

## AFRICA RISK CONSULTING

### Uganda Monthly Briefing March 2021

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#### Uganda Summary 8 March 2021

***The European Union Parliament threatens to limit its cooperation with the government of Uganda if it does not implement a number of reforms related to human rights and good governance. Civil society organisations criticise a proposal to extend the tenure of all elected offices in Uganda to seven years as well as a finance ministry proposal to tax cash withdrawals from commercial banks. Health experts warn that a second wave of Covid-19 is likely to hit Uganda in the coming months.***

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#### EU threatens to impose sanctions on Uganda

The **European Union (EU) Parliament** has threatened to limit its cooperation with the government of **Uganda** if it does not implement a number of reforms related to human rights and good governance.<sup>1</sup> In a statement issued on 9 February, the EU Parliament resolved that sanctions against individuals and organisations responsible for human rights violations in Uganda must be adopted at EU level under the new EU human rights sanction mechanism, the so-called **EU Magnitsky Act**. The resolution, endorsed by 632 votes, with only 15 against and 48 abstentions, was motivated by human rights violations that took place during Uganda's 14 January general elections.<sup>2</sup> Security forces and government agencies cracked down on the opposition and civil society organisations, leaving opposition players, especially the **National Unity Platform (NUP)**, headed by former presidential candidate **Robert Kyagulanyi Ssentamu** (also known as **Bobi Wine**), crying foul (see *ARC Briefing Uganda January and February 2021*).<sup>3</sup>

The Ugandan government reacted by asking the EU Parliament to respect the country's sovereignty and ensure non-interference if relations are to be sustained.<sup>4</sup> Foreign affairs minister **Sam Kutesa** stated that Uganda's relationship with the EU must be based on mutual respect:

*"We strongly believe that the sustenance of the relationship depends on the upholding of the universally accepted principles of mutual respect, non-interference and respect for sovereignty."<sup>5</sup>*

Kutesa said the Ugandan government views the threat of sanctions as an attempt to intimidate its officials:

*"The threat is regrettable, unwarranted and an unwelcome and barely-disguised attempt to intimidate officials entrusted with ensuring the security and wellbeing of all Ugandans into shirking their responsibility."<sup>6</sup>*

In **Kampala**, many view the EU threat of sanctions against Uganda as "a little too late":

*"Where were they [EU] when the constitution was being abrogated to remove term limits that paved the way for President [Yoweri] Museveni [1986-present] to cling to power? It's where it started but now they are just waking up because the government has suspended their pool of EU funds."<sup>7</sup>*

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<sup>1</sup> [www.europarl.europa.eu/doceo/document](http://www.europarl.europa.eu/doceo/document), 9 Feb 2021

<sup>2</sup> Source, Uganda analyst, 7 Mar 2021

<sup>3</sup> Source, Uganda analyst, 7 Mar 2021

<sup>4</sup> ARC source, foreign affairs ministry, 7 Mar 2021

<sup>5</sup> Source, foreign affairs ministry, 12 Feb 2021

<sup>6</sup> Source, foreign affairs ministry, 12 Mar 2021

<sup>7</sup> ARC source, Kampala businessperson, 5 Mar 2021

A **Kampala University** lecturer says the EU Parliament is issuing the threat as a reaction to Uganda's move to suspend the EU's \$136m **Democracy Governance Facility (DGF)**, the largest pool of donor funding to non-governmental organisations (NGOs) in Uganda. President Museveni in February directed the immediate suspension of DGF activities over alleged financing of subversive activities (see *ARC Briefing Uganda February 2021*). The suspension sent shock waves across Uganda, as both state and non-state actors depend on it to fund their activities.

The imposition of sanctions would be a major blow to Ugandan government operations. The EU is Uganda's biggest development partner, donating more than US\$500 billion (\$136m) in aid annually. EU member countries also give substantive aid to Uganda on an individual basis.

### Parliament seeks to extend its term of office

An attempt to have the tenure of all elected officials in Uganda extended to seven years has elicited a vocal public response, including from civil society organisations. A committee on legal and constitutional affairs, in its report on the **Constitution (Amendment) Bill, 2019**, is seeking to interest the government in considering the idea of extending the term of office of elected officials from five to seven years.<sup>8</sup> The committee noted,

*"...the term of five years is insufficient for the implementation of the manifesto in order to have a meaningful impact on the development of the country".<sup>9</sup>*

The proposal has angered a section of the public and civil society, which took to social media to criticise the committee, describing the move as a ploy to extend the term of Parliament to seven years.<sup>10</sup> Kampala lawyer **Male Mabirizi** petitioned the Speaker of Parliament saying it is unconstitutional for members of parliament (MPs) to seek to extend their term of office and that of the president to seven years.<sup>11</sup> Mabirizi's petition read in part:

*"No rocket science is needed to see that any re-tabling of extension of life of the 11th Parliament to seven years after elections violates not only Article 92 of the Constitution but several other articles."<sup>12</sup>*

However, a Kampala lawyer told ARC that it is not possible for the current parliament to amend the constitution to extend the term of office of parliament and the president. The current parliament amended the constitution to remove age limits for the president and therefore cannot legally amend the constitution again but could make recommendations for the 11<sup>th</sup> parliament for consideration.<sup>13</sup> A **Masaka** MP said the constitution can only be amended through a referendum in order to extend the term of office of elected leaders.<sup>14</sup> The incoming parliament has "a five-year contract" with voters and cannot benefit from the extension of its term of office.

### Government denies plans to tax ATM withdrawals

Finance minister **Matia Kasaija** has denied knowledge of government plans to introduce a tax on cash withdrawals from commercial banks.<sup>15</sup> A budget consultative meeting was held on 5 February between the finance ministry and other stakeholders such as the **Uganda Revenue Authority (URA)**, **Uganda Communications Commission (UCC)**, telecom operators and the **Bank of Uganda (BoU)** (central bank) to discuss the proposal to tax cash withdrawals.<sup>16</sup> In a letter to the BoU governor, dated

<sup>8</sup> Source, Uganda analyst

<sup>9</sup> Source, Parliament of Uganda 24 Feb 2021

<sup>10</sup> Source, Parliament of Uganda 24 Feb 2021

<sup>11</sup> Source, Independent Magazine 14 Feb 2021

<sup>12</sup> Source, Independent Magazine 14 Feb 2021

<sup>13</sup> Source, Kampala lawyer, 6 Mar 2021

<sup>14</sup> Source, Masaka district MP, 4 Mar 2021

<sup>15</sup> Daily Monitor, 11 Feb 2021

<sup>16</sup> Daily Monitor, 11 Feb 2021

9 February, the finance ministry noted the need to level the playing field by taxing banks and mobile money transactions in the same way:<sup>17</sup>

*“Currently, mobile money withdrawals are subject to 0.5 per cent excise duty but on the counter, agency banking and ATM withdrawals in commercial banks are not subjected to the same tax.”<sup>18</sup>*

The move has drawn protest from the **Uganda Bankers Association (UBA)** and civil society organisations. The UBA says the finance ministry should have involved bankers, since they will be responsible for implementing any proposed changes.<sup>19</sup> **Civil Society Budget Advocacy Group (CSBAG)** budget policy specialist **Sophie Nampewo** described the move as “double taxation” and “unfair”, noting that it would discourage many “would-be” taxpayers from using banking services.<sup>20</sup> **Joseph Olwenyi**, coordinator of financing for development at non-governmental organisation **Oxfam Uganda**, claims the proposal will not achieve its intended objectives but will discourage people from banking and have far-reaching negative implications, thus constraining financial inclusion:

*“Government should therefore venture into avenues that promote financial inclusion in the country and also raise revenue while ensuring fairness, equity and inclusiveness.”<sup>21</sup>*

### Fears of second Covid-19 wave hit Uganda

Ugandan health experts are warning that a second wave of **Covid-19** may hit Uganda in the coming months amid cooler weather conditions.<sup>22</sup> President Yoweri Museveni’s senior adviser on epidemiology, Dr **Monica Musenero**, said the current dry season in Uganda has helped to control the spread of Covid-19 but numbers are likely to go up during the cold months of April and May.<sup>23</sup> Uganda has recorded fewer new cases of Covid-19 since January, which the health ministry fears has led to lower adherence to its measures to control the spread of the virus.<sup>24</sup> Total cases of Covid-19 in Uganda’s population of about 42 million reached 40,464, with 15,065 recoveries and 334 deaths, as of 8 March.<sup>25</sup>

Musenero said research points to a strong correlation between cold weather and the rapid spread of Covid.<sup>26</sup> Musenero said if Covid-19 numbers increase in April and May, cases are likely to overwhelm the health care system because of current laxity among the population in observing Covid-19 prevention guidelines.

The health ministry has meanwhile received 864,000 doses of the **AstraZeneca** Covid-19 vaccine, shipped via the **World Health Organization (WHO)**-led **COVAX** facility for universal access to Covid-19 vaccines.<sup>27</sup> The COVAX facility has allocated 3,552,000 doses of the AstraZeneca vaccine to Uganda for the period January-June 2021. The remaining 2,688,000 doses are expected by June.<sup>28</sup>

Uganda plans to vaccinate 49.6% of the population in phases. Each phase is planned to cover 20% of the target population – approximately 4.38 million people.<sup>29</sup> The first phase of the free vaccination campaign begins on 10 March and will target health workers in public and private health facilities.<sup>30</sup> Other target groups in order of priority are security personnel, teachers, humanitarian front-line workers; people above 50 years with underlying conditions such as diabetes, hypertension, heart,

<sup>17</sup> Daily Monitor, 16 Feb 2021

<sup>18</sup> Daily Monitor, 16 Feb 2021

<sup>19</sup> Independent, 11 Feb 2021

<sup>20</sup> Seatini, 14 Feb 2021

<sup>21</sup> Seatini, 14 Feb 2021

<sup>22</sup> Source, Uganda analyst

<sup>23</sup> Source, Monica Musenero, 8 Mar 2021

<sup>24</sup> Source, health ministry, 8 Mar 2021

<sup>25</sup> Source, health ministry 8 Mar 2021

<sup>26</sup> Source, Monica Musenero, 8 Mar 2021

<sup>27</sup> Relief Web, 5 Mar 2021

<sup>28</sup> Relief Web, 5 Mar 2021

<sup>29</sup> Relief Web, 5 Mar 2021

<sup>30</sup> Press release, health ministry, 8 Mar 2021

kidney, or liver disease; people aged 18-50 with the same underlying conditions; and other emerging high risk and priority essential groups as more vaccine doses arrive in the country.<sup>31</sup>

### Planner

18 Mar 2021 **Kampala (Uganda)** International Conference on Nanotechnology and Smart Materials, Design Artificial Intelligence, Manufacturing and Engineering

19 Mar 2021 **Kampala (Uganda)** International Conference on Peace, Humanitarian Aid and Service

22 Mar 2021 **Kampala (Uganda)** SAIRAP-International conference on science technology and management

31 Mar 2021 **Kampala (Uganda)** International Conference on Finance, Bank & Economics

14 Apr 2021 **Kampala (Uganda) Bank of Uganda** Monetary Policy Committee Meeting

### Chronology

8 Mar 2021 **Washington (US)** *Daily Monitor*. **United States (US) Senators on the Committee on Foreign Relations** have given Secretary of State **Anthony Blinken** until 31 March to present a detailed analysis of the US-Uganda relationship informed by an inter-agency review of whether continued partnership with the regime in **Kampala** poses risks to Washington's interests in the region;

8 Mar 2021 **Kampala (Uganda)** *Daily Monitor*. President **Yoweri Museveni** reveals that at least 51 people reported by relatives to have disappeared are in the custody of the **Special Forces Command (SFC)**, broadening the range of actors in highly-criticised operations where armed operatives abduct civilians;

7 Mar 2021 **Kampala (Uganda)** *Nile Post*. **Kenya** bans with immediate effect the importation of maize into the country from **Uganda** and **Tanzania** claiming a survey conducted indicated maize from the two countries is not fit for human consumption;

6 Mar 2021 **Kampala (Uganda)** *Daily Monitor*. Maize grain exporters, traders and farmers in Uganda brace for a price slump after Kenya's 5 March decision to ban cereal importation from Uganda;

5 Mar 2021 **Kampala (Uganda)** *Relief Web*. The health ministry has received 864,000 doses of the **AstraZeneca COVID-19 vaccine**, shipped via the **World Health Organisation (WHO)**-led **COVAX** facility;

4 Mar 2021 **Kampala (Uganda)** *Uganda Radio Network*. State-owned **Uganda Airlines** has secured departure and landing slots at **London Heathrow (United Kingdom)** and **Dubai International (United Arab Emirates)** airports as it prepares to begin long-haul flights to the UK, UAE and **China**;

3 Mar 2021 **Kampala (Uganda)** *The Independent*. The government says it will not yield to pressure to allow the importation of electricity connection materials that can be produced locally as the implementation of the free Electricity Connection Policy (ECP) resumes;

2 Mar 2021 **Kampala (Uganda)** *NBS TV*. Health ministry permanent secretary **Diana Atwine** says Ugandans without National Identification Numbers (NIN) should try to get one in order to be vaccinated against **COVID-19**;

1 Mar 2021 **Kampala (Uganda)** *Nile Post*. Government announces resumption of the free electricity connection policy that allows customers to connect to electricity free of charge;

27 Feb 2021 **Arusha (Uganda)** *EAC press release*. **Kenya's** President **Uhuru Kenyatta** commits to ensure a more united and prosperous **East African Community (EAC)** as he takes over chairmanship of the regional bloc;

<sup>31</sup> Press release, health ministry, 8 Mar 2021

26 Feb 2021 **Kampala (Uganda)** *IGAD Press release*. Uganda's **COVID-19** response receives a €1.8m (\$213m) boost from the **Intergovernmental Authority on Development (IGAD)**;

25 Feb 2021 **Kampala (Uganda)** *UBOS*. Increase in annual headline inflation for the year ending February 2021 to 3.8% compared to 3.7% for the year ended January 2021 is attributed to annual food crop and related items inflation;

24 Feb 2021 **Kampala (Uganda)** *The Independent*. Former **National Unity Platform (NUP)** presidential candidate **Robert Kyagulanyi Ssentamu** formally applies to the **Supreme Court** to withdraw his presidential election petition;

23 Feb 2021 **Washington (United States)** *VOA*. The new **United States** government led by President **Joe Biden** says it will consider targeting anyone involved in irregularities that they say marred the 2021 Uganda elections;

22 Feb 2021 **Kampala (Uganda)** *Bloomberg*. Opposition leader **Robert Kyagulanyi Ssentamu** (also known as **Bobi Wine**) plans to withdraw a court petition against President **Yoweri Museveni's** election win amid concerns over the composition of the judicial bench named to hear it;

21 Feb 2021 **Kampala (Uganda)** *Daily Monitor*. People close to President **Yoweri Museveni** have reportedly received **China's Sinopharm Covid-19** vaccine months ahead of health workers and other vulnerable groups;

20 Jan 2021 **Kampala (Uganda)** *DW*. The international community is tightening its scrutiny of President **Yoweri Museveni** less than a week after he won his sixth presidential term in Uganda;

19 Feb 2021 **Kampala (Uganda)** *African Press Organization*. Results of **COVID-19** tests performed on 18 February confirm 14 new cases bringing the cumulative total of confirmed cases are 40,168;

18 Feb 2021 **Kampala (Uganda)** *Relief Web*. A landslide in **Kyesika Village (Buhweju District, Western Uganda Region)** triggered by heavy rain kills at least seven people;

17 Feb 2021 **Kampala (Uganda)** *AP*. The **United Nations (UN)** calls for an investigation into allegations that Ugandan military police used "*excessive force*" during an attack on journalists covering a prominent opposition figure filing a complaint at the local office of the UN's human rights watchdog;

16 Feb 2021 **Kampala (Uganda)** *DW*. Concern is rising in Uganda over the alleged forced disappearances of dissidents across the country in the lead-up to and following last month's general election; members of the opposition **National Unity Platform (NUP)** party say they have been especially targeted;

15 Feb 2021 **Kampala (Uganda)** *BOU press release*. **Bank of Uganda (BoU)** (central bank) deputy governor **Michael Atingi** says the BoU maintained the Central Bank Rate (CBR) at 7% at its February **Monetary Policy Committee** meeting;

14 Feb 2021 **Kampala (Uganda)** *Daily Monitor*. President **Yoweri Museveni** urges the nation in a televised address to "*ignore the talk of disappearances*", calling this "*intolerable*" under the ruling **National Resistance Movement (NRM)** party; over 300 people have reportedly disappeared in just over three months;

13 Feb 2021 **Kampala (Uganda)** *Daily Monitor*. The **European Union (EU) Parliament** recommends sanctions against Ugandan individuals and organisations it claims are responsible for human rights violations during the recent general election, which it says was not democratic and transparent;

11 Feb 2021 **Kampala (Uganda)** *Crisis 24 news alerts*. Uganda further eases internet restrictions imposed prior to January election although some social media platforms remain blocked;

10 Feb 2021 **Kampala (Uganda)** *AP*. Authorities lift restrictions on social networks imposed ahead of the January presidential election, but **Facebook** remains blocked;

9 Feb 2021 **Kampala (Uganda) DW**. Members of parliament question disappearances and abductions of civilians by security forces;

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