupants - from Kirunda Kivejinja to Hillary Oniek and to Aronda Nyakairima. Issues were continually raised and more supplementary financing sought.

Going to Parliament. In April 2013, Mr Oniek tabled before the Defence and Internal Affairs Committee of Parliament a plea for an additional Sh500b for the construction of "a permanent coordination centre" in this financial year with the view of registering 18 million Ugandans.