

AFRICA RISK CONSULTING

Uganda Monthly Briefing March 2020

Uganda Summary 10 March 2020

While there have been no confirmed cases of coronavirus (COVID-19) in Uganda, the health ministry has enhanced its surveillance measures as the outbreak disrupts Uganda's small-scale traders and publicly funded projects. Police arrest journalist and filmmaker Moses Bwayo as the government continues to clamp down on independent media and anti-government activists, particularly those associated with the coverage of opposition legislator Robert Kyagulanyi, also known as Bobi Wine. Rwanda's President Paul Kagame (2000-present) and his Ugandan counterpart, Yoweri Museveni (1986-present), sign an extradition treaty in efforts to end border tensions that have paralysed the movement of people and trade across their mutual borders.

COVID-19 risk: preventive measures in place

Uganda's health ministry stated on 8 March that there were no confirmed cases of the **coronavirus (COVID-19)** in Uganda.¹ The government began implementing preventive measures when suspicions of the virus emerged in construction camps in both **Masindi** and **Busili** districts on 19 February. The health ministry intensified its coordination and communication with neighbouring countries as well as with the **World Health Organization (WHO)** following its investigation into reports of suspected cases of the virus.² Addressing parliament on 27 February, health minister **Jane Ruth Aceng** said that while the country had no confirmed cases of COVID-19 at that time, 695 travellers including Ugandans, **Chinese** and other nationals were quarantined and further isolated in efforts to contain the spread of the disease in Uganda.³

"To date 695 travelers, Chinese, Ugandans and others travelling back home have been isolated for purposes of follow-up. Of these, 488 are Chinese nationals, 64 other nationals, while 143 are Ugandan citizens."⁴

The government set up an inter-ministerial committee composed of the health, trade, defence, foreign affairs, internal affairs, tourism and works ministries on 3 February to coordinate preparedness activities and work against the spread of the COVID-19 should it land in Uganda. At a briefing on 4 February at his Kampala office, prime minister **Rukhuna Rugunda** briefed President **Yoweri Museveni** (1986-present) on strategies for prevention, detection, and response, highlighting that the health ministry has developed a preparedness plan for handling the threat of the COVID-19 outbreak.⁵ The strategies currently undertaken to protect the public include the screening of all travelers at **Entebbe International Airport** with the objective of identifying all those that may be infected with the COVID-19. If individuals show any signs or symptoms, they will immediately be quarantined for 14 days at the **Entebbe Regional Referral Hospital** and **China-Uganda Friendship Hospital**. Rugunda also noted that the ministry of health is undertaking risk communication and public awareness campaigns to educate the general public on how to prevent the COVID-19.⁶

The COVID-19 outbreak has already disrupted business in Uganda, and has the potential for large-scale impact. China is one of Uganda's main trade partners with about a quarter of Ugandan imports

¹ Daily Monitor, 8 Mar 2020

² World Health Organization Africa, 20 Feb 2020

³ African News Agency, 28 Feb 2020

⁴ Minister of health, Dr. Jane Aceng quoted by the African News Agency, 28 Feb 2020

⁵ World Health Organization Africa, 6 Feb 2020

⁶ World Health Organization Africa, 6 Feb 2020

coming from China.⁷ Since the outbreak, imports of Chinese products have declined rapidly and widely due to a disruption in supply chains caused by the temporary shutdown of a large number of Chinese factories. This has resulted in sporadic and noticeable shortages of goods.⁸ Kampala-based businessman **Omar Kayira**, speaking to **Germany**-based news outlet **Deutsche Welle**, said small-scale businesses selling textile goods, electronics, or household goods have been significantly affected:⁹

*"There are **Indian** importers, but they don't have the products I sell. At the moment it is very difficult to replace the Chinese supplies. We could try to buy the products we need in India or **Dubai**, but we would probably have similar problems, because the [**United Arab**] **Emirates** also imports most of its products from China."¹⁰*

The COVID-19 outbreak has also hit Chinese-controlled infrastructure projects in Uganda, stalling over 90% of Uganda's major roads construction.¹¹ At a briefing of the **Uganda National Roads Authority (UNRA)** half-year performance at its Kampala headquarters on 26 February, UNRA executive director **Allen Kagina** said many Chinese road development experts failed to return to Uganda after the Chinese New Year holiday following a travel ban that the Chinese embassy in Uganda issued on 29 January on the Chinese community living and working in Uganda.¹²

"It is true we have many projects with Chinese nationals and we are in touch with them through the Chinese Embassy. Some of them were not able to report back because travel is very restricted, by the time we got to know about the coronavirus, it was in the middle of celebrations of Chinese New Year."¹³

The COVID-19 outbreak is likely to significantly affect Uganda's economy in 2020, including an increase in the prices of imported goods and locally manufactured goods whose primary materials are imported from China.¹⁴ Fewer imports will also mean lower government tax revenue.¹⁵

Government continues clampdown on opposition

The clampdown on public figures, anti-government activists, and journalists who express negative political opinions of President Yoweri Museveni continues.¹⁶ Police arrested freelance journalist and independent filmmaker **Moses Bwayo** on 4 March, accusing him of singing subversive songs while producing a documentary about **Robert Kyagulanyi** (also known as **Bobi Wine**), an opposition politician and popular musician seeking to unseat Museveni.¹⁷ Anti-government activists and critics of the current regime say Bwayo's arrest and jailing are part of a crackdown on independent media and to those opposed to the three-decade rule of Museveni ahead of the presidential election in 2021.¹⁸ Rattled by Bobi Wine's appeal to Uganda's young voters, especially those in poor urban areas,¹⁹ the Ugandan government continues to deploy security forces to crack down on supporters, journalists and activists through teargas and mass arrests.²⁰

Bwayo's arrest has led to widespread criticism from a number of civil rights groups, members of the media, and organisations including the **Foreign Correspondents' Association of Uganda (FCAU)**,

⁷ Source, analyst, Pretoria

⁸ Source, analyst, Pretoria

⁹ DW News, 3 Mar 2020

¹⁰ DW News, 3 Mar 2020

¹¹ Business Focus, 26 Feb 2020

¹² Chimp Reports, 29 Jan 2020

¹³ Business Focus, 26 Feb 2020

¹⁴ Source, analyst, Pretoria

¹⁵ Source, analyst, Pretoria

¹⁶ Source, analyst, Pretoria

¹⁷ Okay Africa, 5 Mar 2020

¹⁸ Source, analyst, Pretoria

¹⁹ Source, analyst, Pretoria

²⁰ Reuters, 4 Mar 2020

which released a statement on 5 March speaking out against Bwayo's arrest and demanding his release.²¹

*"The Foreign Correspondents' Association of Uganda (FCAU) calls for the immediate release of journalist Moses Bwayo who was sent to **Luzira Prison** on Wednesday. FCAU urges supporters of press freedom to attend the hearing to monitor developments. Independent journalism is a vital part of a free society and Ugandan authorities must not criminalise journalists reporting on opposition political groups."*²²

Amongst those showing support for Bwayo was the ambassador of the **European Union** in Uganda, **Attilio Pacifici**, who on social media platform **Twitter** urged Ugandan authorities to respect the constitutionally enshrined freedom of the press.²³

*"I am concerned by reports that journalist Moses Bwayo has been remanded to Luzira prison on charges of unlawful assembly. While due process must always be followed, journalism is not a crime and it is vital for the authorities to protect media freedom."*²⁴

United States (US)-based non-governmental organisation (NGO) **Freedom House** lowered Uganda's ranking in its **Freedom of the World** report for 2020, released on 4 March.²⁵ Freedom House focuses on promoting freedom and democracy worldwide, and releases annual reports detailing the state of political freedom in the world.²⁶ The 2020 rankings confirm criticism of Museveni's regimes restriction of free expression, including a regressive tax on social media use. Uganda scored 34 aggregate points in 2020 in comparison to its score of 36 aggregate points in 2019. It comes as no surprise that Freedom House has further downgraded Uganda's rankings and maintained its status as "not free" in its 2020 rankings as Museveni's government continues to draw increasing criticism for heavily suppressing political freedoms in the country.²⁷

Freedom in the World 2020 Rankings for Uganda					
	2020	2019	2018	2017	2016
Score	34/100	36/100	37/100	35/100	36/100
Status	Not Free	Not Free	Partly Free	Not Free	Not Free

Uganda experienced a slight drop in this year's Freedom in the World report, scoring lower than a number of its regional counterparts. It trails both **Kenya** (48/100) and **Tanzania** (40/100) while ranking higher than **Rwanda** (22/100) and **Burundi** (13/100).²⁸ Increasing political repression in Uganda is likely to lead to greater political instability and large-scale civil unrest.²⁹

Freedom in the World Rankings 2020: Regional comparison (East Africa)					
	Kenya	Rwanda	Tanzania	Burundi	Uganda
Score	48/100	22/100	40/100	13/100	34/100
Status	Partly Free	Not Free	Partly Free	Not Free	Not Free

²¹ Okay Africa, 5 Mar 2020

²² The Irish Times, 6 Mar 2020

²³ The Irish Times, 6 Mar 2020

²⁴ The Irish Times, 6 Mar 2020

²⁵ Freedom House Country Profile (Uganda), 2020

²⁶ Freedom House Country Profile (Uganda), 2020

²⁷ Freedom House Country Profile (Uganda), 2020

²⁸ Freedom House Country Profile (Burundi), 2020

²⁹ Source, analyst, Pretoria

Uganda and Rwanda sign treaty to ease border tensions

In further efforts to ease tensions between Uganda and neighbouring Rwanda, a 4th **Quadripartite Summit** took place on 21 February in the no-man's land area at the **Katuna/Gatuna** border between Uganda and Rwanda.³⁰ President Museveni and Rwanda's President **Paul Kagame** (2000-present) signed an extradition treaty aimed at stabilising relations and reducing border tensions between the two countries.³¹ The signing of the treaty was mediated and witnessed by **Angola's** President **João Lourenço** (2017-present) and President **Felix Tshisekedi** (2019-present) of the **Democratic Republic of the Congo (DRC)**.³² The extradition treaty provides the legal framework to handle cases of justice including those related to alleged subversive activities practised by their nationals in the territory of the other party.³³

Frosty relations between the two **East African** neighbours became more pronounced in February 2019 when Rwanda closed its borders with Uganda and issued a travel advisory strongly warning its citizens against travelling to Uganda (see *ARC Briefing Uganda March 2019-Feb 2020*).³⁴ Rwanda accuses Uganda of being linked to hostile groups including the **Democratic Forces for the Liberation of Rwanda (FDLR)** and armed rebel groups operating in eastern DRC, and the **Rwanda National Congress (RNC)**, a Rwandan opposition group. Uganda, in turn, accuses Rwanda of infiltrating its key security agencies.³⁵

The 4th Quadripartite Summit on 21 February concluded that Uganda would verify within a month Rwanda's allegations about activities in its territory by forces hostile to Rwanda.³⁶ Museveni and Kagame agreed that once this recommendation is fulfilled and reported to the Heads of States, the facilitators will convene within 15 days at Gatuna/Katuna for the reopening of borders and normalisation of relations between the two countries.³⁷

The shutdown of the border has negatively affected the lives of thousands of traders. **Lubaga** (Uganda)-based businessman **Wycliffe Musinguzi** is one of many traders whose livelihoods depend on the free-flow of cross-border goods and services:³⁸

*"Before the border was closed, I always made at least eight trips to Rwanda per month. When I was not transporting my produce for sale, I was hired by large-scale Rwandan traders to transport their merchandise from Kampala to Kigali."*³⁹

The re-opening of the Katuna/Gatuna border will re-establish stability across economic, national trade, and security positions between Uganda and Rwanda, representing a political and diplomatic victory for the leaders of both countries.⁴⁰

³⁰ All Africa, 21 Feb 2020

³¹ New Vision, 22 Feb 2020

³² Source, analyst, Pretoria

³³ The New Times, 21 Feb 2020

³⁴ Daily Monitor, 22 Feb 2020

³⁵ Anadolu Agency, 30 Jan 2020

³⁶ The East African, 22 Feb 2020

³⁷ The East African, 22 Feb 2020

³⁸ Source, analyst, Pretoria

³⁹ All Africa, 21 Feb 2020

⁴⁰ Source, analyst, Pretoria

Planner

3 Aug 2020 **Kampala (Uganda)** International Conference on Technology and Management
 18 Sep 2020 **Kampala (Uganda)** Business Growth Conference
 23 Sep 2020 **Kampala (Uganda)** Uganda International Oil and Gas Summit
 2020 **Final Investment Decision** on oil and gas sector
 2021 **(Uganda)** Uganda general election

Chronology

9 Mar 2020 **Entebbe (Uganda)** *The East African*. While Uganda currently has no case of **COVID-19**, health minister **Ruth Aceng** announces on her **Twitter** account on 8 March that 22 foreign delegates who had traveled to the Uganda-Europe business forum expected to take place in **Kampala** on 9 March, would be sent back to their home countries after refusing to follow the current protocol of self-isolation amid rising fears over the growing concerns of the COVID-19 pandemic;

7 Mar 2020 **Kampala (Uganda)** *The Daily Monitor*. Parliament has passed five bills proposed by the government seven months ago as part of reforms to the electoral law with a number of changes ahead of the 2021 general election;

6 Mar 2020 **Kakira (Uganda)** *Daily Monitor*. **Tanzania's** agriculture minister, **Japeth Hasunga**, agrees to open up Tanzania's borders to Ugandan sugar exports after a year of locking them out;

6 Mar 2020 **Munyonyo (Uganda)** *The Observer*. The **G77 Summit** scheduled to be held in **Munyonyo** from 16-19 April is postponed due to the outbreak of the **coronavirus**;

6 Mar 2020 **Kampala (Uganda)** *The East African*. At least 24 people have officially declared their intention to run for president in their bid to unseat President **Yoweri Museveni** in general elections scheduled for 2021;

5 Mar 2020 **Kampala (Uganda)** *The Daily Monitor*. Deputy commander of land forces Major General **Sam Kavuma** reports that the locust invasion that plagued Uganda and **Kenya** in January and February has been contained.

5 Mar 2020 **Kampala (Uganda)** *Busi Week*. The **Dutch** embassy, in partnership with **Design Hub Kampala**, launches the **Business Lab Uganda (BLU)**, an accelerator aimed at giving existing Ugandan agribusinesses a chance to add value to their products;

2 Mar 2020 **Kampala (Uganda)** *New Vision*. Chief justice **Bart Katureebe** advises judicial officers who are discontent with their salaries to resign instead of taking bribes, citing **Transparency International's** most recent report which ranked Uganda's judiciary the second most corrupt institution in the country;

11 Feb 2020 **Kampala (Uganda)** *Nasdaq*. **China-based Power China International Group** applies to **Ugandan** authorities for a licence to develop the **Ayago Hydroelectric Power Station**, a \$1.4 billion plant that could expand the country's generation capacity by 40%;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)